



California Film Commission

What We Do

- Facilitate, assist, increase film production in California
- Primary Liaison between productions and all levels government – federal, state, county, city
- Educating decision makers about the value of in-state film production
- Streamline state and local government film permitting process



California Film Commission Services

- On-line location library
- Production resources and information
- State properties as low cost filming locations
- Free state filming permits
- 50 Regional Film Offices throughout the state
- Administer State Tax Credit Program

- Large base of highly skilled film technicians
- Plentiful and experienced Acting Talent
- Unlimited state of the art production facilities
- 500 stages and 100s of post production facilities

The Importance of Entertainment to Los Angeles County's Economy

In November 2012, the LAEDC released a report titled “The Entertainment Industry and the Los Angeles County Economy.” This report found the following:

- There were 247,000 workers in the Entertainment industry in 2011:
 - 162,000 wage and salary workers
 - 85,000 free-lance and contract workers
 - Indirect job creation—florists, caterers, etc.—leading to a total of 586,000 jobs in the County.
- Average annual wage in the entertainment industry was \$117,000 in 2011, more than double the average (\$53,300) across all private sector industries.



Entertainment Industry Overview

Entertainment Production Spending in CA:

- \$30 billion in spending per year
(\$13 billion in payroll; \$1.5 billion in taxes)
- The Motion Picture Industry is the 3rd highest ranking employer in LA County

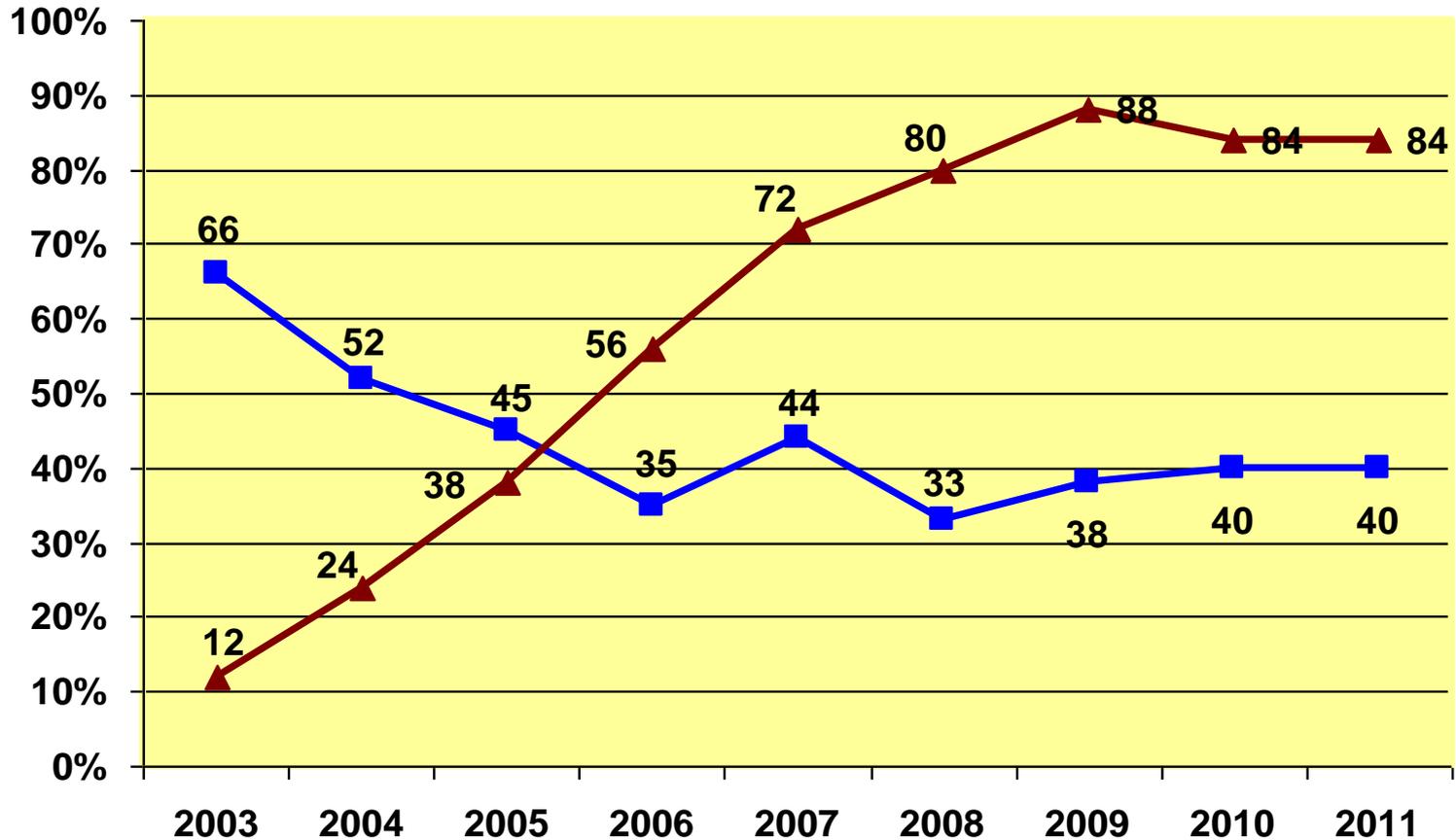
Film Production Economic Impact

- Average **daily** shooting cost runs \$100,000 to \$250,000 per day.
- All types of businesses benefit – gas, lumber, hotels, hardware stores, restaurants, dry cleaners
- Creates skilled well-paying jobs with benefits
- Brings millions of tourists to California

Areas of Concern

- California's dominance in film production is eroding
- Over 40 U.S. states offer lucrative incentives
- Made for TV Movies have left California
- Feature Films and TV Series are fleeing in greater numbers

California's Market Share of Studio Feature Production

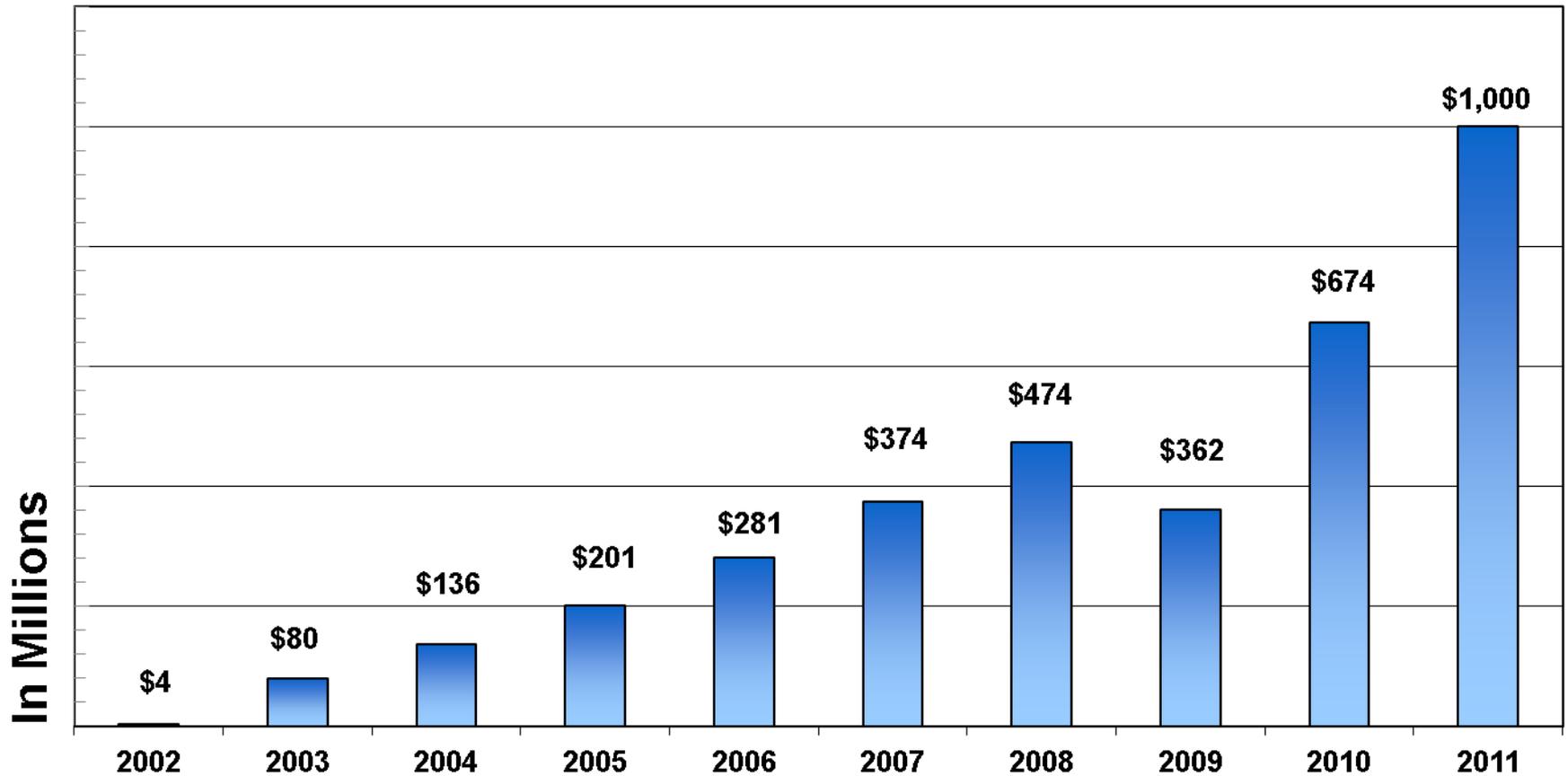


Percentage of total studio films shot in California

Percentage of states with tax incentive programs

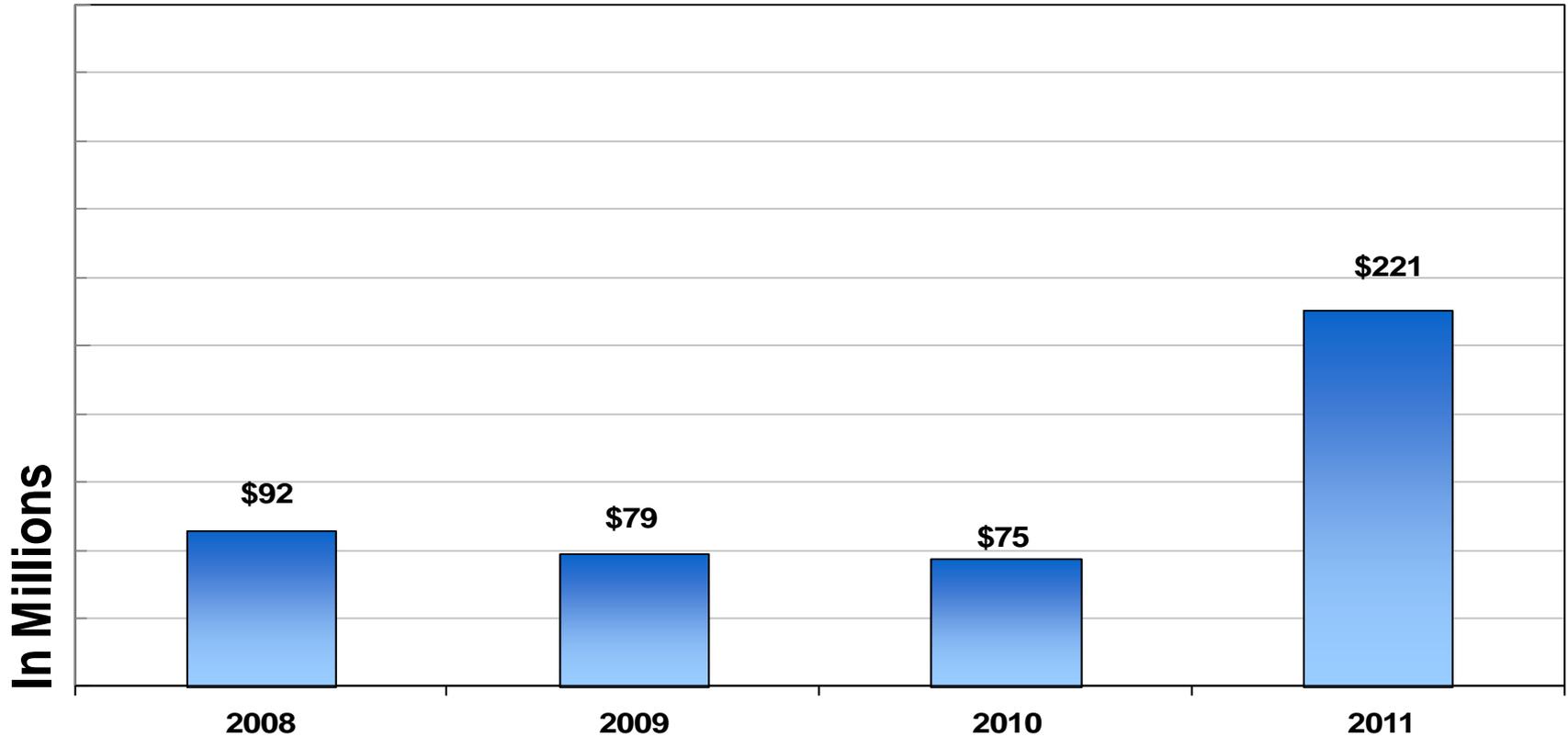
LOUISIANA

Film and TV Dollars Spent in State



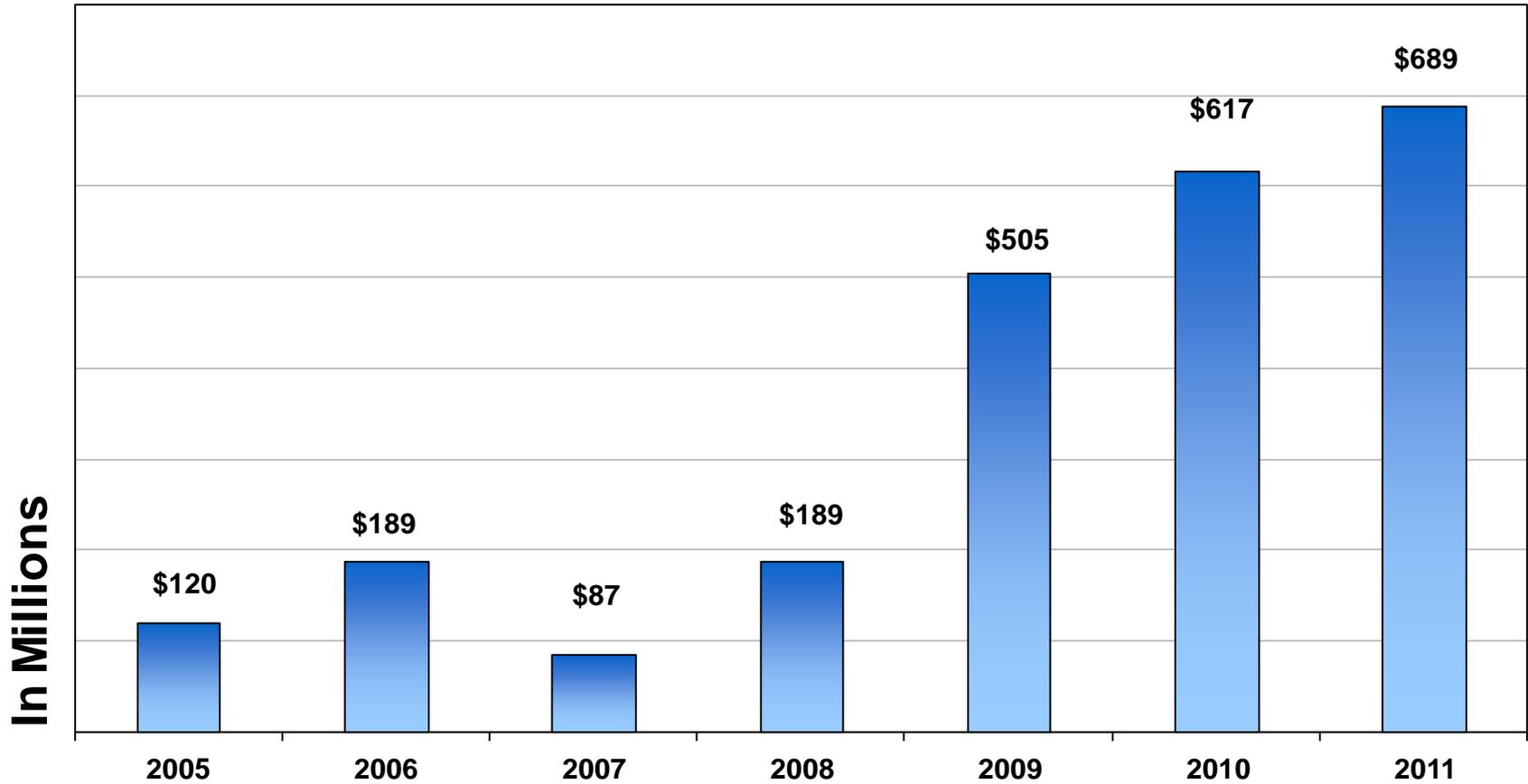
NORTH CAROLINA

Film and TV Dollars Spent in State



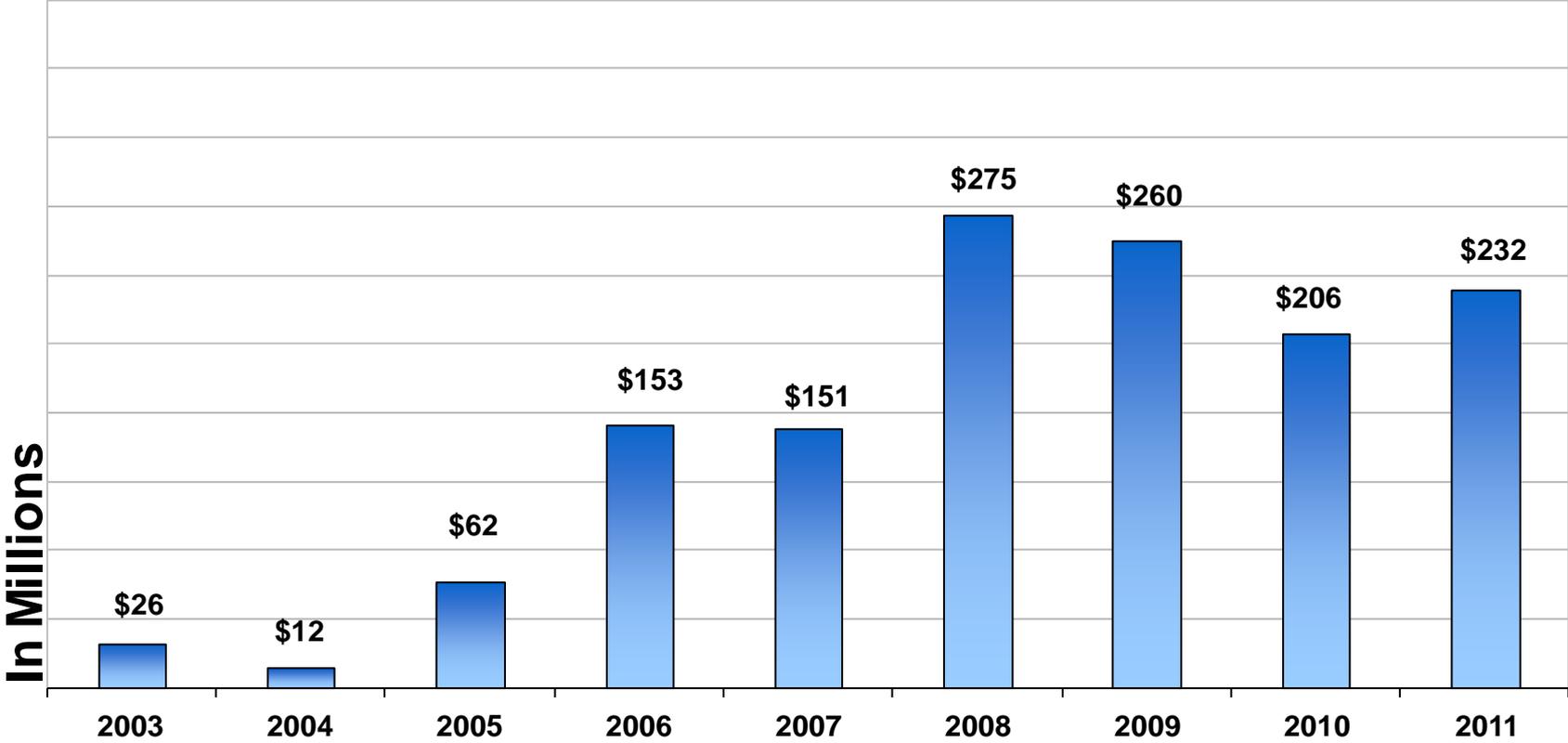
GEORGIA

Film and TV Dollars Spent in State



NEW MEXICO

Film and TV Dollars Spent in State



*Estimated figures for 2011 provided by the New Mexico Film Office

Competition's Impact

- 10 feature films that leave means a loss of \$106,000,000 in state tax revenues.
- California risks losing a signature industry.
- Our competitors are building up their job base and infrastructure
- Small businesses and middle class workers are hit hardest



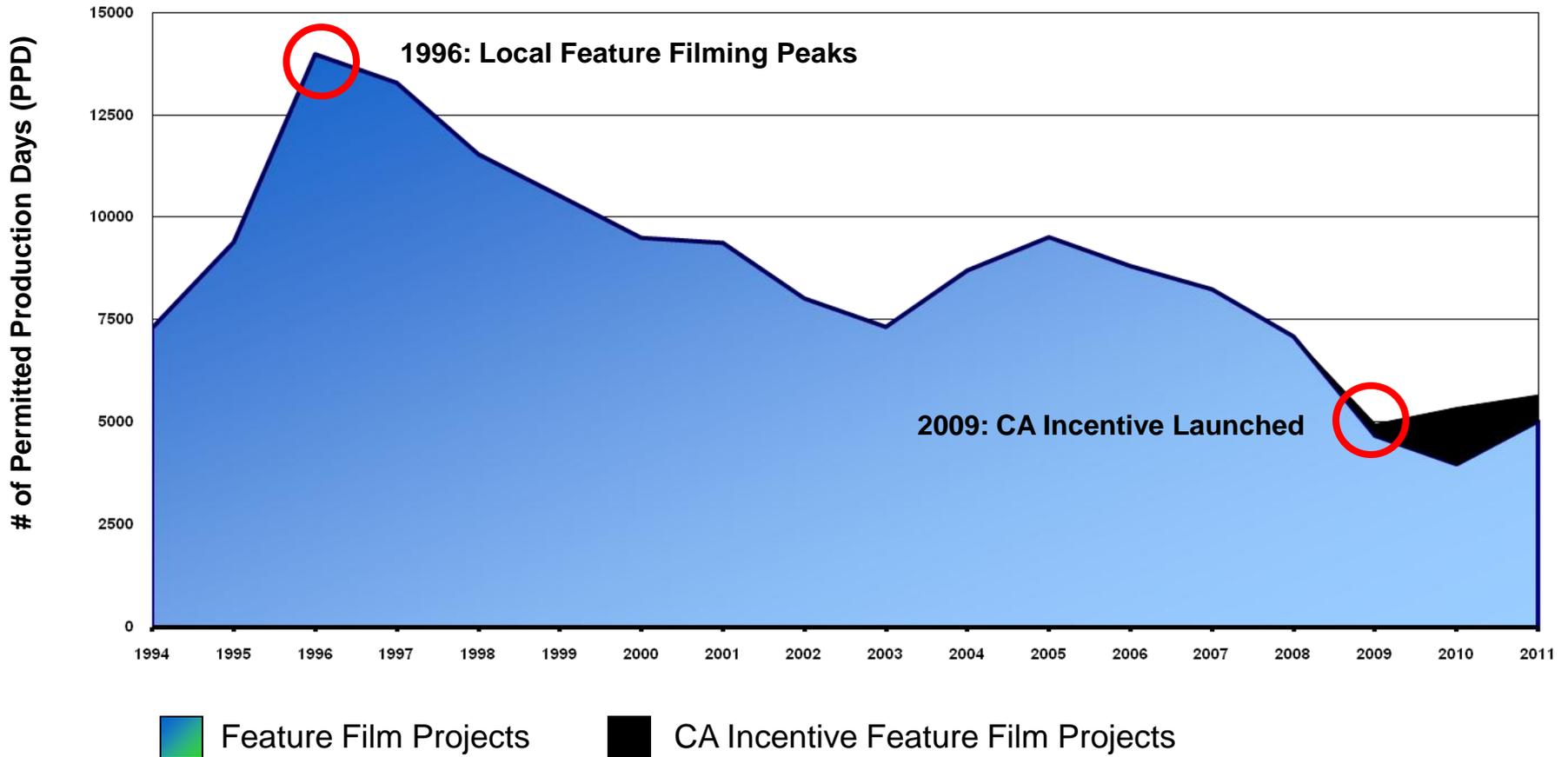
Solutions

Film & TV Tax Credit Program

- Became law in Feb. 2009 as part of a broad economic stimulus package
- Program launched July 1, 2009
- \$100 million dollars of tax credits allocated for each fiscal year through 2016/17
- Program targets productions most likely to flee California



Annual On-Location Feature Filming in L.A. (in PPD)





Estimated Tax Credit Production Spending All Program years

Total Allocations (reservations) to Date:
\$500 million

218 Approved Projects Aggregate Spend:
\$3.9 billion

Total Below-the-Line* Wages:
\$1.3 billion

***excludes wages paid to actors, directors, producers**



Model Film Ordinance

- Established in 1986 and recently updated with stakeholder input
- Ensure uniform filming policies throughout the state
- Submit all ordinances to CFC 30 days prior to adoption



Best Practices

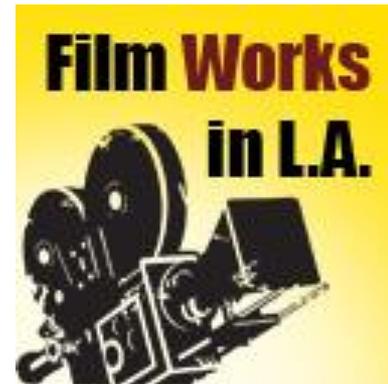
- Rapid film permit issuance: 2 – 5 business days
- Establish standard hours for film activities
- Establish reasonable permit fees
- Establish a film permit requirement but waive any requirement for a business license
- Appoint a key liaison for coordinating permits
- Create a centralized filming section on your city/county website

Adoption of Film Friendliness Initiative

- Cities/Counties/etc. may adopt this MFO & Best Practices in their own way—e.g., wholesale revisions, piecemeal in code changes, “informal” policy changes, or just an overall change in the way you view and handle filming requests.
- Arcadia, Carson, Duarte, Pico Rivera, and Simi Valley have already made positive changes.
- Several other cities in the region—and in the South Bay—are taking up changes this year. The County is also in the process of bringing changes through its Audit Committee.

The Importance of Being Film Friendly

- Employees of LA County's entertainment industries live in and contribute to the tax base of our cities, county, and our state government.
 - Property taxes
 - Sales taxes
 - Utility taxes
 - Fees
- Other counties, states, and nations see the value of our filming industry and have been luring it away for years with lucrative tax credits, built-in land/property incentives, and welcoming environments.



Infographics on the “direct” value of Warner Bros. to communities in Los Angeles County

Example: **El Segundo**

These figures represent industry employees who live in the city & contribute to its tax base

EMPLOYEES

\$1,836,709

73

78

VENDORS

These figures represent direct spending on vendors & service providers

\$11,039,295

In early 2012, the LAEDC's State & Local Policy Working Group, FilmL.A., the California Film Commission, and a number of other stakeholders (including representatives from cities, film and television producers, labor and more) kicked off an effort (dubbed the Film Friendliness Initiative) to protect and grow Los Angeles County's film industry by ensuring that L.A. County remains welcoming to and increasingly supportive of filming activities and the jobs and revenue those activities generate. This Film Friendliness effort has now grown into a Southern California, region-wide endeavor following the July 5th Southern California Association of Governments (SCAG) motion to encourage all 191 SCAG member-cities to adopt a version of the California Film Commission's Best Practices and Model Film Ordinance.

EL SEGUNDO

DIRECT SPENDING BY WARNER BROS ENTERTAINMENT

\$12,876,004

Note this figure reflects data provided by Warner Bros. Entertainment. Direct spending by other studios has likely occurred in the City of El Segundo during the same timeframe.

YEAR: 2010

WHY FILM FRIENDLINESS IS CRITICAL TO LA COUNTY

LA County is known as the Entertainment Capital of the World, supporting nearly 117,000 payroll employees in the Motion Pictures/Video Industries during the year 2010. These employees live and/or work in LA County, contributing to our local economy and tax base.

Despite the industry's overwhelming significance to our local economy, as a region, we are losing more and more film and television productions to other states and countries who see its value and are competing aggressively (and successfully) to lure our signature industry. The film friendliness initiative aims to bring filming back to LA County and the whole Southern California region through the creation, adoption and implementation of more uniform, business-friendly practices and policies to help us attract, grow and retain this critical industry.

CREATED BY: LAEDC & FILMLA

FIND OUT MORE: BIT.LY/LAEDC-FILM

Other Ways to Encourage Filming

- Provide coordination between the film company, local residents and businesses and the city/county
- Offer fee-free city/county owned properties for use as filming locations. (Charge for cost recovery only - review time, police, fire or security monitors.)
- Reduce or waive permit fees
- Provide free vacant office space or free parking lots
- Create an on-line database of location photos



Local Solutions

- Several cities have created local incentives
- Positive word of mouth:
Good Experiences = More Production