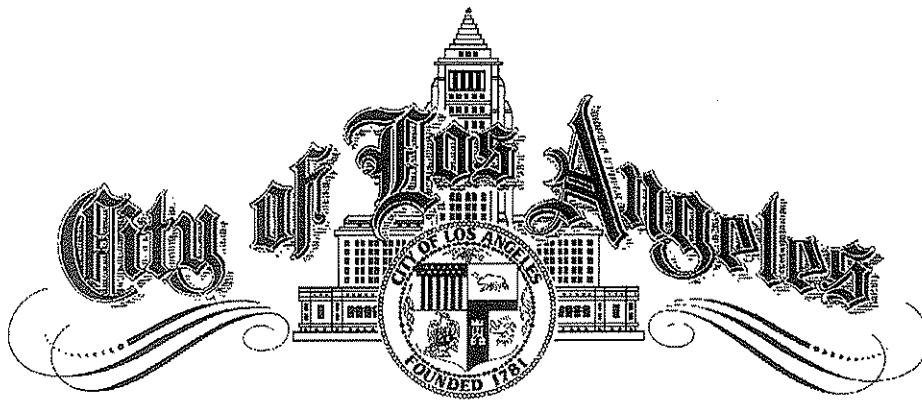


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**RICHARD ALARCÓN**

Councilmember  
Seventh District

May 9, 2012

Councilmember Eric Garcetti  
Chair, Jobs & Business Development Committee  
200 N. Spring Street, Room 475  
Los Angeles, CA 90012

RE: CFI # 12-0002-S27

Dear Councilmember Garcetti,

I am writing today in strong support of the resolution that we co-introduced regarding the extension and expansion of the state film tax credits, including support for expanding the tax credits to include a broader range of productions, including commercials.

As you know, over the last several years, the Los Angeles City Council has voted to implement more than two dozen actions to promote, protect and increase film, TV, commercial and music video production in Los Angeles. These actions include reducing the Entertainment Production Cap, streamlining the permitting process and waiving location fees for most City owned buildings. The City Council and Mayor have actively worked to make it easier to film in LA because we know the positive local economic impact of the film industry. According to an LA Times article, the 2009 adjustment in the Entertainment Production Cap contributed toward a record level of commercial production activity this past year. Additionally, it is clear that the California film tax incentives have allowed productions to remain in California which otherwise would have shot elsewhere. That is why it is imperative that the City of Los Angeles goes on record in support of continuing these credits.

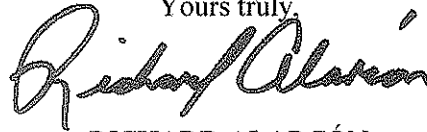
At the same time, there are also opportunities to increase the local economic impact by expanding the credits and including additional types of productions such as commercials as part of the incentive package. According to the Association of Independent Commercial Producers (AICP), commercials create over \$5 billion of economic impact every year. And with just over 50% of all commercials shot domestically located in Southern California, we know that increased commercial activity will mean more jobs for residents of Los Angeles and greater tax income for the City. In addition, the inclusion of commercials as part of the state film tax incentive will also have a positive regional benefit, stimulating increased production activity throughout Los Angeles County, meaning, in turn, that there will be increased use of Los Angeles-based businesses and hiring of Los Angeles workers for these Southern California productions.

Date: May 9, 2012  
Submitted in: JED Committee  
Council File No: 12-0002-S27  
Item No.: 2  
Deputy: CP7

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Los Angeles is an international entertainment hub, and there is no question that it is in the best interest of the City to support the extension of the State Tax Credit. At the same time, the expansion of these credits – including expanding the amount of the credits and the types of eligible productions – would increase the benefit to our City and allow for more Angelenos to be employed in the local film industry. That is why I urge you to join me in support of CFI # 12-0002-S27, to support the extension and the expansion of the State tax credit program and supporting including commercials as part of the incentive.

Yours truly,

A handwritten signature in black ink, reading "Richard Alarcón". The signature is fluid and cursive, with the first name "Richard" and last name "Alarcón" clearly distinguishable.

RICHARD ALARCÓN  
Councilmember, District Seven

Cc: Councilmember Tom LaBonge  
Councilmember Bernard Parks  
Mr. Gerry Miller, Chief Legislative Analyst