

CITY OF LOS ANGELES
CALIFORNIA

JUNE LAGMAY
City Clerk

HOLLY L. WOLCOTT
Executive Officer

When making inquiries relative to
this matter, please refer to the
Council File No.



ANTONIO R. VILLARAIGOSA
MAYOR

Office of the
CITY CLERK

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SHANNON HOPPES
Council and Public Services
Division

www.cityclerk.lacity.org

May 21, 2012

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council File
No. 12-0002-S27, at its meeting held May 11, 2012.


City Clerk
kw

OFFICE OF THE MAYOR
RECEIVED
Mayor's Time Stamp
2012 MAY 11 PM 1:27
CITY OF LOS ANGELES

RECEIVED
City Clerk's Time Stamp
CITY CLERK'S OFFICE
2012 MAY 11 PM 1:22
CITY CLERK
BY _____
DEPUTY

FORTHWITH

SUBJECT TO THE CONCURRENCE OF THE MAYOR

COUNCIL FILE NO. 12-0002-S27

COUNCIL DISTRICT _____

COUNCIL APPROVAL DATE MAY 11, 2012

RE: THE SUPPORT OF SPONSORSHIP OF LEGISLATION THAT WOULD EXTEND AND EXPAND STATE TAX CREDITS FOR FILMING, AND EXPAND THESE CREDITS TO ATTRACT AND RETAIN A BROADER RANGE OF PRODUCTIONS, INCLUDING COMMERCIAL PRODUCTIONS

LAST DAY FOR MAYOR TO ACT MAY 21 2012
[10 Day Charter requirement as per Charter Section 231(h)]


DO NOT WRITE BELOW THIS LINE - FOR MAYOR USE ONLY

APPROVED
✓

*DISAPPROVED

*Transmit objections in writing pursuant to Charter Section 231 (h)

DATE OF MAYOR APPROVAL OR DISAPPROVAL MAY 18 2012


MAYOR

BY _____
CITY CLERK
DEPUTY
2012 MAY 18 PM 4:08
CITY CLERK'S OFFICE

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#5

**TO THE COUNCIL OF THE
CITY OF LOS ANGELES**

Your **JOB**S AND BUSINESS DEVELOPMENT COMMITTEE

reports as follows:

JOB

S AND BUSINESS DEVELOPMENT COMMITTEE REPORT and RESOLUTION relative to the City's position to support the legislation that would extend and expand State tax credits for filming, and expand these credits to attract and retain a broader range of productions, including commercial productions.

Recommendations for Council action, as initiated by Resolution (Alarcon - Garcetti - LaBonge), SUBJECT TO THE CONCURRENCE OF THE MAYOR:

1. ADOPT the accompanying RESOLUTION to include in the City's 2011-2012 State Legislative Program, SUPPORT for:
 - a. AB 2026 and SB 1167 and any legislative or administrative action that would result in extension of the California State Film Tax Credit program through the 2019-2020 fiscal year.
 - b. Additional legislation or administrative action that would expand and increase the amount of tax credits available to television and film productions and to include additional types of productions, specifically productions that support job creation, which are not currently eligible for incentives in the existing tax credit program.
2. SUPPORT new tax credits, specifically a strategic program tailored to commercial production.
3. INSTRUCT the Chief Legislative Analyst (CLA) to report back on City tax credit for commercial production, or other film and televisions productions that may respond to a city tax credit to further encourage production within the City. Specifically, looking at other smaller city tax credit programs that exist in other jurisdictions that are designed to complement state tax credit programs.

Fiscal Impact Statement: Neither the CAO nor the CLA has completed a financial analysis of this report.

Community Impact Statement: None submitted.

(Rules, Elections and Intergovernmental Relations Committee waived consideration of the above matter)

SUMMARY

On May 9, 2012, the Jobs and Business Development Committee considered Resolution (Alarcon - Garcetti - LaBonge) and communication from the CLA relative to the City's position to support a legislation that would extend and expand State tax credits for filming, and expand these credits to attract and retain a broader range of productions, including commercial productions.

The CLA states that the Los Angeles County has already expressed its support for the expansion of the State film tax credit program. A representative from Council District Seven read into the record the letter from Councilmember Richard Alarcon expressing support for the resolution that would extend and expand State tax credits for filming, and expand these credits to attract and retain a broader range of productions, including commercial productions within the City.

After consideration and having provided an opportunity for public comment, the Committee recommended that Council adopt the revised Resolution, as attached to the CLA report relative to the City's position supporting the extension and expansion of State tax credits for filming, and ask the CLA to report back on City tax credit for commercial production to encourage commercial production within the City. This matter is now submitted to Council for its consideration.

Respectfully submitted,

JOB'S AND BUSINESS DEVELOPMENT COMMITTEE



ADOPTED
has amended
MAY 11 2012
See attached Substitute Resolution 5-A
LOS ANGELES CITY COUNCIL

TO THE MAYOR FORTHWITH

<u>MEMBER</u>	<u>VOTE</u>
GARCETTI:	YES
PARKS:	YES
LABONGE	ABSENT

EV
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- Not Official Until Council Acts -

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations, or policies proposed to or pending before a local, state, or federal governmental body or agency must first have been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, Los Angeles has long been considered the entertainment capitol of the world, home to studios, post-production facilities, a myriad of outdoor locations and the most talented and well-trained creative and technical workers in the field; and

WHEREAS, in the last decade, other countries and states have adopted film and television tax incentives, including New York which provides \$420 million annually to draw productions away from Los Angeles and California; and

WHEREAS, according to the LA Economic Development Center (LAEDC), the Entertainment Industry employs directly more than 117,000 people generating upwards of \$38 billion annually in LA County, and the loss of film production has a dramatic impact on the local economy, affecting over one hundred thousand families and individuals directly and indirectly employed by the industry in Los Angeles, reducing the City's tax base and hurting our economic stability; and

WHEREAS, in its most recent report on film production in Los Angeles, FilmLA reported that there was a decrease in television productions this year as the Los Angeles region lost production of ten one-hour TV Drama series to other states, notably New York, which is having a record television season now that it offers more than four times the amount of funding available in filming tax credits than California; and

WHEREAS, the State legislature last year passed AB 1069 to extend the California film tax credit program for one year, adding another \$100 million to the pool of incentives available to retain film and television production in the State; and

WHEREAS, although helpful, the current State tax credit is not adequate to ensure that California competes for film and television production, nor does it provide long-term certainty to the entertainment industry that California is serious about retaining this industry; and

WHEREAS, the legislature must pass new legislation to extend the film tax incentive for at least five more years, increase the amount available for productions, and expand the definition of eligible productions to ensure that more television productions, larger film productions, and commercials obtain the incentives necessary to film in California.

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2011-2012 State Legislative Program SUPPORT for AB 2026 and SB 1167 and any legislative or administrative action that would result in extension of the California State Film Tax Credit program through the 2019-2020 fiscal year; and

BE IT FURTHER RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2011-2012 State Legislative Program SUPPORT for additional legislation or administrative action that would expand and increase the amount of tax credits available to television and film productions and to include additional types of productions, specifically productions that support job creation, which are not currently eligible for incentives in the existing tax credit program; and

BE IT FURTHER RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2011-2012 State Legislative Program SUPPORT for additional legislation or administrative action that would create a new tax credit specifically tailored to commercial productions.

PRESENTED BY: *Richard Alarcon*
Richard Alarcon
Councilmember, 7th District

Eric Garcetti
Eric Garcetti
Councilmember, 13th District

SECONDED BY: *Paul Krebomer*

Paul Krebomer

ORIGINAL

MAY 11 2012

ADOPTED
MAY 11 2012
LOS ANGELES CITY COUNCIL