

CITY OF LOS ANGELES
CALIFORNIA

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

December 3, 2014

To All Interested Parties:

City Attorney (w/blue sheet)

The City Council adopted the action(s), as attached, under Council File No. 14-1170, at its meeting held December 2, 2014.

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AD HOC COMMITTEE ON FILM AND TV PRODUCTION JOBS REPORT relative to a proposed extension of the Filming Use Fee Waiver (Ordinance No. 181386).

Recommendations for Council action:

1. APPROVE the extension of the Filming Use Fee Waiver for an additional five years to June 30, 2019.
2. APPROVE the application of the Filming Use Fee Waiver to all City of Los Angeles (City) departments except the Los Angeles Department of Convention and Tourism Development, El Pueblo de Los Angeles Historical Monument, Department of Recreation and Parks (RAP), Los Angeles Zoo, and the Department of Cultural Affairs' Warner Grand Theatre; and request that all departments subject to the Filming Use Fee Waiver track the fee waivers and related quantitative data on an annual basis.
3. REQUEST FilmL.A., Inc. to segregate City data collection from other non-City clients/contracts, and provide annual reports to the Economic and Workforce Development Department (EWDD) with data on the amount of fees waived by departments, what type of film production is associated with fee waivers, and fees separated out by property and address.
4. REQUEST the City Attorney to prepare and present an ordinance to extend the Filming Use Fee Waiver, retroactively for any fees that may have been assessed starting July 1, 2014, and to include in the ordinance an amendment to the Administrative Code to reflect that the EWDD should provide a report six months prior to the sunset date of June 30, 2019, replacing the City Administrative Officer (CAO).

Fiscal Impact Statement: The EWDD reports that the fiscal impact of waiving the Filming Use Fee will vary depending upon the type and number of future film productions utilizing City property, however, for the last five years, the fee waiver has cost the City \$1.8 million, or approximately \$350,000 per year.

Community Impact Statement: None submitted.

SUMMARY

At a special meeting held on October 28, 2014, the Ad Hoc Committee on Film and TV Production Jobs considered a report from the EWDD dated September 16, 2014 relative to the Film Use Fee Waiver (Ordinance No. 181386) status and recommendation of an extension.

The EWDD's Citywide Filming Coordinator and Industry Liaison (Filming Coordinator) addressed the Committee and reported that the City's Film Use Fee Waiver Ordinance has been in effect since July 2006. The first Ordinance (Ordinance No. 177760) was in effect until 2010, and the second Ordinance (Ordinance No. 181386) in effect until 2014. The current recommendation would request an extension of the Film Use Fee Waiver Ordinance for an additional five years until June 2019. The Ordinance applies to all General Fund City departments with exceptions (listed in Recommendation No. 2 above). The Filming Coordinator also reported that over the

last 5 fiscal years, the City has waived \$1.8 million, or \$350,000 per year, in film use fees. The fees waived are strictly for use of City-owned properties and do not apply to City department services to the film industry such as those provided by the RAP and the Los Angeles Fire Department.

During further discussion of this matter, the Committee Chair noted the success of the Film Use Fee Waiver Ordinance in waiving \$1.8 million and inquired if there was a method in which the benefits to the City from the waiver could also be quantified, i.e. return on investment, such as the number of person hours of employment by production companies and amount of sales tax received from filming productions in the City as a result of the waivers. The Chair acknowledged that it might not be possible to obtain exact data, but wondered if it was possible through FilmL.A. to at least obtain information regarding the productions for which fees were waived and the total production days, total jobs for production days, etc. This type of data would assist the City in showing the public the rationale behind waiving filming fees and how filming production (and the accompanying revenue) is being incentivized to stay in Los Angeles. The Committee Chair did not request immediate action on this, but requested that the EWDD and FilmL.A. begin investigating the above questions for future report.

Additionally, the Committee Chair moved to amend the recommendations in the EWDD report to also request that the City Attorney prepare and present an Ordinance to extend the Film Use Fee Waiver to 2019, and retroactively to any fees assessed as of July 1, 2014; and, that the City Attorney include in the Ordinance an amendment to the Administrative Code to reflect that the EWDD should provide the report to the Council and Mayor six months prior to the sunset date of June 30, 2019 of the proposed extension, replacing the CAO.

After providing an opportunity for public comment, the Committee recommended approval of the recommendations contained in the EWDD report as amended. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

AD HOC COMMITTEE ON FILM AND TV PRODUCTION JOBS



<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
PRICE:	YES
O'FARRELL:	YES

REW
10/28/14
FILE NO. 14-1170

ADOPTED

DEC 2 2014

LOS ANGELES CITY COUNCIL

FORTHWITH

-NOT OFFICIAL UNTIL COUNCIL ACTS-