

# CITY OF LOS ANGELES

CALIFORNIA

**ECONOMIC AND WORKFORCE  
DEVELOPMENT DEPARTMENT**

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September 16, 2014

Council File: 09-0600-S155  
Council District: All  
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Ad Hoc on Film & Television Production Jobs Committee  
Los Angeles City Council  
c/o Richard Williams  
City Clerk  
Room 395, City Hall

## **COMMITTEE TRANSMITTAL: FILM USE FEE WAIVER (ORDINANCE 181386) STATUS REPORT AND RECOMMENDATION OF FEE WAIVER EXTENSION**

### **RECOMMENDATIONS**

The General Manager of the Economic and Workforce Development Department (EWDD) respectfully requests that the City Council and Mayor:

1. EXTEND the Filming Use Fee Waiver for an additional five years to June 30, 2019.
2. APPLY the Filming Use Fee Waiver to all City departments except the Convention Center, El Pueblo, the Department of Recreation and Parks, the Zoo and the Public Works Warner Grand Theater 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. INSTRUCT FilmL.A. to segregate City of Los Angeles data collection from other non-City of Los Angeles clients/contracts, and provide annual reports to 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.

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CLERK

## FISCAL IMPACT STATEMENT

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 cost the City \$1.8 million, or approximately \$350,000 per year.

## BACKGROUND

On July 25, 2006, Ordinance 177760 was adopted by the City Council and Mayor. Ordinance 177760 waived the collection of fees for the use of City property and equipment for film production and photography by amending Section 22.353 of the Los Angeles Administrative Code and adding Section 22.353.1. The fee waiver applied to all City departments except the Convention Center, El Pueblo, the Department of Recreation and Parks, the Zoo and the Warner Grand Theater and included a sunset date of June 30, 2010.

On October 26, 2010, the City Council and Mayor adopted Ordinance 181386, which amended Section 22.353.1 of the Los Angeles Administrative Code to extend the sunset date for the fee waiver from June 30, 2010 to June 30, 2014. Additionally, Ordinance 181386 anticipated the possible extension of the fee waiver past June 30, 2014 in its directive for future City Council review of the aggregate revenue losses during the four-year period and the status of the City's budget to determine whether or not to continue the waiver.

## SUMMARY

Data collected from each City department for the period July 1, 2009 through June 30, 2014 regarding revenue lost as a result of filming fee waivers is summarized below:

DEPARTMENT	FEES WAIVED
Airport	\$ 99,900
Animal Services	\$ 9,000
Cultural Affairs	\$ 146,188
Fire	\$ 31,500
General Services	\$ 104,400
Library	\$ 954,000
Police	\$ 292,000
Public Works	\$ 53,100
Transportation	\$ 61,600
<b>Total</b>	<b>\$1,751,688</b>

The \$1,751,688 figure equates to approximately \$350,000 in lost revenue to the City by the impacted departments on an annualized basis. However, given the continued importance of the film industry to the City's economy and the off-setting revenue the City receives in business and sales tax from film production companies and businesses that support film production, an extension of this Ordinance is recommended. The film industry is one of the largest industries in Los Angeles and the need to generate local jobs by continuing to

support this industry cannot be overstated. In addition, encouraging the use of government facilities for filming expands location options in Los Angeles, making it easier to keep an entire production in the City of Los Angeles and thereby helping to keep jobs local.

To align the City's fee waiver with the State of California's recent approval of its increased film tax credits, it is recommended that the fee waiver extend five years, until June 30, 2019. Additional data will be collected and regular reporting will be instituted in order to assist in future assessment of the value of the fee waivers and provide further description on the types and size of productions assisted.



JAN PERRY  
General Manager

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