

LEGISLATIVE DIGEST

[Administrative Code - Film Rebate Program]

Ordinance amending the Administrative Code to allow the Director of Property of the Department of Real Estate, in consultation with the Executive Director of the Film Commission, to lease property and sublease such property to film companies for film-related activities; to expand the production costs eligible for the Film Rebate Program to include rent payments for such property; and making environmental findings.

Existing Law

Under Section 57.8 of the Administrative Code, the City provides a Film Rebate Program in order to increase the number of qualified film productions in San Francisco, increase the number of City residents employed in the filmmaking industry, and encourage the resulting economic benefits to increased filmmaking. As part of the Film Rebate Program, qualified film productions are eligible for rebates on certain qualified film production expenses paid to the City. Currently, the Film Rebate Program does not allow qualified film production companies to obtain a rebate for rent payments made for use of non-City property. Section 57.8 does not expressly allow the Film Commission to sublease non-City property to film companies.

Amendments to Current Law

Under the proposed Ordinance, the Director of Property of the Department of Real Estate, in consultation with the Executive Director of the Film Commission, shall have the authority to lease property and sublease such property to film companies for film-related activities including, but not limited to filming, editing, film production office space, and stage space uses (“Film Production Leases”) when the Executive Director determines, in consultation with the Director of Property, that no suitable alternative City property is available. In addition, the proposed Ordinance expressly expands the definition of the “qualified production costs” that are eligible for rebate to include rental payments made to the City for the “use of property leased by the City.” Where a proposed Film Production Lease is for a year-to-year or shorter tenancy and has received the Controller’s certification of available funds in the Film Rebate Account or other available funding source, the Director of Property may enter into such Film Production Lease, including any corresponding sublease with a film company subtenant, without action of the Board of Supervisors unless otherwise required by the City Charter.

Background Information

According to the Film Commission, although the Film Commission encourages film production companies to use City property, suitable City property is not always available for proposed film production activities. Accordingly, in some cases, the City would need to lease space in order to accommodate and facilitate film production activities.