

1 [Administrative Code - Film Fees and Rebate Program]

2

3 **Ordinance amending the San Francisco Administrative Code Sections 57.5 and 57.8 to:**  
4 **1) decrease filming fees for smaller-budget productions; 2) include documentary films,**  
5 **docudrama films, and "reality" programming among eligible productions for the Film**  
6 **Rebate Program; 3) exempt productions by nonprofit entities, public service**  
7 **announcements, and qualifying student productions from film fees; and 4) make**  
8 **environmental findings.**

9 NOTE: Additions are *single-underline italics Times New Roman*;  
10 deletions are *strike-through italics Times New Roman*.  
11 Board amendment additions are double-underlined;  
Board amendment deletions are ~~strike-through normal~~.

12 Be it ordained by the People of the City and County of San Francisco:

13 Section 1. Findings. The Planning Department has determined that the actions  
14 contemplated in this Ordinance are in compliance with the California Environmental Quality  
15 Act (California Public Resources Code section 21000 et seq.). Said determination is on file  
16 with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_ and is incorporated herein by  
17 reference.

18 Section 2. The San Francisco Administrative Code is hereby amended by amending  
19 Sections 57.5 and 57.8, to read as follows:

20 **SEC. 57.5. AUTHORIZATION TO ENTER INTO USE CONTRACTS AND COORDINATE**  
21 **CITY DEPARTMENTS REGARDING FILM COMPANIES; CONSENT OF RELEVANT**  
22 **DEPARTMENTS; COST RECOVERY; SIDEWALK CLOSURE AND POSTING.**

23 (a) Use Contracts; Deposit of Funds. The Executive Director may enter into use  
24 contracts with organizations seeking to engage in film production. The Executive Director  
25 shall be the sole City representative authorized to negotiate use contracts. Such contracts

1 shall, at a minimum, provide for the full recovery of costs incurred by the various City  
2 departments in providing the use of City employees, equipment and rental facilities or rental  
3 properties. Funds to reimburse City departments for costs incurred by those departments for  
4 the deployment of personnel or equipment or use of rental facilities or rental properties shall  
5 be paid directly to those departments for deposit subject to the budget and fiscal provisions of  
6 the Charter.

7 (b) Consent of Departments or Mayor. Where film production is to take place on  
8 property under the jurisdiction of City departments, the Executive Director's permission to use  
9 such property is subject to the consent of the department head or his or her designee or the  
10 Mayor or Mayor's designee.

11 (c) Schedule of Costs. In addition to the reimbursement of City departments for the  
12 costs incurred by those departments in deploying personnel or equipment, the Film  
13 Commission may, consistent with Charter Section 2.109, charge daily use fees to film  
14 companies seeking to engage in film production. Until a new schedule of use fees is approved  
15 by the Board of Supervisors, the use fees effective January 1, 2012 are as follows:

16 (1) Still photography: \$100 a day,

17 (2) A commercial, corporate media, industrial media, video, short subject, or web  
18 video: \$200 a day,

19 (3) A television series, movie, pilot, or documentary:

20 (A) For a production with a budget of less than \$500,000: \$100 a day

21 (B) For a production with a budget of \$500,000 or greater: \$300 a day.

22 Public service announcements, qualifying student productions, and productions created by entities that  
23 are tax-exempt under section 501(c)(3) of the Internal Revue Code are exempt from the above-listed  
24 use fees. ~~the use fees in existence on the effective date of this Section shall remain in effect.~~ The

1 revenue generated by such use fees shall be deposited in the San Francisco Film Production  
2 Fund.

3 (d) Sidewalk Closures and Sign-Posting. The Film Commission may require that  
4 film companies use City personnel or City-approved vendors to post notice of the closure of  
5 City streets and sidewalks for film production, and may establish minimum sign-posting  
6 requirements. Notwithstanding anything to the contrary in Section 724 of the Public Works  
7 Code, the Executive Director may authorize the temporary occupancy of public sidewalks for  
8 film production, with the consent of the Department of Public Works, subject to all  
9 requirements and conditions of the Department of Public Works and Department of Parking  
10 and Traffic. Street closures for film production shall be governed by applicable provisions of  
11 the Traffic Code.

## 12 **SEC. 57.8. FILM REBATE PROGRAM**

13 (a) Purpose. The purpose of the Film Rebate Program is to increase the number of  
14 qualified film productions being made in San Francisco, increase the number of City residents  
15 employed in the filmmaking industry, and encourage the resulting economic benefits to  
16 increased filmmaking in San Francisco.

17 (b) Definitions. As used in this Section, the following terms shall have the following  
18 meanings:

19 (1) "Principal photography" means the time period and phase of film  
20 production during which the main photography occurs.

21 (2) "Qualified low-budget film production" means a feature-length film,  
22 documentary film, docudrama film, television film, television pilot, "reality" program or each  
23 episode of a television series, regardless of the medium used to create or convey it, that is: ~~(i)~~  
24 produced by a film company that expends at least 55 percent of the total principal  
25 photography days exclusively in the City and ~~(ii)~~ has a total budget of no more than

1 \$3,000,000. "Qualified low-budget film production" shall not include: (i) a ~~documentary~~  
2 ~~film~~, news or current affairs program, interview or talk program, instructional film or program,  
3 film or program consisting primarily of stock footage, sporting event or sporting program,  
4 game show, award ceremony, film or program intended primarily for industrial, corporate or  
5 institutional end-users, fundraising film or program, commercials, or music videos, ~~or "reality"~~  
6 ~~program~~; or (ii) a production for which records are required under Title 18 United States Code  
7 Section 2257, to be maintained with respect to any performer in such production.

8 (3) "Qualified film production" means a feature-length film, documentary film,  
9 docudrama film, television film, television pilot, "reality" program or each episode of a television  
10 series, regardless of the medium used to create or convey it, that is created by a film  
11 company that expends at least 65 percent of the total principal photography days exclusively  
12 in the City. "Qualified film production" shall not include: (i) a ~~documentary film~~, news or current  
13 affairs program, interview or talk program, instructional film or program, film or program  
14 consisting primarily of stock footage, sporting event or sporting program, game show, award  
15 ceremony, film or program intended primarily for industrial, corporate or institutional end-  
16 users, fundraising film or program, commercials, or music videos, ~~or "reality" program~~; or (ii) a  
17 production for which records are required under Title 18 United States Code Section 2257, to  
18 be maintained with respect to any performer in such production.

19 (4) "Qualified production cost," means the following expenses of a qualified  
20 low-budget film production or a qualified film production:

21 (A) Any taxes, with the exception of hotel or sales taxes, paid to the  
22 City, or any of its constituent departments, the proceeds of which are placed in the general  
23 fund;

24  
25

1 (B) Any moneys paid to the City, or any of its constituent departments,  
2 for the use of City property, equipment, or employees other than police services as described  
3 in Chapter 10B of this Administrative Code except as authorized in subsection (D) below;

4 (C) Any daily use fees charged by the Film Commission, pursuant to  
5 Section 57.5 of the Administrative Code, to engage in film production in the City; and

6 (D) Police services as described in Chapter 10B of this Administrative  
7 Code, provided that the such services do not exceed 4 Police Officers per day for a total of 12  
8 hours maximum per day per officer.

9 (c) Rebate Program.

10 (1) Allowance of Rebate. A qualified low-budget film production or qualified  
11 film production that pays qualified production costs shall be entitled to a rebate, to be  
12 calculated as provided herein, provided that the qualified production has entered into a first  
13 source hiring agreement with the City that demonstrates good faith efforts to hire economically  
14 disadvantaged individuals referred by the San Francisco Workforce Development System to  
15 work for the qualified production. Good faith efforts shall include, at a minimum, consulting  
16 with the FSHA for the purpose of preparing a list of positions for which individuals referred by  
17 the City might qualify, providing that list to the FSHA at least two weeks prior to the first day of  
18 shooting, and documenting efforts to contact and interview job candidates referred by the City  
19 to fill the positions listed.

20 (2) Amount of Rebate. The City shall pay one dollar for each dollar the  
21 qualified low budget film production or qualified film production paid in qualified production  
22 cost not to exceed \$1.8 million dollars by June 30, 2012. The rebate shall be paid from the  
23 fund into which the qualified production cost was originally deposited. In no event shall the  
24 amount of any rebate paid after April 1, 2009 exceed \$600,000.00. The rebate shall not be  
25 paid from funds dedicated under bond or other legal financing covenants. Rebates paid under

1 this Ordinance shall be paid only to those qualified film productions whose filming commenced  
2 on or after the effective date of this Ordinance.

3 (3) Implementation. After holding a public hearing, the Executive Director of  
4 the Film Commission, in consultation with the Controller, shall promulgate rules and  
5 regulations to establish the procedures for implementation of the Film Rebate Program. Such  
6 rules shall include provisions describing the application process, the standards used to  
7 evaluate the applications, the documentation that will be required to substantiate the amount  
8 of the rebate, the appeal process, and any such other provisions as deemed necessary and  
9 appropriate to carry out the Film Rebate Program.

10 (d) Reports. The Executive Director shall report annually to the Board of  
11 Supervisors on the implementation of the Film Rebate Program. The report shall include a list  
12 of each qualified film production, residency of employees, and the total of qualified production  
13 costs submitted and paid to each film production. Annually for the first three years after  
14 enactment of this Ordinance the Controller shall perform an assessment and review of the  
15 effect of the Film Rebate Program. Based on such assessment and review, the Controller  
16 shall prepare and submit an analysis to the Board of Supervisors. The Analysis shall be  
17 based on criteria deemed relevant by the Controller, and may include but is not limited to data  
18 contained in the annual reports to the Board of Supervisors submitted by the Director of the  
19 Film Commission.

20 (e) The Film Rebate Program shall expire on June 30, 2012, unless extended by  
21 ordinance. If the Film Rebate Program is not extended, the City Attorney shall cause this  
22 Section to be removed from future editions of the San Francisco Municipal Code without  
23 further action of the Board.

1           Section 3. Effective Date. This ordinance shall become effective 30 days from the  
2 date of passage.

3 APPROVED AS TO FORM:  
4 DENNIS J. HERRERA, City Attorney

5 By: \_\_\_\_\_  
6       ADINE VARAH  
7       Deputy City Attorney

8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25