

[Administrative Code - Film Fees and Rebate Program]

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

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

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

Section 1. Findings. The Planning Department has determined that the actions contemplated in this Ordinance are in compliance with the California Environmental Quality Act (California Public Resources Code section 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. 110900 and is incorporated herein by reference.

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

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

(a) Use Contracts; Deposit of Funds. The Executive Director may enter into use contracts with organizations seeking to engage in film production. The Executive Director 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 Revenue 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

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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

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

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

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

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

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

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

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

(c) Rebate Program.

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

(2) Amount of Rebate. The City shall pay one dollar for each dollar the qualified low budget film production or qualified film production paid in qualified production cost not to exceed \$1.8 million dollars by June 30, 2012. The rebate shall be paid from the fund into which the qualified production cost was originally deposited. In no event shall the amount of any rebate paid after April 1, 2009 exceed \$600,000.00. The rebate shall not be 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 (1) By December 31, 2011, the Film Commission, working with the
21 Controller's Office, shall submit a report to the Board of Supervisors on the results of the Film
22 Rebate Program, addressing the objectives of the Program. The report should include a list of
23 all film production companies that have had permits with the Film Commission, the number of
24 qualified film productions, the number of San Francisco residents employed on such film
25 productions, verification of the number of jobs and the salaries paid to economically

1 disadvantaged San Francisco residents hired through the City's Workforce Development
2 Program, the amount of the rebates paid to the film production companies, and the overall
3 economic impact from the City's Film Rebate Program.

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

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

11 APPROVED AS TO FORM:
12 DENNIS J. HERRERA, City Attorney

13 By: ADINE VARAH
14 Deputy City Attorney