

[Administrative Code - Film Commission Programs]

Ordinance amending the Administrative Code to expand the definition of tax exempt entities for use fees, updating the process for notification guidelines concerning film production activities that may cause parking or traffic obstructions, updating definitions for the film rebate program, updating the film rebate amounts, and authorizing the Executive Director to enter into licensing agreements for the use of the Film SF logo and other Film Commission trademarks on merchandise.

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in *single-underline italics Times New Roman font*.
Deletions to Codes are in ~~*strikethrough italics Times New Roman font*~~.
Board amendment additions are in double-underlined Arial font.
Board amendment deletions are in ~~Arial font~~.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

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

Section 1. Chapter 57 of the Administrative Code is hereby amended by revising Sections 57.5, 57.6, 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.

* * * *

(c) **Schedule of Costs.** In addition to the reimbursement of City departments for the costs incurred by those departments in deploying personnel or equipment, the Film Commission may, consistent with Charter Section 2.109, charge daily use fees to film companies seeking to engage in film production. The use fees are as follows:

1 (1) Still photography: \$200 a day.

2 (2) A commercial, corporate media, industrial media, video, or web video: \$300 a
3 day.

4 (3) A television series (each episode), web series (each episode), movie, pilot,
5 short subject, or documentary:

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

7 (B) For a production with a budget of \$100,000 to less than \$500,000: \$300 a
8 day.

9 (C) For a production with a budget of \$500,000 or greater: \$500 a day.

10 ~~Public service announcements.~~ Qualifying student productions, and productions
11 created by or for entities that are tax-exempt under section 501(c)(3), 501(c)4, or 501(c)(6) of
12 the Internal Revenue Code are exempt from the above-listed use fees in accordance with the
13 Film Commission's guidelines. The revenue generated by such use fees shall be deposited in
14 the San Francisco Film Production Fund.

15 * * * *

16 **SEC. 57.6. REQUIREMENTS FOR FILM COMPANIES.**

17 * * * *

18 ~~—(c) **Notification of Filming Activities.** If a film company filming under a use contract with~~
19 ~~the City for the use of City property or employees anticipates that its film production activities will~~
20 ~~cause a parking or traffic obstruction lasting for four consecutive hours or more, the film company~~
21 ~~shall, when feasible, at least 72 hours prior to the start of those production activities anticipated to~~
22 ~~cause a parking or traffic obstruction, provide notice as specified herein to affected residents and~~
23 ~~businesses of the anticipated parking or traffic obstruction. The 72 hour notice requirement under this~~
24 ~~subsection (c) shall not apply where prior notice is infeasible due to circumstances beyond the film~~
25 ~~production company's control or due to other unpredictable circumstances that interfere with the~~

1 ~~scheduled film production activities as specified in the Film Commission's Notification Guidelines~~
2 ~~referenced in subsection (d).~~

3 ~~— (1) The notice shall include the name of the film company; the date(s) and times of filming;~~
4 ~~a general description of the production activities and the anticipated parking or traffic obstruction they~~
5 ~~will cause; a local contact number for the film company; and contact information for the Film~~
6 ~~Commission and the Police Department.~~

7 ~~— (2) The film company may provide the notice through signs, leaflets, telephone calls, door-~~
8 ~~to-door canvassing, U.S. mail, and/or through the internet or other digital media, provided that any~~
9 ~~such notice shall be reasonably calculated to inform the affected residents and businesses of the~~
10 ~~anticipated parking or traffic obstruction.~~

11 ~~— (3) "Affected residents and businesses" to which the film company shall provide notice are~~
12 ~~those residents and businesses within 150 feet of the location of the anticipated parking or traffic~~
13 ~~obstruction.~~

14 ~~— (4) A "parking or traffic obstruction" triggering the notice requirement is a street closure;~~
15 ~~a significant delay in the flow of traffic; or any truck or other vehicle, including a trailer, or~~
16 ~~combination of trucks or other vehicles, occupying more than 3 parking spaces.~~

17 ~~— The film company may coordinate its notification efforts with those of the Executive~~
18 ~~Director or the Director's designee, if any. The notice required under this subsection (c) shall be in~~
19 ~~addition to any notice and signage requirements for film productions provided under City law,~~
20 ~~including Section 3.4 of the Transportation Code.~~

21 ~~(dc)~~ **Film Commission Notification Guidelines; Report.** The Film Commission
22 shall ~~establish~~maintain film production notification guidelines concerning film production activities,
23 including but not limited to activities that may cause parking or traffic obstructions ("Notification
24 Guidelines") ~~within 30 days of the effective date of this ordinance or as soon thereafter as possible at~~
25 ~~a regular meeting of the Commission,~~ and may amend such Notification Guidelines from time to

1 time. ~~The Notification Guidelines shall specify the types of unpredictable circumstances encountered at~~
2 ~~times by film production companies that would reasonably interfere with scheduled film production~~
3 ~~activities and render the notice under subsection (c) infeasible. The Executive Director of the Film~~
4 ~~Commission shall submit a copy of the Notification Guidelines to the Board of Supervisors on or before~~
5 ~~November 28, 2014.~~

6 **SEC. 57.8. FILM REBATE PROGRAM.**

7 * * * *

8 (b) **Definitions.** As used in this Section 57.8, the following terms shall have the
9 following meanings:

10 "City" means City and County of San Francisco.

11 "Executive Director" means the Executive Director of the Film Commission or the Executive
12 Director's designee.

13 "Pre-Production" means the process of customary preparation for physical production which
14 begins after a qualified film production has received a firm agreement of financial commitment. In this
15 context, "customary preparation" includes, but is not limited to, activities such as hiring key crew
16 members, scouting for locations, building sets, casting, and establishment of a dedicated production
17 office.

18 "Principal photography" means the time period and phase of film production during
19 which the main photography occurs, as distinguished from pre-production and post-production in
20 accordance with the Film Commission's guidelines.

21 "Post-Production" means the final activities in a qualified film production's creation including,
22 but not limited to, editing, foley recording, ADR, scoring, sound editing, negative cutting, color
23 correction, and sound mixing.

24 "Qualified film production" means:
25

1 (1) a feature-length film, documentary *feature* film, docudrama *feature* film,
2 television film, television pilot, "reality" program, or each episode of a television series or web
3 series, regardless of the medium used to create or convey it;

4 (2) a film production produced by a film company that has entered into a use contract
5 with the City and has a minimum of five principal photography days in the City;

6 (3) ~~that is created by~~ a film production ~~or produced by a production film~~ company that
7 expends at least \$500,000 in the City, provided that the film company provides receipts, invoices,
8 payroll records, time records, and other documentation of expenditures during pre-production,
9 principal photography, film production, and post-production. The Film Commission or its
10 representatives may audit such documentation ~~65 percent of the total principal photography days~~
11 ~~exclusively in the City; or~~

12 (4) a film production produced by a film company with a production office located in
13 the City, unless the film company determines that a physical production office in the City is not needed
14 for the film production.

15 Notwithstanding the foregoing, "Qualified film production" ~~shall not include~~ does not
16 mean:

17 (1) a news or current affairs program, interview or talk program, instructional film
18 or program, film or program consisting primarily of stock footage, sporting event or sporting
19 program, game show, award ceremony, film or program intended primarily for industrial,
20 corporate, or institutional end-users, fundraising film or program, commercials, or music
21 videos; or

22 (2) a production for which records are required under Title 18 United States
23 Code Section 2257, to be maintained with respect to any performer in such production.

24 "Qualified low-budget film production" means a qualified film production that ~~feature-~~
25 ~~length film, documentary film, docudrama film, television film, television pilot, "reality" program or~~

1 ~~each episode of a television series or web series, regardless of the medium used to create or convey it,~~
2 ~~that is created by a film or production company that expends at least 55 percent of the total principal~~
3 ~~photography days exclusively in the City and~~ has a total budget of no more than \$3,000,000 and
4 ~~expends at least \$250,000 in the City, provided that the film company provides receipts, invoices,~~
5 ~~payroll records, time records, and other documentation of expenditures during pre-production,~~
6 ~~principal photography, film production, and post-production. The Film Commission or its~~
7 ~~representatives may audit such documentation.~~ "Qualified low-budget film production" shall not
8 include:

9 (1) a news or current affairs program, interview or talk program, instructional film
10 or program, film or program consisting primarily of stock footage, sporting event or sporting
11 program, game show, award ceremony, film or program intended primarily for industrial,
12 corporate, or institutional end-users, fundraising film or program, commercials, or music
13 videos; or

14 (2) a production for which records are required under Title 18 United States
15 Code Section 2257, to be maintained with respect to any performer in such production.

16 "Qualified production cost," means the following expenses of a qualified low-budget
17 film production or a qualified film production if in accordance with the Film Commission's
18 guidelines:

19 ~~(1) Any taxes, with the exception of hotel or sales taxes, paid to the City, or any of its~~
20 ~~constituent departments, the proceeds of which are placed in the general fund;~~

21 ~~(12) Any moneys paid to the City, or any of its constituent departments~~ from the
22 film company or under a revenue sharing agreement, for the use of City property, equipment, or
23 employees ~~other than police services as described in Chapter 10B of this Administrative Code except~~
24 ~~as authorized in subsection (5) below;~~

(~~23~~) Any moneys paid to the City, or any of its constituent departments, for the use of property leased by the City, or paid to a third-party property owner for the use of property for film-related activities including, but not limited to, filming, editing, film production office space, and stage space uses located in the City, if no suitable alternative City property is available;

(~~34~~) 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~~

(~~45~~) Police services as described in Chapter 10B of this Administrative Code, ~~provided that such services do not exceed four police officers per day for a total of 12 hours maximum per day per officer.;~~

(~~5~~) The hourly pay or salaries of City residents during pre-production through post-production capped at \$100,000 per individual per project; or

(~~6~~) Production-related items, goods, or services purchased or rented from a business with a location in the City.

(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 provides film skills and training to San Francisco residents pursuant to Film Commission guidelines and 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 First Source Hiring Administration ("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. The film company must

1 provide on-screen credit to the City and promotional materials pursuant to Film Commission
2 guidelines.

3 (2) **Amount of Rebate.**

4 (A) As of July 1, 2015, The City shall ~~rebate~~ pay one dollar for each dollar of
5 allowable production costs to a the qualified low budget film production or qualified film
6 production ~~paid in qualified production costs~~; provided, however, the total amount of all rebate
7 payments to such productions shall not ~~to~~ exceed \$13,000,000 between July 1, 2015 and June 30,
8 2028~~7~~; provided that such The Film Rebate Program shall expire on June 30, 2027, unless extended
9 by ordinance.

10 (B) Additionally, the total rebate payment for a single production ~~shall~~ may not
11 exceed \$~~600,000~~ \$1,000,000, each such production which may include up to 10% of the first
12 \$1,000,000 of fees paid for hourly pay or salaries and any item or service purchased or rented from a
13 business with a location in the City and up to 20% of such fees thereafter; up to 100% of fees paid to a
14 City department; and a percentage of fees paid to a third party property owner as determined by the
15 Film Commission's guidelines.

16 (C) No television series or web series ~~shall~~ may qualify for more than
17 \$~~600,000~~ \$1,000,000 in rebate payments per season.

18 (D) The rebates shall be paid from the project account that the Controller has
19 set aside for Film Rebate Program funds (the "Film Rebate Project Account"). The rebates
20 shall not be paid from funds dedicated under bond or other legal financing covenants.
21 Rebates paid under this Section 57.8 shall be paid only to those qualified low budget film
22 productions or qualified film productions whose filming commenced on or after January 1,
23 2026~~May 20, 2006~~. Rebates under the Scene in San Francisco Incentive Program are subject to
24 available appropriations and will be paid on a first-come, first-served basis upon submission of all
25 required documentation. The reasonable expenses of the Film Commission in connection with

1 administering the Rebate Program and reasonable marketing expenses to promote the
2 Rebate Program may be paid out of the Film Rebate Project Account 1.

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

10 (d) **Authority to Lease ~~Private~~ Property for Film Company Use.** Subject to the
11 Controller's certification of funds in the Film Rebate Project Account or other available funding
12 source ("Controller's Certification"), the Director of Property of the ~~Department~~Division of Real
13 Estate, in consultation with the Executive Director ~~of the Film Commission~~, shall have the
14 authority to lease property and sublease such property to film companies for film-related
15 activities including, but not limited to, filming, editing, film production office space, and stage
16 space uses ("Film Production Leases") when the Executive Director determines, in
17 consultation with the Director of Property, that no suitable alternative City property is
18 available. Notwithstanding any other provision of the Municipal Code, including Administrative
19 Code Sections 23.26 and 23.31, where a proposed Film Production Lease is for a year-to-
20 year or shorter tenancy and has received the Controller's Certification under this subsection
21 (d), the Director of Property may enter into such Film Production Lease, including any
22 corresponding sublease with a film company subtenant, regardless of whether the monthly
23 rent exceeds \$15,000, without action of the Board of Supervisors unless otherwise required by
24 the ~~City~~ Charter.

1 (e) **Annual Reports.** The Executive Director shall report annually to the Board of
2 Supervisors on the implementation of the Film Rebate Program. The report shall include a list
3 of each qualified low budget film production and qualified film production, residency of
4 employees, and the total of qualified production costs submitted and paid to each film
5 production. The Controller shall perform an annual assessment and review of the effect of the
6 Film Rebate Program. Based on such assessment and review, the Controller shall prepare
7 and submit an analysis to the Board of Supervisors. The analysis shall be based on criteria
8 deemed relevant by the Controller, and may include but is not limited to data contained in the
9 annual reports to the Board of Supervisors submitted by the Executive Director of the Film
10 Commission.

11 (f) **Expiration of Section.** The Film Rebate Program shall expire on June 30,
12 2028~~7~~, unless extended by ordinance. If the Film Rebate Program is not extended, the City
13 Attorney ~~shall~~ is authorized to cause this Section to be removed from the Administrative Code.

14
15 Section 2. Chapter 57 of the Administrative Code is hereby amended by adding
16 Section 57.10, to read as follows:

17 **SEC. 57.10. AUTHORIZATION TO ENTER INTO LICENSING AGREEMENTS FOR**
18 **FILM COMMISSION INTELLECTUAL PROPERTY.**

19 The Executive Director may enter into licensing agreements for the use of the Film SF logo and
20 other Film Commission trademarks on merchandise such as but not limited to hats, t-shirts, and coffee
21 mugs. The Executive Director may authorize the sale of such merchandise for a royalty fee based on
22 the industry standard for a particular item. The Executive Director may also enter into such licensing
23 agreements in exchange for merchandise to use in the Film Commission's philanthropic enterprises.

1 Section 3. Effective Date. This ordinance shall become effective 30 days after
2 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
3 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
4 of Supervisors overrides the Mayor's veto of the ordinance.

5
6 Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
7 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
8 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
9 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
10 additions, and Board amendment deletions in accordance with the "Note" that appears under
11 the official title of the ordinance.

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14 APPROVED AS TO FORM:
15 DAVID CHIU, City Attorney

16 By: /Lauren Curry/
17 LAUREN CURRY
18 Deputy City Attorney
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