

1 [Administrative Code - Film Rebate Program - Not to Exceed \$2,000,000]

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3 **Ordinance amending the Administrative Code to allow the Film Commission, through**
4 **the Department of Real Estate, to rent space for film production activities and sublease**
5 **such space to film production companies; to expand the production costs eligible for**
6 **the Film Rebate Program to include rent payments for such spaces; and making**
7 **environmental findings, effective July 1, 2012, through June 30, 2014, subject to annual**
8 **appropriation.**

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;
12 Board amendment deletions are ~~strike through normal~~.

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

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

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

20 **SEC. 57.8. FILM REBATE PROGRAM.**

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

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1 **(b) Definitions.** As used in this Section, the following terms shall have the following
2 meanings:

3 ~~(1)~~ “Principal photography” means the time period and phase of film production during
4 which the main photography occurs.

5 “Qualified film production” means a feature-length film, documentary film, docudrama
6 film, television film, television pilot, “reality” program or each episode of a television series,
7 regardless of the medium used to create or convey it, that is created by a film company that expends at
8 least 65 percent of the total principal photography days exclusively in the City. “Qualified film
9 production” shall not include:

10 (1) a news or current affairs program, interview or talk program, instructional
11 film or program, film or program consisting primarily of stock footage, sporting event or sporting
12 program, game show, award ceremony, film or program intended primarily for industrial, corporate or
13 institutional end-users, fundraising film or program, commercials, or music 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 ~~(2)~~ “Qualified low-budget film production” means a feature-length film, documentary
17 film, docudrama film, television film, television pilot, “reality” program or each episode of a
18 television series, regardless of the medium used to create or convey it, that is produced by a
19 film company that expends at least 55 percent of the total principal photography days
20 exclusively in the City and has a total budget of no more than \$3,000,000. “Qualified low-
21 budget film production” shall not include:

22 ~~(1)~~ a news or current affairs program, interview or talk program,
23 instructional film or program, film or program consisting primarily of stock footage, sporting
24 event or sporting program, game show, award ceremony, film or program intended primarily
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1 for industrial, corporate or institutional end-users, fundraising film or program, commercials, or
2 music videos; or

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

5 ~~(3) “Qualified film production” means a feature-length film, documentary film, docudrama~~
6 ~~film, television film, television pilot, “reality” program or each episode of a television series,~~
7 ~~regardless of the medium used to create or convey it, that is created by a film company that expends at~~
8 ~~least 65 percent of the total principal photography days exclusively in the City. “Qualified film~~
9 ~~production” shall not include:~~

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

14 ~~(ii) 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.~~

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

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

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

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

3 (D4) Police services as described in Chapter 10B of this Administrative
4 Code, provided that ~~the~~ such services do not exceed 4 Police Officers per day for a total of 12
5 hours maximum per day per officer.

6 **(c) Rebate Program.**

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

17 (2) Amount of Rebate. Effective July 1, 2012, the City shall pay one dollar for
18 each dollar the qualified low budget film production or qualified film production paid in qualified
19 production cost not to exceed \$2 million dollars by June 30, 2014 subject to annual
20 appropriation. The rebate shall be paid from ~~the fund into which the qualified production cost was~~
21 ~~originally deposited~~ the project account that the Controller has set aside for Film Rebate Program funds
22 (the "Film Rebate Project Account"). In no event shall the amount of any rebate paid for a
23 single production after April 1, 2009 exceed \$600,000.00. The rebate shall not be paid from
24 funds dedicated under bond or other legal financing covenants. Rebates paid under this
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1 Ordinance shall be paid only to those qualified film productions whose filming commenced on
2 or after the effective date of this Ordinance.

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 of Film Commission to Rent Space for Film Productions. Subject to the
11 Controller's certification of funds in the Film Rebate Project Account or other available funding
12 source, the Executive Director of the Film Commission, acting through the Department of Real Estate,
13 may select and rent space for film production activities to film production companies in order to
14 encourage film production activity in San Francisco when the Executive Director of the Film
15 Commission determines that no suitable alternative City property is available for such proposed film
16 production activities.

17 ~~(d)~~ (e) Reports.

18 (1) Annual Reports. The Executive Director shall report annually to the Board of
19 Supervisors on the implementation of the Film Rebate Program. The report shall include a list
20 of each qualified film production, residency of employees, and the total of qualified production
21 costs submitted and paid to each film production. ~~Annually for the first three years after~~
22 ~~enactment of this Ordinance the~~ The Controller shall perform an annual assessment and review of
23 the effect of the Film Rebate Program. Based on such assessment and review, the Controller
24 shall prepare and submit an analysis to the Board of Supervisors. The Analysis shall be
25 based on criteria deemed relevant by the Controller, and may include but is not limited to data

1 contained in the annual reports to the Board of Supervisors submitted by the Director of the
2 Film Commission.

3 (~~12~~) 2013 Report. By December 31, 2013, the Film Commission, working with
4 the Controller's Office, shall submit a report to the Board of Supervisors on the current results
5 of the Film Rebate Program, addressing the objectives of the Program. The report should
6 include a list of all film production companies that have had permits with the Film Commission,
7 the number of qualified film productions, the number of San Francisco residents employed on
8 such film productions, verification of the number of jobs and the salaries paid to economically
9 disadvantaged San Francisco residents hired through the City's Workforce Development
10 Program, the amount of the rebates paid to the film production companies, and the overall
11 economic impact from the City's Film Rebate Program since the last Film Commission report
12 to the Board of Supervisors.

13 (~~ef~~) Expiration of Section. The Film Rebate Program shall expire on June 30, 2014,
14 unless extended by ordinance. If the Film Rebate Program is not extended, the City Attorney
15 shall cause this Section to be removed from the Administrative Code~~future editions of the San~~
16 ~~Francisco Municipal Code without further action of the Board~~.

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

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21 Section 4. In enacting this ordinance, the Board of Supervisors intends to amend only
22 those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation
23 marks, charts, diagrams, or any other constituent parts of the Administrative Code that are
24 explicitly shown in this ordinance as additions, deletions, Board amendment additions, and
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1 Board amendment deletions in accordance with the "Note" that appears under the official title
2 of the ordinance.

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

6 By: _____
7 ADINE K. VARAH
8 Deputy City Attorney

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