

**City of Culver City, California
Agenda Item Report**

Meeting Date: 08/11/14		Item Number: <u>C-2</u>	
CITY COUNCIL AGENDA ITEM: Adoption of a Resolution Stating the City's Support of AB 1839 which Expands and Extends the State Film Tax Credit through Fiscal Year 2020/2021.			
Contact Person/Dept.: Shelly Wolfberg, Phone Number: (310) 253-6000 Assistant to the City Manager			
Fiscal Impact: Yes ☐ No ☒		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: (E-Mail) Agenda and Meetings – City Council (08/06/14)			
Department Approval: Martin R. Cole (08/04/14)		City Attorney Approval: Carol Schwab (by H. Baker) (08/05/14)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (08/05/14)		City Manager Approval: John M. Nachbar (08/06/14)	

RECOMMENDATION:

Staff recommends the City Council adopt a resolution in support of AB 1839, legislation sponsored by Assemblymembers Raul Bocanegra and Mike Gatto, which would extend and expand the California Film and Television Tax Credit Program through Fiscal Year 2020/2021.

BACKGROUND/DISCUSSION:

On December 10, 2012, the City Council adopted its Legislative Advocacy Program (Program). The Program provides policy statements from which the City Council and staff can base positions on a variety of issues that are relevant to the City. Consistent with this Program, staff has been able to draft position letters on Senate and Assembly bills which are currently making their way through the State Legislature. On July 28, 2014, Council Member Cooper received City Council consensus to bring a resolution of support for AB 1839 forward to the City Council for consideration.

AB 1839, sponsored by Los Angeles-area Assemblymembers Raul Bocanegra and Mike Gatto, was introduced in an effort to retain film and television production. AB 1839:

“...Would, as compared to the existing tax credits, extend the scope of the credits for a qualified motion picture to the applicable percentage of qualified expenditures up to \$100,000,000, would extend the credit to qualified expenditures for television pilot episodes, qualified expenditures for qualified visual effects, and qualified expenditures

City of Culver City, California
Agenda Item Report

relating to music scoring and music track recording by musicians, would provide limited credit allocation priority for specified television series, and would determine an applicable percentage of 25% or 20% for qualified expenditures for television series relocating to California based on the number of years the series has received the credit since relocation to California and where in California photography occurs.”

Over the past several months, staff has been tracking AB 1839 (among other bills) and has submitted letters of support signed by the Mayor, the latest of which is found in Attachment 1. Support for AB 1839 is consistent with the City Council’s adopted policy statement as found in the Program. The following policy statements pertain to AB 1839:

- Support legislative efforts to keep film, television, and commercial advertisement production and post-production in the State of California, especially in Culver City.
- Support the California Legislature and the federal government in their efforts at the federal level to maintain film and television production in the United States.

Because the entertainment industry is valuable to the Culver City community as many residents work at Culver City studios, including Sony Pictures Entertainment (SPE), staff has coordinated its AB 1839 advocacy efforts with staff at SPE. Further, Culver City is also home to many businesses that provide services to the film, television, and commercial production industry across the State.

A vibrant, successful entertainment business sector is critical to the City’s livelihood and economic vitality. Our community is known as “The Heart of Screenland,” and to this end, it is prudent to support legislative efforts to keep film, television, and commercial advertisement production and post-production in Culver City and the State of California. In response to City Council’s request on July 28, 2014, staff has drafted the attached proposed resolution in support of AB 1839 for City Council consideration (Attachment 2).

FISCAL ANALYSIS:

There is no fiscal impact to consider and adopt the proposed resolution. In the case AB 1839 becomes law, there would be an impact to the State’s finances. Such impact may cause a resulting impact to the City’s finances, the nature (positive/negative) and amount of which are difficult to estimate at this time.

City of Culver City, California
Agenda Item Report

ATTACHMENTS:

1. Letter of Support - July 31, 2014
2. Proposed Resolution

MOTIONS:

That the City Council:

Adopt a resolution in support of AB 1839.