



# AGENDA REPORT


**TO:** Jestin D. Johnson  
City Administrator

**FROM:** Ashleigh Kanat  
Director, Economic and  
Workforce Development  
Department

**SUBJECT:** Film Rebate Program

**DATE:** May 28, 2024

City Administrator Approval

  
Jestin Johnson (Jun 12, 2024 17:01 PDT)

Date:

Jun 12, 2024

## **RECOMMENDATION**

**Staff Recommends That The City Council Adopt An Ordinance Amending The Oakland Municipal Code By Establishing A Film Rebate Program To Reimburse A Percentage Of Film Permittees' Expenses In The City Of Oakland Provided Funding Is Available For This Purpose; And Making California Environmental Quality Act Findings.**

## **EXECUTIVE SUMMARY**

Currently, the City of Oakland (City) permits film production in Oakland, but only in response to permit requests, which limits the size of the City's film sector. Staff recommends shifting to a proactive, incentive-based approach centered around a rebate program. Specifically, the rebate program will offer film productions a ten percent rebate on the wages of Oakland residents hired as well as on goods and services rented or purchased from Oakland businesses, with additional rebates for spending at Oakland businesses and hiring of Oakland residents from Oakland zip codes with the highest rates of unemployment. The adoption of a rebate program, combined with investments in the Midcycle Fiscal Year 2024-2025 Budget to market the City as a filming destination, will bring Oakland to the attention of film producers and move the City towards a "win-win-win" of generating local employment and business opportunities, attracting new tax revenues to support City services, and providing outlets for community expression.

## **BACKGROUND / LEGISLATIVE HISTORY**

### *Oakland's Current Film Permitting Process and Film Office*

The City's current involvement with the film industry is limited to the permitting of film productions under the guidelines of [Oakland Municipal Code 5.24](#) through the City's Film Office housed in the Economic and Workforce Development Department (EWDD). Specifically, a portion of one full-time employee in the Special Activity Permits Division responds to film production inquiries and issues permits that prescribe the time, place, and manner a film

production may occur. The permitting process includes collecting a film permit fee that ranges from \$60 to \$300 a day depending on the type of production as well as fees for any staff that City provides during filming activity. **Table 1** below outlines the volume of permits issued annually from 2019-April 2024.

**Table 1: Number of Film Permits Issued Annually 2019-April 2024**

Year	Number of Film Permits Issued
2019	247
2020	87
2021	159
2022	144
2023	74
January-May 2024	50

Notably, the City does not offer any financial incentives for film productions to situate in the City or a marketing function to attract film productions to Oakland. The lack of a City fee waiver or a rebate for local expenditures places the City at a competitive disadvantage with local jurisdictions that do offer those incentives, as described in the following section. However, even if the City Council authorized fee exemptions and rebates for film productions' local expenses, at present, the City lacks staff capacity to administer these programs. Rebate programs require additional staff to review rebate applications, confirm they meet eligibility criteria, and verify local expenses. Likewise, the City currently lacks marketing staff to attract film productions to film in the City. Consequently, only those film productions that are already familiar with the City and its variety of landscapes are likely to film in the City, and thus only a fraction of all film productions consider filming in the City. In summary, the City's existing approach to film productions is reactive and limited to permitting, which constrains the size of the City's film industry.

#### *How Other Jurisdictions Attract and Benefit from Film Productions*

Numerous local and state<sup>1</sup> jurisdictions in the United States and abroad have adopted programs to incentivize film productions to take place in their jurisdiction with the goal of attracting economic activity inside their jurisdictions. The economic activity from film productions can take the form of staying at local hotels, supporting local businesses, as well as employing local residents. **Table 2** below provides a sample of local jurisdictions that offer financial incentives to film productions.

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<sup>1</sup> The State of California provides tax credits to films produced in California, including an additional credit for productions outside of the Los Angeles region (see <https://film.ca.gov/tax-credit/the-basics-3-0/>).

**Table 2: Local Government Film Industry Incentives**

<b>Jurisdiction Name</b>	<b>Program Scope</b>	<b>Eligibility Criteria Summary</b>	<b>Amount</b>
San Francisco, CA	Refund of City fees	More than half of principal photography must take place in San Francisco	Up to \$1 million available annually; Maximum Individual Award=\$600,000
Sacramento, CA	Grants for City fees and local expenses.	Either 50% of filming in Sacramento region or 75% of post-production in the City of Sacramento.	Production grants of \$10,000 and post-production grants of \$5,000.
San Antonio, TX	Rebate on 7.5 % of approved spending in San Antonio	Films and TV shows with at least 60% of production days in San Antonio area that spend at least \$100,000 and 70% of crew and cast are Texas residents and at least 10% of case and crew are San Antonio residents.	Maximum Individual Award=\$250,000
Oklahoma City, OK	Rebate on 20-30% of qualifying expenditures	Qualifying expenses include Oklahoma resident labor, local expenses.	Program Capped at \$3 million
New Orleans, LA	Tax credit up to 40% of eligible expenses	Create minimum of five new direct jobs for Louisiana residents.	Tax Credits up to \$180 million per year

The impact of film incentive programs varies by jurisdiction and how one measures the impacts. In the case of the City and County of San Francisco (San Francisco), San Francisco found that for every dollar it rebated since 2006, productions have spent \$13.66 locally and that productions have hired more than 15,664 local crew and actors represented by unions and 204 first source hires.<sup>2</sup> Moreover, San Francisco Travel asserts that film and television shows set in San Francisco inspire a large percentage of San Francisco visitors. Together these three examples demonstrate the “win-win-win” economic potential of film productions. For additional examples and an analysis of an Oakland Production Incentive, please review **Attachment A**, Final Report to the Center for Cultural Power by Olsberg SPI, as well as **Attachment B**, BAVC Media, Lessons from the Field: National Insights to Inform Bay Area Film Production Growth.

<sup>2</sup> Film SF Impact Report Fiscal 2022-2023 available at: [https://www.sf.gov/sites/default/files/2024-01/Film%20SF%20Impact%20Report%20FY22\\_23.pdf](https://www.sf.gov/sites/default/files/2024-01/Film%20SF%20Impact%20Report%20FY22_23.pdf)

### *Oakland's Employment Needs*

The City's Workforce Development Board (OWDB) works in partnership with community benefit organizations, industry, other City departments, and regional agencies to build pathways to prosperity. OWDB understands that the road to quality, empowered, and meaningful careers requires persistence, collaboration, endurance, investment, capacity building, and innovation. Through OWDB partnerships and investments, the City strives to provide the support and services needed, especially for community members who have been harmed by historical and persistent systemic disparities and thus face barriers to employment. The pathway to a quality job may take a long-term approach and look differently across industries and populations, but to create equitable economies, all Oaklanders are entitled to employment that provides the following characteristics:

- Options for full-time, regular employment, paying family-sustaining wages.
- Benefits and social protections, such as health, dental, retirement, pension/retirement savings, subsidized dependent care/flex spending, paid family/sick leave, disability insurance.
- Safe working conditions.
- Disability-friendly and accessible work site(s) and hiring practices.
- Employees' training, upskilling and advancement, and transparency of workplace policies.
- Stable, automation-resilient pathways (and/or contingency plans for technical/industry advances).
- Policies to include workers' voices, expertise, cultures, and perspectives and ability to organize labor unions without obstruction.
- Equitable hiring practices and working environments (takes a systematic, intentional approach to generating opportunity for those who are under-represented and/or face barriers to quality employment).
- Work functions that are environmentally sustainable (and/or employer is actively working towards environmentally sustainable goals given the serious economic implications of climate change and the disproportionate impact on low-income communities & communities of color).

When combined, the characteristics of a quality job create a platform for workers to not only survive, but also to thrive and advance. Quality careers provide an inclusive, safe environment where equitable values are built into the workplace and cultural norms nurture opportunity, recognition, and belonging for all employees (or worker/owners.)

In 2020, the OWDB conducted a race and equity analysis that identified disparities in employment access in Oakland.<sup>3</sup> Specifically, the analysis found that in the communities of East Oakland, Fruitvale, and West Oakland, where a high number of Black and Latinx residents live, community members are unemployed at higher rates than the general population. The race and equity analysis included a stated goal of increasing "access to workforce services and improving the employment outcomes for residents in zip codes (94621, 94603, 94605,

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<sup>3</sup> Oakland Workforce Development Board Special Meeting June 24, 2020 agenda packet, pp.17-48 available here: <https://cao-94612.s3.amazonaws.com/documents/Agenda-and-staff-report-for-Special-Meeting-of-the-Oakland-Workforce-Development-Board-June-24-2020.pdf>

94601,94607) with the highest unemployment rates.” The analysis also identified specific actions to advance this goal, including ensuring workforce funding is distributed to these neighborhoods, and exploring partnerships with organizations in these neighborhoods to increase access points.

### *Current Barriers to Local Film Production*

Despite a large creative community in the Bay Area, many productions take place outside the City due to the cost of film production in the City. The City is a high-cost market for production due to both the general high cost of living in the Bay Area as well as the high cost of renting film equipment as a result of the lack of local film infrastructure such as studios and sound stages (see **Attachment A and B**). The lack of local rental equipment requires that film productions drive equipment up from Los Angeles, which increases the cost of film production in the City. Consequently, film productions focused on minimizing costs, opt to film in Los Angeles or in jurisdictions outside of California that offer generous financial incentives for film production.

## **ANALYSIS AND POLICY ALTERNATIVES**

Developing the City’s film industry advances the Citywide priority of **housing, economic, and cultural security** by increasing local employment opportunities, generating new tax revenues, and fostering outlets for community expression. Below staff outlines a framework for achieving these goals.

### *A. Establish an Incentive Program for Film Productions*

To offset the comparatively high cost of production in the City compared to Los Angeles, the City should consider adopting a financial incentive program as outlined in **Table 3** below. Accordingly, the Mayor’s proposed Fiscal Year 2024-2025 Midcycle Budget allocates five-hundred thousand dollars (\$500,000) to seed a film rebate program. Additionally, the proposed ordinance authorizes the acceptance of donations towards the rebate program to augment the City’s initial investment, should foundations or other third parties seek to support the City’s film industry.

In terms of eligibility criteria, staff recommends establishing a minimum expenditure threshold of \$250,000 to avoid spending limited staff time reviewing extremely small projects produced by hobbyists while still supporting small budget independent projects. Additionally, staff recommends that all film productions receiving a rebate provide Oakland residents with skills and training.

With respect to the amount of the incentive, staff recommends a baseline rebate of ten percent of any Oakland expenses. This approach is simple and should be attractive to film productions interested in staying in California as no local jurisdiction in California currently offers a rebate on all local expenses. Additionally, staff recommends two targeted additional incentives to encourage film productions to hire residents and utilize vendors from zip codes with disproportionately high levels of unemployment, namely zip codes 94621, 94603, 94605, 94601, 94607. The proposed ordinance also allows for an annual update to the targeted zip codes based on changes to unemployment throughout the City. The intent of these additional

incentives is to reduce employment disparities within the City by providing extra financial incentives for film productions to support less resourced communities.

**Table 3: Proposed Financial Incentive Framework**

Eligibility Criteria	Baseline Incentive	Additional Incentives
Production must provide film skills and training to Oakland residents as determined by the City's Film Office; AND	10% rebate on any items or services purchased or rented in Oakland, as well as wages of Oakland residents.	2.5% additional rebate on wages of Oakland residents from zip codes with highest levels of unemployment.
Minimum expenditure of \$250,000		2.5% additional rebate for expenses on vendors from zip codes with highest levels of unemployment.

*B. Add Staff to Market Filming in Oakland and Administer Incentive Program*

The addition of staff to promote filmmaking in the City and administer a financial incentive program for film productions will shift the City from a reactive to a proactive posture aimed towards the “win-win-win” economic potential of additional film productions in the City. The Mayor’s proposed Fiscal Year 2024-2025 Midcycle Budget includes investments to cover the costs the internal and external staff positions described below for a one-year period.

*i. Marketing Staff Will Maximize Oakland’s Potential*

As noted earlier, the City has a range of locations and communities that film productions and production companies outside of the Bay Area are not likely to be familiar with and that existing staff lack the capacity to properly market. The Mayor’s proposed Fiscal Year 2024-2025 Midcycle Budget includes one hundred thousand dollars (\$100,000) for Visit Oakland to fund the creation of a database of film locations in the City and a portion of a staff person to market the City to film production companies. This investment in marketing and database infrastructure will ensure producers are aware of all the City has to offer and reduce barriers to filming in Oakland.

*ii. Financial Incentive Programs Require Oversight*

Likewise, implementing a financial incentive program, particularly a rebate program, requires additional staff to review applications. This work will require interacting with producers in advance of productions to screen their eligibility and thorough reviews of expenditures post-production. This work is essential to ensuring the City receives the benefits from the financial incentive program. Sufficient staffing is key to attracting interest from film productions as well, as prompt and clear responses from City staff will provide producers with the confidence they need to situate their productions in the City. The Mayor’s Office’s proposed Fiscal Year 2024-2025 Midcycle Budget includes funding for one year of a Special Activity Permit Technician to oversee this function.

*C. Leverage City Property Where Feasible*

The City has an extensive portfolio of owned properties, including development sites, parks and open spaces, and other community facilities that can be made available as filming locations. The Master Fee Schedule currently requires payment of a \$2,607.25 flat fee for the required license agreements, but the City could create a fee exemption for film productions that meet desired eligibility criteria, provided the City establishes a source of funding to cover any fees waived. Given the City's current fiscal environment, a fee waiver program may be more appropriate after the initial phase of the program.

It may also be possible to incorporate film infrastructure (e.g., studio and sound stages, equipment storage) into the future development plans for surplus City-owned development sites. Developing film infrastructure would reduce the cost of film production in the City and thus is another way of encouraging film productions to take place locally. As noted earlier, the lack of studio and sound stages in the City limits indoor shooting and post-production in the City. Likewise, the lack of local film equipment increases the current cost of filming in the City as this requires productions to transport their equipment from Los Angeles. Developing sound stages, studios, and equipment storage facilities on surplus City-owned development sites could address these issues and potentially serve as film industry employment and small filmmaker incubator. The disposition and development of these sites is subject to the State Surplus Lands Act, which prioritizes the use of surplus public property for affordable housing development. However, this does not necessarily preclude film infrastructure development on these sites, and staff can further explore the feasibility of this potential strategy.

*D. Launch Program as a Pilot and Evaluate Effectiveness Over Time*

While growing the City's film industry has the potential to generate local employment and tax revenues as well as inspire tourism, these outcomes are not certain. Film productions can have a negative impact, such as impeding customers from supporting local businesses,<sup>4</sup> and the public deserves oversight over any investment of public funds to ensure they are achieving their stated objective effectively. The Mayor's proposed Fiscal Year 2024-2025 Midcycle Budget effectively launches the financial incentive program as a pilot as it provides one-time seed funding and funding for staff for one year. This approach will allow the City to evaluate the impact of the program and make any needed adjustments based on lessons learned through implementation before committing to a permanent program.

**FISCAL IMPACT**

As described above, developing the City's film industry has the potential to increase tax revenues and reduce unemployment. Film productions increase tax revenues directly through film productions' spending on local businesses and at hotels as well as indirectly by inspiring people to visit the City after seeing a film or television series filmed in the City.

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<sup>4</sup> See <https://www.ktvu.com/news/freaky-ales-movie-shoot-irking-some-oakland-merchants>

To attract these benefits, The Mayor's proposed Fiscal Year 2024-2025 Midcycle Budget includes the following investments:

- A one-time appropriation of five hundred thousand dollars (\$500,000) from the General Purpose Fund (1010) in the Film Rebate Project (1007498) towards the rebate program;
- A one-time appropriation of one hundred thousand dollars (\$100,000) from the General Purpose Fund (1010) to Visit Oakland to cover the cost of creating a database and marketing the City as a filming destination.
- One special activity permit technician to administer the rebate program for a one-year period from the General Purpose Fund (1010).

In summary, the launching of a financial incentive program for film productions will cost the City both in the form of the rebate funds provided as well as the cost of City staff required to implement the rebate program. Following implementation of the pilot program, staff can weigh whether the tax revenues and employment benefits outweigh or have the potential to outweigh the costs of the film rebate program.

### **PUBLIC OUTREACH / INTEREST**

On May 2, 2024 staff presented an informational report to the OWDB on developing the City's film industry, including the strategies outlined in this report. The OWDB expressed support for recommendations provided in the informational report.

Additionally, staff provided an overview of the proposed rebate program to the City Council during the June 4, 2024 Special City Council meeting regarding the FY 2024-2025 Midcycle Budget. Finally, staff will provide an informational report to the City's Cultural Affairs Commission on June 13, 2024.

### **COORDINATION**

The Economic and Workforce Development Department consulted with the Office of the Mayor, the Finance Department, the Department of Race and Equity, and the Office of the City Attorney in preparation of this report.

### **SUSTAINABLE OPPORTUNITIES**

***Economic:*** Developing the City's film industry offers an opportunity to generate new tax revenues from hotel stays and support of local businesses, new jobs from local hiring, and increased tourism from new film and television shows exposing the City to new audiences.

***Environmental:*** Encouraging local entertainment and employment opportunities can reduce commutes and related greenhouse gas emissions.

***Race & Equity:*** A financial incentive program to hire residents and support entrepreneurs from areas of the City with disproportionately high levels of unemployment will reduce racial disparities in employment and wealth building.



**CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

The action authorized in the proposed ordinance does not constitute a “project” within the meaning of CEQA based on: (1) CEQA Guidelines, 14 California Code of Regulations, Section 15060(c)(2) because there is no potential that the legislation will result in a direct or reasonably foreseeable indirect physical change in the environment and (2) CEQA Guidelines, 14 California Code of Regulations, Section 15378 because it has no potential for resulting in either a direct physical change to the environment, or a reasonably foreseeable indirect physical change in the environment. Even if this action does comprise a project for CEQA analysis, the following CEQA Guidelines, 14 California Code of Regulations, exemptions apply to this action: (1) CEQA Guidelines Section 15061(b)(3) (general rule exemption), and (2) CEQA Guidelines section 15301 (existing facilities exemption), each of which provides a separate and independent basis for CEQA clearance and when viewed together provide an overall basis for CEQA clearance.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Adopt An Ordinance Amending The Oakland Municipal Code By Establishing A Film Rebate Program To Reimburse A Percentage Of Film Permittees’ Expenses In The City Of Oakland Provided Funding Is Available For This Purpose; And Making California Environmental Quality Act Findings.

For questions regarding this report, please contact Greg Minor, Deputy Director, Economic and Workforce Development Department, at (510) 238-6370.

Respectfully submitted,

Ashleigh Kanat

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ASHLEIGH KANAT  
Director, Economic and Workforce  
Development Department

Prepared by:  
Greg Minor  
Deputy Director  
Economic and Workforce Development  
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Attachments (2):

- (A) : Final Report to the Center for Cultural Power by Olsberg SPI.
- (B) : BAVC (Bay Area Video Coalition) Field Study

**Signature:** Ashleigh Kanat

Ashleigh Kanat (Jun 12, 2024 15:28 PDT)

**Email:** AKanat@oaklandca.gov

# Feasibility and Design Study for a new Oakland Production Incentive

Final Report to the  
Center for Cultural  
Power by Olsberg • SPI

30<sup>th</sup> April 2024

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## 1. INTRODUCTION

### 1.1. About the Study

Oakland is well-positioned to grow its film and television production ecosystem and attract valuable production investment, but in recent years has lost productions to other Californian markets and other US or global markets that offer incentives programs.

Against this backdrop, the Center for Cultural Power (the “Client”) commissioned Olsberg•SPI (“SPI”) to analyze Oakland’s production sector, as well as the production landscape in comparable markets, and design the outlines of a new competitive production incentive for Oakland (the “Study”). The Study involves four key elements:

1. Analysis of in-state and out-of-state competitor markets
2. Assessment of the rationale for an Oakland incentive
3. Incentive design
4. Recommendations for ongoing data collection.

This Final Report presents SPI’s findings, focusing on research into Oakland’s production sector and comparable markets to provide an informed and proportionate incentive design.

### 1.2. Summary of Findings

#### 1.2.1. Rationale for an Oakland Production Incentive

Oakland has built a reputation as a strong creative center for film and television, with a local filmmaking community that is committed to telling locally driven stories, such as *Fruitvale Station*, *Sorry to Bother You*, and *Fremont*.

Despite the fact that projects originate in Oakland and are often set locally, there are challenges for filmmakers who want to carry out the production in Oakland. A growing number of productions that are set in Oakland are filmed elsewhere (in most cases outside of California) for cost reasons.

The key findings are as follows:

- Oakland is a high-cost market for production. This is a combination of the general high cost of living in the Bay Area, and the high industry costs (e.g. equipment rental) due to its relatively small size.
- While the state incentive is relatively competitive for approved productions and contains several benefits for filming and hiring outside of Los Angeles, it is massively oversubscribed and only a small fraction of applications are approved. Because of the availability of incentives in other states, rejected productions move out of California to take advantage of incentives and bring down their overall cost.
- A new incentive in Oakland would aim to encourage productions to film in the city. Three priority categories of productions have been identified as potential targets for the incentive:
  1. Mid- to large-budget projects with strong creative reasons to film in Oakland, that without the incentive would film elsewhere.
  2. Independent projects led by emerging local filmmaking talent, that would struggle to come to fruition without the incentive.
  3. Larger California-based projects that may decide to film in Oakland (as opposed to other Californian locations) if there is an incentive to do so.
- In this sense, the purpose of incentive would be to positively impact and support these types of projects (which, crucially, all have a desire to film in Oakland or California for creative reasons) – not to make Oakland the most cost-competitive location in the US or globally.
- Because California has a state tax credit, Oakland’s incentive should (as in other states) practically function as a top-up to the state incentive. While this means the incentive inherits the

instability of California's state tax credit, it is not realistic to expect the City of Oakland to fund an incentive that competes with other US states.

- For smaller projects, the incentive could be a vital source of funding which allows them to stay in Oakland. For larger projects, the proposed incentive may not have a huge impact on their budget, but the research for this Study suggests the incentive would nonetheless put Oakland on the map within the industry and give local producers (or potentially a fully resourced film commission) something they can market to decision-makers at the major production houses.
- The incentive would aim to attract local investment and create general employment but would also encourage beneficiaries to hire local creative and technical talent, promote Oakland on-screen, and provide data which allows for deeper industry analysis.

### **1.2.2. Analysis of Comparable City and Regional Incentives**

Within California, several cities offer incentives to attract productions. The incentives in California are typically waivers of city fees, such as permitting costs. While these programs rarely make a difference for large projects, waiver-style incentives like San Francisco's (which offers up to \$600,000 in waived city fees) can influence decisions for smaller productions.

Outside of California, several cities across the US offer incentives. The incentives are offered in jurisdictions with similarities to Oakland and aim to mitigate the higher cost of producing outside of a major production center.

As with California, they generally act as top ups to the state incentive (e.g. Savannah's incentive in Georgia, or San Antonio's in Texas) and only in combination do they attract large projects. Overall, the analysis of comparable markets points to a need for an Oakland incentive to work in combination with California's state incentive.

### **1.2.3. Potential Economic Benefits of an Oakland Incentive**

The principal objective of all incentives is to attract expenditure, and an important part of maintaining an incentive is both to measure the expenditure it generates, as well as the broad economic impact of this expenditure.

While SPI has not undertaken specific economic impact projections for this Study, the incentive would aim to deliver a range of benefits:

- As noted above, the key measure for any incentive system is the expenditure generated by the system. Film and television production can deliver substantial investment in a jurisdiction in a short space of time – SPI analysis of an example major feature film (\$220 million budget) shows an average of \$9.9 million in weekly expenditure during its 16-week shoot, as well as substantial expenditure during both the prep and post phases.<sup>1</sup>
- 'Additionality' is the term used to describe expenditure that results from the presence of an incentive. Without an incentive, expenditure deemed to be 'additional' would either have been incurred elsewhere, or not at all. For example, a production destined for Oakland may – without an incentive – either film in another US state or simply not be made. In the UK, for example, 91% of film production expenditure covered by incentives

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<sup>1</sup> *Global Screen Production – The Impact of Film and Television Production on Economic Recovery from COVID-19*, Olsberg•SPI. 25<sup>th</sup> June 2020.

between 2017-19 was determined to be 'additional' in that it directly resulted from the presence of incentives.<sup>2</sup>

- Gross Value Added (GVA) is a measure of the value that is created by economic activity. It is the difference between gross output and intermediate inputs and broadly equivalent to profits plus wages; at a national level, it aligns to Gross Domestic Product (GDP). Often, it is expressed as a return-on-investment figure – GVA or overall economic RoI. An evaluation by SPI of Illinois' film tax credit, for example, found an overall economic RoI of 6.81, meaning that for every \$1 invested through the program, \$6.81 is generated in terms of additional economic value from direct, indirect, and induced effects.<sup>3</sup>
- Expenditure through incentives also positively impacts employment, typically measured as Full Time Equivalents (FTEs).
- In terms of micro-impacts, productions typically have a "ripple" effect, where expenditure flows outside of the film and television sector and into other sectors, such as hospitality, real estate, and travel businesses.
- Finally, while production predominantly occurs within large production hubs the supply chain for this production can often cover a broader area. A key objective of an Oakland incentive would be to encourage regional development in California, where the industry is concentrated in Los Angeles.

<sup>2</sup> [Screen Business](#), Olsberg•SPI with Nordicity for the British Film Institute. December 2021.

### 1.3. Summary of Incentive Recommendation

A summary of the Incentive Recommendation is provided below. Further detail for each element, including the rationale behind the recommendation, is in Section 3 of this report.

Summary of Incentive Recommendation	
Type of Incentive	Cash rebate
Qualifying Expenditure	Wages for services performed by City of Oakland residents, during the applicable period relating to original production or post-production in the City of Oakland.
	Non-wage expenditures for items purchased and / or rented from vendors based in the City of Oakland.
Incentive Rate	10%
Uplifts	Additional 2.5% if production crew are more than 50% Alameda County residents
Annual Cap or Program Cap	Determined by the City of Oakland on a quarterly or annual basis, based on applications (no fixed cap)
	<u>or</u> if a cap is required \$3 million for first three years of operation.
Per-Project Cap	\$300,000 basic per-project cap, or \$600,000 for productions eligible to receive the workforce uplift
Minimum Expenditure Threshold	\$500,000 minimum Oakland qualifying expenditure

<sup>3</sup> [Economic impact of the Illinois Film Production Services Tax Credit](#), Olsberg•SPI for Illinois Production Alliance. 19<sup>th</sup> December 2023.

*Feasibility and Design Study for a new Oakland Production Incentive*

Marketing and  
Promotion

On-screen credit requirement (text and logo).

Productions to provide high resolution publicity stills (including behind-the-scenes images), artwork / poster, and press kit (e.g. clips, trailers) cleared for promotional use by the City of Oakland.

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Skills and Training

Productions to agree a bespoke skills plan with the Oakland Film Office, based on high-level guidelines.



## 2. KEY FINDINGS

This chapter presents the key themes arising from research to date, including consultations.

### 2.1. Oakland's Film and Television Production Sector

Oakland has a strong reputation as a creative center for film and television, with a large local filmmaking community that has found both commercial success and critical acclaim through locally driven stories, such as *Fruitvale Station*, *Sorry to Bother You*, and *Fremont*. This has a strong effect on the number of productions which originate in Oakland, but in many cases the local industry is required to produce in other markets – primarily due to the lack of available incentives in California and Oakland.

The analysis of Oakland's film and television sector focused on four key technical areas which, in addition to the provision of incentives (covered separately – see both Sections 2.2 and 5.1), comprise the main factors for producers when considering different production markets.

#### 2.1.1. Workforce

The availability of high-quality workforce is a major draw for any location, both for obvious quality reasons, but also for cost benefits. Productions incur significant additional costs on travel and accommodation for non-resident crew, so for this reason productions will typically want to hire as much as possible locally.

Film and television productions can generally source high-quality crew for Oakland productions both from Oakland and from the wider Bay Area. It is important to note that crew considered to be part of the "Oakland" industry do not necessarily live within the city limits.

Except during exceptional circumstances, such as the boom in production following the lifting of Covid-19 restrictions, crew capacity is not seen by industry as a major capacity constraint. However, some

senior production roles, such as local line producers, are in relatively short supply in the Bay Area.

There is a strong desire from industry for there to be more training opportunities aimed at Oakland residents. In addition, crew from Oakland who work in production will move to Los Angeles or other parts of the US. These crew would in some cases like to return to Oakland.

#### 2.1.2. Infrastructure

Infrastructure can be a major draw for certain productions: almost every film or series production will require some form of indoor shooting space, but many productions will base (i.e. headquarter the production) in one location but undertake part of the filming, or post-production elsewhere.

The lack of sufficient infrastructure (particularly studios and sound stages) was raised as a major inhibition to attracting higher-end productions to Oakland, and the Bay Area more generally. However, the presence of a studio facility (in the absence of local incentives, promotion, and so on) is unlikely to draw major productions to headquarter in Oakland.

While there are converted spaces in use (for example, facilities on Mare Island in Vallejo, and Treasure Island in San Francisco – as well as smaller conversion facilities nearer to Oakland) these facilities face competing demand from different industries and only work for certain types of productions.

#### 2.1.3. Equipment

The availability of equipment is a key issue for Oakland and the Bay Area industry, particular as it relates to the overall cost of filming. While some equipment is available locally, there are no high-end rental houses locally. Equipment often has to be driven up from Los Angeles, adding significant cost to the production.

This was noted across consultations as an issue for Oakland (and the wider Bay Area). There may be options for public authorities to invest in equipment for smaller productions, however the specific equipment needs of larger productions can be difficult to anticipate. Higher production levels in Oakland would likely result in large equipment vendors opening local branches.

#### **2.1.4. Marketing and Promotion**

The presence of a local film office or film commission can significantly impact the awareness of Oakland among studios, producers and the wider industry. Oakland

Currently, the Oakland Film Office facilitates incoming and local productions by organizing permits, and assisting these productions as other challenges arise on an ad-hoc basis. It should be emphasized that the Oakland Film Office is highly regarded by industry for the quality of its support in this area.

Nonetheless, it has no outward-facing functions – e.g. it does not actively promote Oakland to producers, location managers, or other relevant targets. The presence of an incentive in Oakland would raise the city's profile on its own, but it should be considered whether an active marketing effort from an expanded Oakland Film Office could deliver even greater impact.

#### **2.2. Availability of Incentives**

Oakland does not have a dedicated film and television production incentive, and while this was raised as an issue by consultees, the

primary bottleneck for the industry (especially those working on larger projects) is California's state incentive.

California's state incentive is in fact relatively generous and makes a large positive financial impact for the projects that receive it. It is worth also noting that, for the projects that do gain access to the state tax credit, there are several in-built mechanisms that benefit Oakland:

- An additional 5% tax credit is available for expenditure outside of the Los Angeles Zone
- An additional 10% tax credit is available for expenditure on local hires during filming outside of the Los Angeles Zone (local hires are defined as 'employees living and working outside the Los Angeles Zone').

If California's production incentive were widely available, it would likely deliver real impacts for Oakland through these mechanisms. However, there is intense demand and only a fraction of applicants are ultimately approved. For example, in the most recent application round (February 2024) 59 projects applied and only 15 were approved.<sup>4</sup> In September 2023, 55 projects applied and only 16 were approved.<sup>5</sup> Competition is regarded as being even more intense for independent films, which have an annual allocation of \$26.4 million out of the total \$330 million available.

This creates a difficult position for any cities or regions within California that wish to offer an incentive: while it makes sense to tether city incentives to state programs and offer a "top up" to producers, this also

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<sup>4</sup> California's Film & Television Tax Credit Program Attracts Biggest Blockbuster in Program History, Adding \$166 Million to State's Economy, California Film Commission. 26<sup>th</sup> February 2024. Accessible at: <https://film.ca.gov/californias-film-television-tax-credit-program-attracts-biggest-blockbuster-in-program-history-adding-166-million-to-states-economy/>

<sup>5</sup> California's Film & TV Tax Credit Program Welcomes Big-Budget Films and Diverse Roster of Indies, California Film Commission. 8<sup>th</sup> September 2023. Accessible at: <https://film.ca.gov/californias-film-tv-tax-credit-program-welcomes-big-budget-films-and-diverse-roster-of-indies/>

means cities like Oakland inherit the higher-level issues with the state incentive.

### 2.3. Competition with Other US States and Global Markets

There is intense competition across the US, and globally, to attract production investment.

While to some degree Oakland competes with Los Angeles for projects, the projects that do not receive approval for the California incentive generally leave California entirely and look to other production markets. Anecdotally, the cost of production is higher in Oakland than Los Angeles, however Oakland does not meaningfully lose production to other parts of California in the same way that the state loses production to other US or global markets.

For example, several recent Bay Area or Oakland-set stories have been filmed in other production markets:

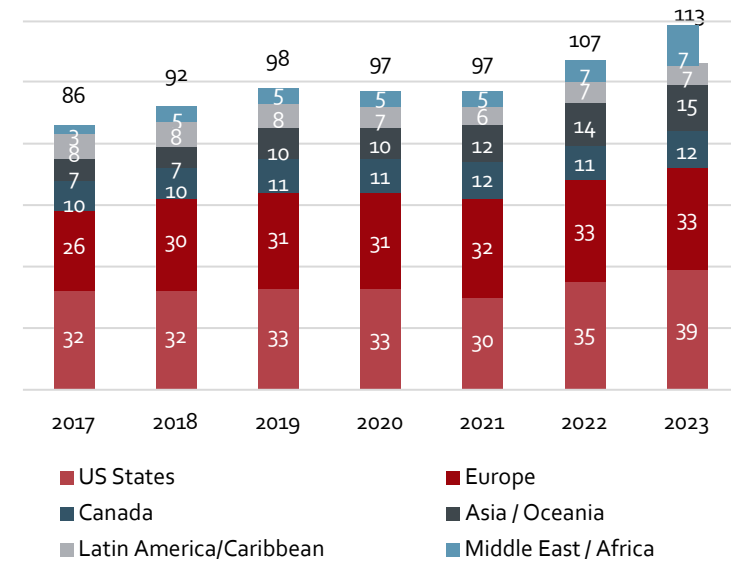
- *The Book of Jobs*, which is set in the Bay Area, filmed in Oklahoma.
- *Black Panther* is partly set in Oakland. While several exteriors were shot in the city, the film was primarily made in Georgia.
- *Clickbait* is set in the City of Oakland but filmed primarily in Australia.
- *I'm A Virgo* is set in Oakland but filmed primarily in New Orleans, Louisiana.

All four of the above markets (Oklahoma, Georgia, Australia, Louisiana) attracted Oakland-set productions, and were identified during the Study as competitors. These markets offer competitive incentives, high-quality crew, and in some cases infrastructure, all of which reduce the cost of production.

Nonetheless, while these are important markets, they are not the only markets which compete with Oakland. While the quality of crew and infrastructure varies greatly, Oakland (and California generally)

competes with over 100 global markets which offer production incentives.

Figure 1 – Active Production Incentives by Global Region, 2017-2023



Source: Olsberg•SPI

### 3. INCENTIVE RECOMMENDATION

This section provides a full recommendation for an incentive for the City of Oakland, including guiding principles, information on key rules, soft incentives, and other considerations.

Summary of Incentive Recommendation	
Type of Incentive	Cash rebate
Qualifying Expenditure	<p>Wages for services performed by City of Oakland residents, during the applicable period relating to original production or post-production in the City of Oakland.</p> <p>Non-wage expenditures for items purchased and / or rented from vendors based in the City of Oakland.</p>
Incentive Rate	10%
Uplifts	Additional 2.5% if production crew are more than 50% Alameda County residents
Per-Project Cap	\$300,000 basic per-project cap, or \$600,000 for productions eligible to receive the workforce uplift
Annual or Program Cap	<p>Determined by the City of Oakland on a quarterly or annual basis, based on applications (no fixed cap)</p> <p>or if a cap is required</p> <p>\$3 million for first three years of operation.</p>
Minimum Expenditure Threshold	\$500,000 minimum Oakland qualifying expenditure
Marketing and Promotion	<p>On-screen credit requirement (text and logo).</p> <p>Productions to provide high resolution publicity stills (including behind-the-scenes images), artwork / poster, and press kit (e.g. clips, trailers) cleared for promotional use by the City of Oakland.</p>
Skills and Training	Productions to agree a bespoke skills plan with the Oakland Film Office, based on high-level guidelines.

#### 3.1. Guiding Principles

##### 3.1.1. Attracting Investment

The purpose of a production incentive is to attract valuable production investment. The core objective therefore is creating a system that is attractive to potential producers. At the same time, markets that offer incentives often include additional measures to encourage specific behavior or types of spend.

Finding a balance between these two sides (incentivizing and leveraging) is key to the operation of a successful incentive system.

##### 3.1.2. Oakland-Specific Principles

There are several guiding principles for a new Oakland production incentive:

- Three priority categories of productions have been identified as potential targets for the incentive:
  1. Projects with creative reasons to film in Oakland, that without the incentive would film elsewhere.
  2. Projects led by local filmmaking talent, that would struggle to come to fruition without the incentive.
  3. Larger California-based projects that may decide to film in Oakland (as opposed to other Californian locations) if there is an incentive to do so.
- In this sense, the incentive would not aim to make Oakland the most cost-competitive location in the US or globally but would make a difference for a select group of potential projects.
- Because California has a state tax credit, Oakland's incentive should (as in other states) practically function as a top-up to the state incentive.
- The incentive would put Oakland on the map within the industry and give local producers (or potentially a fully resourced film commission) something they can market to decision-makers at studios.

- The incentive would aim to attract local investment and create employment but would also encourage beneficiaries to hire local creative and technical talent, promote Oakland on-screen, and provide data which allows for deeper industry analysis.
- In addition, a key objective embedded in the incentive would be to make Oakland a city in which filmmakers can live and work, both in the sense of retaining and repatriating creative talent.

### 3.2. Key Features

This sub-chapter describes the rationale behind the recommendations being made.

#### 3.2.1. Type of Incentive

**OPTIONS** Different models exist to support production, including cash rebate incentives, tax credits, discretionary funds, fee waivers, tax exemptions, and others.

**RECOMMENDATION** Cash rebate

**RATIONALE** The cash rebate model provides producers with a cash incentive which is calculated as a percentage of their local qualifying expenditure. Cash rebates offer a high degree of transparency for both producers and government. Producers can review the rules and regulations ahead of making an application and get a good sense of eligibility and the potential incentive amount.

#### 3.2.2. Qualifying Expenditure

**OPTIONS** Qualifying expenditure rules define the types of expenditure that qualify towards the incentive. The final incentive amount to producers would be the qualifying expenditure multiplied by the incentive rate.

**RECOMMENDATION** Wages for services performed by City of Oakland residents, during the applicable period relating to original production or post-production in the City of Oakland.

Non-wage expenditures for items purchased and / or rented from vendors based in the City of Oakland.

**RATIONALE** The recommended qualifying expenditure definition mirrors the language used for “Out of Zone” qualifying expenditure for the state film tax credit. Using the same, well-understood system makes it easier for producers to track eligible Oakland costs.

To assist producers, the incentive authority in Oakland should build a relevant local version of the California Film Commission’s *Qualified Expenditure Chart*<sup>6</sup> using the same expenditure categories. This would still allow Oakland to differ in its treatment of costs.

<sup>6</sup> Accessible at: <https://cdn.film.ca.gov/wp-content/uploads/2022/09/3.0-OEC-1.pdf>

The recommended qualifying expenditure is relatively limited in that it only applies to the City of Oakland. It may be preferable to widen the boundary to Alameda County – or potentially further – if this is an option for a city-funded incentive.

**3.2.3. Incentive Rate**

**OPTIONS**

The incentive rate is a percentage that is applied to the qualifying expenditure to calculate the incentive amount, usually between 15%-40% for standalone state or country incentives.

**RECOMMENDATION**

10% with uplifts (see Section 3.2.4)

**RATIONALE**

A higher incentive rate is more attractive to producers, but increases the cost to government, so it is important to strike a sustainable balance.

The recommended incentive rate of 10% is low when compared to state-level incentives but reflects the presence of California’s state film tax credit, and the fact that an Oakland incentive, for many projects, would act as a top up to the state incentive.

Compared to other city incentives, the 10% rate is relatively generous – San Antonio, for example offers a 7.5% incentive. However, the proposed incentive has a relatively modest per-project cap (see Section 3.2.5) meaning that while the net incentive would be exactly 10% for small

projects, it would (as intended) be lower for large projects:

- For example, a project that incurs \$2 million in qualifying costs would receive (with the uplift in Section 3.2.4) an incentive worth \$250,000, or exactly 10% of their qualifying costs.
- However, a project that incurs \$10 million in qualifying expenditure would receive the capped \$600,000 incentive, or 6% of their eligible costs.

**3.2.4. Uplifts**

**OPTIONS**

As incentives grow in usage by governments, targeted ‘uplifts’ have become more common to encourage specific production practices or to achieve strategic objectives. Uplifts provide additional incentive value (usually around 5-10%) for meeting specific criteria.

**RECOMMENDATION**

2.5% up to an additional \$300,000 if production crew are more than 50% Alameda County residents

**RATIONALE**

Uplifts should be achievable for productions and provide value to a location in return for the increased incentive. Across the Oakland filmmaking community there is a strong desire for productions to employ (and build up) local talent, and this uplift would reward productions that do so.

### 3.2.5. Per-Project Cap

**OPTIONS** The per-project cap of an incentive is the maximum incentive available to any single project.

**RECOMMENDATION** \$300,000 basic per-project cap, or \$600,000 for productions eligible to receive the workforce uplift

**RATIONALE** Our research suggests that even a small incentive could have an outsized promotional / awareness impact for Oakland. Therefore the recommendation is for a relatively modest per-project cap that would provide a meaningful top-up for large projects, and a large boost for smaller projects.

The cap is modelled on other similar (city or regional) incentives across the US and is set at the same level as San Francisco. Although the proposed incentive is structured differently to San Francisco's waiver system, at first glance this will show producers that Oakland's incentive is (at least) on par with San Francisco.

### 3.2.6. Annual or Program Cap

**OPTIONS** The annual or program cap of an incentive sets a limit on the total amount of funding available in a given year, or across the lifespan of a program. Larger state incentives do not use annual or program caps. In other cases, incentive funding is requested (e.g. by the film office) each year based on the volume of applications.

**RECOMMENDATION** Determined by the City of Oakland on a quarterly or annual basis, based on applications (no fixed cap)

or if a cap is required

\$3 million for first three years of operation.

**RATIONALE** To ensure open access to the incentive for all productions which meet the eligibility criteria, it is recommended that it operate without a fixed annual cap.

The first recommendation above is informed by San Antonio, which determines a budget for the film incentive each year based on the volume of applications, and the amount requested. This is not "uncapped" in the way that some state incentives are but offers flexibility for the city to respond to demand.

The City of Oakland may be required to set aside a fixed amount for the incentive. If this is the case, a three-year cap of \$3 million (second recommendation above) is recommended to start the incentive. This allows for the high year-on-year fluctuation which is typical of new incentives. If in this period there is a risk of funding being exhausted, the City of Oakland should consider appropriating additional funding to the incentive to meet demand.

### 3.2.7. Minimum Expenditure Threshold

**OPTIONS** Incentives often include a minimum spend threshold for eligibility, meaning only projects

that incur a certain amount of qualifying expenditure are eligible.

**RECOMMENDATION** \$500,000 minimum Oakland qualifying expenditure

**RATIONALE** There are two primary options for minimum spend thresholds:

- A low minimum spend threshold allows all projects – except the very smallest – to access the incentive. A low minimum expenditure ensures the incentive is effectively open-to-all, but should still filter out projects which would not be worth the administrative resource.
- A high minimum spend threshold can be used in an established production location to encourage larger projects.

Although Oakland has an established industry, the incentive should aim to (at least in part) support independent local projects. Therefore the recommendation is for a relatively modest threshold that still ensures projects reach a certain scale in order to be eligible.

For smaller projects, other forms of funding (such as selective grants) may be more relevant.

**3.2.8. Marketing and Promotion**

**OPTIONS** Incentives often require productions to include a 'screen credit' that acknowledges (in the end credits, along with other organizations which

have contributed to the production) the relevant incentive agency or screen office for the financial support.

The incentive agency may also request marketing materials (cleared for promotional use) from the production.

**RECOMMENDATION** On-screen credit requirement (text and logo).  
After production, production to provide:

- High resolution publicity stills (including behind-the-scenes images)
- Artwork / posters
- Press kit (e.g. clips, trailers) cleared for promotional use by the City of Oakland.

**RATIONALE** The recommendation is for a relatively standard set of marketing deliverables, similar to other incentives. Applicants will generally expect to provide these deliverables as part of receiving incentives, and they can be used to promote the City of Oakland as a filming location.

**3.2.9. Skills and Training**

**OPTIONS** Incentives can require productions to undertake certain training-related activities as part of receiving the incentive. These could include requirements to hire a certain number of local trainees or to participate in local workshops or masterclasses, or in some cases, to provide a bespoke skills plan.



**RECOMMENDATION** Productions to agree a bespoke skills plan with the Oakland Film Office, based on high-level guidelines.

**RATIONALE** Generally, any training requirements associated with incentives should be reasonable and achievable, so as not to discourage productions.

While there is a case to be made for having strict rules (e.g. hire two trainees), productions will vary in size and will have different abilities to undertake local training activities.

The bespoke approach allows the Oakland Film Office and individual productions to collaborate on a realistic, actionable plan for workforce development. In addition, the incentive authority / Oakland Film Office should provide productions with a document outlining general principles.

Areas of focus could include:

- Providing opportunities for new entrants into the industry
- Offering placements for trainees
- Taking an active role in upskilling existing workforce
- Providing members of the production with mentoring
- Above-the-line skills development
- Promotion of industry careers to students
- Working with schools, universities, or other educational institutions.

### 3.3. Soft Incentives

In addition to the core recommendation above for a cash rebate incentive, Oakland should match other cities and counties in California by waiving permitting charges and other city fees. Following the model in other parts of the state and given that this recommendation is intended to work alongside the cash rebate proposal above, the waiver should be capped at \$50,000 per project.

While these incentives can assist in attracting larger projects, they are particularly valuable for smaller productions. In many cases smaller projects can utilize these support mechanisms to not only cover permitting charges, but also other city fees including (but not limited to) production office spaces, public transport, police, traffic control, and other elements of the production.

The approach qualifying charges and fees should be consistent with San Francisco, and include:

- Any taxes, with the exception of hotel or sales taxes, paid to the City of Oakland, or any of its constituent departments
- Any moneys paid to the City of Oakland, or any of its constituent departments, for the use of City property, equipment, or employees
- Any moneys paid to the City of Oakland, or any of its constituent departments, for the use of property leased by the City of Oakland
- Any daily use fees charged by the Oakland Film Office to engage in film production in the City
- Police services, provided that such services do not exceed four police officers per day for a total of 12 hours maximum per day per officer.

### 3.4. Additional Options and Commentary

#### 3.4.1. Application and Payment Process Speed

In addition to the recommendations above, the process speed of for reviewing application and making payment critical to the success of an incentive.

Fast-track processing and disbursement of incentives ensures that eligible productions can progress without additional delays, reducing risk for producers. This is especially important with the rising cost of money internationally. Generally, an incentive has two application processes that are relevant here:

- Before production begins, an application is made to determine eligibility and gain approval in principle for funding. The incentive authority reviews key information about the project, including a budget estimate. This review process should take no more than 30 days.
- After production, an application for payment is made. The applicant provides the final budget and evidence of expenses (often audited by a 3<sup>rd</sup> party), which the incentive authority reviews before approving payment. This review process should again take no more than 30 days, and the subsequent payment process should take no more than 60 days (90 days total).

An advance payment or instalment option was considered as part of this Study. While it would benefit smaller productions, it would require the City of Oakland to take on significant risk in the process. For large studio productions, while advance payment can assist with cashflow, there is usually no benefit from a financing perspective.

#### 3.4.2. Using an Incentive to Market Oakland

There is a tangible marketing impact that comes with having an incentive. Sacramento has a small grant system, which is unlikely to move the needle for large projects. However, in research for the Study

it is clear that producers are aware of the program, and it has helped to put Sacramento on the industry map.

Oakland could benefit in the same way from a modest incentive – even if it cannot offer a meaningful incentive (in financial terms) for large productions, its presence alone may help to raise awareness of Oakland as somewhere looking to attract production investment.

#### 3.4.3. Incentive Jurisdiction

Although Oakland acts as a major center for the local filmmaking community, the local industry is spread out across the Bay Area. Producers source crew and equipment across the Bay Area, and most “Oakland” productions film at least in part outside of the city limits.

Depending on the availability of county or regional funds, there is a case to be made for expanding the applicable jurisdiction for the incentive, so that it better matches the needs of industry.

#### 3.4.4. Qualifying Expenditure Rules, and Consideration of the “Effective Rate”

A key element of efficient incentive design is specifying the qualifying expenditure for an incentive system – i.e., the types of costs incurred by the production that are eligible for an incentive.

For example, a production may decide to shoot in a jurisdiction offering an incentive worth 20% of qualifying expenditure. The production incurs \$10 million in total expenditure, but half of these costs are non-qualifying due to the incentive regulations, so the production’s qualifying expenditure is \$5 million. In this case, the final cash rebate would amount to \$1 million, or 10% of the total production costs.

While many governments are focused on advertising a high headline rate, decision-makers at major global production companies are equally aware of the effective rate of incentives, i.e., the value to the project after the incentive rules are considered.

**3-4-5. Showcasing "Oakland as Oakland" on Screen**

Across the industry there is a desire for any Oakland incentive to support projects which showcase the city on screen. While the incentive could include a requirement to this effect (i.e. the incentive would only be available to projects which directly feature Oakland as Oakland on screen), there is potential for such a rule to have unintended consequences and discourage otherwise-valuable productions from filming in Oakland.

#### 4. DATA COLLECTION

For any production incentive system, it is crucial that the managing entity both requests data from productions, and compiles it in a useful way to gain insight into the industry.

##### 4.1. Collecting Data

Applicants submit information to an incentive authority generally at two stages. First, before production starts, the applicant submits an initial application to confirm eligibility for the incentive. Once production is finished and the qualifying expenditure has been incurred, a final application is submitted to request payment.

At both stages, the incentive authority is able to request data from the applicant. Some data will be necessary to confirm basic eligibility for the incentive, and to calculate the incentive amount. Other data are not strictly related to the operation of the incentive but allow the incentive authority to gain deeper insight into the industry – for research uses, general monitoring, evaluations, or to inform policy changes, for example.

Please note that while all incentives require the production to submit data on the production – e.g. expenditure, call sheets, CVs, audit confirmation – for evidence purposes, these are often not provided in a standardized format. The recommended data request below should be provided to the relevant authority in a standardized format, ideally within the application form. This will allow for easier aggregation and comparison of the data provided.

##### 4.1.1. Standard Data Request

As a minimum, the incentive should request or track the following information for each production receiving the incentive. For the initial application, expenditure figures will be provided as estimates:

- Name of production
- Name and address of production company

- Type of production (e.g. feature film, TV series, documentary)
- Total expenditure in Oakland
- Qualifying expenditure in Oakland
- Total payroll expenditure
- Total vendor expenditure
- Date of application
- Incentive awarded / paid.

##### 4.1.2. Expanded Data Request

The following are examples of optional data that an incentive authority could request from applicants:

- Start date of production – i.e. start date of principal photography, or equivalent for post-production / animation
- Breakdown of expenditure between different categories of vendor (e.g. vehicles and transport, accommodation and food, rental and equipment, locations, construction, wardrobe and hair/makeup)
- A list of each vendor (or local vendor) used by the production, each including the address of the vendor, and the total amount of expenditure incurred
- Headcount, including a breakdown of cast, creative team, crew, and extras
- Residency of cast, creative team, and crew
- Payroll split by residency (in this case, Oakland resident or non-resident)
- Total number of hours worked by resident cast and crew
- Any data related to specific nature of incentive (e.g., expenditure in different parts of state / region, number of cast and crew from particular demographics or from areas of high unemployment).

Given that the California Film Commission requires the production to provide filming days and headcount figures (along with the expenditure

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data in 4.1.1) it should be feasible to request Oakland-specific versions of these figures.

## 5. ANALYSIS OF COMPARABLE MARKETS

As part of the Study, a range of comparable markets with city-level or region-level incentives were analyzed. The key findings from this analysis are as follows:

- Within California, several cities offer incentives to attract productions.
  - Outside of a small grant program in Sacramento, and a proposal to introduce a significant incentive in San Diego (through the state legislature), the incentives in California are typically waivers of city fees, such as permitting costs.
  - For large productions, these programs rarely move the needle, but for small projects, waiver-style incentives like San Francisco’s (which offers up to \$600,000 in waived city fees) can make a difference.
- Outside of California, several cities across the US offer incentives. They generally act as top ups to the state incentive (e.g. Savannah’s incentive in Georgia, or San Antonio’s in Texas) and only in combination do they attract large projects.
  - In Florida, the lack of a state incentive has led Fort Lauderdale to implement a small program of its own, but its small size means it cannot compete with most state offerings.
- The top-up incentives are offered in jurisdictions with similarities to Oakland and aim to mitigate the higher cost of producing outside of a major production center. For example, the Savannah program aims to offset the higher cost of producing in Georgia outside of Atlanta, the main industry hub.

### 5.1. City and Regional Incentives in California

#### 5.1.1. Sacramento

Sacramento Film + Media Grant Program	
Type of Incentive	Grant
Details	Total of eight grants, six US\$10,000 grants for production and two US\$5,000 grants for post-production.
Annual or Program Cap	\$70,000
Funding Source	Office of Arts and Culture

The city of Sacramento introduced the grant program, The Sacramento Film + Media Grant Program, in 2020 with the purpose of growing and sustaining film and television production in the City of Sacramento. The grant sits under the Film Sacramento, and aims to subsidize permit fees, reduce the costs of safety personnel, and reimbursing qualified expenditure for activities that occur in the city of Sacramento. The grant is split into two programs, one for production, which awards up to six US\$10,000 grants per year and two \$5,000 grants targeted for post-production.

#### 5.1.2. San Diego (Proposed – Not Active)

San Diego Regional Film Financial Incentive Pilot Program	
Type of Incentive	Cash Rebate
Details	30% on qualified expenditure, up to unknown amount per project.
Annual or Program Cap	US\$25 million over the course of three years to the end of 2028
Funding Source	County of San Diego

San Diego does not offer an incentive at time of writing however in 2023 legislators proposed an incentive for lower-budget productions in San

Diego. The bill died earlier in 2024 so there is no active proposal to introduce this incentive.

The bill would have established the San Diego Regional Film Financial Incentive Pilot Program, offering a cash rebate to productions with budgets between \$150,000 and \$999,999. The rebate would have been worth 30% of San Diego County qualifying expenditures and 20% of non-San Diego qualifying expenditures. Only productions which spend at least 70% of their budget on San Diego resident laborers, retailers, or suppliers would have qualified. The proposed budget for the program was US\$25 million over the course of three years to the end of 2028.

It is notable that the proposed bill would have appropriated state funds to the County of San Diego for the incentive – i.e. it would not have drawn on local funds.

### 5.1.3. San Francisco

San Francisco Film and Television Rebate Program	
Type of Incentive	Cash Rebate
Details	Rebate up to US\$600,000 per project cap for qualified expenditures
Annual or Program Cap	The program overall is capped at \$13 million until it sunsets (in June 2028).
Funding Source	The incentive is “funded” through forfeited city department revenue. <sup>7</sup>

The city of San Francisco introduced the cash rebate, The San Francisco Film and Television Rebate program in 2015, and lasts until 2028. The rebate sits under FilmSF. Productions, including features, television series or independent productions qualify for the rebate and may

<sup>7</sup> Participating city departments include Port, San Francisco Police Department, San Francisco Fire Department, San Francisco Municipal

receive up to US\$600,000 for any qualified expenditure that was made while shooting in San Francisco.

**Effective value:** The San Francisco incentive can be combined with California’s 20%-25% state tax credit.

## 5.2. Comparable City and Regional Incentives Outside of California

### 5.2.1. San Antonio

Supplemental San Antonio Film Incentive Program	
Type of Incentive	Cash Rebate
Details	7.5% on qualified expenditure, up to \$250,000 per project
Annual or Program Cap	Determined by the City of San Antonio on an annual basis, based on applications. \$472,000 was approved for 2024 fiscal year.
Funding Source	Community and Visitor Facilities Fund

The supplemental San Antonio Film Incentive Program was founded in 2017 and renewed in 2022. The bill awards 7.5% of approved San Antonio spending, with a maximum award for US\$250,000 per project. In order to qualify, 60% of the project’s production days must take place in the greater San Antonio Metro Area, along with a minimum spend of US\$100,000 in San Antonio.

**Effective value:** The San Antonio incentive can be combined with Texas’ 5%-22.5% rebate.

Transportation Agency, Public Works, Treasure Island, and Recreation and Parks.

**5.2.2. Fort Lauderdale, Florida**

Film and Television Incentive Program	
Type of Incentive	Rebate
Details	10-15% on qualified expenditure, up to \$175,000 per project
Annual or Program Cap	Not stated – eligibility assessed on a case-by-case basis.
Funding Source	Broward County Board of County Commissioners

Fort Lauderdale introduced their incentive in 2021, offering up to 15%, up to a maximum incentive of US\$175,000 per production project. Productions are required to have a minimum qualified spend of \$400,000 in Broward County, have 50% of production days be based in Broward County and 55% of the main cast/crew must be from Broward County, Miami-Dade County or Palm Beach County. The incentive sits under Film Lauderdale.

**Effective value:** Florida does not have a state incentive, so the 15% offered in Fort Lauderdale should be considered a standalone incentive.

**5.2.3. Savannah**

Savannah Entertainment Production Incentive	
Type of Incentive	Rebate
Details	10% on qualified expenditure in Chatham County, up to \$100,000 per film or \$250,000 per series
Annual or Program Cap	\$1 million

<sup>8</sup> [Economic Impact Study of Georgia’s Entertainment Industry Tax Credit](#), Olsberg•SPI for Georgia Screen Entertainment Coalition. 6<sup>th</sup> November 2023.

Funding Source	Savannah Economic Development Authority
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Savannah introduced the incentive in 2015, offering a 10% rebate, up to \$100,000 per project for feature films and pilots, and up to \$250,000 per calendar year on series. Productions requirements include a minimum of \$500,000 spend in Chatham County, and 50% of filming days need to be within 60 miles of the City Hall of Savannah. The rebate sits under Film Savannah and is funded by the Savannah Economic Development Authority with a \$3 million budget from 1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2024.

**Effective value:** Savannah’s 10% incentive can be combined with Georgia’s 20%-30% state tax credit.

**IMPACT CASE STUDY – Savannah, Georgia**

**Incentive** – In 2015, the Savannah Regional Film Commission established the Savannah Entertainment Production Incentive (detailed in Section 5.2.3 above) to encourage film and television production in Chatham County (the county in which Savannah is located). The incentive is worth 10% on qualified expenditure in Chatham County, up to \$100,000 per film or \$250,000 per series, and can be used in combination with Georgia’s 20%-30% state film tax credit.

**Expenditure** – In 2022, nearly \$207 million in expenditure was incurred in Savannah across 101 productions.<sup>8</sup> This was up from \$125.6 million in 2019 and \$59 million in 2015 – or a 3.5x increase in seven years of the incentive being operational.<sup>9</sup>

<sup>9</sup> [Entertainment Production industry generates \\$125.6 million in direct spend in Savannah region in 2019](#), Savannah Economic Development Authority. 2020.



**Workforce** – The Savannah Regional Film Commission has reported strong growth in its production workforce. With a small local crew base when the incentive was introduced, Savannah is now home to more than 300 unionized crew members and over 600 total crew members.<sup>10</sup>

**Infrastructure** – The incentive has spurred investment in regional infrastructure. Savannah Film Studios, part of the Savannah College of Art and Design, has been significantly expanded, and as of 2021 offers an advanced mixed-reality LED volume stage

can be used on its own or can be used in conjunction with the state of Oklahoma’s incentive program.

**Effective value:** The Cherokee Nation Film Incentive is effectively a standalone incentive although costs incurred in Oklahoma may be eligible for the state’s 20%-30% incentive.

**5.2.4. Cherokee Nation**

Cherokee Nation Film Incentive	
Type of Incentive	Rebate
Details	10%-25% rebate on Above and Below the Line wages,
Annual or Program Cap	\$1 million
Funding Source	Cherokee Nation Businesses

The Cherokee Nation incentive was founded in 2021, offering between 10-25% on wages of above- and below-the-line residents, and 20% rebate on qualified expenditure that has been incurred within the boundaries of the Cherokee Nation. Productions must spend a minimum of \$50,000 in total Oklahoma spend with \$25,000 of the total spend within Cherokee Nation. The Cherokee National Film Incentive is capped at \$1 million annually, with no per-project caps. The incentive

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<sup>10</sup> Based on crew listed in the Savannah Regional Film Commission’s crew database with at least one production credit. *Ibid*, Olsberg•SPI for Georgia Screen Entertainment Coalition. 6<sup>th</sup> November 2023.

## 6. THE ECONOMIC IMPACT OF INCENTIVES

- This chapter provides examples of economic impact in comparable markets to Oakland.

### 6.1. Assessing the Economic Impact of Incentives

- Recent growth in film and television production globally has led to increased understanding by policymakers and others of the economic impact of the production expenditure it generates.
- The principal objective of all incentives is to attract expenditure, and an important part of maintaining an incentive is both to measure the expenditure it generates, as well as the broad economic impact of this expenditure.
- The impact is typically measured in terms of economic metrics such as Gross Value Added (GVA) and jobs but can also be assessed in terms of (among others) the quality of jobs, expenditure in other industries, and regional development.
- It should be noted that there is debate in the United States as to the best measures for assessing incentive (and the validity of assessing broad economic impact), most recently covered in *The New York Times*.<sup>11</sup>
- For example, in some cases, economic impact is more conservatively assessed, only taking into account the additional tax revenues generated by production – and setting this against the government outlay to reach a Return on Investment (RoI) figure.

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<sup>11</sup> [States Have Spent \\$25 Billion to Woo Hollywood. Is It Worth It?](#), *The New York Times*. 21<sup>st</sup> March 2024.

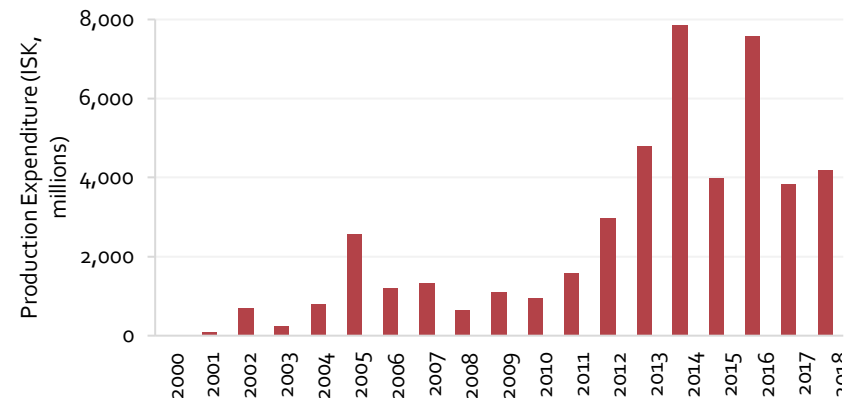
## 6.2. Key Measures

### 6.2.1. Production Expenditure

The key measure for any incentive system is the expenditure generated by the system. Film and television productions generate large amounts of expenditure, and the purpose of a financial incentive is to attract this expenditure – which, in the absence of an incentive, may have been undertaken elsewhere or not at all.

For example, the introduction of an incentive in Iceland in 1999 (and subsequent improvements to the system in 2009, 2017, and most recently in 2022) delivered increased investment to the country over the course of many years. In 2023 (not covered in the chart below due to data gaps), productions spent a ISK11.2 billion (\$80 million) in Iceland – the highest year on record.

**Figure 2 – Production Expenditure in Iceland, 2000-2018**



Source: Olsberg•SPI / Icelandic Film Centre. Estimated based on incentive payments.

### 6.2.2. Additionality

'Additionality' is the term used to describe expenditure that would either have been undertaken elsewhere, or not at all. For example, a production destined for Oakland may – without state or city incentives – either film in another US state or simply not be made.

The following examples illustrate the additionality impact in different markets:

- In Georgia, a recent report by SPI found that less than 8% of Georgia's production activity would have occurred without the film tax credit – or an additionality rate of around 92%.
- In New Mexico, an evaluation showed that for 92% of productions taking place in the state, the incentive was the most important factor identified by decision-makers when choosing where to produce the film and television projects and only 8% of total productions would have taken place in New Mexico without the state's tax credit.<sup>12</sup>
- In the UK, 91% of film production expenditure between 2017-19 was determined to be additional, as was 84% of high-end television expenditure in the same period.<sup>13</sup>

### 6.2.3. Gross Value Added

Gross Value Added (GVA) is a measure of the value that is created by economic activity. It is the difference between gross output and intermediate inputs and broadly equivalent to

profits plus wages; at a national level, it aligns to Gross Domestic Product (GDP). It is an important measure that is widely used by economic development agencies to understand the broader spending impacts of investment. Often, it is expressed as a return-on-investment figure – GVA or overall economic RoI:

- An evaluation by SPI of Illinois' film tax credit, for example, found an overall economic RoI of 6.81, meaning that for every \$1 invested through the program, \$6.81 is generated in terms of additional economic value from direct, indirect, and induced effects.<sup>14</sup>
- New Mexico's film tax credit delivered an GVA RoI of 8.4, showing that for every \$1 invested through the incentive program the state's economy benefitted by \$8.40.<sup>15</sup>

### 6.2.4. Employment

Employment estimates are another important measure of an incentive's economic contribution. Most productions hire a large number of freelancers over a relatively short timeframe (i.e. generally less than a year) so for the purposes of providing a useful measure, economic impact studies generally estimate Full Time Equivalent (FTE) employment.

- For example, an evaluation of Australia's Location Incentive found that between 2019 and 2021 (fiscal years), the incentive created an estimated 39,100 jobs equating to 27,800 FTEs.<sup>16</sup>

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<sup>12</sup> [SPI Economic Impact Study Finds New Mexico's Film Incentive Programme Delivers Strong Economic Benefits](#), Olsberg•SPI. 9<sup>th</sup> December 2021.

<sup>13</sup> [Screen Business](#), Olsberg•SPI with Nordicity for the British Film Institute. December 2021.

<sup>14</sup> [Economic impact of the Illinois Film Production Services Tax Credit](#), Olsberg•SPI for Illinois Production Alliance. 19<sup>th</sup> December 2023.

<sup>15</sup> Ibid

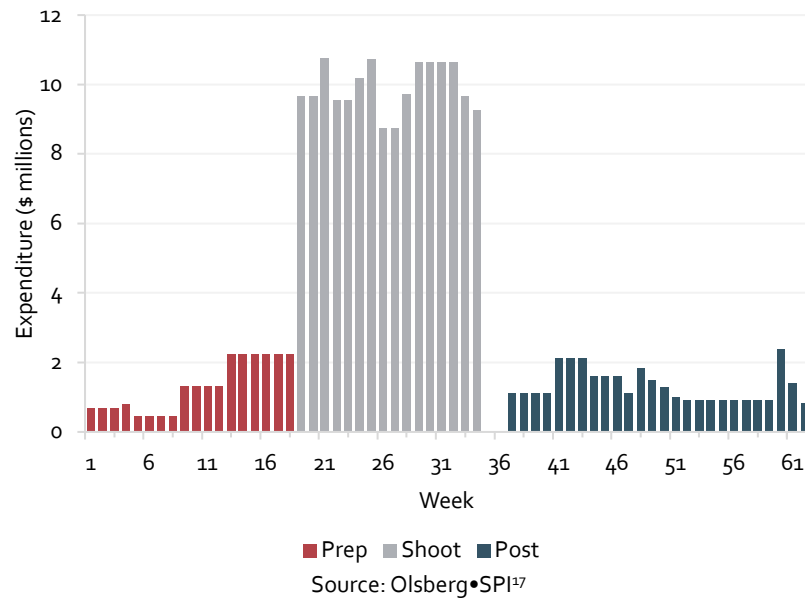
<sup>16</sup> [Economic assessment of the Location Incentive on Australia's screen sector](#), Bureau of Communications, Arts and Regional Research. February 2022.

### 6.3. Micro Impacts

#### 6.3.1. The Speed of Expenditure

Film and television production can deliver substantial investment in a jurisdiction in a short space of time. SPI analysis of an example major feature film shows an average of \$9.9 million in weekly expenditure during its 16-week shoot, as well as substantial expenditure during both the prep and post phases.

**Figure 3 – Weekly Expenditure of Major Feature Film (\$220 Million Budget)**



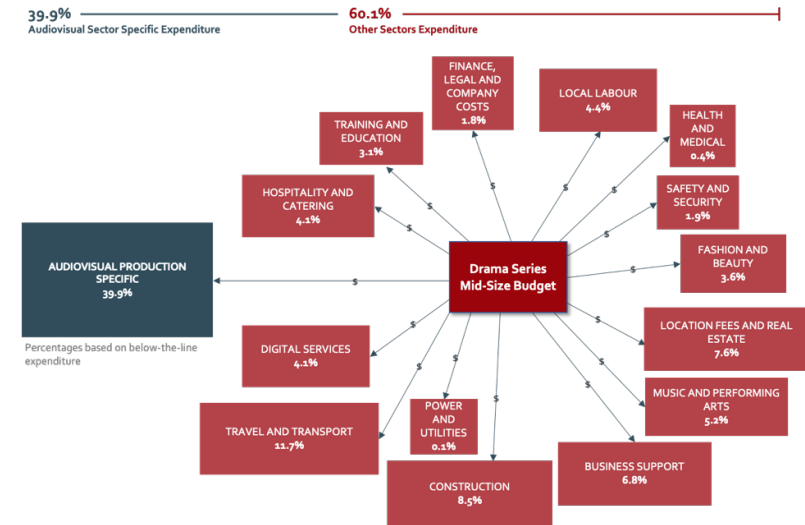
<sup>17</sup> [Global Screen Production – The Impact of Film and Television Production on Economic Recovery from COVID-19](#), Olsberg•SPI. 25<sup>th</sup> June 2020.

#### 6.3.2. "Ripple" Analysis

While some film and television production expenditure is specific to the sector – i.e. it flows to individuals and supplier companies which only work in film and television production, there is meaningful spend and further economic impact in other sectors, such as hospitality, real estate, and travel businesses.

Individual project budgets can be split by different business sectors to show the "ripple" of production expenditure through an economy – see below:

**Figure 4 – Example Ripple Analysis of a Drama Series, Mid-Size Budget**



<sup>18</sup> [Study on the Impact of Film and Television Production Incentives in Australia](#), Olsberg•SPI, February 2023.

An example ripple analysis (above) was conducted on an Australian high-end television series with a mid-sized budget.

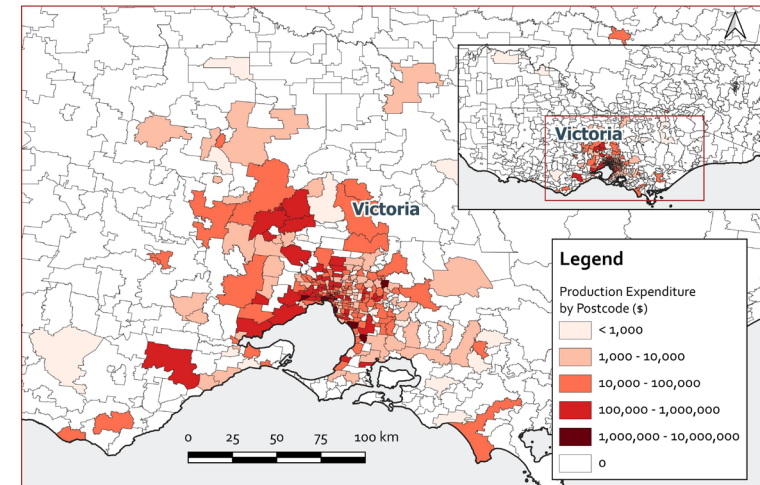
In this example, around 40% of production expenditure went towards film and television industry-specific businesses and service providers. The remaining 60% of the project's expenditure was spread across a range of other business sectors, including over 8% on construction, almost 12% on travel and transport, 4% on hospitality and catering costs, and almost 7% on business support services and resources.

### 6.3.3. Vendor Heatmaps

While production predominantly occurs within large production hubs (e.g. major cities with crew, studio infrastructure, equipment houses, and post-production facilities – such as Los Angeles), the supply chain for this production can often cover a broader area.

Vendor spend heatmaps show the location of vendors engaged by the production and visually represent the geographic spread of the supply chain. The following example shows the vendor spend of three productions which filmed in Melbourne, Australia.

**Figure 5 – Example of Geographical Spread of Production Expenditure in Melbourne / Victoria, Australia<sup>19</sup>**



Source: SPI analysis of three Australian drama series

### 6.4. Additional Impacts and Benefits

A thriving film and television can deliver the following benefits, in addition to those outlined above:

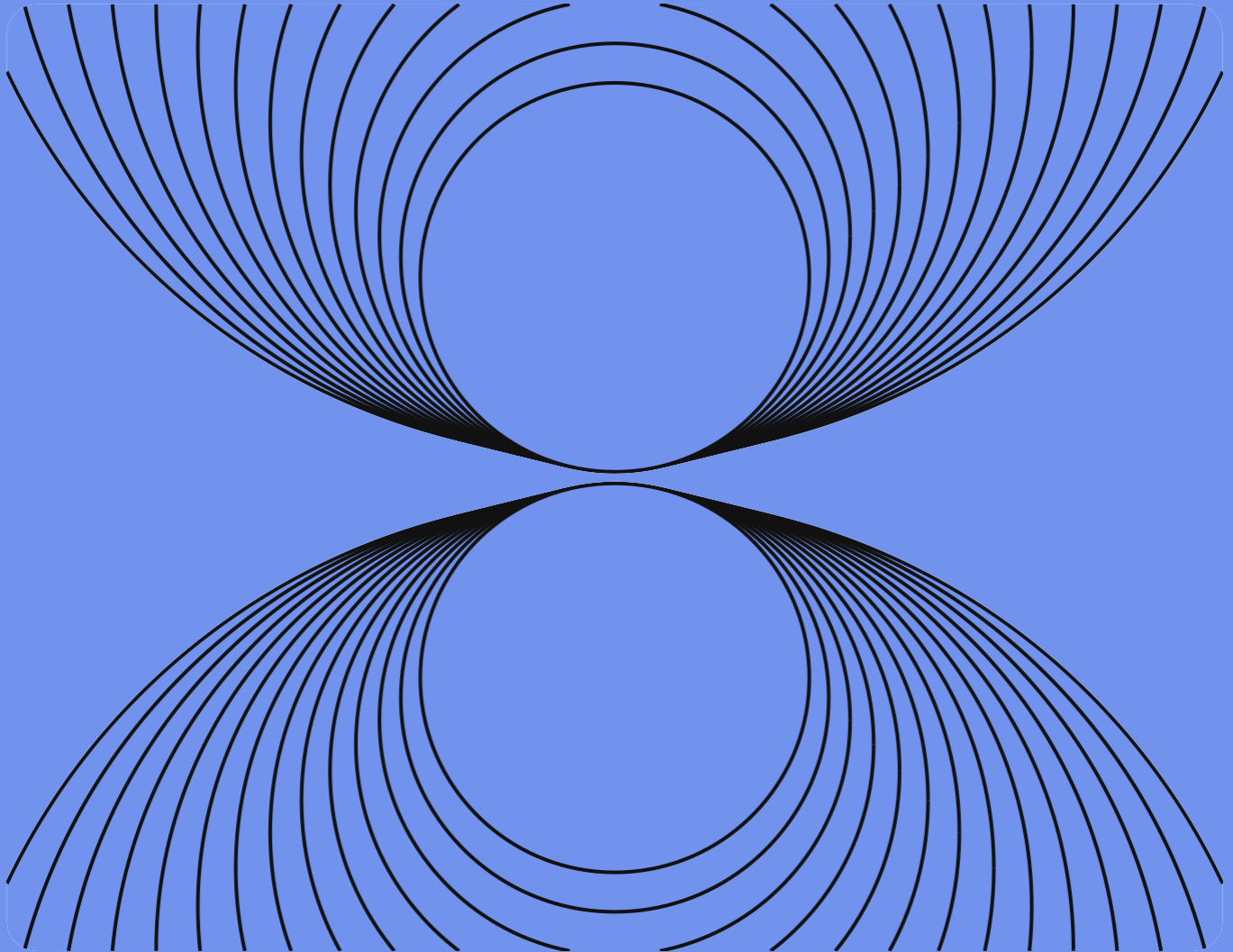
- **Infrastructure Investment:** Any production sector based on an incentive system regarded as being stable and permanent is likely to generate an increase in private sector infrastructure investment in the supply chain, such as production, postproduction and other digital facilities and services.

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<sup>19</sup> [Study on the Impact of Film and Television Production Incentives in Australia.](#)

Ibid

- **Screen tourism:** tourist visit decisions are based on a variety of factors but experiencing a destination through a shared, filmed entertainment experience is one of the strongest. The positive impressions caused in audiences are deep (latent) and long-lasting and often repeated as the content is seen on streaming platforms or works its way along the typical distribution pattern.
- **Branding and “soft power”:** The same effects that are experienced by potential tourists about a destination are to be found also in the international business and trade community. When such individuals enjoy a story that is set in a particular region, the positive effect can influence their attitude towards future business visits as well as tourism visits.
  - This can assist in building export markets and inward investment and strengthen a region’s position as a hub for investment flows
- **Talent development and knowledge transfer:** The talent that works in screen production have flexible and growing career opportunities, at home and abroad. The talent pool has high level, adaptable and modern skills with an increasing focus on technical skills as well as traditional writing, directing, producing, performing and other vocational abilities. Working on high standard international projects delivers opportunities to build these skills.
- **Developing creativity and innovation:** The production process employs a large number of creative endeavours. In addition to the traditional areas, there continue to be huge developments in and opportunities for creativity and innovation in production and post-production, delivered through digital innovations of all types, in particular in visual effects and virtual production.
- **Enhancing media literacy:** Screen production has become a vital tool for education, communication and entertainment, now or soon to be possibly usurping the place held in education by the traditional written word.
  - Many education systems around the world are having their schools adapt curricula to include developing students’ digital capabilities.
- **Providing a heritage record:** Archived film material is a critical asset for any culture.
  - Through digital innovations, the archive sector is reinventing itself and gradually moving from a culture of preservation (and often this means restricting access) to one of increasing openness and new forms of distribution and exposure.
- **Connecting with citizens and residents:** Any positive experience of watching screen content (discussed above in relation to tourism) can have a long-lasting and latent effect of positivity towards the culture and locations on show.
  - This positive effect also enhances the relationship with the region and culture which are on screen, producing ‘bonding’ effect among citizens (or residents) to a nation, region, or city, with added impacts on pride, loyalty and citizenship.



# Lessons from the Field:

National Insights to Inform Bay Area  
Film Production Growth

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## - Introduction

This project was conceived to learn more about strategies to boost film production in the Bay Area, and associated economic and social benefits. The study consists of a field scan of other film and media markets outside of California and a Film & Media Maker Survey of over 300 Bay Area artists. Our project was developed in collaboration with WolfBrown, with guidance from an advisory committee, support from Film SF and the Bay Area Media Maker Summit (BAMMS), and essential funding from the Kenneth Rainin Foundation.

BAVC Media (Bay Area Video Coalition) is a nonprofit organization that has operated film and media programs in the region for nearly 50 years, since the early days of portable video cameras. Our mission centers on supporting media makers from diverse backgrounds to make and preserve media, through art, technology, and education. We engage in field-building and research activities to advance our programs for media makers, often in collaboration with peers. This project is heavily influenced by our organization's on-the-ground experiences providing training, workforce development, and artist development, for youth and adults in film and media.

WolfBrown collaborates with industry leaders to build a more equitable, pluralistic, and sustainable future for artists, organizations, and whole ecosystems. We are grateful to WolfBrown for providing us with guidance and support to conduct field interviews.

## - Abstract

Since the 1990's, significant investment has been made in film production - locally, across the United States, and internationally. The nature of these initiatives has varied significantly, as have the strategies that they have pursued. While film tax credits receive most of the headlines, several initiatives have also invested in networking, infrastructure, communications, workforce development, and advocacy. This study takes a qualitative approach to understand what elements of other locations' film and media industries might be transferable to the Bay Area's creative economy. Through interviews with stakeholders in seven states, it's clear that the key to a successful industry is a 'three-legged stool with incentives, workforce, and infrastructure'. In addition, we learned that achieving those three key components can be attributed to a collaborative community made up of government, community organizations, individual artists, and industry partners.

## - Methodology

We deployed qualitative research methods to conduct informal interviews with stakeholders in a variety of other film and media markets. Eligible participants were film commissioners and staff, nonprofit leaders, researchers, and media artists. Note that film offices (commissions) have a variety of organizational structures. They can be housed within economic development, commerce, arts and culture, tourism government agencies, or, on rare occasions, independent organizations.

In order to contact a wide variety of potential participants, BAVC Media leveraged contacts from Film SF (the City of San Francisco's film commission), online research on other film industries, and snowball sampling as participants introduced us to potential interviewees over the course of the study. During the six-month research period, we collected data from seventeen people across seven states. We also reviewed data from a public panel discussion at the Independent Media Arts Group, co-facilitated by the National Endowment for the Arts and BAVC Media, and interview transcripts from the East Bay Film Collective for a related research project. The geographic spread of participants spanned cities including: Seattle, Washington; Oklahoma City, Oklahoma; Cherokee Nation; Denver, Colorado; Chicago, Illinois; Austin, Texas; New Orleans, Louisiana; and San Francisco, California (Appendix A). We took an exploratory approach to select the cities and states where we concentrated our interviews - generally seeking insight from those that have similar qualities (such as strong tourism and iconic locations, and the presence of universities and other educational feeder programs), and markets that have grown significantly over the last twenty years. We intentionally excluded Los Angeles, New York, and Atlanta, to focus on markets that are more relatable to the Bay Area.

Our team conducted interviews collectively, utilizing a semi-structured interview guide (Appendix B). Questions covered topics such as the participants' role in the film and media sector, their personal perception of the sector, factors contributing to local/regional growth, and the documentation of the sector's trajectory. We took a flexible approach to the interview style and asked substantial follow up questions, following the lead of the participant. The interviews were transcribed and coded to identify key themes.

# - Findings

## Incentives

Tax Incentives were a major focus for all respondents. That's especially true for those who work at film offices, but even independent artists and community organization leaders cited them as absolutely critical to local industries.



**I don't think it can be denied that in New Orleans, it has created a space and an opportunity for independent film to also thrive.**

*New Orleans Interviewee*



**The tax credit is a big [incentive]... the Illinois Film Office and the Chicago Film Office have been pushing that so hard, and that has been really successful in bringing more investments to Chicago.**

*Chicago Interviewee*



Government support and production tax incentives are not only beneficial to commercial production, they are key for small-budget independent productions as well. In addition, incentives are integral to the promotion of local hires. Interviewees in New Orleans were skeptical that non-local film productions would go through the effort of hiring locally if the Louisiana state tax incentive didn't require it. The Cherokee Nation Film Office mentioned that their increasing involvement in workforce development initiatives was an effort to train up their own people and send them out to productions, with the goal of creating an environment where they can stay and film there.



Many of the incentives discussed in the interviews are at the state-level programs, designed to drive economic development. However, some locations also have local incentives that can be layered with the state incentives. Participants in both Austin and Oklahoma City described their local incentives as “*deal sweeteners*.” Although everyone was supportive of incentives that support productions in their state and region, they also noted the benefit of having incentives specifically for productions filmed in their city. For example, in Austin, one interviewee said,



**...it's just really nice... it helps us keep production[s] in Austin that might look at other cities in the Texas region.**

Other individuals spoke to the regional benefit of productions. In Illinois, one interviewee spoke about the revenue generation and job creation in the State and region, as a result of ample film production activities occurring in Chicago. When local cities are coordinated, there may be a “spillover effect” from a film production for local workers accessing jobs, out-of-area workers finding temporary housing and other accommodations, vendors, and actual days of production moving next door for a specific shoot. A robust region benefits all of the individual cities. A great example is New Orleans where we heard, “...*if a film goes from New Orleans to Baton Rouge or to Shreveport, that’s great because they see the economic benefit and that’s going to help the whole community.*” We suspect the difference in perspectives might be influenced by the geographic size of a state.

The leadership and engagement of local film offices are also critical for developing and growing film and media ecosystems. Many of the stakeholders we interviewed are film commissioners, who spoke to us about the additional leg work they provide and their hands-on approach to investment and growth. For example, the Cherokee Nation Film Office hosts a database of native talent and crew. Similarly, in Austin and New Orleans, the film office leaders are actively involved in connecting productions to local talent and crew. In addition to connecting crew, the Austin film commissioner hosts a database of locations for productions and encourages hiring local production scouts. Leaders across several other cities are directly involved in workforce development initiatives, which is discussed further below.

Despite the clear benefits of government support and tax incentives, maintaining and increasing support for funding is often a contentious political issue. Almost all of the interviewees mentioned the need for ongoing advocacy to local politicians in the effort to approve, expand, and/or continue incentive programs. Most interviewees described this as a challenge, notably at the state level in Colorado, Oklahoma, and Louisiana. In New Orleans, one participant explained,

“

**Every time there’s a vote, there’s this rallying to get all film organizations, and anyone who cares about film, and anyone impacted by film, to show up at the Capitol to make sure that voices are heard... it’s always like an important deal when that gets voted on because there is such fear of, you know, that money [is] being taken away.**

Another New Orleans interviewee said, *“There’s always a really scary moment when the tax incentives are up for debate because people have made huge investments in this.”*



Despite the ongoing challenge, leadership in the Cherokee Nation and Washington State surfaced positive strategies to help educate local politicians about the underlying economic importance of the film and media sector. Both film offices found that bringing political leaders to production sets, and directly involving them garnered their support moving forward. In Oklahoma, the Cherokee Nation Film Office pivoted to going to communities and hosting meetings with local state legislators as a strategic move to speak with legislators about being film-friendly year-round. They saw legislators who were originally against tax incentives change their vote after hearing from constituents about how they sustain themselves via the industry. Similarly, in Washington, an interviewee told us:



**One of the things that has been really effective is getting folks out on set, bringing the political leaders in, the decision makers out to see because a lot of people, as lots of you know, have a mistaken impression of what the film industry is...Because folks have this sometimes glamorous impression of the film industry when really it’s a workers’ issue. It is a workers’ industry and creative workers need to be supported. And so getting our political leaders to understand that is essential and a firsthand view can be really helpful.**

This interviewee described additional community-based methods to get political leaders on board when she said, *“We spent a lot of time in the community...listening to people from underrepresented communities about what they need to succeed and how we get there. And so working with the information that we gathered, we have implemented several things within the equity space in the law.”* The impact of these efforts in Washington was public support to build a [soundstage](#) under the guidance of a fifteen-person industry advisory team.



## Workforce Development and Retention

Even in locations with ample production activities, workforce development programs are needed to ensure that the productions hire local talent, further generating positive economic impact.

We heard that often the local talent pool was not able to meet the need for the largest productions that come to town. In order to fill this gap many film offices told us they were directly involved in funding and administering training programs. Partnerships were leveraged with myriad organizational partners including local nonprofits, unions, community colleges, and universities. Film New Orleans shared that their office is, *“...also a large funder and supporter of workforce training programs and filmmaker development programs in the city of New Orleans, and we have our partner organizations, among them, NOVAC and the Film Society.”* Similarly, an independent filmmaker in Chicago reflected on the accessibility of professional development in Chicago for individuals who are typically marginalized from higher education when she said, *“There’s definitely tons of educational workshops [for] people who maybe have not had the opportunity to go to film school... [They] can take cinematography classes, they can learn about fundraising, distribution... like all of our [community-based] orgs have this kind of supplementary programming.”* The Austin Film Commission also noted a successful partnership between the Austin Film Society and a union to run a training and apprenticeship program.



In Denver and New Orleans, the film offices are focused on working with youth to generate a robust career pipeline for emerging media makers to skill up and find jobs locally over their careers. It seems that centralized coordination is a helpful factor when creating training programs that meet local industry needs, access substantial funding, and are able to serve historically under-resourced community members. In order to reach geographically dispersed communities in media deserts across Colorado, an interviewee from the State Film Commission said their student programs encompass, *“narrative summer workshops [and] career connection panels, where we bring professionals virtually into a university, college, or trade school classroom where they get a chance to interface with students and talk about their career pathways [in order to] bridge those initial networking opportunities.”* We noticed that a big need in different locations was to have a coordinated workforce development effort. The New Orleans film office mentioned needing to *“get everyone on the same page.”* We heard a similar sentiment from Film SF about the Bay Area’s workforce development organizations when they said they wanted to host listening sessions with all the relevant stakeholders. Overall, it seems that responsive, coordinated, and specific training can bolster industry partnerships.





Further driving the motivation to build up a skilled workforce was the threat of talent drain. The huge film industry hubs in Los Angeles and New York loom large for other cities as a constant draw for talented filmmakers and creatives. In Denver, an interviewee told us that *“brain drain and talent drain are the two obstacles that we face,”* and that, *“The extreme part-time nature [of media work in Colorado] is a challenge.”* A Chicago interviewee reflected on the reason why people tend to leave when she mentioned, *“We also do see that there is a ceiling that one can reach in Chicago... Once you’re starting to get more accolades... it becomes harder to be connected to greater industry because it’s just not present in Chicago... at that point, people start to leave for New York and LA for industry support.”* An interviewee reflected on the New Orleans Film Society’s goals to keep locals in the area when he said, *“I can name 5 or 6 people off the top of my head who’ve been drawn in other directions because of work and because of the need to fully sustain themselves. So we understand that completely, but also want to make sure that we’re doing what we can to continue to support those folks who are wanting to stay in the region and tell [local] stories.”* We face similar challenges in the Bay Area. Offering opportunities for growth into leadership positions on media productions is difficult. We often see many of our artists and culture bearers leave for other places in order to find the next level of work or to film their projects about the Bay Area in other cities and states.

## Infrastructure

Physical infrastructure was cited as paramount to securing large-scale production in a variety of cities. Several people we interviewed lauded the success of their physical space. For example, an interviewee in Chicago said, *“We’ve had this very large facility, Cinespace, I think now for ten years... and that definitely started the momentum.”* In Austin, an interviewee said, *“The real game changer was starting Austin Studios.”*

Washington is following the examples set in Chicago and Austin. One interviewee explained, *“For a long time in Washington, we haven’t had an accessible, large-scale, soundstage. So, we have public investment in a soundstage now known as Harbor Island Studios, and that is one of the initiatives we’re moving forward with to really help grow the film economy and culture here.”*

On the flip side, participants from areas currently lacking physical infrastructure described it as a clear disadvantage that they’re working on addressing. The Cherokee Nation Film Office told us a story about a significant television series that wanted to film in the state of Oklahoma but lost most of the project’s filming days to another state that had larger incentives and a sound stage. At home in the Bay Area, Film SF and East Bay Film Collective shared that securing a dedicated sound stage is a top priority to secure the future success of the Bay Area’s film ecosystem.



Another benefit of infrastructure was its natural reciprocal benefit to independent artists. In New Orleans, an interviewee told us about equipment rental businesses, *“The folks who run those businesses love our little independent scene...[and] supporting local filmmakers...so I always get good deals at the camera houses.”*

## Community Collaboration

In describing community development initiatives, many individuals mentioned artist support opportunities as a means to fill various needs in their local communities. For example, in Chicago, one interviewee founded Mezcla Media to ***“elevate over 700 women and non-binary filmmakers of color in Chicago, both in the documentary and narrative space,”*** while another launched the [Chicago Alliance of Film Festivals](#) program at FACETS to centralize key resources and build a coalition. During her tenure at NOVAC in New Orleans, one interviewee launched the third Thursday networking nights for filmmakers, while another described the New Orleans Film Festival’s growth, ***“I think also the film festival has grown a lot in the past ten years or so, and it has allowed us to become a beacon for artists in the region.... It helps to forge connections. It helps to really provide a sense of community.”*** In addition, in Austin, an interviewee works on a mentorship program while another in Austin supports local festival happy hours through sponsorship. In the Bay Area, Film SF and many San Francisco and East Bay-based organizations have rallied to co-create social, professional development, and advocacy-related activities. These opportunities help filmmakers and media makers feel connected and informed rather than isolated.



We repeatedly heard the idea of the ***“right people coming together at the right time.”*** Increased momentum in the industry or a galvanizing effort around community-building projects seems to take shape best when a group of passionate individuals comes together and builds bridges across different community groups. One interviewee said, ***“We have collective momentum going on that has some real gravity around it right now with a whole lot of people pulling in the same direction. And it feels like our film sector in Washington is more hopeful now than it has been for a long time.”*** When reflecting on Austin’s history, an interviewee said that Austin’s Film culture ***“started with people just getting together!:*** Another described the contemporary New Orleans community, ***“[we are] just really lucky to have some very talented people - who are either from here or have moved here in the past decade or so - who have been really influential in doing some of the work: creating community, inviting other folks in, and mentoring and helping to nurture other artists.”***

Succession planning was also raised as an important issue to consider in small film and media markets. One interviewee said, ***“It’s always going to be a challenge to have talent in the positions. [People] who are both talented and understand the complexity and the specificity of the work...”*** Looking toward the future, one interviewee predicted, ***“I suspect that insofar as there will be change to Colorado’s film and media industry going forward, it’ll be a combination of grassroots organizing, people coming together in numbers, and being able to speak with one voice as to what the needs are.”*** These responses relate to the importance of investing in leadership and sustainability.



All the people we spoke to relayed the importance of being passionate about the local media industry and supporting local artists. An interviewee in Oklahoma City made it clear that bringing artists, and opportunities back home was her central motivation. An interviewee reflected on her experience in New Orleans when she said, ***“I felt strongly that a community media center that’s rooted in social justice is actually a thing that needs to exist in itself.”*** Similarly, an interviewee said this about his motivation to generate growth in Colorado: ***“For me, artists being able to live and work in the places they know and love, benefits the artists, the work, the place, and the community.”*** This is a sentiment we see reflected back in the Bay Area, especially in cities like Oakland that are in the early stages of investing in local media arts and culture in an increasingly formalized way, motivated by passionate artists’ desire to work at home and tell local stories.

In addition to the individuals that make up fruitful communities, interviewees also lauded their cities as unique filming locations. Many respondents highlighted their cities’ cultural elements as a draw for talented individuals, big productions, and independent work. In some places, we heard about an organically collaborative environment where people are able to pitch their work to each other, share job opportunities and resources openly, and find interpersonal connectivity and mentorship. An interviewee from the New Orleans film office shared, ***“Our city is an easy sell because of who we are. The deep cultural roots that we have in terms of music, and the arts, and the diversity of our city on so many levels, but primarily [it’s] the architecture of the city, the design of the city, and the livability of our city.”*** This is also something we see in the Bay Area. Film SF shared that their pitches to potential productions often highlight San Francisco as a cinematic and culturally dynamic city with easy access to a variety of landscapes.

## - Conclusion

We learned a great deal from the seventeen people who generously shared their time and expertise on growing a thriving film and media sector in the Bay Area. The “three-legged stool” of incentives, workforce, and infrastructure is essential to creating a fruitful production economy for commercial and independent storytelling. To sustain large productions and a healthy independent media landscape attractive incentives, a skilled and readily available workforce, and physical/technical space for production are needed. We know that bolstering any of these three factors requires community buy-in from local and state legislators. In addition, we shouldn’t underestimate the desirability of shooting a production in a location like New Orleans or the Bay Area for aesthetic and cultural reasons.

We recognize **now** as the moment when ***“the right people are coming together”*** in the Bay Area. We have increasing support and engagement from government agencies, community-based organizations, independent artists, and local studios. Now is the time for strategic planning, educating elected officials, increased coordination, and securing capital investment. Growing the Bay Area film and media sector requires sustained collective effort.

# - Appendix A

## Interview Participants

We are so grateful to all the individuals who contributed their time, expertise, and insights, which made this study possible.

### California:

Manijeh Fata, Film SF

Sofia Alicastro, Film SF

### Colorado:

Arielle Brachfeld, Colorado Office of Film, TV and Media  
Brian R. Lewandowski, Leeds School of Business.

John Van Wyck, Cine Fe

### Illinois:

Colette Ghunim, Mezcla Media Collective  
Karen Cardarelli, FACETS

### Louisiana:

Carroll Morton, Film New Orleans

Clint Bowie, New Orleans Film Society  
Darcy McKinnon, Gusto & Formerly NOVAC

### Oklahoma:

Jill Simpson, OKC Film & Creative

Tava Sofsky, Cherokee Film Commission

### Texas:

Brian Gannon, Austin Film Commission  
Rebecca Campbell, Austin Film Society

### Washington:

Amy Lillard, Washington Filmworks & Whip-smart  
Kate Becker, Creative Economy Director  
King County  
Vee Hua, Arts Administrator & Journalist

# - Appendix B

## Interview Protocol

### Introductions from Everyone

Set context for the study: Over the past few decades, focused initiatives in several cities across the US have sought to strengthen local film production. The nature of these initiatives has varied significantly, as have the strategies that they have pursued. In order to inform the Bay Area's film ecosystem as well as other sector-wide initiatives in the region, we aim to gain a better understanding of the initiatives that have been launched elsewhere, the strategies that have proven most effective, and how their impact on local filmmakers have been assessed. To accomplish this, we are speaking with local leaders in various cities across the US. We plan to publish a report that includes case studies of 5-7 cities. We are thrilled to be talking to you today and look forward to hearing more about your experience in the [city] media sector.

If there's anything you'd like to share confidentially just let me know and I'll take your comment off the record.

Does that all sound okay to you? Do you have any other questions about the project? If so, are you okay with us recording the call for reference later?

### Core Questions:

1. Can you tell us about yourself and the work you do in the media-making field?
2. How would you describe the landscape of your local industry?
  - a. What's the balance between independent mediamaking and commercial work?
3. In your opinion, what's the biggest contributing factor to your region's growth in the media sector?
  - a. What prompted this growth?
  - b. Is there a person or specific group that's behind this force?
  - c. Are there any specific productions that were catalysts for your local industry?
  - d. Is the catalyst for growth an ongoing project? Or did it happen only once?
    - i. If it happened in the past: did something previous happen that was helpful? Are there efforts to iterate on it in the future?

## Secondary Questions:

4. What kind of data is available on your creative industry?
  - a. Are there any data collection efforts going on?
5. What's the biggest challenge for media makers in your city?
6. What kind of workforce development interventions does your city deploy?
  - a. What prompted the,?
  - b. Are they effective? How do you know that?
  - c. Are there any barriers?
  - d. What are the outcomes?
7. What kind of community development activities happen in your city?
  - a. What prompted them?
  - b. Are they effective? How do you know that?
  - c. Are there any barriers?
  - d. What are the outcomes?

## Additional questions based on location:

8. What support does the local govt provide?
  - a. Are there tax incentives?
  - b. Any other benefits like city-funded security for production spaces?
9. What support does the state govt provide?
  - a. Are there tax incentives?
  - b. Any other benefits like city-funded security for production spaces?
10. What support do local nonprofits provide to the community?
  - a. Do these organizations work independently or as a coalition of resources?
  - b. What else do you need from them?
11. How do all of these factors intersect?
12. What's the biggest need for you right now? What could be done/is being done to improve this workforce sector in your area?



# - Appendix C

## Considerations for Future Research

Potential questions for a future iteration of the survey that could provide more insight into the digital media/animation segment of the Bay Area film and media industry, provided by one of our advisory committee members:

1. What has changed in your sense of work stability over the last few years?  
What are the factors that impact that change?
2. What kinds of projects/training will help you adapt your skill set to industry changes?
3. What kind of support would be helpful on a studio level to create a vibrant and resilient work environment in a changing technical landscape?
4. What could facilitate the development of new films/games at your studio?  
Among your community?
5. Do you see a potential for tax credits to help foster new game / animation studios that will employ people?
6. How are you seeking to adapt to the transforming creative/technical landscape in the face of AI integration across the media production landscape?

● BAVC  
● MEDIA