

CITY OF OAKLAND

AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2008 OCT 30 PM 6:10

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Cultural Arts & Marketing Division
DATE: November 3, 2008
RE: **Supplemental Report on the Economic Benefits of Film Companies doing Filming in Oakland and the Impact of Parking Fees on the Amount of Filming that is being done and an Ordinance Amending Ordinance Number 12880 C.M.S. (Master Fee Schedule) to Establish a Film Activity Parking Fee.**

SUMMARY

At the October 28, 2008 Finance and Management Committee meeting, the Committee requested a supplemental report to respond to the following requests for more information:

- (1) An estimate of the revenue generated by parking for film production in the last year, and a calculation of the potential loss in revenue if the number of film days remains the same with the new fee.
- (2) An analysis of what the City will gain from an increase in film production if the new film parking fee is implemented.

FISCAL IMPACT

(1)

Estimate of the revenue generated by parking for film production in the last year, and a calculation of the potential loss in revenue if the number of film days remains the same with the new fee.

Response

Table 1 shows the estimate of the amount of parking purchased for film production over the last 12 months, from November 1, 2007 - October 31, 2008. CEDA issues obstruction permits and collects the fees for film production parking. CEDA does not currently track the obstruction permits issued for film parking.

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Table 1

Parking Revenue – November 1, 2007 – October 31, 2008			
Number of metered spaces	Total Meter Revenue for Nov 07 – Oct 08 (old fee)	Total Meter Revenue (new fee)	Loss of revenue
1,222*	\$55,000	\$20,108.19	\$34,891.81
Non-Metered spaces	Total Non-Meter Revenue for Nov 07 – Oct 08 (old fee)	Total Non-Meter Revenue (new fee)	Loss of revenue
200*	\$5,000	\$775.71	\$4,224.29

* based on several projects with varying amounts of reserved parking.

(2)

An analysis of what the City will gain from an increase in film production if the new film parking fee is implemented.

Response

A new film parking fee would greatly increase Oakland's ability to attract at least one feature film production per year that has a comparable budget to other films that have shot here, e.g., *The Bee Season* and *The Assassination of Richard Nixon*.

If a single feature film bases in Oakland and stays at one of the City's hotels for 4 weeks, brokers a deal for \$100 per room per night (a very low and very conservative estimate), for 20 people (producers, actors and a few others that always come from out of town to augment the local hires), the Transient Occupancy Tax (TOT) of 11% alone would be approximately \$6,160, in addition to the additional business taxes paid the hotel. A production that used minimal parking of approximately 10 metered parking spaces per day and 10 non-metered spaces for 20 film days would generate \$3,600 in parking revenue. These revenues come directly to the City. This \$9,760 is in addition to the film permit fees, city owned location fees, business tax from the hotel as well as all of the other local businesses that are patronized by the film company and crew, which all comes to the general fund, on local expenditures of approximately \$4-6 million per typical \$12 million Hollywood low budget feature.

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Actual revenues to the City from a film of this size would most likely be much higher than described above (producers, directors, lead actors, etc. generally stay at hotels such as the Claremont Resort and Spa, the Lake Merritt Hotel, etc. and pay much higher rates than listed above, and spend generously at the restaurants and on other services provided by the higher end hotels).

Additionally, it is reasonable to assume that competitive film parking fees will result in an increase in other film production such as commercials, still photography, television, music videos, and particularly student films (as they are funded fully by the students, who have typically not been able to afford to purchase any parking spaces to facilitate production, but would be able to do so at the new rates).

The attraction of additional commercial and still photography productions paying for parking at the new rates would generate – per production day - the approximate amounts listed in the table below:

10 meters (modest productions)	\$150
30 meters (small productions)	\$450
60 meters (medium productions)	\$900
90 meters (large productions)	\$1,350

A modest increase of only 20 film days on mid-size commercials and still photography projects would bring in an additional \$18,000 net in revenue from parking.

An increase in film days would also include an increase in spending on City owned locations such as Frank Ogawa Plaza, City buildings such as the Henry J. Kaiser, City Hall Complex Buildings, Libraries, Parks, etc., resulting in a projected increase in revenue of at least \$10,000.

Projected Offsets from and Increase in Film Production Days:

One Feature Film Production based in Oakland (TOT and Parking)

Hotel Tax	20 rooms	4 weeks	\$100 per night	\$6,160
Parking	10 metered	10 Non-Metered	20 Days at \$180	\$3,600

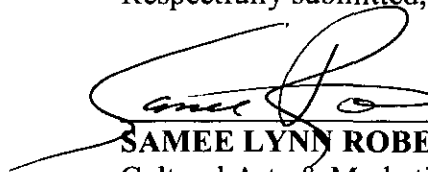
Commercials and Still Photography

20 Parking Days	60 Meters Per Day	\$15 per Meter	\$18,000
City Owned Location Fees (various)			\$10,000
20 Film Permit Fees (\$150 commercials, \$50 Stills)			\$2,000
Total Projected Revenue Offset			\$39,760

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the City Council accept the Supplemental Report.

Respectfully submitted,



SAMEE LYNN ROBERTS, MANAGER
Cultural Arts & Marketing Division
Office of the City Administrator

Report prepared by:
Ami Zins, Film Coordinator
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APPROVED AND FORWARDED TO
THE CITY COUNCIL:



Office of the City Administrator

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