Daily News dailynews.com/business

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DAILY NEWS / WEDNESDAY, JULY 26, 2006 / BUSINESS —

Report: Local production activity slips

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Location production activity in Los Angeles County for movies, television shows and commercials dropped by 6.8 percent during the second quarter of 2006, according to a report to be released today by FilmLA Inc.

The decline followed a modest gain of 4.14 percent during the year's first quarter and overall growth of 4.26 percent in 2005. It also comes on the heels of a disappointing pilot season for the region when year-to-year totals were down by an astounding 23 percent.

Activity rose in other regions, especially those with significant financial incentives such as tax credits, which can significantly reduce a production budget.

Hoping to at least put a dent in the declines, the Los Angeles City Council on Tuesday voted to waive user fees to film on most city-owned properties such as City Hall and city libraries. The savings for a production can range from $300 to a few thousand dollars per day.

"We applaud the mayor and the council for approving the waiver and we believe it sends the right message to the industry," said FilmLA Executive Director Steve MacDonald. "The biggest single impact that can help us compete with these other states would be a tax credit from Sacramento. It doesn't have to match the other state incentives but we need to have something that closes the gap."

Gary Toebben, president and CEO of the Los Angeles Chamber of Commerce, took the state Legislature to task on Tuesday for not moving on the filming tax credit legislation AB 777, which is still stalled.

"We think the state Legislature should be involved in making a strong statement to the entertainment and movie industry that they are important to this state and we are not going to

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Location production numbers down

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stand by and watch these jobs evaporate or go elsewhere," Toebben said.

Toebben's alarm rung even louder last week when The Walt Disney Co. announced it was eliminating 650 jobs in its movie division, half of which are in the U.S. He said there seems to be a stubborn misperception in the state Capitol that tax credits and other incentives would only benefit wealthy entertainment figures.

"The incentives would keep thousands of jobs here for people who are not wealthy," Toebben said. "Too often, our legislators don't realize how much love businesses feel in other states. It feels like we take this signature business for granted."

FilmLA, which facilitates permits for on-location production in the region, reported that combined, production days in the three major categories dropped by 573 days to 7,853 days.

Television days dropped by 155 days to 4,514. Reality shows were the only genre to post a gain and it was a significant 53.64 percent jump to 2,217 days. But reality shows generally have a smaller economic impact because of their lower budgets.

Other genres were down, with sitcoms slipping by 20.8 percent to 297 days with dramas down a slight 3.41 percent to 1,133 days.

Feature films saw a drop of 143 days to 1,946 days. A look at Tuesday's edition of The Hollywood Reporter, the trade paper that tracks film production each week, only three out of the 21 studio movies being shot are local, with the others being shot in Canada and the United Kingdom or in such states as New York and New Mexico.

Permit days for commercials had the biggest drop of 275 permit days to 1,393.

Steve Caplan, executive vice president of the Association of Independent Commercial Producers, said Tuesday that the incentives being offered to film outside the L.A. area appear to be too enticing for many producers to resist.

"It continues to reflect a very competitive market for production, not just around the world but here in the U.S.," he said. "It can also be attributed to some fairly major changes in the marketing and advertising world. You have overall advertising budgets being spent on different platforms like cell phones, the Internet and product placement."

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