



April 25, 2014

The Honorable Mike Gatto
California Assembly, 43rd District
State Capitol, Room 2114
Sacramento, CA 94249

The Honorable Raul Bocanegra
California Assembly, 39th District
State Capitol, Room 4126
Sacramento, CA 94249

Dear Assemblymembers Gatto and Bocanegra,

As mayors of California's largest cities, we are writing in support of enhancing California's film and television production tax credit program. The widespread geographic and bipartisan support for taking this action demonstrates a keen realization that California is losing tens of thousands of middle class jobs and significant tax revenue to other states and nations when it comes to film and television production.

Ten years ago, motion picture production took place in cities across California. Now California has lost nearly all big budget feature film production and most television production to other states and nations which have ramped up their incentive programs. In 2012, only one big budget feature film was shot entirely in California, and in 2013, only 39 out of 137 one-hour television series were filmed here.

Simply stated, the demand for film and television productions that want to remain in California far exceeds the resources available within the state's current production incentive program. According to data from the California Film Commission, less than one in every ten projects received California's incentive in 2013 – 380 film and television projects applied and only 34 projects are set to receive credits.

Extending California's film and television production tax credit program is a smart, prudent investment in California's future and economic competitiveness. The program is one of California's most efficient and proven economic development tools, generating 51,000 jobs and providing \$4.5 billion in direct spending since its inception in 2009. According to the California Film Commission's "Progress Report - July 2013," every \$100 million in credits result in \$792 million and roughly 8,500 new middle class jobs in California. These productions also support tens of thousands of businesses in local communities in every corner of the state.

The Honorable Mike Gatto
The Honorable Raul Bocanegra
April 25, 2014
Page 2

Moreover, California's program is accountable and transparent. This performance-based incentive ensures that no one receives a tax credit until the production is completed, all vendors and crews have been paid, and an independent audit proves that the budget was actually spent in California. The program is also unique in that the tax credit dollars do not cover the salaries of actors, directors and producers, but instead cover behind-the-scenes middle-class workers like cinematographers, editors, grips, costume designers, electricians, drivers and construction crews.

In order to once again be competitive, California must put in place a meaningful, expanded credit that will bring back jobs, increase revenue, and support small businesses and vendors all across the state. Too much is at stake for the people of California to let this key industry slip away.

Sincerely,



ERIC GARCETTI
Mayor, City of Los Angeles



KEVIN JOHNSON
Mayor, City Sacramento



Kenneth Weir
Vice Mayor, City of Bakersfield



KEVIN L. FAULCONER
Mayor, City of San Diego



ASHLEY SWEARENGIN
Mayor, City of Fresno



EDWIN LEE
Mayor, City of San Francisco



BOB FOSTER
Mayor, City of Long Beach



CHUCK REED
Mayor, City of San Jose



JEAN QUAN
Mayor, City of Oakland



MIGUEL PULIDO
Mayor, City of Santa Ana