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# Lack of film incentives in California not a draw

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Even the suits are feeling the pain as a growing number of film and TV productions shift away from California.

Director Brad Silberling recalls a recent poignant visit by Universal chairman Marc Shmuger to the set of his upcoming comedy "Land of the Lost." "He was just shaking his head," Silberling says. "He said, 'This is the only feature this studio has shooting on the lot.'"

No matter how much executives may like their projects to shoot on the lot or at least within the Los Angeles area, they can't resist a bargain, and these days good deals are everywhere to be found, with some 40 states offering film and TV production incentives -- including New York, which in April boosted its tax credit on below-the-line expenses from 10% to 30%. Coupled with an additional 5% rebate incentive from New York City, that was enough to inspire ABC's "Ugly Betty" to relocate from Los Angeles for its upcoming third season.

On the feature side, emigrants include the Warner Bros. sequel "Terminator Salvation."

California Gov. Arnold Schwarzenegger offered to make a cameo appearance if the movie shot in the Golden State, as the series' previous three big-screen entries had, but Warners decided to shoot in New Mexico, where the film is eligible for a 25% tax rebate.

With each passing year, more and more filmmakers are taking advantage of the incentives found elsewhere. FilmL.A., a nonprofit group that handles film permits, says the annual number of film production shooting days in Los Angeles declined about 40% from 1997 to 2007. And in San Francisco, the film industry saw 1,099 jobs vanish between 2001 and 2006, resulting in a spending drop of \$123 million and a loss of more than \$8.4 million in tax revenue, according to a report issued last year by the San Francisco Film Office -- this in the state's only city with film production incentives.

Hollywood's labor unions and the state's film commissions have joined Gov. Schwarzenegger in pressuring the California legislature to stem the filming exodus by passing a competitive incentive package. (Presently, California grants a 5% sales tax exemption on postproduction equipment, and permit and location fees do not apply for state-owned properties.) But State Sen. Sheila Kuehl says there are two major barriers: First, the ever-growing annual budget deficit, which Gov.

Schwarzenegger says could reach \$20 billion by next year. Forced to choose between funding social services and what many perceive to be corporate welfare for Hollywood fat cats, legislators will always choose the former. The second barrier is a fundamental assumption that California is the default place for production, which means that any incentive package would reward people who'd shoot here anyway.

Despite the gloomy talk, California's film and TV industry remains No. 1 by a long shot. It spends approximately \$38 billion annually in the state, roughly six times as much as North America's other top media center, New York, according to California Film Commission director Amy Lemisch. It also has some of the best facilities in the world, as well as the largest collection of talent -- which largely prefers to shoot locally.

By choosing to shoot his comedy "Stay Cool" just outside Los Angeles, in Santa Clarita, instead of in New Mexico, filmmaker Mark Polish says it was much easier for him to secure name actors like Winona Ryder, Chevy Chase, Sean Astin and Jon Cryer.

"They can drive home at night," he notes. "And you can get really great actors for minimal parts, because as a day player you don't have to fly into New Mexico."

Another plus for California is its ability to stand in for almost any place on the planet -- even Afghanistan, which was recently portrayed in Marvel/Paramount's "Iron Man" by the desert outside Lone Pine, Calif., (about four hours north of Los Angeles) -- though the main reason director Jon Favreau was determined to shoot in California was because that's where most of the story takes place.

"It's foolish to leave the place where the movie is set," says the film's executive producer Peter Billingsley.

Like Billingsley, Silberling believes that if filmmakers really want to shoot in California, they should insist on it from the beginning.

"I kept laughing, saying I felt like Al Gore with my lockbox," Silberling recalls. "At the first creative conversation I had with the studio (about 'Land of the Lost'), I actually just said, 'Whether or not I do the movie, you should be shooting on stages 12, 27, 28 and 29 at your own studio,' and they looked at me sort of taken aback. And then, very quietly in the corner, I saw the executive scribbling down the stage numbers."

### **The California Film Commission is making it easy to be green**

The Golden State is turning green -- and it's turning greener every day. Thanks to the efforts of people like California Film Commission director Amy Lemisch, the Green Resource Guide was launched last fall, providing a one-stop shop on the commission's Web site for productions looking to reduce their carbon footprints.

"I wanted it to be a nuts-and-bolts tool for active productions," Lemisch says. The guide is replete with recycling tips and links to eco-friendly vendors, which do everything from setting up office recycling to selling sustainably farmed lumber. Environmentally conscious industryites can also utilize the Environmental Media Assn.'s "Green Seal" guidelines.

While the major studios already have in-house programs to reduce their productions' environmental impact, indie producers are also starting to follow green guidelines. On the independently produced,

six-hour miniseries "twentysixmiles," currently in production, the idea to go green originated with star and co-executive producer John Schneider.

To decrease the use of disposable plates and silverware, many of the show's meals have been served at restaurants instead of from catering trucks, and co-star Jessica Tuck bought the crew reusable canteens to reduce the consumption of bottled water. Additional eco-friendly measures have been dictated by the location, Catalina Island, which restricts the use of motor vehicles, requiring the cast and 50-person crew to travel on electronic golf carts, some solar-powered.

"It's the little things we're trying to implement," says executive producer Rob Miller. "They sometimes make a statement more than they actually (accomplish), but we just want our team thinking about it."

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