

MOTION

BUDGET & FINANCE

Keep Hollywood Home - Local Vendor, Post-Production, and Film Ecosystem Incentive Program

Los Angeles is the historic home of the global entertainment industry, and film, television, commercial, and post-production activity sustain thousands of union jobs and a wide network of local businesses—including hotels, private properties, sound mixing stages, VFX and animation vendors, equipment houses, fabrication shops, caterers, transportation companies, and brick-and-mortar businesses that regularly support productions.

Following prolonged work stoppages, many of these businesses continue to face reduced bookings, workforce instability, and rising operational costs. Meanwhile, competing jurisdictions have adopted aggressive incentive frameworks to attract not the productions themselves, but the **local vendors and service companies** that form the backbone of the entertainment economy.

Los Angeles must take steps to retain this ecosystem and stabilize the pipeline of work for below-the-line employees and local small businesses. To keep production activity anchored in Los Angeles, the City should provide narrowly tailored assistance to **City-based vendors and facilities** that host, support, or service production and post-production activity—not by reducing taxes for studios or major producers, but by strengthening the local businesses that depend on filming to survive.

I THEREFORE MOVE that the City Council instruct the Office of Finance, the City Administrative Officer (CAO), and the Economic and Workforce Development Department (EWDD), with assistance from FilmLA and the Los Angeles Department of Water and Power (LADWP), to report back within 45 days with a framework for a **Local Vendor, Post-Production, and Film Ecosystem Incentive Program**, including:

"Keep Hollywood Home" DWP Utility Credit

To address the significant operational overhead of the local film ecosystem, the report shall assess the feasibility of establishing a **Keep Hollywood Home DWP Credit**, providing:

- A broad-based, monthly utility bill credit for City-based vendors, facilities, and service providers that support or service film, television, commercial, or post-production activity.
- This credit shall be designed as a general operational discount for eligible businesses—including equipment rental houses, fabrication shops, and post-production facilities—to offset high energy costs without requiring participation in prescriptive, project-by-project rebate programs.
- Higher-tier credits for energy-intensive "Certified LA Stages" and post-production hubs (VFX, sound, and animation) to ensure Los Angeles remains cost-competitive for the entire production lifecycle.

Vendor Hosting & Activity-Based Incentives

A tiered incentive or rebate structure for City-based businesses that demonstrate a minimum annual volume of qualifying film-related activity, including but not limited to:

- Hotels hosting cast and crew;
- Private properties used as recurring filming locations;
- Post-production facilities including editorial, sound mixing, finishing, VFX, and animation;


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- Equipment rental houses, grip/lighting vendors, and fabrication shops;
- Restaurants, caterers, and small businesses providing production-related services.

Eligible businesses may receive modest rebates, credits, or temporary tax reductions tied to verified production activity conducted within the City.


Verification and Oversight

- **Verification Framework:** A robust verification process using FilmLA permit data, invoices, receipts, and business tax certificate filings to ensure incentives are limited to businesses with verified in-City activity.
- **Accountability:** Annual reporting to the Council on total in-city spend, jobs created or retained, and vendor participation.
- **Guardrails:** Explicit prohibitions against awarding incentives to companies involved in price gouging or predatory behavior

I FURTHER MOVE that the CAO, Office of Finance, EWDD, and LADWP report back within 45 days with recommended eligibility criteria, verification standards, fiscal impacts, and an implementation timeline, including options that prioritize City-based small businesses and below-the-line ecosystem stability without reducing or modifying the City’s gross receipts tax structure.

I FURTHER MOVE that any production entity receiving a City benefit under the Keep Hollywood Home package shall, as a condition of eligibility, participate in an employer-sponsored health insurance plan meeting Motion Picture and Television industry portability standards.

PRESENTED BY:



ADRIN NAZARIAN
Councilmember, 2nd District

SECONDED BY:



ORIGINAL