

ECONOMIC DEVELOPMENT POLICY COMMITTEE
Thursday, January 21, 2021
9:00 a.m. – 10:00 a.m.

Virtual/Microsoft Teams Meeting

Call-in number: 1-323-776-6996 Access Code: 831 836 193#

AGENDA

1. Introductions
2. Legislative update (CEO) 5 minutes
3. Mortgage Relief Program (DCBA) 5 minutes
4. Business Relief: 20 minutes
 - a) LA Regional Covid-19 Recovery Fund (DCBA)
 - b) Keep LA County Dining update (LACDA)
 - c) Small Business update (DCBA, LACDA, WDACS, CEO)
5. Great Plates update (WDACS) 15 minutes
6. FilmLA update (CEO & FilmLA) 15 minutes
7. Public comment

NOTE:

Please send comments to EconomicDevelopment@ceo.lacounty.gov by Wednesday January 20th at noon. They will be shared with the Committee prior to the meeting.



Financial Sustainability & The Road to Recovery

Current State



- As FilmLA assesses the changing landscape, the impacts of COVID-19, and the cost of providing the range of services and support to its multiple constituencies, it has become exceedingly more costly and unsustainable to operate as in past years. **We are requesting to increase our permit coordination fees above the annual Consumer Price Index (CPI)** to recoup lost revenue and chart a course back to financial health.
 - All constituencies are asking for more and varied services
 - Environment is more complex = services provided are more costly to provide:
 - Appendix J Requirements
 - Compliance Officer
 - Survey supplemental requirements
 - Residents working from home = increased volume of complaints
 - Client jurisdictions with staff furloughs and higher turnover

Contract summary



- The County and FilmLA entered into Agreement Number 77080 for Film and Still Photography Permitting Services on September 22, 2009 ("Agreement") for an initial term of five (5) years with two optional five-year extensions for a maximum total term of fifteen (15) years. The Board approved the second option as Amendment No. 2 to extend the Agreement on September 17, 2019 for an additional five (5) years from September 21, 2019 to September 20, 2024.
- Exhibit A, Section 1 of the FilmLA contract states that upon the written request of the Contractor, the County Project Manager, in his/her sole discretion, shall have the authority to annually adjust the Permit Application Fees based on the increase or decrease Consumer Price Index (CPI) for the Los Angeles-Riverside-Orange County Area. Notwithstanding the above, Contractor shall be permitted to adjust the Permit Application fees above the CPI level, if Contractor obtains approval from the County Board of Supervisors.



Financial Sustainability

- Financial sustainability is having sufficient resources to give an organization the ability to:
 - Seize opportunities
 - React to unexpected threats
 - Maintain general operations of the organization during periods of distress
- Requires developing resilience to occasional economic shocks in the short term.

Business Continuity



- FilmLA began to build financial reserves to sustain the business during film industry activity downturns and for major technology investments in 2008.
- This financial prudence has allowed FilmLA to continue to provide services to its client jurisdictions and the film Industry, by drawing from these financial reserves and through enactment of its Business Continuity Plan.
- FilmLA is also participating in all CARES Act programs it qualifies for.

Business Continuity



- FilmLA developed a Business Continuity Plan (BCP) over the years covering scenarios from labor strikes, to loss of the physical office, to earthquakes, and pandemics.
- When the pandemic closed operations FilmLA immediately enacted its BCP:
 - Furloughed 50% of employees
 - Reduced hours/salaries by 30% for remaining employees
 - Implemented drastic cost cutting measures including suspension of all non-essential expenses and services, and renegotiation of contracts and vendor rates

Road to Recovery



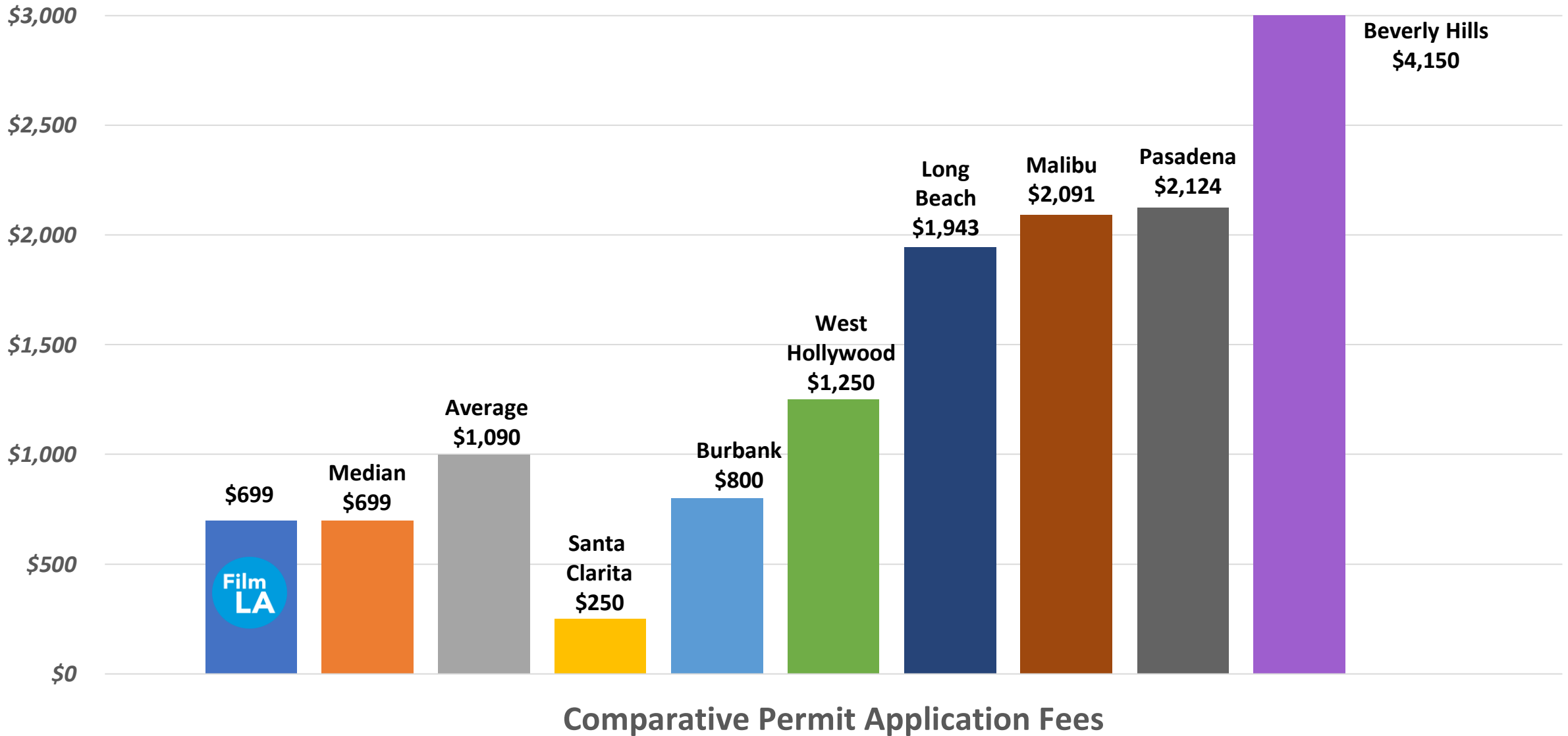
- FilmLA has conducted financial analyses to determine what it will take to recover from the significant decline in reserves and enable the organization to continue to provide services.
- Suspending and eliminating non-essential spending will not provide a path to recovery.
- FilmLA must increase its fees to reflect the changing environment and re-establish reserves.
- The increases recommended will put FilmLA on an 8-year course toward re-establishment of reserves and enable the organization to continue to provide services in the coming years.



Fee Types	Rates FY2020 & FY2021	Maximum Increase Allowable Under Client Contracts	Proposed Rates
Permit Application Fee (up to 10 locations)	\$699.00	\$761.49	\$795.00
Permit Rider Fee	\$111.00	\$120.92	\$126.00
Modified Permit Application Fee	\$55.00	\$59.92	\$63.00
Modified Permit Rider Fee	\$27.00	\$29.41	\$31.00
Monitor Fees	\$32.50	\$35.41	\$37.00
Monitor Fees Overtime	\$49.00	\$53.38	\$56.00
Monitor Fees Doubletime	\$65.00	\$70.81	\$74.00
Still Application Fee	\$66.00	\$71.90	\$75.00
Still Rider Fee	\$22.00	\$23.97	\$25.00
Student Permit Fee Complex	\$100.00	\$108.94	\$114.00
Student Permit Fee Simple	\$26.00	\$28.32	\$30.00
Notification Fee (<i>Base Radius</i>)	\$173.00	\$188.47	\$198.00



Comparison of Permit Application Fees Frequently Filmed 30-Mile Zone Cities





Comparison of Permit Application Fees with Increase Frequently Filmed 30-Mile Zone Cities

