



# Placer-Lake Tahoe Film Office Assessment & Strategic Plan

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## INTRODUCTION AND BACKGROUND

The County of Placer, California spans more than 1,500 square miles with a population of nearly 400,000.<sup>1</sup> The northwest quadrant of Lake Tahoe is in Placer, and the entire lake spans several different jurisdictions including two states and five counties. Placer is located 65 miles from the Sacramento suburbs, and technically is part of the greater Sacramento metropolitan area. Placer has attracted film, media, and television production business for decades. Best known for its stunning mountain vistas and Lake Tahoe waterfront locations, it is a particularly popular location for automobile commercials.

Placer County government has long recognized the importance of the film and media industry to the regional economy by funding a film office that has been part of the County of Placer Office of Economic Development for many years. In late November of 2020, the film commissioner stepped down from the position after serving in the role for 23 years. She built the program over that time and was well-regarded by industry professionals. The county is not starting from scratch. It seeks to build on this strong foundation.

The COVID-19 pandemic of 2020 caused a dramatic slowdown of on-location film and media business. The current part-time film office staffer continues to administer the permit process while the county reconsiders how to best support the industry. The pandemic also halted all in-person business travel. Cultivation of industry decision makers consequently ceased entirely. Ultimately, the pause due to the pandemic became an opportune time for Placer County to plan. Rather than immediately fill the film commissioner role and continue in the same vein, the director of economic development sought to consider how Placer can take a fresh look at its support of the film and media industry and perhaps make changes to its approach.

The County of Placer Office of Economic Development engaged Metris Arts Consulting, in association with former Chicago Film Office Director Rich Moskal. The project brief was to conduct an assessment of the film office and devise a strategic plan to help the county optimize support to the film and media sector.

Our research methodology comprised a mix of original research and knowledge of the film and media production industry. We interviewed local stakeholders with knowledge of the local arts community, tourism marketing efforts, and film production. We reviewed Placer-Lake Tahoe Film Office data and interviewed national film industry stakeholders who have shot or produced in Placer and Lake Tahoe. We researched competitive agencies and comparable ski/mountain destination film locations. And finally, we leveraged knowledge of the nearby Sacramento film production community that the Metris teamed gained in 2019 while developing the *Sacramento Film Office: 2020 – 2025 Plan* for the City of Sacramento.

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<sup>1</sup> United States Census Bureau. Total population of Placer County: 398,329. Source: 2019 Population Estimates. <https://data.census.gov/cedsci/all?q=placer%20county&g=0100000US>. Retrieved May 11, 2021.

## Goals and Framing

Our research was guided by a series of framing questions that helped to focus what we were seeking to answer on behalf of the county. They are:

- What is the best way to build on strengths and assets?
- How can Placer County optimize its support for the film sector?
- In what ways should the film office focus its activities?
- Should the film office continue to be housed within county government?
- What budget level is appropriate for the film office?
- How should success be defined and measured?

The county seeks advice on how to best direct its efforts to attract, service, and cultivate film and media production in the region. It wants to know more about the assets that the industry values and how the film office could build on those strengths. It also wants to know how to succeed in its efforts, despite not having a large local resident film or crew base or a soundstage facility in the region. Government systems have sometimes been at odds with the more entrepreneurial aspects of business cultivation. Metris, therefore, was specifically asked to recommend where the film office would best be housed in the future. We were also asked to assess and recommend what is the appropriate level of funding for the office, so that the county is getting the most impact for the amount it spends pursuing and servicing the sector. Finally, we were asked to provide insight as to how Placer might best define and measure its efforts, progress, and successes. We investigated if there are other ways to measure efficacy and impact, beyond the number of permits issued, shooting days, or hotel rooms booked. By better defining and measuring success, the county is seeking to “right-size” its expectations for the film and media industry presence in Placer County.

## KEY FINDINGS AND RECOMMENDATIONS

Below, we summarize key findings and recommendations, aligned by framing question. Later sections of the report elaborate on the findings by data source and detail recommendations.

### **What is the best way to build on strengths and assets?**

#### *Key Findings:*

- Significant location assets: unique and spectacular natural landscape
- Great brand and name recognition of Lake Tahoe
- Work and play opportunities in an internationally renowned leisure destination
- The county has a functional permit process
- Proximity: closest “big mountains” region to Los Angeles and proximity to big city amenities of Sacramento and San Francisco
- Commercials and print photo shoots are main source of activity
- Commercials are biggest spenders

#### *Recommendations:*

- Promote the locations and their availability
- Regularly conduct “FAM Trips” to showcase locations
- Bring location-specific web resources in line with quality and ease of use of nearby film offices
- Pursue strategic relationships and productions that align with and burnish the Lake Tahoe brand
- Develop a film festival or other film industry events

### **How can Placer County optimize its support for the film and media sector?**

#### *Key Findings:*

- A more strategic and industry-focused marketing approach will generate impacts
- Collaboration and coordination in the region would better reflect the overall assets and improve industry appeal
- Meeting with industry decision makers in L.A or S.F. not prioritized

#### *Recommendations:*

- Promote “parity” (similar permit fees and same application, regardless of jurisdiction)
- Cultivate high-level regional political support for film and media and reduce red tape
- Cultivate healthy working relationships, collaboration, and a regional approach with partners

## **In what ways should the film office focus its activities?**

### *Key Findings:*

- Regional collaboration can enhance the customer experience and foster repeat business
- Jurisdictional issues can be awkward and a source of confusion for producers
- Advocacy could lead to a more film-friendly atmosphere in the region
- The lack of local crew and industry vendors is a drawback that adds to costs and inhibits what kinds of productions will be attracted to the region
- The cost of bringing an entire production crew from L.A. and other distant cities is significant and can be prohibitive for many producers
- Can share the pie, no need to fight over the same business
- CA does not have a guaranteed tax incentive like in other competing states and countries

### *Recommendations:*

- Work on relationships: locally, regionally, and in California with industry decision makers
- Use communications platforms to regularly remind industry decision makers they love to shoot and visit your great locations
- Cultivate the “shoulder seasons” as a more affordable, less crowded option for productions
- Treat big-spending repeat producers like gold
- Remove every negative you possibly can address
- Get all the jurisdictions on board with the importance of the industry

## **Should the film office continue to be housed within county government?**

### *Key Findings:*

- Film location requests need to balance with ski-destination and resort demands
- Other ski/resort destinations leverage their tourism dollars and marketing
- An entrepreneurial approach is needed to cultivate film industry decision makers
- Relationships are key: film producers need to be “wined & dined”

### *Recommendations:*

- Permit function needs to stay within government
- Partner on marketing with DMOs to leverage their professional footage, photography, and design assets
- Film and media industry cultivation needs to be moved out of the confines of government
- County’s big-picture economic development strategies should inform the film office’s function

## **What budget level is appropriate for the Placer County Film Office?**

### *Key Findings:*

- The average budget over the last five years was \$244,000
- Average Estimated Local Production Spend (2015-2020): \$800,000
- The Film Office Benefit Cost Ratio (BCR) was 3.27 and had an ROI of 69.5

- Stark reality: incentives play a big role in location decision-making
- Film festivals can serve as an industry draw and a significant cultural tourism asset

*Recommendations:*

- Align funding levels with county's broader economic development goals and expectations for return on investment and cost benefits of other similar programmatic investments
- Consider:
  - Is a film office BCR of 3.27 aligned with county economic development goals?
  - How does it compare against BCR and ROI of other economic development programs?
  - What is the ROI of the \$385,000 budget for Visit Placer? Could its marketing assets be leveraged?
  - How will the new Tourism Business Improvement District (TBID) grow and change the Placer County economic development context?

**How should success be defined and measured?**

*Recommendations:*

- Maintain and refine quantitative and qualitative measures, consistent with industry standards:
  - Shoot days logged by production type
  - Economic impact: local spend estimates, hotel nights, etc.
  - Reputation among producers
  - Ability to retain and grow repeat business in the region

## REVIEW OF FILM OFFICE DATA AND OPERATIONS

The film office gathers comprehensive data on film production activity across the county. It maintains records dating back more than 20 years. These annual “Film Logs” list and segregate relevant production information by type, producing company(s), shoot day totals, crew and budget size, film set and staging location, lodging and room night totals, and key production contact info. We specifically reviewed annual and monthly documents for the years 2015-2021. These documents include:

- Film production logs and permit totals (2015-2021)
- Annual economic impact estimates (2015-2020)
- Association of Film Commissioners International (AFCI) production spending formulas
- Permit application requirements and documents
- Project status boards and monthly reports (2021)
- Line-item budgets
- Promotion and travel log expenses (2016-2021)
- Ad buy tracking reports (2017-2020)
- Strategic Plan FY 19-20 and transition notes (2021)

### Film Office Operations

Commercials, still photography, reality TV shows and lower-budget independent features make up the majority of film permit applicants, by far. Of these, commercials more often generate the highest economic impact. Studio feature film and scripted television production is rare in the county. When it does occur, it is usually limited to only a few days of filming. The most recent of these was the feature film “The Muppets,” which shot for about a week in 2011.

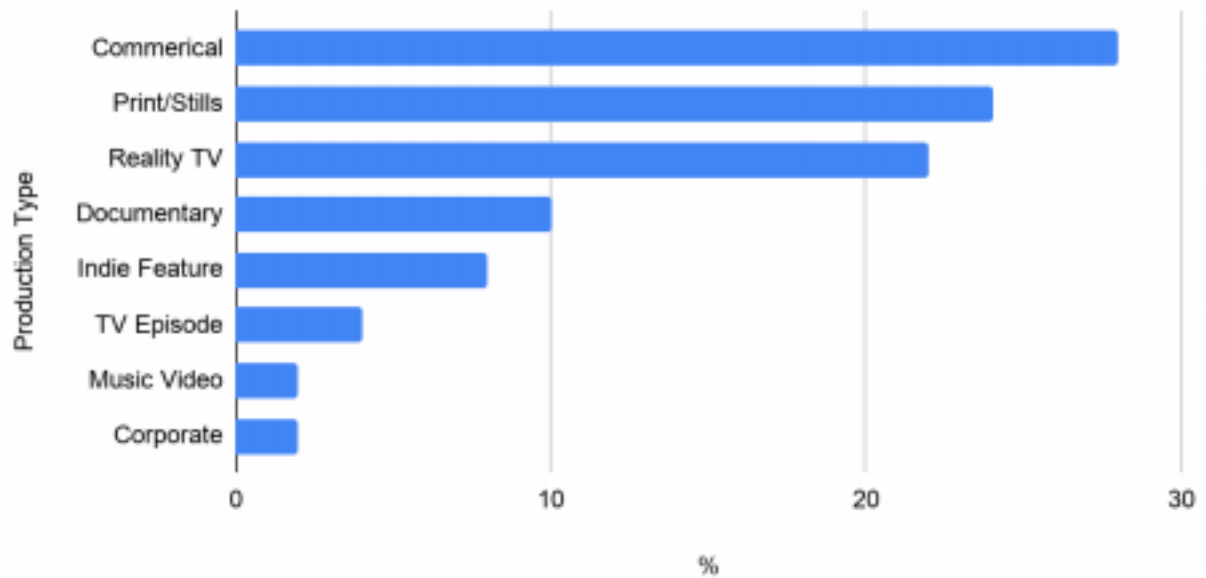
Producers frequently apply for permits directly from local jurisdictions without any film office interaction or troubleshooting. To account for this activity, the film office annually requests and reports permit data from these jurisdictions.

Over the last five years, the average estimated local production spend was \$800,000. However, this was not a steady amount, in fact it fluctuated dramatically with a high of \$2 million in 2018, and a low of \$124,000 in 2015. More recent figures are trending at \$500,000 annually. This kind of fluctuation is typical given the long lead times involved with some productions, and the frenzied last-minute nature of others.

The average annual number of permits issued over the same five-year period is 32 issued by the county film office and 53 permits in all the Placer County jurisdictions. The average number of annual total shoot days is 105. Below is a graph that shows the percentage of production permits issued by type for the same five-year period. Commercials are in the lead at 28%, closely followed by print and still photo shoots.

## Production by Type

Permit Data 2015 - 2020



### The Permit Process

Placer County has a functional and well-regarded film permit system. In our research process, we didn't hear a single complaint about permitting, and that's highly unusual. The only exception was producers who expressed concerns about the level of responsiveness and lengthy permit application process of the U.S. Forest Service. In our experience from a variety of film locations, stakeholders often note the difficulty in obtaining permits in a timely manner right off the bat. Not in Placer County or the Lake Tahoe region. It's a real asset that Placer does not need to focus its energy on fixing a dysfunctional permit system. It can, therefore, focus its efforts on higher level concerns for how it will support the industry.

### Marketing & Sales

Film office marketing, promotion, and travel spending averages \$14,000 annually (2018-2020). Ad placements in trade publications and travel to industry conferences and events in Los Angeles and San Francisco were prioritized and claimed the majority of this spending. However, we have no data to show if those efforts were effective in attracting or retaining film and media production business. Regular one-on-one meetings with industry decision makers in Los Angeles and San Francisco (studio executives, producers, production companies, and advertising agencies) appear to have been limited. The film office marketing budget is comparable to offices in other counties and states.

We heard very positive testimonials from production veterans about the quality of the Familiarization (FAM) Trips conducted by the Placer County Film Office. The trip was described as a whirlwind tour of the region designed to showcase the very best of the main location assets to industry professionals.



The film office economic impact estimates are based on AFCI formulas that calculate average spending practices by production type and budget size. In looking at the film office data, the average annual film office budget of \$244,000 appears to yield an average impact of \$800,000 in direct area spending by the industry. It is important to determine if this BCR of 3.27 and an ROI of 69.5 is in line with the expected impact of other economic development efforts in Placer County. If it is not, then the Film Office should establish a goal and measure progress toward achieving results to bring it in line with other initiatives. This could help the film office to develop a number of strategies to either attract more productions, focus on the biggest impact productions, cultivate loyalty from repeat commercial producers, partner with other agencies on strategic cultivation and marketing, and better track leads that are converted to actual production spending.

### **Key Takeaways: Film Office Operations and Data**

- Commercials and print photo shoots are main source of activity
- Commercials are biggest spenders
- Average Estimated Local Production Spend (2015-2020): \$800,000
- The county has a functional permit process
- Film Office BCR and ROI aligned with county economic development goals?
- Limited opportunity to meet with industry decision makers in L.A or S.F.

## LOCAL STAKEHOLDER INTERVIEWS

To gauge local support for the industry among economic development stakeholders in the region, we interviewed a variety of government officials and sister agencies that are most aligned with the mission of job creation, business development, travel, and the arts. We also spoke with film producers who reside and work in the area. Almost all expressed a definite need for a more unified and strategic effort among local stakeholders to properly market to the industry. Not that all those interviewed felt they had the essential expertise to navigate the industry, but there was a consensus that this effort, done effectively, required a team approach that goes beyond industry knowledge and contacts.

Some acknowledged that the lack of collaboration among fellow stakeholders has led to missed opportunities in attracting film business; the current siloed approaches among agencies with overlapping missions has been a detriment to all. Almost all cited the region's multi-jurisdictional territories dissecting Lake Tahoe as a source of confusion or awkwardness for producers unfamiliar with local authorities. Some expressed a sense of disconnect within Placer County between the western shore of Lake Tahoe where the most desirable locations are, and the more populated urbanized western part of the county where government offices are located.

To fully represent the county's assets to the industry, several suggested that the Film Office should craft a marketing strategy that speaks meaningfully and directly to the needs of the industry, and then execute the strategy with the active support of key delegates across the county's economic development sector.

Part of this strategy should include redirecting the film office's public profile, both on the web and in all promotional collateral, to be more succinct and industry-facing. The current film office web pages that reside within the larger Placer County platform were viewed as clumsy to navigate and buried among other government services and priorities.

Municipalities and other government agencies within the county have seen significant job turnover in recent years. Much of this has been in positions that relate specifically to the permit approval process. To reaffirm and strengthen relations with key authorities across the county, stakeholders suggested that film office staff meet with these officials regularly and consistently advocate for film friendly policies and processes.

Many local stakeholders pointed to the benefit of promoting the entire region, including the assets of neighboring counties and cities, as essential to Placer's long-term success. This recognition that Placer is not home to all of the essential or most desirable amenities producers need is reflected not only in the lack of industry-specific assets, but also by the relatively low inventory of competitively priced hotel and housing accommodations.

### **Key Takeaways: Local Stakeholders**

- Regional collaboration and coordination would effectively leverage overall assets and improve industry appeal
- Competing jurisdictions throughout the region can be awkward and confusing to producers
- Maximize impact through a more strategic and industry-focused marketing approach
- Advocacy could lead to a more regional film-friendly atmosphere

## NATIONAL FILM STAKEHOLDER INTERVIEWS

The Los Angeles-based producers and location managers that we interviewed and who have previously worked in Placer County all conveyed positive production experiences and/or helpful interactions with the film office. These industry decision makers are responsible for the production of feature films, scripted television series, and commercials. They also play a strategic role in deciding where productions locate.

The factors that drive their decisions vary widely and depend largely on the production budget, the locations referenced in the script, and tax incentives offered by competitive states and countries. State and foreign tax credit programs are very competitive and can save producers as much as 30% of their entire production budget. As a result, they are immensely influential in determining where producers choose to locate. California's current incentive is competitive, but funding for the program is capped annually. Without a guarantee that incentive dollars will be available, many producers opt for other state programs' guaranteed incentives that don't have funding caps. Additionally, cities where producers can hire from a qualified local crew population have a strong advantage over the often-prohibitive cost of flying and housing the staff for an entire production.

In the case of studio features and television series, unless the project's aesthetic considerations demand it, producers will always seek the most cost-effective destination in which to locate. This usually translates into staying close to where the production is headquartered (predominantly Los Angeles), or relocating to whatever state offers the most lucrative incentive matched with the available script-appropriate locations.

Cities and regions without a guaranteed competitive tax incentive or local crew base are poorly positioned to attract studio features and television series for the majority or entirety of the production. Exceptions are made when scripts call for uniquely authentic locations (spectacular natural landscapes, historically accurate sites, etc.) that can't be easily replicated elsewhere. This is particularly true when only a minimum of filming days is required at these distinctive locations.

Producers of commercials, however, more often base their decision on the quality and availability of the best suited location, regardless of incentives or local crew offerings. These producers create their budget on the assumption that they'll need to bring most, if not all, of their crew with them and pay the associated travel costs. "They'll go where they need to go, particularly if it's a cool and beautiful place," noted one interview subject. The same is true of reality television and documentary producers who travel to locations almost solely based on story and real-event considerations.

Of course, there are always exceptions to the rule. A-list directors, producers, and cast can sometimes dictate where they want to shoot based on personal preferences or loyalties. But only if it serves the story, budget, and quality of the production.

Producers consistently pointed to several essential elements needed to attract and serve all of their respective industry sectors:

- **Direct and frequent reminders of the region’s locations and their availability**  
Production decisions are made in a hurry and based on the best available information at the time. Producers or location managers may not recall a great location that was pitched to them years or even months prior. To increase the likelihood of Placer being considered as a location, regular reminders that you have what they need are best.
- **Coordinated and high-level government advocacy in support of the industry**  
Producers need assurances that a location not only looks right for their script, but that the governing authorities are available and willing to accommodate their schedule and logistics. Elected official support that can cut bureaucratic red tape and quickly solve problems builds producer confidence.
- **Proactive troubleshooting**  
Producers rely on local authorities to anticipate obstacles and challenges that are specific to that territory. Surprises can damage a region’s industry reputation and any opportunities for repeat business. Honest and hands-on guidance and effective problem-solving are highly regarded.
- **Competitive pricing on housing**  
Travel costs are a key factor in many producers’ location decisions, particularly when housing an entire crew of potentially 100 people or more. They’ll seek out and negotiate the best possible room rate, even if it means housing crew nearby in a neighboring county.

## Proximity

Placer’s proximity to Los Angeles is a plus for productions based in Southern California. Short flight times (1.5 hours gate-to-gate) and the ability to work in the same time zone are both convenient and cost effective. But any location 30 miles outside of Los Angeles’ drive-to perimeter is considered a distant location. When one accounts for airfare and hotel rooms, the cost of traveling a crew to Placer is not significantly different from that of other more distant locations, including faraway states and countries that offer guaranteed higher tax incentives. This “world of opportunities” makes vying for producers’ attention a very competitive business, no matter how attractive or nearby the location.

Proximity to other film and media industry clusters is another major asset for Placer County. Lake Tahoe is the closest “big mountain” environment to Los Angeles and the motion picture and television industry based there. For some scripts that call for hills or a minor mountain location, if they can make it work for the required look, production managers will aim to shoot within the 30-mile production radius of Los Angeles to avoid paying any per-diem or lodging costs for cast and crews.<sup>2</sup> However, should the script call for a more substantial mountain location, the Lake Tahoe

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<sup>2</sup> Industry standards and union guidelines define “local” as any film location within 30 miles of the production’s headquarters. Locations outside of that perimeter generally require that the crew be provided hotel accommodations and per diem, unless otherwise negotiated.

region is the closest to Los Angeles, offering a distinct advantage over more distant locations. However, once crews and cast have to get on a flight, the advantage begins to diminish. Direct flights from Los Angeles to Sacramento and Reno (the two airports that serve Lake Tahoe with commercial flights) are under an hour and a half. In addition to the flight, the drive from the Reno airport to Lake Tahoe is about an hour and the drive from the Sacramento airport to Lake Tahoe is two hours. (Other west Placer County locations are much closer to the Sacramento airport.) For comparison's sake, the flight from Los Angeles to Salt Lake City Utah is more than two hours, and the drive from the airport to Park City is an additional two hours.

Proximity to San Francisco is another major advantage that especially helps to draw productions for commercials and print advertising photo shoots to Lake Tahoe. In San Francisco there are a number of large advertising agencies that make frequent use of locations in both Sacramento and the Lake Tahoe region. It is a three-and-a-half-hour drive from San Francisco to Lake Tahoe, and just over a one-hour flight from San Francisco to the Reno airport. We observed that larger productions in Sacramento are often equipped out of San Francisco, because the availability of equipment and crews there is limited. That is also the case for Lake Tahoe, as there is even less of a local crew or talent base and not much in the way of available equipment for rent to support a professional film and media production industry. Indeed, the Lake Tahoe productions are at times supported by talent and equipment from the Sacramento market, but, more often, productions bring their own equipment, crews, and talent with them when they choose Tahoe as a location.

### **The Work and Play Factor**

Access to amenities unrelated to the film production, but that are highly compelling for producers and talent, is another asset for the Lake Tahoe region. Shooting on locations in Tahoe allows producers the opportunity to combine their work trip with a ski vacation. The work and play factor is real, and many actors, producers, and financiers have second homes in the Tahoe Region. Recently, it's become a popular destination for people in the tech industry from San Francisco and Silicon Valley. To a lesser extent, proximity to Sacramento not only helps Tahoe productions by supplying crew, talent, and equipment, but it also offers access to big-city amenities. Access to the restaurants, lodging options, and cultural offerings in Sacramento that are not available in Placer County is important to some producers and talent.

### **Locations**

Similar to Sacramento, a key asset for the Lake Tahoe region and Placer County is physical locations. The dramatic outdoor natural landscape, comprising mountains, the lake, rivers, trails, and roads, is a major draw for film and media productions. The roads with beautiful scenery are particularly attractive to the automobile commercial market. In addition to the scenery's sheer beauty and drama, the area also offers a variety of different types of locations and looks, such as charming, small Gold Rush-era towns, relatively close together. This is an attractive feature for productions, as they can efficiently shoot multiple looks in rapid succession, thereby reducing the time on location and their overall costs.

### **Obstacles and Challenges**

Stakeholders noted that there isn't much of a local population of film crew or equipment vendors in the Tahoe Region. This means that producers must bring in most talent, staff, and equipment. Those jobs aren't able to go to locals, and the production dollars in those departments aren't spent locally. This adds to the complexity and cost of producing in Tahoe as travel and lodging costs for everyone involved adds to the production budget. Consequently, shorter productions or shoots are

much more likely than longer ones, and multi-episode series are highly unlikely to land in Placer County. In addition to a lack of staff, crew, and equipment, Placer lacks dedicated indoor facilities, such as a soundstage, to accommodate longer indoor shoots. A comparable ski vacation destination, Park City, Utah, was able to attract a television series once it built a soundstage facility. However, after two seasons, that series was lured away to another location that offered a lucrative incentive.

**Key Takeaways: National Stakeholders**

- Significant location assets: unique and spectacular natural landscape
- Great brand and name recognition of Lake Tahoe
- Proximity: closest “big mountains” region to Los Angeles and proximity to big city amenities of Sacramento and San Francisco
- Work and play opportunities in an internationally renowned leisure destination
- The lack of local crew and industry vendors is a drawback that adds to costs
- CA does not have a guaranteed tax incentive like in other competing states and countries

## EVALUATION OF COMPETITION AND COMPARABLE LOCATIONS

In evaluating the competition that the Placer County Film Office faces for productions, we considered both nearby and more distant locations.

### **Regional Competition**

#### *Lake Tahoe*

Since Lake Tahoe is so large and has so many jurisdictions, the other counties and towns in the region can be considered direct competition. A production might choose one Tahoe location over another for a variety of reasons unrelated to the character of the scenery such as availability, ease of permitting and logistics, and prior working relationships.

Within the Tahoe region, El Dorado County can be considered the Placer-Lake Tahoe Film Office's closest competition. It's located in the southwest quadrant of the lake and has an abundance of more affordable lodging options than the North Tahoe region. El Dorado County has a proactive film office that is housed within the Chamber of Commerce. They have an attractive web presence that showcases locations and a map promoting where films and television episodes were shot in the area. Since they are part of the Chamber of Commerce, the film office has a less restrictive operating environment than that of a government-based agency. The staff expressed that rather than considering nearby jurisdictions as competition, they felt that there was more than enough film and media business in the region for them all to benefit from the productions.

Any producer considering a distant location will need to consider the “quality of life” amenities that the location offers. Even for short stays, producers want their cast and crew to be happy, to enjoy local restaurants and entertainment, recreational sports, and spectacular natural environments. Production workdays are long, 12-hours per day at a minimum. Being comfortable in beautiful surroundings isn't deemed essential, but it definitely affects overall productivity. This is particularly true in the making of commercials, where satisfying the needs and expectations of clients and ad agency executives is highly considered and scrutinized. These natural and recreational assets also proved to be particularly important to the hallmark success of film festivals in Park City and Telluride, Colorado.

North and west of Lake Tahoe, just over the border in Nevada County, CA are the highly desirable locations of Donner Pass and Truckee. Permits are issued by county government but aren't actively promoted by a separate local film office.

As mentioned earlier, the Lake Tahoe region comprises multiple jurisdictions including five counties in two states. Each place has a different entity issuing permits, different costs, and a different process. Indeed, since the City of Rocklin recently instituted a fee for film permits they have not issued a single one, and are now reconsidering that policy. All things being equal, a production is going to go with locations that are easy to secure and get permits for. When scouting locations, they aren't as concerned with borders and jurisdictions. Regional cooperation across boundaries is essential to deliver good customer service to productions, so they can easily get permission to carry out their work regardless of which county or town they happen to land in.

## *Rancho Cordova*

In August of 2019, the City of Rancho Cordova, California, a suburban community of Sacramento, announced the formation of the California Capital Film Office (CCFO.) Rancho, in partnership with its travel and tourism bureau, entered into an agreement with D'TLA Entertainment Group, to promote the region to the film industry. Their agreement is multifaceted and includes some typical film office duties such as the creation of a director, and the promotion of locations. Their agreement also includes the donation of city-owned space for the creation of a black-box live theater venue and the development of classes and training for emerging talent.

The director of CCFO is an experienced producer who also manages talent and has many industry connections and relationships. His views on location assets and challenges reinforced those shared by local and national stakeholders. Having produced locally in the Tahoe area and Placer County, he also expressed the need for regional cooperation and more parity among all the different permit issuing jurisdictions. Ultimately, it does appear that it will be a real asset for the region to have such a well-connected industry insider promoting locations and production. However, due to the timing of the launch of the CCFO just before the COVID-19 pandemic, the model for “outsourcing” a film office to a private entity is still untested. In addition, CCFO offers producers a variety of fee-based services (production packaging, location scouting, talent management, casting, etc.) that are outside the scope of traditional no-cost film office services. This services-for-hire model may be out of step with the free and neutral film office representation offered by the neighboring territories.

### **Key Takeaways: Regional Competition**

- Can share the pie, no need to fight over the same business
- Regional collaboration can enhance the customer experience and foster repeat business
- An entrepreneurial approach is needed to cultivate film industry decision makers
- Relationships are key: film producers need to be “wined & dined,” and it’s important to “treat industry clients the way they’re accustomed to being treated”

### **National Comparable Locations**

We also researched film office and promotional efforts in other cities known for their scenic mountain locations that are considered destination ski-resort communities. They included: Park City; Telluride; Whistler, British Columbia; and Lake Placid, New York. These other destinations are not able to compete with Placer-Lake Tahoe with respect to proximity to Los Angeles and San Francisco, so productions would be headed there to get something not available at a Tahoe location. Therefore, we see them as “comparable” locations rather than competition. They are instructive for how they balance being a ski and resort destination with servicing the film community.

All of these locations with a film office function were located either within a chamber of commerce or a destination marketing organization, not a government office. They were not, therefore, restricted by government spending policies.

### *Competing State Incentives*

The availability of locations, distance, cost, and budget constraints are all factors in location decision-making for productions. Incentives are an additional factor in the financial calculation. They can tip the scale in favor of one location for another, if all the other basic criteria for a location are otherwise met. California has a tax credit film incentive program with a few different categories,



both for studio films, independent films, and the relocation of a television series. Every state with an incentive program does this a little bit differently.

### *Comparable Markets*

Balancing the peak season demands of tourism and outdoor recreation with the uncertainty of film production opportunities was a common understanding of the ski resort cities we researched. All emphasized shoulder seasons as the best option for accommodating productions that have housing needs, given the greater room availability and the ability to negotiate more affordable rates in the spring and fall.

In addition to their efforts to attract and service film productions, these cities also host several of the country's most highly regarded film festivals. Park City, Lake Placid, and Telluride draw international capacity crowds of both film enthusiasts and industry elite to their respective regions. Our interviewees agreed that the popularity and prestige of these festivals enhanced their city's image as desirable film destinations, but they were split on whether these events led to an increase in the amount of regional film production. All the festivals are independently produced with varying degrees of public support and funding.

Branded content partnerships and the licensed use of the region's name and image for commercial purposes were key concerns to several of our interviewees. Fashion and product line catalogue shoots and television shows that align with their respective tourism and development goals were often viewed as marketing windfalls that provided valuable exposure well beyond what they could purchase themselves through conventional marketing means. That said, these opportunities and arrangements were well scrutinized for all their potential benefits and liabilities.

### **Key Takeaways: Comparable Destinations**

- Other ski/resort destinations leverage their tourism dollars and marketing
- Balance ski destination demand with film location demands
- Stark reality: incentives play a big role in location decision-making
- Film festivals can serve as an industry draw and significant cultural tourism asset
- Maximize opportunities for branded content that aligns with the region's image and culture

## DETAILED RECOMMENDATIONS

### **Build on Strengths**

Placer County can make the most of its support to the film and media industry by playing to its strengths. It should focus efforts on the activities that will have the most impact.

#### *Promote the locations and their availability*

The biggest strength and most valuable asset in Placer County to the film and media industry is your locations. To build on this core strength, you must better promote them and maintain information about their availability to the industry. That would include up-to-date information about how to secure approval to close roads, what are viable base camp options, which properties are suitable for crew lodging and could offer packaged room rates, and when peak tourist seasons might make production difficult to accommodate.

#### *Bring location-specific web resources in line with quality and ease-of-use of nearby film offices*

The film office should have a higher-profile, more updated web presence for location information that doesn't look like a government site. The location-specific web resources must be, at a minimum, in line with quality and ease-of-use of nearby film offices. There should not be a stark difference between the quality level of your locations' website and that of neighboring jurisdictions. (See discussion of parity in the region, below.)

#### *Regularly conduct FAM Trips to showcase locations*

The film office must regularly conduct FAM Trips to showcase your most choice locations to industry decision makers. We heard very clearly from national stakeholders that FAM Trips work and, in the past, have directly resulted in feature film business for Lake Tahoe. We recommend that you begin by planning a FAM Trip for the first shoulder season in 2021, and plan for at least one every other year into the future. The planning of a FAM Trip is a great opportunity to build strong relationships with locations, other jurisdictions, and hospitality partners. This will also help to cultivate the shoulder seasons as a more affordable, less crowded option for productions.

*Pursue strategic relationships and productions that align with and burnish the Lake Tahoe brand* We recommend you pursue strategic relationships and film and media productions that align with the image and brand of Lake Tahoe. This could include an ongoing relationship with an outdoor focused lifestyle or clothing brand that might regularly shoot catalogues in the area, and prominently feature your most choice locations and outdoor amenities. It could also involve a nature or environmentally focused docu-series that highlights specific aspects of the local terrain and wildlife. This endeavor is best pursued in partnership with others in the region with aligned goals to further burnish the Lake Tahoe brand such as the North Lake Tahoe Resort Association.

#### *Develop a film festival or other film industry events*

We also recommend assisting in the development of an annual film festival or other film industry event that could potentially draw industry luminaries to the area and further showcases the spectacular location assets. Film festivals, particularly like those in Park City, Lake Placid, and Telluride are significant sources of local economic development as well as feeders for potential future film production. They also bolster pride and industry awareness among residents and support the local filmmaking community. We suggest that this effort be managed in partnership with the Arts Council of Placer County, which previously explored this concept with the film office.

## Optimize Support

Across the board, it is important to make it as easy as possible for the industry to do business in the region.

### *Promote parity*

We recommend you introduce and champion the notion of parity, meaning there should be similar, if not identical, permit processes, fees, and application forms for film permission throughout the entire region regardless of jurisdiction. This would greatly minimize the confusion for the industry. It helps to present a sense of unity toward the industry, no matter where their shoot lands in the area. Typically a shoot lands in many different locations, so applying for and coordinating among many different locations and jurisdictions is a common circumstance.

### *Cultivate high-level regional political support for film and media and reduce red tape*

We recommend you cultivate a high level of political support for the film and media industry presence throughout the region. This will help to implement the notion of parity and also foster the reduction of bureaucracy and red tape and continued support for accommodating the industry.

### *Cultivate healthy working relationships, collaboration, and a regional approach with partners*

Efforts to foster a regional approach will yield dividends. Because productions often use multiple locations, many entities will benefit from any single production. In addition to the regional efforts to cultivate high-level political support described above, the film office should strive to cultivate healthy working relationships with all regional jurisdictions and permitting agencies. It should encompass the entire greater Lake Tahoe region as well as the Sacramento metropolitan area. The film office should strive to get all the jurisdictions on board with the importance of the industry. Regional partnerships can, and should, extend beyond permitting jurisdictions. The work of a film office is multifaceted and collaborative; one person cannot be expected to do it all and excel in every different aspect of the work. Different agencies in the region have goals that are aligned with those of the film office, and their respective strengths and expertise should be more fully leveraged. It would be fruitful for the film office to build more functional working relationships with potential partners such as Visit Placer and the North Lake Tahoe Resort Association so the film office can better leverage their marketing savvy and visual collateral to promote choice locations. This type of integrated regionwide effort is very attractive to producers and suggests that both business and government leadership will have their back.

## Focus Activities

### *Work on relationships: locally, regionally, and in California with industry decision makers*

The film office should nurture strong relationships with local stakeholders, partners, and producers. As described in the above Build on Strengths section, the film office needs to foster strong regional working relationships. Another key focus for the film office should be on creating strong relationships within the State of California with industry decision makers. The film office should begin with Los Angeles and San Francisco commercial producers who currently do business in the region.

### *Treat big-spending repeat producers like gold*

Part of relationship-building should entail the treatment of existing big-spending repeat customers. These relationships should be prioritized. It's important to treat these industry clients the way they are accustomed to being treated.

*Use communications platforms to regularly remind industry decision makers of the great locations you have available*  
The film office should make use of communications platforms to regularly remind industry decision makers of the great locations in the area. Producers and location scouts are busy and have short memories, so the reminder can help to put your locations at the top of their lists. It can also be used to promote newly available locations or to promote your FAM Trips.

*Remove every negative you possibly can address*

The feedback about your locations and permit process was largely positive, so if any negative issues arise, such as one jurisdiction refusing to issue permits, or one permit process being a particular speedbump, the film office must focus on resolving these difficulties as fast as possible. For instance, if the U.S. Forest Service is the biggest permit headache in one of the most choice spots, then get that streamlined as quickly as possible.

## **Film Office Location**

We closely considered where the film office should be housed into the future.

*Permit function should stay within government*

We believe that the permit function needs to stay within government and, perhaps, should be expanded to encompass permits for the incorporated areas in Placer County. This would help to build relationships, remove a bureaucratic burden from local municipalities, and help to quickly implement a single, more unified permit application form in the county. This might involve an intergovernmental agreement and will involve enhanced coordination between county covenant and the municipalities. It would go a long way toward the notion of parity. It also helps the film office to achieve a consistent level of customer service and responsiveness to your clients.

*Partner on marketing with DMOs to leverage their professional footage, photography, and design assets*

For the film office functions beyond permitting, we think that a more collaborative arrangement with partners should be considered. For example, marketing efforts should be in partnership with both Visit Placer and the North Lake Tahoe Resort Association to achieve further alignment with their economic development strategies and to more fully leverage their professional footage, photography, and design assets. Both agencies receive funding from the county, and this could be incorporated into their operating agreements with county government.

*Film and media industry cultivation needs to be moved out of the confines of government*

The work of the film office that involves cultivation of the film and media industry decision makers should be moved out of the confines of government. Film office staff must be allowed to act in an entrepreneurial fashion to build and maintain excellent relationships with decision makers.

*The county's big-picture economic development strategies should inform the film office's function*

With the recent creation of the TBID and the expansion of the role (and funding) of the North Lake Tahoe Resort Association, it is the ideal time to consider how the economic development goals of Placer County, through the film office, can be better achieved through collaboration and close partnership.

## **Film Office Budget**

*Align funding levels with county's goals and expectations and compare relative ROI of other programs*

We calculated that the average annual budget for the film office over the last five years was approximately \$244,000 and there is an average impact of \$800,000 in spending over the same

period. Using these figures, we noted that the film office yielded a BCR of 3.27 and an ROI of 69.5.<sup>3</sup> In order to judge if the budget for the film office is sufficient, one would need to know if these returns are in line with other Placer County economic development programs. If the county does pursue this measure of efficacy, it would be important to also know the BCR and ROI of similar efforts, such as funding provided to Visit Placer. Ultimately, the answer for what budget level is appropriate for the film office in Placer County depends on the county's goals and expectations. With the creation of the TBID and the expected growth in its spending, it's the right time for the county to examine what spending reallocations might be appropriate to maintain a consistent level of film production business in the region, and indeed to deepen economic impact. Partnerships would further help to enhance impact without the need to dramatically increase the film office budget.

## **Measuring Success**

The discussion of budget and impact naturally leads to the question of how Placer County should define, track, and measure the success of the film office.

### *Maintain and refine quantitative and qualitative measures, consistent with industry standards*

We recommend that the film office continue to log the number and types of permits issued, and the number of shoot days logged by production type. We also agree that economic impact be tracked; that should entail direct spending in the region such as lodging, hotel nights, and meals. We recommend that you continue to track your progress via less quantitative measures and that you continue to monitor your reputation among producers who do business in the region. Ask producers and location coordinators what they liked and didn't like about doing business in the region and then address their concerns. This would help not only to track the amount of repeat business you retain, but also can help you to identify any negative issues that need to be addressed by the film office and its partners.

Finally, we encourage all those who take part in the film office's newly focused effort to consider both the immediate and the long view of success. Every future production holds the potential to build trust and allegiance among stakeholders, while at the same time strengthening Placer's reputation within the industry. Repeat business and industry decision-maker relationships need to develop over time. Worldwide competition for the industry is fierce, and even small incremental increases in local production activity should be viewed as significant progress. The industry is swayed by a multitude of factors, many of which are beyond any location's control, but it is consistently an industry that thrives on relationships. Managing that level of success is a long-game accomplishment.

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<sup>3</sup> Methodology used for cost-benefit analysis is a ratio comparing monetary benefits to the program costs (BCR).  $BCR = \text{Program Benefits} / \text{Costs}$ . ROI is a percentage that presents the net monetary benefits (earnings) compared to the costs (investment).  $ROI = \text{Net Program Benefits} \times 100 / \text{Costs}$ . Source: ROI Institute