

Scene in San Francisco Incentive Program: Use of Real Estate Guidelines - Draft

Productions participating in the *Scene in San Francisco* incentive program may receive a 100% rebate on real estate for film-related activities such as production offices, stage space, and more. If no City property is available or suitable, the production may enter into a private lease or rental agreement with a third-party property owner (minimum 30 days) and still receive a 100% rebate on the production's rent. The guidelines below outline Film SF and Real Estate's workflow as well as requirements for productions under the program.

Uses

Real estate costs may be eligible for a **100% rebate** for uses including but not limited to filming, production office, soundstage space, storage space, and production vehicle, and crew/cast parking. The following property types qualify so long as the **property is located within San Francisco and/or it is City-owned** and meets the City's requirements. If there are no suitable City owned/operated property options, productions may pursue a **third-party property option** (more information below). Crew accommodations do not qualify for the rebate program. The following types of property may be eligible under the rebate program:²

- City-owned real estate
- Office buildings and businesses
- Warehouses
- Residential homes, apartments, and condos for filming and office use only, not including accommodations
- Hotels and motels for filming and office use only, not including accommodations
- Parking lots and garages
- Vacant land

Process

Participating productions must **first contact Film SF** to discuss their Real Estate needs. Film SF then consults with Real Estate and other City departments to generate a short list of available City real estate options for the production to consider. Film SF coordinates tours/site visits for the production as needed from that list.

Productions must **provide at least two (2) months' advance notice** to Film SF prior to the start of any real estate use to allow Film SF to successfully aid the production's efforts in securing space. Productions must **submit the following information** to Film SF at that time:

- Desired location

- Terms (month-to-month, etc.)
- Proposed start date and end date of the lease or occupancy
- Total number of people anticipated to use the space
- Square footage of the space being leased or occupied
- Parking needs, including number of spaces and duration
- Primary intended use of the space (e.g., production office, writers' room, editorial, storage, stage)
- Any additional operational needs tied to the space (e.g. amperage, ceiling heights, light grids, sound insulation, green screen, monitors, kitchen, utilities, access requirements, security, etc.)

City Leases

If the production chooses a City-owned property option, **Film SF will coordinate entering into a lease with the City** and the production will need to provide a copy of the signed lease agreement when they submit their final documentation during Phase C of the incentive program to receive a 100% rebate on their rent.

Third-Party Property Leases

If there is no suitable City-owned option, the **production may enter into an agreement with a third-party property owner** and receive 100% back on the production's rent or fees for the use of space. Productions must provide Film SF with information on the property they would like to rent including the monthly rental amount, address, and point of contact. Film SF will review the production's proposed property option in consultation with the Real Estate Division who will assess the information. Film SF will then reply with approval to proceed or with any outstanding questions, typically within a week. Productions seeking to use the incentive program for rent for third-party property will be required to sign Film SF's Terms and Conditions for Filming on Private Property agreement and attest that the production has exhausted City options and that there is no suitable city property available.

Productions must provide a copy of the signed Terms and Conditions agreement as well as the signed rental agreement when they submit their final documentation during Phase C of the incentive program. The City reserves the right to request additional documentation from a production in its sole discretion.

City-Leased and Subleased Property

If there is no suitable City-owned property option, the Director of Property of the Division of Real Estate, in consultation with the Executive Director of the Film Commission, may enter into a lease or sublease for film-related activities where the Film Production Lease is 12 months or less and has received the Controller's Certification of funds, regardless of whether the monthly rent exceeds \$15,000, without action of the Board of Supervisors.

Requirements

The property owner or operator of the leased space must be **registered as a business in San Francisco**, and the property must be **located within the City and County of San Francisco** or **owned by the City**. The amount of rent should be reasonable and **fair market value**. Space should **not have any known, unresolved building code violations**. Rent paid to a third-party property owner must be **30 days minimum and not exceed one year** unless approved by the San Francisco Board of Supervisors. Real Estate is expected to be **leased as-is**, though minor tenant improvements may be permitted if necessary for production. Heavy construction or major capital improvements are discouraged. **Any tenant improvements must comply with applicable laws.**