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2 **ORDINANCE NO.**

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4 **AN ORDINANCE ESTABLISHING THE CREATIVE CONTENT ECONOMIC**
5 **DEVELOPMENT INCENTIVE PROGRAM FOR FILM, TELEVISION, AND**
6 **DIGITAL MEDIA PRODUCTION.**
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8 **BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**
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10 **PART 1. FINDINGS**

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12 The City Council finds that:

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14 (1) Chapter 380 of the Texas Local Government Code authorizes the City to establish
15 local economic development programs;
- 16 (2) The production of films, television programming, and video games in the greater
17 Austin area helps promote the City as a location for film and visual media
18 production and contributes over \$1.27 billion annually in local economic activity
19 and creates over 10,000 jobs;
- 20 (3) The Economic Impact of the Creative Sector in Austin Study was updated in 2012
21 and found that the State of Texas including the City of Austin was suffering from
22 an incentive disadvantage compared to peer states in the area of film, television
23 and digital media.
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25 **PART 2. ECONOMIC DEVELOPMENT PROGRAM**
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27 An economic development program for film, television, and digital media
28 production is created under Chapter 380 of the Texas Local Government Code. The
29 program is titled the Creative Content Incentive Program (CCIP). The CCIP provides
30 grants to production companies that are engaged in the creation of a film, television series
31 or commercial, or digital media project in the City of Austin. There are two categories of
32 grants: 1) grants available to Austin-based companies or productions that meet the
33 Significant Promotion of Austin test for an incentive amount not to exceed 0.75% of all
34 wages paid to Austin Metropolitan Statistical Area residents on the project; and, 2) grants
35 available to nonlocal production companies which do not meet the Significant Promotion

of Austin test for an incentive amount not to exceed 0.50% of all wages paid to Austin Metropolitan Statistical Area residents on the project. The definition of an Austin-based company and the Significant Promotion of Austin test are described in the CCIP Guidelines.

PART 3. MINIMUM ELIGIBILITY REQUIREMENTS

In order to qualify for the CCIP, production projects must meet the following criteria:

- (1) The production company must be approved for production incentives from the Texas Film Commission, if available, in one of the following categories: a) film and television projects, b) video game projects, or c) visual effects. Production projects in the commercial or reality television series categories are eligible only if the applicant can demonstrate that the production meets the Significant Promotion of Austin test.
- (2) Film and television projects, reality television, and commercials must pay all employees at least union wages and ensure the availability of other employment benefits equivalent to union benefits.
- (3) Video game and visual effects projects must pay all employees at least \$11 per hour or the City's living wage if adjusted, provide all workers with health insurance benefits, and extend employee benefits to same-sex partners and their dependents.
- (4) The production company must have its principal place of business during the production within the City of Austin's Desired Development Zone.
- (5) There must not be any new permanent construction or leasehold improvements involving the project and the production company must not have applied to the Chapter 380 Economic Development Program for an economic development incentive for the jobs or payroll associated with the project.

PART 4. CREDIT REQUIRED

The production company receiving a CCIP grant shall place a "Made in Austin" logo and a credit on each production that reads:

Thank you to the City of Austin for its generous support of this production.
Filmed on location in Austin, Texas, U.S.A.

PART 5. MINORITY AND WOMEN OWNED BUSINESS PARTICIPATION

A production company that receives a CCIP grant must complete the following:

- 1) Attend an informational meeting with the City's Department of Small and Minority Business Resources (SMBR) no less than ten days prior to the first day of production, and
- 2) Obtain the SMBR availability list of certified vendors, and
- 3) Submit a list of vendors contracted for the project within thirty days after completion of the production to be reviewed by SMBR, and
- 4) Upon request from the City, provide information on curriculum for educational events regarding minority and women owned business opportunities in film, television and digital events.

PART 6. CITY MANAGER AUTHORITY

The City Manager is directed to implement guidelines for the CCIP and is authorized to make CCIP grants that are below the City Manager's spending authority.

PART 7. ORDINANCES AND RESOLUTIONS TO BE WAIVED

Due to the temporary nature of production projects, it is the intent of the City Council to exempt them from other resolutions and ordinances that are intended to govern permanent projects involving construction and leasehold improvements and the creation of permanent jobs. The following resolutions and ordinances are waived for production companies receiving a CCIP grant: Resolution No. 20041028-3, Resolution No. 20071206-049, Ordinance No. 20091001-011, Resolution No. 20120112-058, and Resolution No. 20131024-056.

Part 8. This ordinance takes effect_____.

PASSED AND APPROVED

_____, 2014

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Lee Leffingwell
Mayor

APPROVED: _____
Karen M. Kennard
City Attorney

ATTEST: _____
Jannette S. Goodall
City Clerk