



Los Angeles Area  
Chamber of Commerce

TUESDAY | Oct. 25, 2005

THE BUSINESS PERSPECTIVE:

## If We Fix It, They Will Stay



### Coming up at the Chamber

[View all upcoming events on our web calendar.](#)

**WED & THU | Oct. 26 & 27**  
2005 Cash for College:  
College and Career  
Convention  
[more info](#)

**THU | Oct. 27**  
Economic Development &  
Land Use Committee  
[more info](#)

**FRI | Oct. 28**  
Mastering Media III:  
Marketing Your Event  
[more info](#)

**WED | Nov. 2**  
Health Care Committee  
Meeting  
[more info](#)

**WED | Nov. 2**  
One Global California:  
Connecting You to the World  
[more info](#)

**THU | Nov. 3**  
Leadership L.A. Graduation  
and Scholarship Fundraiser  
[more info](#)

**FRI | Nov. 4**  
Education & Workforce  
Committee Meeting  
[more info](#)

**FRI | Nov. 4**  
Accenture's Pancakes &  
Politics with LAUSD  
Superintendent Roy Romer  
[more info](#)

**TUE | Nov. 8**  
Referral Network  
A Growing Companies program  
sponsored by Wells Fargo  
[more info](#)

**WED | Nov. 9**  
5th Annual Westside Mixer  
[more info](#)

**WED | Nov. 9**  
The Connection Point:  
Follow-Up and Follow-  
Through  
[more info](#)

**MON | Nov. 14**  
Mobility 21 Annual Summit:  
L.A. County Moving  
Together  
[more info](#)

The Los Angeles Area Chamber of Commerce, with more than 1,400 members, is the voice of business in L.A. County. Founded in 1888, the Chamber promotes a prosperous economy and quality of life in the Los Angeles region. For more information, visit [www.lachamber.org](http://www.lachamber.org)

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With all due apologies to Kevin Costner, the line "If you build it, he will come" from *Field of Dreams* rings true to my theme this week. If you are a careful reader of this weekly column, you will find that it is a theme that I have touched on twice before in the last month.

Last week, Mayor Antonio Villaraigosa talked about the importance of keeping movie and television shoots in L.A. as he outlined a proposal to waive filming fees at all city-owned buildings--a first step in a plan to keep entertainment jobs in the region. For the fiscal year ending in June, Los Angeles took in \$187,000 in fees from production companies that used city buildings. It is a drop in the bucket that the city must afford. While there were more production days in L.A. last year than the year before, we continue to face increased competition from other regions and countries.

Runaway production has been a big issue for us, in Washington and Sacramento. We need legislation in Washington that encourages productions to stay in the U.S., and we will again make a run at the legislature for the tax breaks the industry needs to stay in California.

But we must start by addressing what we can fix locally. It is estimated that productions contribute more than \$25 billion to our economy, with over 200,000 well paying jobs. I'm not talking about A-list actors, I'm talking about the tens of thousands of creative employees who work behind the scenes and make up much of our middle class. As the cost of living in California rises, many of them are lured to states that are considered lower-cost in terms of running a business and raising a family. Don't forget the non-entertainment jobs that are also directly involved with film shoots--caterers, security guards, lawyers, accountants and many others.

This is a formidable industry, and we must recognize that other areas are trying to take it away from us. That is why we must fix things locally. While Southern states are offering cash incentives for movie shoots, we must make sure that we do not over-tax the industry here in L.A. We must not see production fees as a bottomless pit that can be increased without paying attention to the competition we face, and understanding that we may create revenue in the short term, but sacrifice the long term. We know that we have higher costs compared to our competition and must give the industry incentives to stay here, even though our costs may be somewhat higher.

Government needs to look beyond fees and taxes they create. They must look to the jobs and economic activity that are created. If industries and jobs go elsewhere, property values and taxes will decline. Sales tax revenues won't grow. The multiplier effect will ensure that no part of our economy is untouched. That is why government must look at the bigger picture and create the kind of economic environment that encourages job growth and economic development.

I said this recently about keeping Nissan in Gardena. I said it about incentives to build a new downtown convention center hotel.

Kevin Costner did the same thing. He was told that if he created the right conditions, good things will happen. He built the ballpark and the players returned. Sometimes movies reflect real life. Mayor Villaraigosa is going to try.

If we fix it, they will stay.

And that's *The Business Perspective*.

Russell J. Hammer  
President & CEO  
Los Angeles Area Chamber of Commerce

*The Business Perspective* is an award-winning weekly opinion column by Rusty Hammer, President & CEO, LA Area Chamber

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