their minimum union-scale wages for a share in ownership of the picture. Such ownership options may be offered to cast and crew members, too. Thus, the arrangements become even more complex.

In such instances, the contracts must spell out very clearly at what point ownership shares translate into cash to be received. Terms such as *net*, *gross*, *first position*, *first dollar*, *adjusted gross*, *box office receipts or revenues*, *breakeven point*, *overhead*, *interest*, *distribution and sub-distribution fees*, and *most favored nation* become vitally important, as are provisions to be able to inspect the books and records kept by the producer. It is highly advisable to employ the services of a legal professional when negotiating such agreements.

Unless gross participation is arranged (money to be shared from the very first dollar that comes in), all money received and distributable by the producer can only come out of the producer's share. From every dollar earned by a film, part goes to sales agents, distributors, and exhibitors before the producer receives a share. The producer's share generally amounts to perhaps 20–30 percent of all revenues, depending on markets and media, but individual situations may vary considerably.

Any agreements with cash investors and service investors must spell out clearly all applicable conditions of recoupment. It is obvious that all such agreements involve a high degree of risk and trust. It is a sad fact that often these agreements are not kept, and litigation proves to be a time-consuming, expensive, nerve-racking, hopeless attempt to receive any money.

5

Locations

Location Survey

After the screenplay is broken down, and discussions with the producer and director establish a clearer picture of how they envision the movie, it is time to find appropriate location sites. Although it would be ideal to have all locations secured before the start of principal photography, in reality the location search may continue from preproduction through the beginning of the shoot, depending on the individual circumstances of the production. On a short shoot with many different locations, most locations must be secured before the start of production; on a long shoot with ordinary, easy-to-find locations, the location research may continue while the shooting is in progress.

Normally, this is the task of the location manager, who first must find the "right" location in terms of "look" as the Director envisions it. Usually he must consider the seasons during the year, the times of sunrise and sunset if the location search takes place quite ahead of the shoot, he usually takes pictures or videos to take back to the director and to the production manager, who sees any location from a different point of view—the one which means organization, access and costs. Then the location manager must also negotiate the site, draw up contracts, obtain all necessary private and government permits, and maintain contact with police and fire departments. However, it is the production manager's task to supervise and make sure all arrangements are made on time and within budget. On low-budget productions, the PM traditionally does the work of the location manager in addition to his or her regular duties.

Not only must the prospective location site suit the artistic demands of the director, but it must also fit within the budgetary and logistical framework of the production. For example, a "perfect" location from the director's and art director's points of view might be impossible if extensive travel to and from the site

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is required and the shooting time per day is reduced to an unacceptable level. A "perfect" location from a logistical standpoint might be impossible from the art director's point of view if extensive remodeling outside the production's schedule or budget is required. An otherwise perfect location might be impossible if the director of photography finds it too difficult to light or if the site is in an area prohibitively expensive for film production. The PM should know which areas of a city fall under specific jurisdictions and have different location fees. In Los Angeles, for example, the area of Beverly Hills has elevated its permit fees to heights that make it prohibitive for small companies to shoot there—exactly the purpose of the regulation. The location manager must consider all these different aspects when looking for a location.

Once prospective locations are found and photos taken of them, location manager, production manager, director, art director, and director of photography visit them together. Each checks the location in accordance with his or her individual requirements. After all agree on a particular location, the PM begins negotiations with the owner or another person with the right to negotiate about the property. It is important that the PM locates the real owners of the property or their legal assignees; renters or leasing partners often rent out properties without actually having the right to do so. If the proper permissions are not obtained, whether from private or official parties, the shooting could be closed down on the spot, and lawsuits could follow.

Frequently, negotiating with just the owner is not good enough. When the shooting affects neighbors or adjacent business owners, these people also must give their permission. Permission should be secured in writing with the property release form (see Chapter 8 for appropriate documents). Some owners insist on reading the screenplay to ensure that their property will not appear in a dubious light; this is especially true of places like hospitals, government facilities, train stations, airports and schools. In light of the "Home Security Act" some locations may not be available at all.

All this takes time, so the PM should clear the location as early as possible before actual production. This guarantees that the PM will not be held hostage when time runs out and a location is desperately needed, regardless of the asking price. Some property owners try to raise the location fees immediately before the shoot, so it is necessary to have all agreements in writing. No rules exist about what a private person can charge; it is a matter of negotiation. Official sites and properties, on the other hand, have set fees (discussed later in this chapter).

When negotiating for a site, the PM should deal in a straightforward manner, disclosing all details of the prospective shoot to avoid canceled agreements and even lawsuits. The PM should be prepared to provide the following information:

• Type of production (commercial, TV, feature film, music video, corporate production);

- Number of shooting days;
- Day or night shooting, or both;
- Daily preparation schedule, shooting and wrap hours;
- Set dressing and prep days;
- Type of activity to occur;
- Number of people and vehicles involved;
- Pyrotechnics or stunts planned.

The PM should also be prepared to provide proof of insurance and references.

The production manager should point out to the owner that daily shooting schedules can change at any time due to weather, cast illness, script rewrites, and equipment breakdown or failure to arrive. During the negotiations, the PM should ask these questions:

- Can the production company use the building's electrical power?
- Should a building electrician be present?
- Will there be a charge for usage?
- Do any regularly scheduled activities interfere with the shooting, such as gardening, watering, or window washing?
- Can the crew use the building's trash receptacles?
- Can the production company park its vehicles on the premises?
- Who will provide access to the property after hours?
- Does the production company use public or private telephones at the site?
- Are the tenants amenable to the filming?
- Can the facility be accessed easily, via freight elevators or loading docks, for example?
- If the "look" of the location does not meet the script's needs, to
 what extent will set dressings and changes be possible, and will the
 property be available for set building, dressing, and striking?

For the actual shoot, vehicle logistics must be considered. The space closest to the location should be reserved for the following vehicles: electrical truck, generator, production truck, and camera van so that the heaviest equipment can be moved with as little effort as possible.

The following vehicles should be parked as close as possible, the following being a rule of thumb as to the general distance: 5 or 10 ton electrical truck containing lighting equipment—35 ft; generator (power supply for lights and cameras)—35 ft; 10 ton production truck—60 ft; camera van—20 ft; 5 ton set

Locations

dresser's truck, with props etc.—30 ft; 5 ton special effects truck (if special effects are used in the shoot)—30 ft; crane (if camera crane is required for the shoot)—30 ft.

The following are usually parked nearby: dressing room/toilet unit (commonly called "honey wagon")—65 ft; pick-up truck with wardrobe trailer—30 ft; catering truck, motor-homes, typically $8\times25\,\mathrm{ft}$ (two or more) for actors and director—30 ft; maxi-van for shuttling crews and cast—15 ft; production cars for errands or local trips, "picture vehicles" (cars or trucks used within the shot).

Until actual location sites are negotiated, pinned down, and put in writing, a realistic and definite shooting schedule (and budget) cannot always be made. In large urban areas or on locations that require long travel times to and from a hotel, these times must be known to schedule shooting realistically. Schedules affect overtime payments and other costs. These considerations are unnecessary, of course, if the shooting takes place in the controlled environment of a soundstage, studio, or studio backlot.

Film Commissions

Film commissions are of great assistance in finding locations and planning a production, whether it involves a local, overnight, or distant location shoot. Film commissions are created and run by individual states, counties, and even cities. They can be found in almost every state in the United States, and in many other countries and usually maintain very informative websites, even detailing individual location sites available.

In the past, film commissions were hardly more than offices that mailed out materials collected from local chambers of commerce and tourist offices, but now most are separate entities that publish and advertise their services regularly in the trade papers or at film festivals and other appropriate markets. Their efforts are geared toward attracting film productions to their area. Commissioners understand that much money is spent during preproduction and production. Even if few local residents are hired on a production, out-of-town companies still need accommodations, transportation, food, and hundreds of other items that boost the local economy.

As a general rule, film commissions never get involved in the negotiations of permits or releases between private property owners and the production company. Nor do they get involved in contracts between production personnel and production companies.

Today, the materials that film commissions mail free of charge to interested companies and individuals are very sophisticated. These production manuals, or production guides, are tailored to meet the needs of production companies on distant location shoots. Mostly this information can be obtained on-line, too.

Film-commission staffers often go out of their way to assist filmmakers during preproduction, and their efforts go far beyond just mailing production manuals. The film commission might break down the screenplay and photograph possible locations or assemble photos from the commission's location resource library. The library is generally organized into different categories, such as hospitals, schools, industrial sites, parks and recreational areas, ranches, farms, and beaches. Figure 5.1 shows the subject categories of one film commission's library.

The location manager or PM and director should visit every possible location site themselves before making any decisions. What looks wonderful to an enthusiastic film commission staff member might look quite different to a production person. When the PM and others arrive for a first-hand survey of the site, film commission staffers usually take them around and discuss individual needs, sometimes supplying transportation and accommodations.

Before spending money on a research trip, though, the PM should check the overall production conditions of the area under consideration. Most production manuals provide sufficient specific information to enable the PM to decide in advance whether a shoot in a particular distant location would be possible and economically worthwhile. Production manuals generally contain information on preproduction services, production services, historical background and locations, and the area's infrastructure.

Preproduction Services

The best production manuals contain the names, addresses, and professional backgrounds of local residents and companies that can assist with preproduction, including casting directors, extras agencies, graphic designers, professional guilds, payroll companies, prop builders, set painters, vehicle rental services, and wardrobe personnel. The PM can use this information to assess whether most of the crew can be hired locally and to determine who must be brought in from elsewhere. Clearly, this has an effect on the budget: If most personnel are hired locally, travel, accommodations, and per diem expenses are cut. Customarily, a production company brings to a location its own key people in the camera department and other important departments and hires locally for all positions below department heads. However, individual production circumstances and requirements vary. The PM can also determine what equipment and services are available locally and what must be shipped from other locations.

It is desirable to hire as many people locally as possible. Aside from the savings, their private connections and knowledge might prove invaluable. Local residents find locations easily because they already know their way around, they can meet the production's logistical needs, and they can mobilize the support of the whole community. Casting of local extras also is of great advantage. Conversely, if the support of local residents vanishes, the production may find



California Trade & Commerce Agency

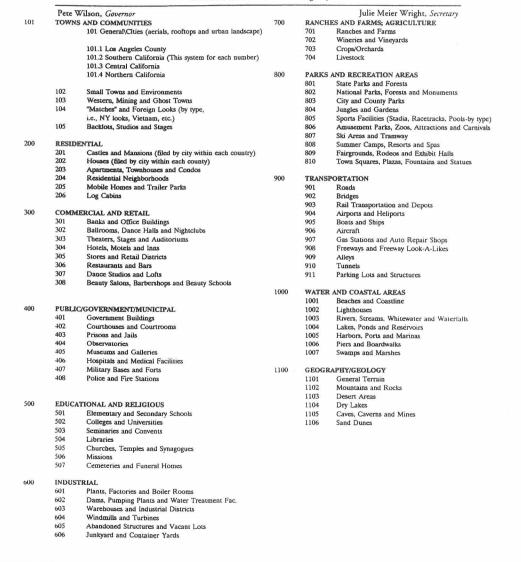


Fig. 5-1. Subject categories of the California Film Commission's location resource library.

itself in real difficulty. As noted previously, it pays to treat everyone involved in the production with respect and politeness.

Production Services

No established format exists for production manuals, but one section usually provides an overview of the production services available, from labs to rentals. You frequently may encounter multiple listings of names. Many people list their qualifications in different areas. A production guide that looks impressive because of its size might be reduced to a booklet once the multiple listings are deleted. The same section might contain postproduction services and facilities for video and film, from composers to sound mixing to screenings.

Historical Background and Varying Locations

This section of the production manual describes locations in the area, especially those that can look like somewhere else: hills in Kansas that resemble Salinas, California; downtown areas that can double for a New York street corner. The aim is to describe the variety of locations available, from rural sites to small-town neighborhoods to industrial sites to historical landmarks, all of which are found within short distances. Maps are usually part of this section.

Accommodations and Infrastructure

Another section of the production manual might deal with the accommodations and infrastructure of the area, including hotels, restaurants, vehicle rentals, airports, carriers, trains, highways, and ports. It might describe the general topography of the surrounding area and provide weather charts giving average sunshine, rain, and temperature statistics and sunrise/sunset data.

Permits

Once location scouting is concluded, contracts are drawn up, and tentative shooting dates are set, then location sites must be green-lighted by official county or city permits. The PM must hire a location manager, if one is not in place already. Even when a location manager is on staff, the PM is ultimately responsible for ensuring that all permits are in order. Failure to obtain the proper permits might result in the immediate closing down of the shoot, a costly and potentially devastating occurrence.

This section deals with the official permits that must be obtained from the appropriate government agencies. The process of filing for and issuing permits

can take anywhere from 24 hours to four weeks, depending on the agency involved and its familiarity with the procedure. Production centers like Los Angeles have streamlined the permit process, but small towns might be a different story. The location issue should be addressed early so that locations are secured and permit procedures are begun as soon as possible.

As an example, a short overview of the permit process for Los Angeles follows. (The extracts are adapted from its publications.) Many counties and cities use similar processes. In some areas hoping to attract film productions, official permit fees are waived or are nonexistent. This can translate into significant savings for a production company. While the authorities in big production centers such as Los Angeles and New York City insist on following all the rules and regulations to the point, the situation outside of the cities may be quite different and less regulated.

Although permits are required for all commercial filming and taping (including still photography) done outside a studio, the permit fees may be waived if (1) a production is undertaken by non-profit organizations, or (2) a production is non-commercial, educational, or public-service-oriented. Permit fees are not required for news crews and non-commercial still photographers.

The L.A. Motion Picture/TV Office assists in making arrangements with the more than 20 municipal departments wherever applicable. Although these departments try to accommodate the production company, their primary concern and responsibility is the provision of good service to the public. They cannot permit the public to be exposed to unhealthy or dangerous conditions; thus they may limit access to certain neighborhoods or may limit the times in which particular scenes can be shot. For example, simulated gunfire may be permitted only during regular office hours or may be prohibited after 9 p.m. Discuss your requirements with a staff member of the film commission well in advance. Applications may be made by telephone or in person but must be made no later than 48 hours before the shoot. Permits cannot be obtained on the day of the shoot.

The office seeks the required approvals from and makes arrangements with other city departments, such as police or fire. A filming permit is issued that details exact locations, date, and time of day required. It includes remarks on equipment, personnel, and any special conditions, as well as a list of scenes to be shot, noting any special effects, special actions, or stunts. Minor changes may be obtained by telephone for a rider, but extensions and alterations of effective permit periods must be approved in writing by the Motion Picture/TV Office. This permit and the rider (if applicable) must be carried by the production manager, the first assistant director, or another production person on the location in case an official wants to inspect it.

In addition to a one-time application fee (which lists one or all locations), user charges are added for filming and preparation/dressing of and on

municipal property (not including streets and sidewalks), as well as charges whenever a municipal department is required to provide services. These charges usually include direct labor costs for city workers as well as a general overhead fee. These charges are to be prepaid but will be adjusted later to match the actual costs incurred.

If a street or part of a street must be closed for more than a few minutes, the production company must apply for a street or lane closure permit 7–10 days in advance. Off-duty police officers are required for traffic and crowd control. The producer should abide by the following guidelines when shooting in public:

- 1. All advance signs and any other traffic control devices must be furnished and installed in conformance with the "Manual of Traffic Controls".
- 2. Traffic may be reduced to one 12 ft lane of traffic and/or stopped intermittently, not to exceed three minutes at any time.
- 3. The activities should be conducted in such a manner that the attention of motorists is not diverted from their driving so as to cause deceleration of travel or stopping on the highway.
- 4. Traffic must not be detoured across a double line without prior approval of the road department.
- 5. The camera car must be driven in the direction of traffic, must observe all traffic laws, and must not in any way interfere with the flow of traffic.
- 6. The stationary camera must be mounted off the roadway.
- 7. The producer's equipment, such as buses, trucks, cars, and catering service equipment, must be parked off the traveled way so that equipment and employees do not interfere with the free flow of traffic.
- 8. Any road work or construction by county crews and/or private contractors, under permit or contract to the road department will have priority over filming activities.

Generally, permits do not grant production personnel the right to disregard existing parking rules and regulations. However, minor exemptions to such regulations as no-parking hours or special neighborhood permits are possible and must be applied for 72 hours prior to use. It is important to give the exact number of crew cars as well as trucks, motor homes, and so on.

No permits will be issued without proof of adequate insurance. (For liability minimums, see Chapter 10.) An official permit is always necessary when the shoot takes place on private property, even with full consent of the owner.

In Los Angeles, permit applications usually are routed through the police department, which advises the production on the use of appropriate off-duty police personnel for traffic and crowd control, when applicable. These police

officers (in uniform, armed, and with their police motorcycles) are booked through private agencies and paid on an hourly basis, with overtime provisions. It is advisable to establish a good working relationship with individual police officers; the agency will try to provide specific officers on request, subject to their availability. The appropriate local police station must be notified whenever scenes involving gunfire, simulated police action, or other activities that might confuse the public are scheduled.

Additionally, all permits are routinely forwarded to the Los Angeles Fire Department, which may require a fire safety officer to be on duty, usually on locations such as buildings used by the general public, schools, mountain fire districts, and whenever combustible materials are used. The pay schedule resembles that of police officers, and the officials are provided through the fire department. The special effects person (pyrotechnician) must carry a special effects permit valid for Los Angeles and California, issued by the Engineering Unit of the Los Angeles Fire Department.

If animals are used on the shoot, an animal act exhibition permit must be obtained from the Los Angeles Department of Animal Regulation five days prior to the shooting date.

All firms doing business in the City of Los Angeles are subject to the business tax and must have a business tax registration certificate.

Failure to comply with any requirements is unlawful and may result in the suspension of the filming permit and immediate shutdown of the production.

Because relations between a filming crew and the neighborhoods impacted have to be friendly and professional, behavioral codes (Filmmaker's Code of Professional Responsibility) have been established, which will help everyone involved to deal with such the exceptional situations that quite frequently disrupt a daily routine. These rules are (cited from the Entertainment Industry Development Corporation):

- 1. When filming in a neighborhood or business district, proper notification is to be provided each merchant or resident who is directly affected by production activities (includes parking, base camps and meal areas). The Filmmaker's Code of Professional Responsibility should be attached to the filming notification that is distributed to the neighborhood.
- 2. Production companies arriving on location in or near a residential neighborhood should enter the area no earlier than the time stipulated on the permit and park one by one, turning engines off as soon as possible. Cast and crew should observe designated parking areas.
- 3. When production passes, identifying employees, are issued, every crew member should wear it while at the location.

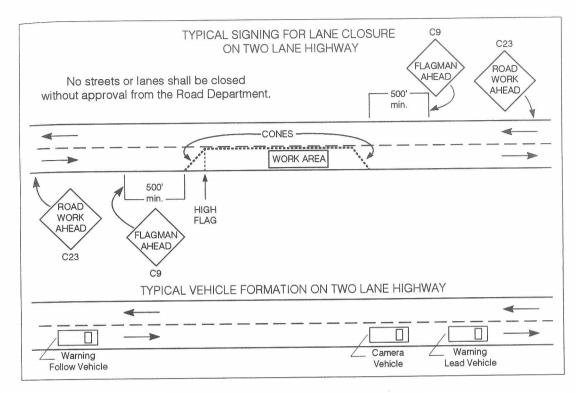


Fig. 5-2. Permit attachment detailing regulations for filming on two-lane highways.

- 4. Moving or towing vehicles is prohibited without the express permission of the municipal jurisdiction or the vehicle's owner.
- 5. Production vehicles may not block driveways without the express permission of the municipal jurisdiction or the driveway owner.
- 6. Meals should be confined to the area designated in the location agreement or permit. Individuals must eat within the designated meal areas. All trash must be disposed of properly upon completion of the meal.
- 7. Removing, trimming and/or cutting of vegetation or trees is prohibited unless approved by the owner, or in the case of parkway trees, the local municipality and the property owner.
- 8. All catering, crafts services, construction, strike and personal trash must be removed from the location.
- 9. All signs erected or removed for filming purposes must be removed or replaced upon completion of the use of the location, unless stipulated otherwise by the location agreement or the permit.



Fig. 5-3. Notification letter for residents regarding parking.

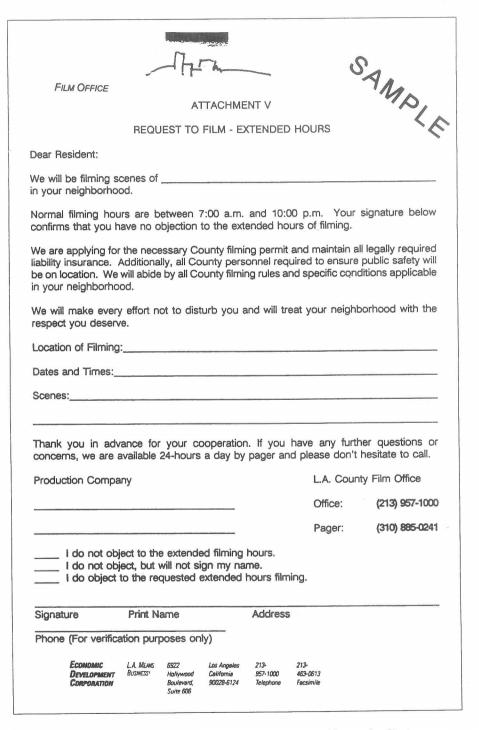


Fig. 5-4. Notification letter for residents regarding extended hours for filming.

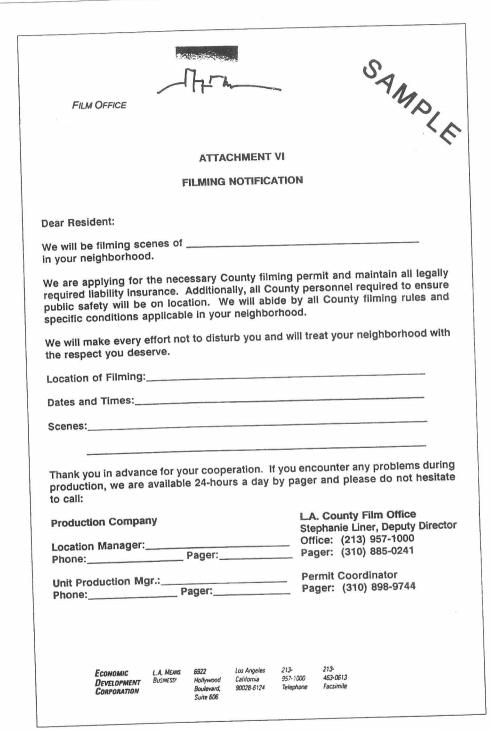


Fig. 5-5. Notification letter for residents regarding filming.

- 10. All signs posted to direct the company to the location must be removed.
- 11. Noise levels should be kept as low as possible. Generators should be placed as far as practical from residential buildings. Do not let engines run unnecessarily.
- 12. All members of the production company should wear clothing that conforms to good taste and common sense. Shoes and shirts must be worn at all times.
- 13. Crew members must not display signs, posters or pictures that do not reflect common sense and good taste (i.e., pin-up-posters).
- 14. Cast and crew should remain on or near the area that has been permitted. Do not trespass on to another neighbor's or merchant's property.
- 15. The cast and crew should not bring guests or pets to the location, unless expressly authorized in advance by the production company.
- 16. Observe the designated smoking areas and always extinguish cigarettes in butt cans.
- 17. Cast and crew should refrain from using lewd or offensive language within earshot of the general public.
- 18. Cast and crew vehicles parked on City streets must adhere to all legal requirements unless authorized by the film permit.
- 19. Parking is prohibited on both sides of City streets unless specifically authorized by the film permit.
- 20. The company must comply with the provisions of the permit at all times.

Los Angeles has designated some neighborhoods and areas as special filming areas, where certain restrictions and guidelines are applicable. If filming is planned on county, state, or federal property, the PM must contact the appropriate government agencies (in addition to the city agency) for the permits to be cleared.

Filming in national parks is subject to many of the procedures described earlier. National parks frequently have additional, unique requirements—for example, restrictions on the use of helicopters and planes, traffic regulations, and environmental concerns. (For contacts for filming in national parks, refer to the appropriate state film commission in Appendix 1.)

Private "one-stop" companies and agencies specialize in location scouting and clearing of permit and release requirements. These companies often have their own location photo or video libraries and list individuals interested in renting their properties for filming. No general guidelines have been established on fees paid to private owners.

Foreign Shoots

Increasingly, foreign countries are setting up their own film commissions in an attempt to lure big production companies to their shores. With the changing political situation in Europe and former Eastern bloc countries, even more opportunities will develop, especially if coproduction and below-the-line arrangements can be negotiated. Many big Hollywood-productions have made use of former Eastern bloc studio facilities, such as in Prague, in Romania and the Baltic States—and they keep coming back. For example, some countries offer to supply below-the-line personnel and facilities in exchange for certain exploitation rights. When planning to shoot outside the United States, explore the different, ever-changing areas of production, joint ventures, and bartering of rights, and discuss them with official or private parties.

Frequently additional special tax or rebate incentives are offered; these measures, however, are also offered by some states within the U.S. (currently Alabama, Arizona Arkansas, California, Connecticut, Florida, Georgia, Hawaii, Idaho, Illinois, Louisiana, Maryland, Michigan, Minnesota, Mississippi, Missouri, New Jersey, New Mexico, North Carolina, Oklahoma, Oregon, Tennessee, Texas, Vermont, Virginia, Washington, Wyoming). These incentives include wage-based rebates providing credit back to the production company for paying a certain amount in salaries to state residents and/or investment tax credits that allow a resident investor to earn substantial tax credits for investing in a motion picture that will be produced in that state.

Financial and coproduction conditions in one country sometimes are more favorable than in others. As long as the look of the film is maintained and the production is safely conducted, countries might be interchangeable. Malaysia, Thailand, and Vietnam, for example, might offer the same types of locations, yet the production conditions might vary greatly from one country to the next. Such negotiations are usually conducted by the executive producer or the producer, but the PM is frequently asked to assess production conditions during a survey trip.

If an official film commission is not set up in a country of interest, a call to the embassy or official travel bureau might be a helpful first step to establish contacts with authorities or foreign production companies and services. For a foreign shoot, it is virtually impossible to obtain all required information and proper permits without a knowledgeable local production person. During a preproduction location survey (a must for any foreign shoot), a local production

coordinator must be found prior to the company's arrival to organize location site surveys and contact the authorities, if applicable. A production coordinator should be put in charge of obtaining all proper permits. In many developing countries, the road to permits might be long, winding, and labyrinthine; cash might be required; and receipts might not be issued. In other words, no rules exist there for production companies to follow.