



2005-2009
Television Pilot Production Report

2005-2009 Pilot Production Overview . . .

Not long ago, each February found the Los Angeles region abuzz with film production activity.

New television pilots, produced in anticipation of May screenings for network television advertisers, joined continuing TV series, feature films and commercial projects in competition for talent, crews, stage space and sought-after locations.

But pilot producers working in L.A. might find that they have their pick of local resources these days.

FilmL.A. -- the nonprofit organization that coordinates permits for filmed entertainment shot on-location in the City of Los Angeles, unincorporated parts of Los Angeles County and other local jurisdictions -- recently completed its five-year study of television pilots¹ in production.

Since 2005, when FilmL.A. released its first overview of television pilot production, the overall number of primetime television pilots produced per season has declined by 17 percent.

At the same time, the number of pilots produced in Los Angeles has fallen nearly 42 percent, threatening the region's one-time guarantee of an annual economic infusion from pilot production spending.

Of the 103 projects included in the 2008/2009 development cycle², 59 resulted pilots filmed in Los Angeles, giving the region a 57 percent stake of overall television pilot production.

Just four years earlier during the 2004/2005 development cycle, L.A. welcomed 101 of the total 124 pilots produced, claiming 81 percent of the total.

Today -- as was the case in 2005 -- the availability of financial production incentives is a key factor influencing where pilot producers choose to film.

For the '08/'09 cycle, 59 television pilots were filmed on Los Angeles streets and stages, two were filmed elsewhere in California and 42 were produced in competing jurisdictions outside the state.

According to FilmL.A. survey data and the 2009 edition of Entertainment Partners' *Essential Guide to U.S. and International Production Incentives*, some form of production incentive was available in every one of the non-California locations used during the '08/'09 development cycle.

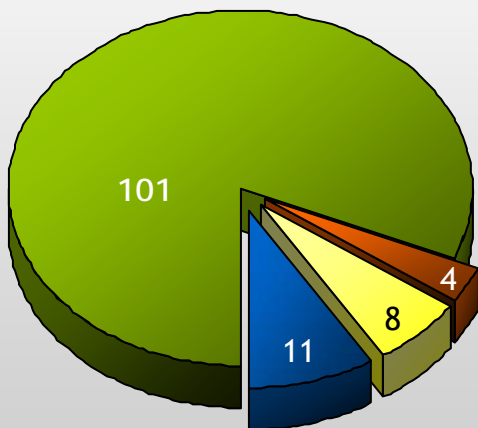
Domestic locales used by producers included Georgia, Illinois, Louisiana, Maryland, Massachusetts, New Jersey, New York, Rhode Island, Pennsylvania and Tennessee. Non-U.S. jurisdictions included multiple Canadian Provinces, the Czech Republic and New Zealand.

New York, as one of Los Angeles' strongest competitors, has claimed between eight and eleven pilots each year according to FilmL.A. survey data.

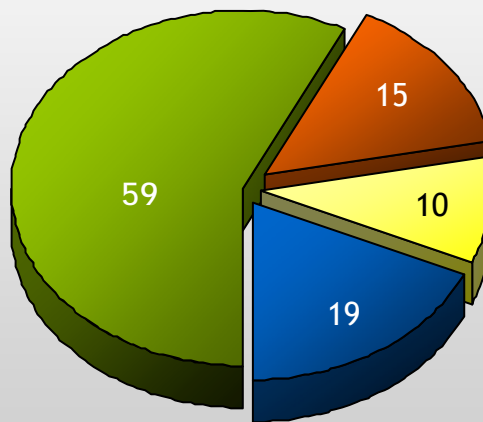
In the '08/'09 cycle, Canadian provinces emerged as Los Angeles' most powerful contender for pilot production business. Fifteen pilot projects filmed in Canada this year -- the most produced there in any of the five years FilmL.A. has studied.

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NUMBER OF PILOTS BY LOCATION, '04/'05



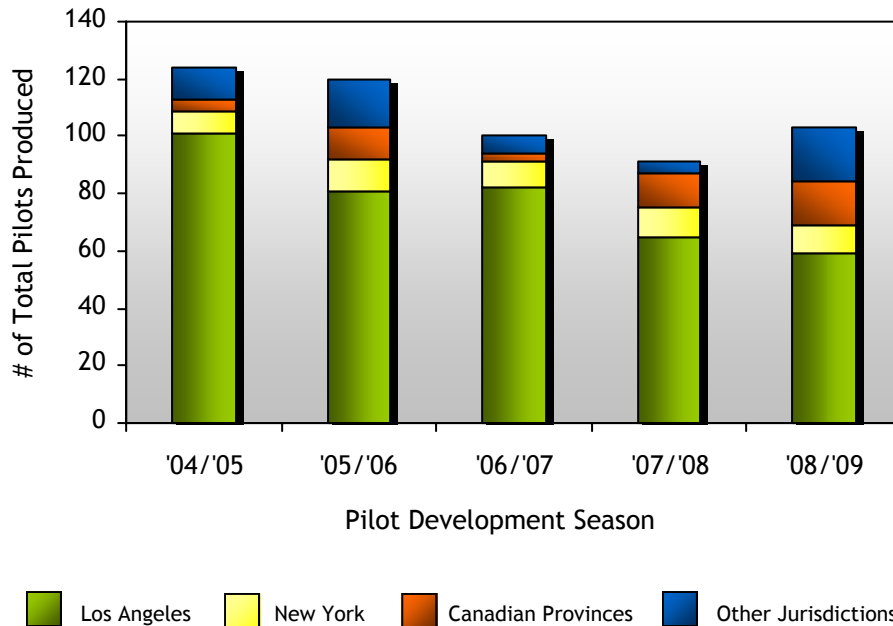
NUMBER OF PILOTS BY LOCATION, '08/'09



■ Los Angeles
 ■ Canadian Provinces
 ■ New York
 ■ Other Jurisdictions

... Key Production Trends

TOTAL TV PILOTS PRODUCED, '05-'09



As the initial episode of a proposed television series, many pilots are shot, but only a few will ever be shown to viewers on broadcast or cable television. With a few notable exceptions each season, long before a pilot can be green-lighted for series, it must first win the confidence of television advertisers.

For decades, broadcast networks have courted advertisers in an expensive and seasonally-driven “upfronts” process. Every year in late May, advertisers preview the shows that will go on to be aired in the fall or early next year as mid-season replacements.

More recently, industry observers have predicted the eventual disappearance of this seasonally-driven production cycle, citing the debut of original programming by cable networks and the popularity of reality television as contributing factors.

In addition to pilot information obtained from outside sources, FilmL.A.’s own film permit data, which measures permitted on-location filming for pilots in the Los Angeles region, confirms that permits are pulled for pilot production throughout the calendar year.

But, between the years of 2005 and 2007, an average of 75 percent of off-lot pilot production activity was concentrated

in the first and second quarters of the calendar year as broadcast networks ordered up new pilots for May upfronts.

During the ‘07/’08 television development cycle, the traditional network pilot season was both compressed and curtailed by an industry labor action that lasted 100 days.

Nine percent fewer new pilots were produced during that cycle than were made in the prior year (91 pilots vs. 100 pilots). Meanwhile, permitted off-lot production was off by more than 47 percent in Los Angeles during the all-important first and second quarters of the year in 2008.

Although many producers went on to film full-length pilots once the labor action concluded, several filmed shorter-length presentations, and many other series were green-lighted without first completing a pilot³.

At the end of March 2009, on-location pilot production in Los Angeles had not yet staged a recovery, leaving open to speculation whether the traditional pilot season, as L.A. has known it, is a thing of the past.

101

Total Pilots Produced Within Los Angeles Region (2005)

59

Total Pilots Produced Within Los Angeles Region (2009)

23

Total Pilots Produced Outside Los Angeles Region (2005)

44

Total Pilots Produced Outside Los Angeles Region (2009)

\$309m

Estimated Pilot Production Spending in Los Angeles Region (2005)

\$207m

Estimated Pilot Production Spending in Los Angeles Region (2009)

Total Television Pilots Produced by Area						
	'04/'05	'05/'06	'06/'07	'07/'08	'08/'09	
					Broadcast	Cable
Los Angeles - One Hour - Half Hour	101 total	81 total	30 52	35 30	17 32	5 5
New York - One Hour - Half Hour	8 total	11 total	9 0	9 1	1 1	5 3
Canada - One Hour - Half Hour	4 total	11 total	3 0	12 0	10 2	2 1
Other Locations - One Hour - Half Hour	11 total	17 total	6 0	4 0	11 1	7 0
TOTAL	124	120	100	91	103	

Diminished overall pilot production and the use of locations outside Los Angeles for pilot production come at an economic cost for the region.

According to industry sources, the average pilot directly employs about 150 people for the duration of the project. Typical pilot production costs, having risen since 2005, now fall between \$3 million and \$5 million.

Production costs vary by project duration and genre. Comedy pilots, with their half-hour format, are significantly less expensive than one hour dramas to produce.

Presentation costs are cheaper still. Producers made frequent use of presentations during the strike-disrupted 2007/2008 development cycle.

FilmL.A. has evaluated data from past years to provide annual estimates of the economic activity generated by pilot production⁴.

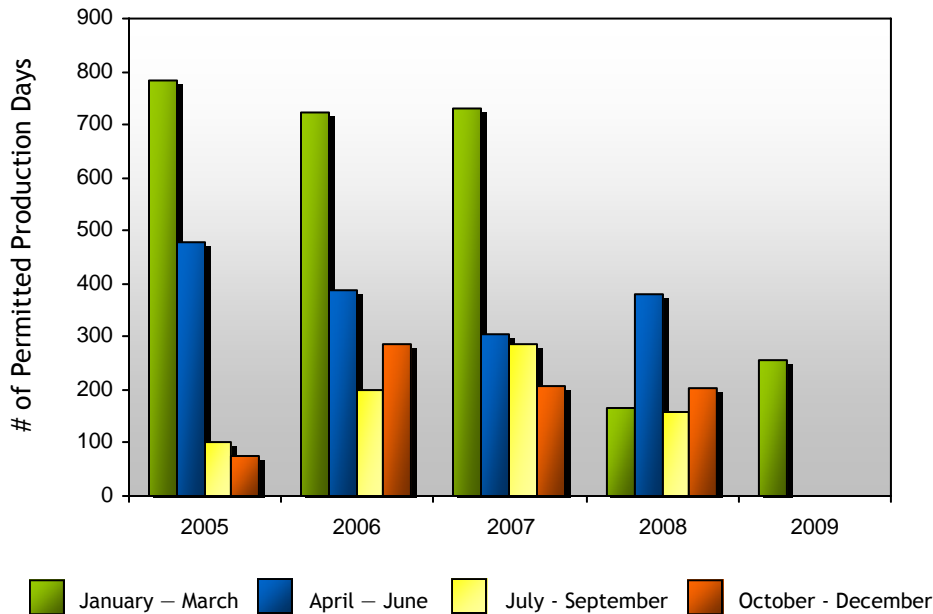
The data reveal that approximately \$207 million was spent on television pilot production in Los Angeles during the '08/'09 development cycle. This sum is around 33 percent less than was spent locally just four years earlier.

According to FilmL.A. President Paul Audley, the rising cost of pilot producing has made cost savings a top priority when choosing a location to film.

"The fact that so many of this year's pilots chose to film outside the area shows that no facet of the entertainment industry can be considered captive in Los Angeles. Use of alternative locations for pilot production will probably continue until we in California and Los Angeles collectively take steps to reassert our competitive advantages."

Permitted Days of On-Location Pilot Production in Los Angeles									
	2005	2006		2007		2008		2009	
	PPD	PPD	% Chg.	PPD	% Chg.	PPD	% Chg.	PPD	% Chg.
Quarter 1	782	772	-7.7	732	1.4	166	-77.3	255	53.6
Quarter 2	478	389	-18.6	306	-21.3	380	24.2	-	-
Quarter 3	102	201	97.1	287	42.8	157	-45.3	-	-
Quarter 4	74	287	287.8	208	-27.5	204	-1.9	-	-
TOTAL	1,438	1,649	11.4	1,533	-4.1	907	-40.8	-	-

ON-LOCATION PILOT PRODUCTION IN L.A.



METHODOLOGY:

FilmL.A. has maintained an ongoing count of new television pilots in production since January 2005.

What began as a simple informal polling of production companies has evolved into an ongoing effort to conduct both primary and secondary research to keep better track of new television pilots.

This report captures all pilot productions, presentations, and straight-to-series television projects intended for primetime showing on major broadcast and cable networks.

Our lists include all pilots of which FilmL.A. has been made aware through primary and secondary research, and for which a primary production location could be verified with either the pilot production company or the underwriting studio.

The number of networks for which new content is produced has increased over time. With the objective of keeping an accurate count of all new pilots in production, FilmL.A. gathers data without consideration to network affiliation.

FilmL.A.'s agreements with these entities require that no detailed production information be shared with outside parties and that all pilot production activity be reported without project and production company identifiers.

NOTES:

1. FilmL.A. uses the word "pilot" throughout this study to refer to all true pilots, shorter-length presentations, or "hidden pilots" captured during the development cycle. Pilot counts within a development cycle include both studio-based and location-based projects made in any location, of any running duration, intended for primetime debut on either broadcast or cable networks serving U.S. audiences.

2. FilmL.A. defines a development cycle as the period leading up to the earliest possible date that new pilots would air, post-pickup. Thus, the '08/'09 development cycle includes production activity that starts in 2008 and continues into 2009 for show starts at any time in 2009 (or later).

3. In 2008, many opted to skip pilot and presentation production and authorize promising new shows for fall production. Not wanting to discount new production occurring anywhere within the development cycle, FilmL.A. has counted the first episode of these "straight to series" productions as "hidden pilots" in all of its counts.

4. For the '08/'09 development cycle, FilmL.A. accounted for the difference between full pilot and presentation costs in its overall pilot season spending estimate. Presentation costs are estimated at \$150K, regardless of the show duration.

About this Report

This report is the product of independent research conducted by FilmL.A., a private, nonprofit organization that coordinates and processes permits for on-location motion picture, television and commercial production under contract to an ever-increasing roster of public-sector clients in the Los Angeles region.

In addition to researching matters of interest to entertainment industry leaders and local government representatives, FilmL.A. offers counsel to local governments on how to enhance the environment for filming in the greater Los Angeles region.

Ongoing community relations is a key component of the service FilmL.A. provides.

The organization works to strike a balance between the needs and interests of the entertainment industry and the neighborhoods affected by on-location production.

In today's highly competitive, global entertainment production market, our services help the Los Angeles region retain its status as the entertainment production capital of the world.

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