

Up  
Front

You like chicken and waffles. But will you like chicken and chocolate? **PAGE 3**

## News &amp; Analysis



Why chef Joachim Splichal is only now cooking up an overseas expansion. **PAGE 6**

## Ad/PR



How Mid-Wilshire ad guys became producers of this new Van Damme comedy. **PAGE 11**

## Comment

Would raising the minimum wage to \$15 an hour for L.A.'s hotel workers help or hurt the economy? Two views on that debate. **PAGE 67**

## Former Phone Exec Taps Parents

**TECHNOLOGY:** Lin Miao gets family loan to keep incubator alive.

By **ALFRED LEE** Staff Reporter

Before he was hit with scam accusations by regulators late last year, **Lin Miao** promised to bring a splash of glamour to the L.A. tech scene. His startup incubator, **Be Great Partners**, boasted sweeping views from offices near the top of a Miracle Mile office tower, threw open-bar parties featuring Hollywood club DJs, and courted celebrity and enter-

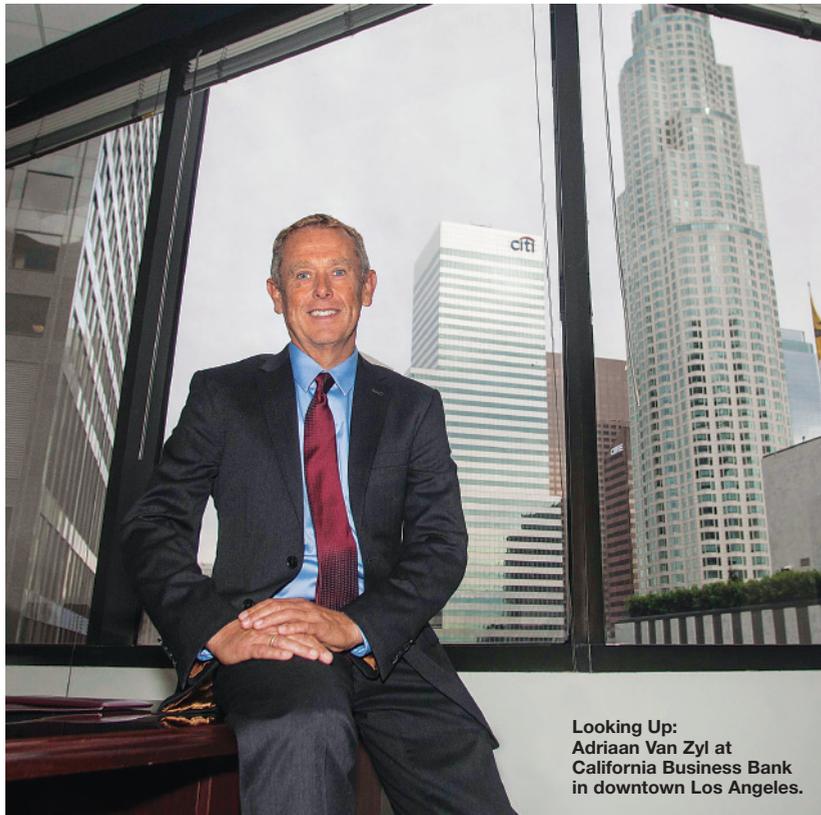


Miao

tainment industry investors. But when a judge froze Miao's assets this month, the 27-year-old resorted to a more modest way to keep the business going: asking his parents for money.

Last week, regulators at the Federal Trade Commission agreed to allow Miao's parents to loan Be Great \$125,000 to keep the incubator afloat. The move follows a preliminary injunction ordered by a federal judge earlier this

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Looking Up:  
Adriaan Van Zyl at  
California Business Bank  
in downtown Los Angeles.

RINGO H.W. CHUI/LA8

## New Interest

Investor says it's finally time to bet on L.A. banking

By **JAMES RUFUS KOREN** Staff Reporter

**CALIFORNIA Business Bank** was founded near the height of the last boom, back when L.A. investors were creating a bank every six weeks or so.

Then came the recession. The bank didn't fail, but it came awfully close. It had only about a million bucks left before San Diego investor **Richard Tan** bought the bank in July. He's making the same bet the bank's co-founders made

eight years ago: that a new bank can find customers and grow as the economy takes off. With that wager, he's the first new player to jump into L.A.'s banking scene in years.

"Southern California typically leads this country's economic recovery," Tan said. "To fully leverage off the recovery, businesses will once again rely heavily on banks."

While California Business Bank isn't new, it

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Entrepreneur  
Making News

**INTERNET:** Jason Calacanis looks to deliver in journalism.

By **TOM DOTAN** Staff Reporter

**Jason Calacanis** has yet another pivot in the works for his Culver City outfit, **Inside Inc.**

The company, once known as Mahalo and which was most recently a creator of online video content, this week will release a self-titled news-reader app.

Inside will deliver stories in a mobile-friendly format, with a stream of content written and boiled down by a team of freelancers.

Calacanis, who built his fortune by selling blog network Weblogs Inc. to **AOL Inc.** in 2005 for a

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New Magazine  
Pages Film, TV

**ENTERTAINMENT:** California agency looks to keep productions.

By **JONATHAN POLAKOFF** Staff Reporter

The story of runaway production has been told before: Filmmakers take their business to another state or another country to take advantage of government tax credits that are more generous than what California can offer.

But the California Film Commission — a state-run economic development office in Hollywood — is hoping to create a competing narrative. Last week, the commission unveiled a 100-page glossy magazine, **Location California**, at the Sundance Film Festival that highlights the

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SPECIAL REPORT  
REAL ESTATE QUARTERLY

## Re-Digging Westwood



After turning from party central to ghost town, Westwood is coming to life again. About \$300 million worth of construction projects are planned or under way, including this five-story, extended-stay hotel to be named **Plaza La Reina**.

**BEGINNING ON PAGE 17**

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# Entertainment: Location Glossy a Big Production

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diversity of filming locations in the state and the benefits of keeping productions local. The magazine is being distributed to thousands of location scouts and producers. The plan is to publish yearly.

It's a small but telling gesture from the state, which is trying to stay competitive in a global grab for film and TV jobs fueled by millions of dollars of tax credits. **Steve Dayan**, chairman at the California Film Commission and head of below-the-line union Teamsters Local 399, said California has to tell its story because the number of states and countries offering financial incentives for productions has increased in recent years.

"You have to promote the state and you have to promote the locations," Dayan said.

The magazine has features about movies that have been shot locally, such as **Walt Disney Co.**'s "Saving Mr. Banks," along with features about notable locations, including a beach used in "Chasing Mavericks." Publication was funded by selling ads to the likes of **Tejon Ranch**, a popular filming location north of Los Angeles that has doubled for locations in the Australian outback and Tuscany, Italy, among many others.

While marketing has the potential to spur local filming, location decisions are ultimately financial, and Dayan noted that California's tax credit program is the chief component in preventing runaway production. The state offers \$100 million in tax incentives for TV and movie productions – scheduled to be doled out by the commission via lottery each year through 2017.

The problem is that other states are able to offer far more money to attract productions. For example, New York offers \$420 million a year in production tax credits. Georgia has no cap on its tax credit program.

As a result, filming levels for feature films shot on location in Los Angeles last year were down 50 percent from peak levels in 1996. Local location television shoots were down 38 percent from the peak of 2008, according to non-profit production permitting office **FilmL.A.** (However, TV and film production days were up year over year.)

The commission decided about a year ago that it was time to step up its marketing efforts. But with no budget for such things, the commission funded the magazine by selling ads to film-related companies, such as soundstages and production equipment rental shops.

"The idea was to highlight and remind people about our wide range of diverse locations, facilities, equipment and talented crew," said **Amy Lemisch**, executive director at the commission. "It was produced at no cost to the state."

The magazine's editorial content was produced by publisher **Boutique Editions** of London with direction from the commission.



FRINGO H.W. CHIU/LABJ

**Role to Play:** Steve Dayan with the California Film Commission's Location California magazine at his North Hollywood office.

The ads were also sold by Boutique.

In addition to marketing and administering the tax credit program, the commission handles film permitting for state property such as beaches and parks. It also works to promote filming in specific areas by working with local film offices such as FilmL.A.

## Boosting benefits

As other states have stepped up their credit programs, they have also increased their outreach to producers and location scouts. For example, the Georgia Film, Music and Digital Entertainment Office sends staff to Sundance, South by Southwest and other festivals that draw a large number of filmmakers.

The state's tax credit began in 2005 and has helped attract some big-budget films, including the recent sequels for "Hunger Games" and "Anchorman." By now, the tax credit is known widely enough that the state doesn't spend much money marketing the program, said **Lee Thomas**, director of the Georgia office.

"The people who control the money are aware of the film tax credit," Thomas said. "Most of our business is repeat business."

Instead, the commission's marketing efforts are focused on building a tourism industry that encourages people to visit filming locations from movies such as "Anchorman 2."

Thomas noted that many productions that come to Georgia had previously tried to get into the California program but did not get drawn in the state tax credit lottery.

Since its inception in 2009, the California tax program has granted credits to about 269 productions that have spent \$4.75 billion in the state, Lemisch said. But many productions aren't eligible, such as movies with budgets of more than \$75 million. So those have mostly abandoned filming in Los Angeles and moved elsewhere.

That's led many advocates, including Dayan, to call for an expanded program that includes tax credits for big-budget features that spend heavily in local communities. Changes to the tax credit legislation will be debated this year.

Dayan said he's optimistic that the political

will have shifted in favor of an expanded tax credit program, due to an improving state budget and the election of film industry advocate **Eric Garcetti** as mayor of Los Angeles.

Although the state might never match the others dollar for dollar, the California Film Commission is also marketing the less tangible benefits of local shooting, such as sleeping in your home at the end of the day.

After Sundance, the commission will distribute the magazine at other film festivals, as well as at the **Association of Film Commissioners International's** locations show in Los Angeles in March – an annual meeting of states and countries that are looking to attract productions that some local film boosters call the poachers conference.

Dayan said it's time to remind people why the industry has for so long been concentrated around Los Angeles.

"We still have tremendous advantages," he said. "There are still a lot of good reasons to keep work here. Doing this magazine is a great way to remind people."

## LABJ POLL

Are you concerned about runaway production?  
[labusinessjournal.com](http://labusinessjournal.com)

# Transportation: Logistics Firm Scales Up Trucking

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zone, a restricted access site near the U.S. Customs Service, allows 3 Zone to handle merchandise duty free or at discounted rates.

The acquisition of 3 Zone also brings 20 more overweight load drivers to Dependable's ranks, a small piece of his wider business that has interests in trucking, air and ocean freight forwarding, warehousing, distribution and logistics.

**John Boyd**, principal of **Boyd Co. Inc.**, a corporate site-selection consulting firm in Princeton, N.J., said the recent extension of the overweight corridor, or even further extension, could be good news regionally.

"It's enormously beneficial to the region's economy," he said. "It indicates increased container traffic. The market is growing in a

way that it should."

Increased traffic and lower costs will have further positive impact on local retailers, the housing market and sales tax, he said.

In addition, port executives argue, the recent extension creates a competitive advantage for the region's ports.

There are concerns that when widening of the Panama Canal is completed, the ports of Los Angeles and Long Beach could lose traffic from Asia to East Coast ports. The ability to handle more cargo more efficiently and inexpensively is seen as a tool to stave off some of that loss.

"We view the overweight corridor as part of our ability to compete against the expanded Panama Canal and our competitors in Canada or Mexico," said **David Libatique**, director of government affairs at the Port of Los Angeles.



FRINGO H.W. CHIU/LABJ

**Piling It On:** Worker moves load at Dependable Cos.' East L.A. warehouse.