



STAFF REPORT ACTION REQUIRED

Mayor's Mission To Los Angeles: Growing Toronto's Screen Industry

Date:	April 29, 2016
To:	Economic Development Committee
From:	General Manager, Economic Development and Culture Division
Wards:	All
Reference Number:	AFS: 22317

SUMMARY

This report provides a summary of the activities and some key outcomes of the recent Mayor's mission to Los Angeles (LA) to promote the City's film and entertainment industries.

In order to strategically extend the City's relationship and to secure future investment in LA, the City of Toronto's Film and Entertainment Industries staff and key representatives of the local industry along with Mayor Tory and his staff, promoted its film, TV and post-production expertise during Screen Week from February 24-26, 2016.

While Vancouver and Montreal frequently and consistently promote their cities to the LA market, Toronto had not mounted a strategic campaign led by its Mayor since 2009.

Outcomes of the mission to LA point to five key areas of focus to ensure growth in Toronto's film and TV industry including: working cross-divisionally to provide consistent support to the industry; advocating to and working with other orders of government; reviewing infrastructure needs; improving customer service for industry and residents affected by filming; and enhancing crew training.

RECOMMENDATIONS

The General Manager, Economic Development and Culture recommends that:

1. City Council direct the General Manager, Economic Development and Culture to lead a staff working group with representation from City Planning, Real Estate Services, Transportation Services, Corporate Finance, Financial Planning, Toronto Port Lands

Corporation, Build Toronto, Toronto Police Services, Parks, Forestry and Recreation, and Toronto Parking Authority with the mandate to maximize the City's support for film and television production in Toronto by:

- a. reviewing infrastructure needs;
 - b. improving customer service for industry and residents affected by filming; and
 - c. enhancing crew training.
2. City Council request Council members, in consultation with the Toronto Film, Television and Digital Media Board, to advocate for the city's film and television industry with other orders of government.
 3. City Council request the General Manager, Economic Development and Culture, drawing from the results of the collaboration efforts in Recommendation 1 and in consultation with the Toronto Film, Television and Digital Media Board, to develop a multi-year implementation plan for added film and television production support, with timing, targets, and costs, aligned with other economic development strategies and priorities and subject to future budget approval processes.

Financial Impact

There are no direct financial implications arising from the establishment of the staff working group recommended in this report.

Unbudgeted costs are likely to arise from new incentives and initiatives that the working group may recommend to support Film and Television production in Toronto and will be submitted for consideration in future annual Budget processes. All such costs will be outlined for Council consideration in a multi-year implementation plan with timing, targets, and costs aligned with other overall economic development strategies and priorities, in relation to the Long Term Financial Plan's framework and targets.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

City Council on September 26 and 27, 2007, adopted the Strategic Plan for Toronto's Screen-based Industry

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2007.EX11.2>

ISSUE BACKGROUND

Toronto's Film, Television and Digital Media sector continues to operate as a major economic driver for the City, recording a record \$1.54B industry spend on productions in 2015.

A recent Mayor's mission to LA reinforced the current competitive climate and issues at stake in growing Toronto's screen industry. Global production is booming, but productions will continue to seek out jurisdictions that offer the best value on their bottom line.

To strategically extend its relationship and secure future investment in LA, the City of Toronto's Film and Entertainment Industries staff and key industry representatives, along with Mayor Tory and his staff, promoted the City's film, TV and post-production expertise during Screen Week from February 24-26, 2016.

City staff identified that a Toronto presence, led by Mayor Tory to coincide with the Telefilm, Academy of Canadian Cinema and Television and the Canadian Consulate talent recognition and awards celebration, along with the nomination of 3 Toronto-based films for Best Picture at the Academy Awards, would be an opportune time to draw attention to Toronto as a production centre of excellence. Vancouver and Montreal frequently and consistently promote their cities to the LA market, while Toronto has not mounted a strategic campaign led by its Mayor since 2009. Toronto cost-shares with the Province a local LA representative to promote the City's and the Province's interests.

City staff convened twelve Toronto industry service providers to support the mission to LA. The itinerary included meetings with eleven major studios (with \$800M in projects in Toronto for 2016). Meetings were held with the Motion Picture Association of America's 8 studio heads, the Canadian Consulate General, and LA Mayor, Eric Garcetti.

LA industry decision-makers were united in their appreciation of the Mayor's outreach, had praise for their past experience in Toronto but were wary of the recent Provincial tax credit cuts and roll out as it affected their productions. They verified that the bottom line will continue to drive production choices. The Mayor heard that is lacking in studio space and that Toronto has strong 'A' level crews however not enough to keep up with the demand of the studios to keep production in Toronto. He heard that the industry is keen to partner with jurisdictions to improve the local communities they work in and to improve their own working environments on site.

COMMENTS

The Mayor's mission to LA involved meetings with key studio decision-makers where staff and Mayor Tory heard that improvements in infrastructure, incentives and customer service would help Toronto maintain its spot as a destination of choice for foreign film and TV production.

Given that improvements in each of these areas involves the participation of other City Divisions and Agencies, five activities are outlined below to ensure growth in Toronto's film and TV industry.

1. Creating a cross-divisional working group to provide consistent support to the industry.

An inter-divisional working group would be convened to review, remove barriers and streamline processes, policies and procedures in order to maximize, to the extent possible, the City's support for film and television production sustainability and growth in Toronto. The working group would include representatives from City Planning; Real Estate Services; Transportation Services; Corporate Finance; Financial Planning, Toronto Port Lands Corporation; Build Toronto; Toronto Police Services; Parks, Forestry and Recreation; and Toronto Parking Authority.

2. Advocating to and working with other orders of government

Many policies that impact the film and TV industry lie outside of the City of Toronto's jurisdiction, which requires open lines of communication and working collaboratively with the provincial and federal governments. Advocating for policies that positively impact the film and TV industry is a key activity that City Council members, in consultation with the Toronto Film, Television and Digital Media Board, could assist with to help ensure the growth of the industry throughout the city. In particular, this includes policies around tax credits and other financial incentives and funding for training.

Tax Credits

Both the Federal and Provincial governments have tax credits to support the attraction of foreign investment and to assist domestic production. In 2015, the Provincial government lowered some of its Ontario Cultural Media Tax Credits to widespread negative reaction within both the international and domestic film community. The cuts remain in effect and the destabilizing effect of the roll out continues to be a major concern for domestic, US and international co-productions that use previously stable government equity investment to secure their financing.

Leading production centres such as New York, Los Angeles and Atlanta have been implementing aggressive incentive programs in recent years to draw production away from Toronto and other jurisdictions with increasing success. Los Angeles has benefitted from an incentive fund that was expanded from \$100M to \$330M, along with significant city-backed policies that streamline production on its streets. New York, where both the city and state have implemented a tax incentive program directly targeted at the retention of business has successfully drawn new business and expanded labour training and employment.

3. Reviewing infrastructure needs including access to studio space and on-street parking

Studio Capacity

The explosion of the cable industry has resulted in year-round production with most A-list jurisdictions being full, resulting in an immediate need for studio space. Purpose-built studios are costly but attractive to "tentpole" and high-end productions. Pinewood in the

Port Lands, the City's only purpose-built studio, can accommodate one tentpole production at a time. Repurposed spaces continue to be highly desirable as they are cost effective. Cinespace's retrofitted glass factory at 777 Kipling can support up to six television series with a back lot, but their facilities are regularly at capacity.

At the request of the Toronto Film, Television, and Digital Media Board, the Economic Development and Culture Division is conducting a study to identify opportunities and pressures for the film industry in the Port Lands and possibly across the City. In the meantime, the proposed inter-divisional working group will be asked to provide input into the study scope as well as identify zones and/or City-owned assets that could be turned to temporary and long-term studio space for the industry.

Imagination, Manufacturing, Innovation, Technology Incentive Program

The City's Imagination, Manufacturing, Innovation, Technology (IMIT) Incentive Program supports new building construction and/or building expansion in targeted sectors and areas. The creative industries, and film studios specifically, are eligible under this program. The IMIT program is scheduled for review in 2016. This review will analyze the program's effectiveness and identify recommended changes. The review will be asked to examine how IMIT can better incentivize much needed development in film studios and post-production facilities and to investigate other municipal funding opportunities.

Parking

Parking is a significant line item for film and TV productions budgets, as productions require large amounts of space to park trailers for crew and talent to work on location. The explosive development of condominiums in downtown Toronto has resulted in a lack of above-ground, off-street parking for large productions. The proposed inter-divisional working group will be asked to identify potential off-street base camp parking locations on City-owned lands (temporary and long term), to seek on-location accommodations for film service vehicles along downtown east-west corridors, and to support best practices adapted from other jurisdictions that ease movement on streets.

4. Improving customer service for industry and residents affected by filming in communities

Memorandum of Understanding with Transportation Services:

Economic Development and Culture division is currently working on a Memorandum of Understanding (MOU) with Transportation Services to formalize the decision-making process that has evolved since 2004. The objective of the MOU is to establish a collaborative decision-making protocol between Transportation Services and Economic Development and Culture relating to occupation and use of public highways (as defined by Toronto Municipal Code, Chapter 459, Filming) in Toronto by the film, television and digital media industry to account for human resource constraints in addressing requests from the creative screen industries. Such an agreement will both enhance the competitive advantage of the City of Toronto in the global film, TV and digital media marketplace by

streamlining the decision-making timelines and processes and also ensure collaborative coordination and communication of road use in Toronto.

New Staff Resources

Hiring of two film permit officers for a full complement of eight was approved in the 2016 Budget to expedite permits and provide on location customer service between productions and residents. A Film Sector Development Officer was brought on board in October 2014 to identify growth opportunities, streamline processes and provide industry and community outreach.

Concierge Service

The LA Mission revealed challenges for productions seeking “A” list talent, whose names often drive financing approvals for high end cable and feature films. These individuals can be re-located with their families from 3 months to 7 years, with many unfamiliar with the City of Toronto's offerings. City staff will work with partners to establish a "concierge service" for key talent relocating to the city, providing studios and talent with transition services for temporary residents in the film industry.

xoTOfilm

The LA Mission further revealed that environmental responsibility and improved community outreach were high on the studio agenda. Economic Development and Culture will roll out a Film Friendly Good Neighbours campaign, “*xoTOfilm*”. Objectives of the campaign are to improve the good will and minimize the impact of production on residents and to create a welcoming environment for domestic and service productions that raises awareness of the contributions of the film industry to the economy, sustainability and liveability of the city. In other words, how best to ensure a Film-friendly City and a City-friendly filming process. The inter-divisional working group will be asked to provide input into the program and to discuss issues and concerns.

5. Consider options to enhance training to ensure the availability of A-list crews in the City.

Studios are challenged to find enough A-list crews to work on productions. Additional crew training should be investigated. Training is a short timeframe, big impact job creation strategy that can turn around skilled personnel in 2 years for well-paying long-term employment. This was proven in Belfast for Game of Thrones. Without the crew base, infrastructure is irrelevant and studios will not book productions in Toronto.

The City's Economic Development and Culture Division, in consultation with the Toronto Film, Television and Digital Media Board, plans to work with unions (e.g., ACTRA, Directors' Guild, IATSE, NABET) and institutions (universities and colleges) to help further develop experienced crew and train new entry level crew at higher competencies. York University with Cinespace Studios are developing a hands-on film training program that will graduate 100 qualified students/year starting 2019.

CONCLUSION

The LA mission revealed that improvements in infrastructure, incentives and customer service would help Toronto maintain its spot as a destination of choice for foreign film and TV production. In order to improve in each of these areas, participation of other City Divisions and Agencies is needed to ensure growth in Toronto's film and TV industry.

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SIGNATURE

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