



REPORT FOR ACTION

Los Angeles Film Mission 2017

Date: May 10, 2017

To: Economic Development Committee

From: General Manager, Economic Development and Culture

Wards: All

SUMMARY

From January 23 to 25, 2017, Mayor John Tory led a delegation of 36 screen-based industry leaders to Los Angeles to strengthen existing relationships with Toronto's key investment partners in film, television and digital media production and to secure future investment and seek new opportunities within the entire production including visual effects, animation and post production. The delegation built awareness of Toronto's competitive advantage as a preferred investment destination. The delegation presented a unified group of service providers and content creators and showcased Toronto's commitment to this sector, which contributed \$2 billion to the city in 2016.

This report provides a summary of the Mayor's Los Angeles Film Mission including highlight on key activities, outcomes and follow-up initiatives of the mission.

RECOMMENDATIONS

The General Manager, Economic Development and Culture recommends that:

1. City Council receive this report for information.

FINANCIAL IMPACT

There are no financial implications resulting from this report. Net costs of the trade mission to the City of \$32,690 were included in EDC's 2017 Approved Operating Budget, under the Film & Entertainment Industries activity. There are no costs to the City for agreements signed during the mission. Future investments in Toronto by companies and institutions met in Los Angeles may result in benefits to the City.

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

DECISION HISTORY

The Economic Development Strategy, Collaborating for Competitiveness, adopted by City Council in February 2013 presents specific recommendations and actions to advance four key strategies to accelerate economic growth and job creation in Toronto. A key pillar to the strategy is to “Boost Business Growth” which focuses on leveraging the City's relationship with our international alliance partners and friendship cities as well as with bi-lateral business associations to establish cross border business oriented partnerships, develop new markets and trade alliances, and to act as a catalyst for new investment, as well as business, educational and cultural exchanges.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.ED19.4>

In order to strategically extend the City's business relationships and to secure future investment in LA which generated \$800 million in direct spending in 2016, a mission to Los Angeles was mounted in February 2016 with Mayor Tory, Film and Entertainment Industries staff and key representatives of the local industry during Screen Week (February 24-26, 2016). Outcomes of the 2016 Mission to LA resulted in the Five Point Plan for Film which focused on five key areas to ensure growth in Toronto's film and TV industry. Returning to LA with a larger delegation from January 23-25, 2017 was a strategic extension of the Five Point Plan that cited Film & Entertainment Industries' commitment to provide consistent support to the industry and to build awareness of Toronto as a premier global destination of choice for screen production.

<http://www.toronto.ca/legdocs/mmis/2016/ed/bgrd/backgroundfile-92804.pdf>

COMMENTS

The focus of Mayor Tory's 2017 Mission to Los Angeles was to strengthen existing relationships with Toronto's key investment partners in film, television and digital media and to expand new business opportunities across all aspects of production including visual effects, animation, post production and virtual reality. The Mission also encouraged open dialogue with Los Angeles and Toronto's investment partners and stakeholders on issues related to physical and human infrastructure that affect Toronto's competitive edge in the global market.

Mission Objectives

The specific objectives of the 2017 Los Angeles Film Mission were to:

- Seek best practices for developing the City's film sector and to demonstrate the City's proactive business approach to promoting its vibrant talent across multiple platforms.
- Re-connect with the city's key industry partners and investors at various Los Angeles film studios to present the deliverables and ongoing initiatives of the

Mayor's Five Point Plan, which was a direct result of the February 2016 Los Angeles Mission.

- Cultivate relationships with prospective investors, companies and key stakeholders within the screen production pipeline (pre/post production; data storage and multi-user streaming services; music licensing; independent production and over-the-top cable) to pursue new business opportunities of high potential growth.
- Provide a platform for Mayor Tory, City-elected officials and representatives from key businesses to promote Toronto internationally as an investment destination for the creative industries.
- Support the City's strategic priorities to increase economic vitality, create jobs, and generate investment in Toronto.

Business/Delegate Recruitment

Marketing Toronto's investment potential is best accomplished through collaborative partnerships with public and private sector stakeholders. To develop the delegation for the 2017 Los Angeles Film Mission a range of partners were engaged, including: Pinewood Studios, Canada Film Capital, Whiz Bang Productions, SpinVFX, IATSE873, Deluxe, NABET700, The Director's Guild, Ryerson University, York University, the Ritz Carlton Hotel and Director X.

City of Toronto staff reached out to the delegates of the 2016 Mission to Los Angeles and to other industry stakeholders who expressed interest in joining the 2017 Mayor's Film Mission to Los Angeles. The delegates included representatives from Toronto companies and institutions who were interested in entering, or enhancing their presence, in the screen industry market. In total 36 business representatives participated in the Los Angeles Film Mission based upon their market interests and their compatibility with the target sectors and mission objectives. Also on the Mission were Vic Gupta, Principal Secretary and Amara Nwogu, Entertainment Industry Advisor from the Mayor's Office, Councillor Michael Thompson, Chair of the Economic Development Committee and City staff members Zaib Shaikh, Film Commissioner and Director, Entertainment Industries, and Michele Alosinac, Film Sector Development.

The Toronto delegation was also joined by Wendy Noss, Executive Director of the Motion Picture Association of America (Canada) who facilitated a gathering of the top six studios (Disney, Fox, Warner, Sony, Paramount, HBO) for a follow up meeting from the 2016 Mission.

A list of the Toronto delegates is provided in Attachment A.

Mission Highlights

Los Angeles – January 23, 2017

Tour of SIM Group

- Toronto-based SIM Group is a leading North American supplier of production equipment, workflow and post-production solutions. Its recently opened Los Angeles 75,000 square-foot production hub serves as a boilerplate for its planned 165,000 square foot new build in Toronto's Portlands Film Precinct.
- The SIM Group provides products and services for productions from "Game of Thrones" to "Spotlight", "Narcos", "Vikings", "American Idol" and "Deadpool".
- The Mayor was toured through the historic former Kodak building to become familiarized with the post production capacities of SIM including sound mixing, colour correct, camera innovations and remote editing.

Los Angeles – January 23, 2017

Meeting with studio executives of Netflix

- Netflix is the world's leading Internet tv network with over 65 million members in more than 50 countries and are looking to greenlight multiple premium projects globally in the near future. Toronto would benefit by extending its relationships with Netflix leading to new business for Toronto's physical and post production companies.
- Met with Ty Warren, Head of Physical Production and Ted Sarandos, Chief Content Officer to review past collaborations and solicit new business ventures in scripted, unscripted, animation and mini-series.

Los Angeles – January 23, 2017

Showrunner Reception and Dinner, Chateau Marmont

- Showrunners are the creators and producers of television projects who are the final decision makers on the jurisdictions for their productions. Addressing this select writer community, in a candid and private setting was a strategic move to familiarize them with the Toronto's creative ecosystem.
- All delegates were invited to a reception where the Mayor welcomed this select group of 12 writer/producers and then hosted an intimate dinner to compare best practices from other jurisdictions and to solicit insight into obstacles to filming in Toronto.

Los Angeles – January 24, 2017
Premium Cable Breakfast, Chateau Marmont

- 60 guests from premium cable companies like HBO and Hulu, along with independent feature film production houses were invited to a breakfast meeting to interact with the delegation. The meeting allowed the delegation to expand existing relationships and familiarize new clients and creative heads on the capacity and expertise of the physical and post-production pipeline offerings in Toronto.

Los Angeles – January 24, 2017
Meeting with Annapurna Pictures

- Annapurna, founded in 2011 by Megan Ellison, has won critical acclaim for high end independent films such as Zero Dark Thirty and American Hustle. In September 2016, Annapurna launched a tv division, with focus on original content with top creative talent e.g., Julia Roberts in “Today Will Be Different”.
- The Mayor addressed how Toronto is uniquely positioned to appeal to a female-driven, high-end independent studio with recent homegrown Oscar winners “Room” and “Spotlight” and TriBro Studios 50% reduction for female helmed projects.

Los Angeles – January 24, 2017
Lunch hosted by Sponsors and their top LA clients, Chateau Marmont

- Lunch for 50 guests hosted by Mayor Tory to address existing clients of Mission sponsors to thank them for their business and encourage them to see the value of expanding their investments on future projects. The Mayor highlighted the advantages of Toronto as a diverse, inclusive and welcoming environment for the creative industries.

Los Angeles – January 24, 2017
Meeting with CBS Television Kevin Berg, Vice President Physical production

- CBS has a long-standing relationship with Toronto producers and are currently shooting CBS All Access Star Trek: Discovery at Pinewood Studios.
- Mayor was joined by Jon Weber and Gina Vanni of take5 productions who have longstanding relationships with CBS and are currently shooting 2 pilots for them.

Los Angeles – January 24, 2017
Meeting with Stratagem Entertainment, Sunset Towers Hotel

- Ex-patriot financier and creative producer Michael Cerenzie of Stratagem Entertainment met to discuss expansion of film and television portfolios and studio infrastructure by activating deep global relationships in investment and content creation.

Los Angeles – January 24, 2017

Film and Music Reception with Director X, Chateau Marmont

- This reception showcased Toronto's expertise and assets to an industry audience of over 200 guests. Mayor Tory was joined on stage by Toronto's Director X (Julian Lutz), award-winning music and film director, who presented a reel comparing the high cost of Los Angeles production versus Toronto's screen value and expertise. They also announced the launch of RevivalXP, a new 7500 square foot short term rental studio uniquely dedicated to music videos, commercials and television. The Mayor presented an overview of the deliverables from the 2016 Mission and a Five Point Plan update.

Los Angeles – January 25, 2017

Breakfast Meeting with Motion Picture Association of America Studios, Chateau Marmont

- The MPA's "Big Six" Members include Disney (ABC, Marvel, Pixar), Paramount Pictures (CBS, CW, Nickelodeon, MTV), Sony Pictures (Columbia, Screen Gems, Sony Animation), 20th Century Fox (Fox, Fox Searchlight, Blue Sky Animation), Universal (NBCUniversal, Focus Features, DreamWorks Animation, Universal Animation, Illumination Entertainment, Gramercy Pictures, Working Title Films) and Warner Brothers (New Line Cinema, DC Films, Castle Rock Entertainment, Turner Entertainment, CW).
- Following up from his 2016 Los Angeles Mission, Mayor Tory returned to speak with 12 representatives from these top Los Angeles studios to present his Five Point Plan and to thank the studios for their business in 2016 and to encourage future business investment.

In addition to the above, there was a meeting with Consul General James Villeneuve, and daily sponsor debriefs to demonstrate Toronto's commitment to the film sector to gather the private sector to gather for a common business purpose.

Mission Feedback Summary

Feedback from the mission participants gathered from a meeting debrief held on Friday February 17 was overwhelmingly positive with all companies present identifying that the mission exceeded their expectations.

Mission Outcomes

As a result of the mission, there are a number of initiatives being undertaken, including:

- Key studio executives in Los Angeles provided insight that expanding production business would require new film studio and crew infrastructure. This feedback is supported by the Film Studio Study for the Port Lands and the Strategic Action Plan

for Film: 2017-2020 currently underway by the Film, Television and Digital Media Board.

- Commitment from MPA member studios to support xoTO community outreach campaign and environmental resourcing, as well as provide access to publicity files for up to date marketing and promotional material.
- A workforce development strategy is under way with Toronto Employment and Social Services (TESS), along with crew unions NABET700, I.A.T.S.E.873 and the Director's Guild to identify and fill gaps in the screen industry labour force and to work to develop ongoing training skills for newcomers and at risk and underemployed residents.
- Engagement with Toronto District School Board to create a number of film-friendly schools to accommodate filming and parking needs across the city and to work in collaboration with the Unions and Guilds to offer at risk and diverse student co-op placements.
- A Diversity Casting Call hosted by ACTRA and supported by the City and the OMDC, will bring 9 Los Angeles Studio Casting Agents to work with 12 Toronto Casting Agents over two days (June 1 & 2) to audition and workshop new and diverse talents to expand Toronto's acting pool resource.
- Renewal commitments have been made for second seasons of Designated Survivor (ABC/Disney) and The Handmaid's Tale (Hulu/MGM) and for new pilot, Condor. (MGM/SkyDance).
- The Relocation and Concierge Servicing of production talents transitioning to Toronto. Supported by relo-to and industry and government partners like the OMDC and FilmOntario, these new services will attract and facilitate productions through assistance from location services, orientation to local production teams, tax credit and technical survey assistance through to housing, health and family services.

Mission Budget and Financials

The detailed mission budget and financials are attached as Attachment B. In brief, the total cost of the mission was \$157,688. Generous sponsorships by Toronto film industry service providers of \$125,000 decreased the City of Toronto mission expenditures to \$32,690.

Conclusion

Overall, the mission was successful with many positive outcomes. As a result of the mission, there are a number of initiatives underway to better connect Toronto and its key investment partners in Los Angeles, who supported the city in 2016 with \$800 million in production.

It will take some time for investment opportunities to be realized fully but the groundwork has been established for future investment and trade opportunities to be created as a result of the contacts made on the mission.

It is important to note that follow up is necessary and crucial to the success of a business mission. The City of Toronto will work closely with its partners from the mission to realize the opportunities and initiatives identified in this report.

CONTACT

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SIGNATURE

Mike Williams
General Manager, Economic Development and Culture

ATTACHMENTS

Attachment A: List of Delegates
Attachment B: Los Angeles Film Mission 2016 Budget and Financials

Attachment A: List of Delegates

42 delegates accompanied Mayor John Tory on the Los Angeles Film Mission:

- Michael Thompson, Councillor, City of Toronto
- Vic Gupta, Principal Secretary, City of Toronto
- Amara Nwogu, Entertainment Industries Advisor, City of Toronto
- Zaib Shaikh, Film Commissioner, Economic Development and Culture, City of Toronto
- Michele Alosinac, Film Sector Development, City of Toronto
- David Carter, President, Canada Film Capital
- Jim Mirkopoulos, Vice President, Cinespace Studios
- Christa Tazzeo-Morson, VP, Sales Post Production, Deluxe Toronto
- Nick Iannelli, SVP, Post Production, Deluxe Toronto
- Hani Roustom, General Manager, The Hazelton Hotel
- Monty Montgomerie, Business Agent, I.A.T.S.E.873
- Wayne Goodchild, President I.A.T.S.E. 873
- Daryl Shail, Director of VFX Production, Legend
- Josa Porter, director of Stereoscopic Productions, Legend
- Dave Sauro, business Development, Mr. X
- Christopher Brown, VFX Producer, Mr. X
- Jayson Mosek, Business Agent, NABET 700-M UNIFOR
- Jonathan Ahee, President, NABET 700-M UNIFOR
- Blake Steels, President, Pinewood Toronto Studios
- Megan Guy, VP, Pinewood International
- Brian Edwards, President, North American Television, Production Resource Group
- Zoe Borys, senior Account Executive, Business Development, Production Resource Group
- Danielle Oaks, Director, Relocation Services, relo-to ltd.
- Julie Cowan, President, relo-to ltd
- Gavin Goebel, Vice President, SmartCentres
- Ornella Richichi, Executive Vice President, Development, SmartREIT
- Daniel Newberry, Director of Sales and Marketing, The Ritz-Carlton, Toronto
- Kelly Salive, Director, Travel Industry & Entertainment, The Ritz-Carlton, Toronto
- Charles Falzon, Dean, Faculty of Communication and Design, Ryerson University
- James Haggarty, CEO, SIM Group
- John DeBoer, President, Camera Division, SIM Group
- Alexandra Turcan, Director of Sales, SoHo Metropolitan Hotel and Residences
- David Kelley, General Manager, SoHo Metropolitan Hotel and Residences
- Nieshaw Ali, President/Executive Producer, SPINVFX
- John Weber, President, Take5 Productions Inc.
- Gina Vanni, SVP, Take5 Productions Inc.
- Grace Carnale-Davis, Vice President Sales and Client Services, Technicolor – Toronto
- James Fraser, Sales Executive, Technicolor-Toronto
- Peter Apostolopoulos, President, TRIBRO Studios
- David Hardy, Vice President, Industry and Government Relations, William F. White International Inc.
- Rick Perotto, Vice President of Business Development and Camera, William F. White International Inc.
- Shawn Brixey, Dean, School of the Arts, Media, Performance & Design, York University

Attachment B: Los Angeles Film Mission 2017 Budget and Financials

City of Toronto political and staff delegation travel (Air and ground transportation, hotels, per diem)	\$29,195.09
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Business Breakfasts, Luncheons and Receptions	\$ 128,492.64
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VIP Cocktail	\$60,634.08
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Showrunner Dinner	\$ 3,932.96
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Sponsor Lunch	\$17,376.69
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Cable Breakfast	\$16,211.53
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Valet Parking	\$15,386.01
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AV Equipment	\$10,046.24
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Flowers	\$ 1,577.78
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Hotel service charge	\$ 5,440.00
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Total Mission Budget	\$157,687.73
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Sponsorships	\$125,000.00
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Net Total Mission Expense for the City of Toronto	\$32,689.73
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