

STUDY OF FILM AND SCREEN INDUSTRY STUDIOS IN THE PORT LANDS AND SOUTH OF EASTERN EMPLOYMENT DISTRICT



**Economic Development
and Culture Division**

FINAL

HEMSON Consulting Ltd.

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EXECUTIVE SUMMARY

The purpose of this study is to examine and evaluate the impact of development on film and screen industry studios in the Port Lands and the South of Eastern Employment District (the “Study Areas”). Toronto’s on-screen industries are experiencing a period of strong growth and heightened investment interest, while at the same time finding suitable facilities to accommodate the surging demand has become increasingly difficult. Low vacancies amongst the City’s existing supply of studio production facilities are resulting in a rising demand to develop new studio infrastructure, with a specific need for more purpose-built studio space if Toronto’s on-screen industry is to remain globally competitive.

The Study Areas have long been the central base for most of the on-screen industry’s production activities, housing many of the City’s premier studio locations including Pinewood Studios, Cinespace Studios and the Revival 629 Convergent Media Centre. Between the concentration of existing studio infrastructure, strong locational advantages offered by proximity to the popular shooting locations in the downtown and a supply of undeveloped sites, the Study Areas represent a unique land use and economic development opportunity to help meet the need for additional studio space through the development of a cluster of convergent media and related industries.

For some years the City has been engaged in planning the revitalization and redevelopment of the Study Areas through numerous Council-endorsed policies and plans, completed environmental assessments, and plans and studies that are currently under development. These plans and policies support the City’s goals of supporting the area’s current and future employment activity, including for studio and associated uses, while also enabling the development of both vibrant new communities in appropriate locations and employment clusters. In the context of the most recently proposed plans the flexibility that larger studio complexes would have for future development and operation will become somewhat more limited. At the same time, market speculation will also increase the pressure on both potential and existing studio sites, if not sufficiently protected from other land uses.

Given the economic activity created by the on-screen industry and its positive spinoffs to the broader market, it is crucial to understand the impacts the City’s revitalization

plans will have on existing film and screen production uses, as well as their future growth prospects. To this end, this study:

- Assesses the state of existing film and screen industry studios and related infrastructure in the Study Areas;
- Examines the potential impacts of development plans and trends on industry activity and growth; and
- Identifies opportunities and concerns as they relate to the innovative development of successful on-screen industry infrastructure.

The Study provides an evaluation of the Study Areas as a potential hub of world-class film studio infrastructure, accounting for a wide array of factors which affect the feasibility and operation of film studio developments, including comprehensive review of local and international market factors, land use and infrastructure considerations and consultation with industry experts and stakeholders.

A summary of the key findings of the report are as follows:

The Study Areas Present an Ideal Economic Opportunity for Toronto's On-Screen Industries

- There is a clear need for additional studio production space if Toronto's on-screen industry is to take advantage of both domestic and international demand. Low vacancy rates across the City present a barrier to entry for many producers, resulting in investment being directed towards other markets.
- A diverse mix of studio space and quality is necessary to support all types of production. Studio space comes in many forms; from industrial warehouses converted for production use to purpose-built sound stages featuring a wide range of amenities and features. Different types of space meet the needs and budgets of different productions. Industry feedback indicates new purpose-built space would be preferable as it is better suited to meet a range of industry needs and could attract a wider range of productions.
- The Study Areas remain a key location for Toronto's on-screen industry with the potential to further strengthen their position as a global destination for media and entertainment production. The Port Lands and South of Eastern Employment District are Toronto's premier studio location with the clear potential to further develop as a first-class media production hub. Major firms in the industry already

have a presence, the infrastructure foundations are established, and additional new entrants are interested in locating there.

- Planned initiatives in the Study Areas will create opportunities for new land uses and businesses which could complement on-screen industry activity, creating a sense of place and increasing the attractiveness of the cluster as a destination for domestic and international productions.
- The City owns a number of large sites in the Study Areas which could be ideally suited for the development of new studio infrastructure via land lease to a prospective developer and operator.
- The on-screen industry is growing, clean, and provides well-paid employment opportunities with many positive spin offs. At the same time, it also helps to raise the global profile of the City.

Key Constraints Must Be Recognized

- Planned revitalization initiatives in the Study Areas will result in the loss of some existing studio space as required infrastructure improvements are constructed and new development pressures mount.
- Market pressure stemming from the introduction of new development opportunities in the South of Eastern Employment District, including the potential redevelopment of the Unilever Precinct as a major office and retail hub, are spurring the sale of some existing studio operations. If these studio facilities are redeveloped for non-studio uses and no alternative facilities are developed to offset their loss, the net loss of studio production space could have a significant impact on the Study Areas' potential as an attractive hub for industry uses.
- Prospective studio developers have indicated a strong preference to develop new purpose-built studio complexes in the Study Areas. Feedback from these developers, industry experts and a case study review of other studio examples suggests that a larger site will be required in order to facilitate all of the stages and ancillary uses necessary to warrant the investment required, preferably a minimum of 10 acres in size.
- Between geographical constraints, a fractured land ownership pattern and required infrastructure improvements to the area, there are only a limited number of opportunity sites within the Study Areas that meet the suggested site size criteria for studio complex development. Additional challenges related to developing on leased land, site consolidation and the eventual introduction of

sensitive land uses nearby may negatively impact the feasibility of some potential studio sites.

- The Study Areas represent the City's most desirable location for the industry, but not the only location for such activity. Other options may lack the locational advantages offered by the Port Lands and South of Eastern, but nor do they face as many constraints. Given the mobility of the industry, any loss in momentum to the area's development as a studio hub may spur potential users to consider other locations. This could fracture the industry and scatter the development of future studio infrastructure across the City and Greater Toronto Area, further undermining the potential advantages offered by clustering.

Recommendations for the Further Development of a World Class Cluster of Studio Uses

Should the City of Toronto seek to further the development of a first class hub of studio industry uses within the Study Areas, the Study recommends the following steps be taken:

1. Seek to maintain existing studio uses as a condition of development where possible

To limit the risk of a significant net loss of studio activity in the Study Areas, the City may consider a requirement that existing studio infrastructure be retained or replaced on sites planned for redevelopment. This may require implementation of a specific policy similar to the City's office replacement policy under OPA 231.

2. Encourage TPLC to consider longer leases for studio developments

Where the City is considering leasing land for studio development, the length of lease will have a significant impact on project feasibility. Developers interviewed over the course of the study indicated that 20 to 25 year leases are barely sufficient if they are to recover their capital investments and that shorter lease terms discourage higher quality development. A minimum lease term of 40 to 50 years is recommended.

3. Encourage the consolidation of developable parcels for studio complex uses

Planned improvements to the Study Areas will realign portions of the existing lot pattern and transportation network in order to improve vehicle circulation and economic opportunities through the creation of new development blocks. To encourage the development of studio complexes on some of these new sites, the City may wish to consider closing some existing public right-of-ways that will no

longer be necessary in order to encourage the consolidation of some public and privately owned parcels into sizes and configurations better suited for studio complexes.

4. Encourage and incent flexibility and innovation in site design

As the owner of many of the potential studio development sites within the Study Areas, the City could consider offering incentives such as preferable lease provisions, or financial support to developers who demonstrate a willingness and ability to construct studio facilities in support of the broader economic goals for the area. This could include incenting developers to construct studio facilities which creatively adapt to the challenges in the area, such as building denser studio facilities on smaller lots or across multiple proximate sites separated by public roadways. Financial support could include approaches such as offering the City's IMIT Tax Increment Equivalency Grant to new studio development or having the City act as a guarantor for loans.

5. Limit the potential for speculation on sites ideally situated for studio complex development

In order to limit increased land costs on sites ideally suited for studio complex development, the City should restrict residential uses on these larger viable sites as it proceeds with the preferred land use direction. In particular, it should seek to protect these development parcels through the precinct planning process in areas where a mix of land uses are proposed nearby.

6. Examine the potential for studio infrastructure on the Ports Toronto site

Another potential location for developing studio infrastructure in the Study Areas is on the federal ports site south of the Ship Channel. The site is well removed from other conflicting uses and may offer a viable alternative to sites in other parts of the Study Areas.

Given the size of the parcel and scale of port and cruise ship operations, there is a possibility that Ports Toronto could consider leasing off a portion of the site along Cherry Street for other uses. Approaching Ports Toronto and the Federal government regarding this concept would require a coordinated effort between the City of Toronto and a prospective studio developer. Additionally, a study would need to be completed by Ports Toronto that would demonstrate that the lands are not required for future port purposes.

I INTRODUCTION

This study of Film and Screen Industry Studios in Toronto’s Port Lands and South of Eastern Employment District (the “Study”) examines and evaluates the impact of development on film and screen industry studios in the Port Lands and the South of Eastern Employment District (the “Study Areas”). This section introduces the project rationale, its tasks and desired outcomes, and details the study process.

A. GENESIS OF THE ASSIGNMENT

This study comes at a time when Toronto’s on-screen industries¹ are approaching a crossroads. Established on the world stage as a competitive and attractive location for media production, Toronto’s film and screen industry emerged from a challenging period stemming from an unfavourable high Canadian dollar during the earlier part of this decade and is now experiencing strong growth. There has been a surge in both domestic and international production investment, creating new opportunities for the industry and numerous ancillary and supporting uses.

Along with this growth have come new challenges. With the supply of production space largely fixed, the industry has increasing difficulty finding suitable facilities to accommodate the surging demand. The Toronto Port Lands and South of Eastern Employment District has long been the central base for most of the film and screen industry’s production activities. Over the years, studio industry uses have integrated amongst the area’s many other industrial land uses through the adaptive reuse of existing buildings on some sites, and construction of new facilities on others. The broad area now houses many of the City’s premier studio locations including Pinewood Studios, Cinespace Studios, and the Revival 629 Convergent Media Centre.

¹ This report uses the term ‘on-screen industries’ to encompass the broad umbrella of media production-related industries including film and television production, reflective of the shifting nature of the industry in the face of emerging technologies and distribution methods.

The combination of existing studio infrastructure and a supply of undeveloped sites, most of which are City owned, the Study Areas represent a unique land use and economic development opportunity to help meet the growing need for additional studio space through the development of a cluster of convergent media and related industries.

At the same time, with Toronto experiencing more general growth pressures, other land uses are also being considered within the Study Areas that might constrain the realization of a significantly larger on-screen studio cluster at this location. For some years the City has been engaged in planning the revitalization and redevelopment of the Study Areas through various policy initiatives and development plans. These include:

- Council-endorsed policies and plans (Central Waterfront Secondary Plan, Port Lands Acceleration Initiative, and Port Lands Planning Framework);
- Completed Environmental Assessments (EAs) (Don Mouth Naturalization and Port Lands Flood Protection EA, and Lower Don Lands Transportation and Servicing EA); and
- Plans and studies currently under development (South of Eastern Strategic Direction, Villiers Island Precinct Plan, Port Lands and South of Eastern Transportation and Servicing EA, Central Waterfront and Don River EA, and First Gulf Unilever Official Plan Amendment).

These plans and policies are the outcome of research and community consultation in support of the City's goals for the area's current and future employment activity, including studio and associated uses, while also enabling the development of both vibrant new communities in appropriate locations and employment clusters. In the context of the most recently proposed plans, which takes into account the challenging geography and fractured land ownership of the area, the flexibility that studio complexes would have for future development and operation will become somewhat more limited. At the same time, market speculation will increase the pressure on both potential and existing studio sites, if not sufficiently protected.

B. STUDY TASKS AND OBJECTIVES

Given the economic activity created by the on-screen industry and its positive spinoffs to the broader market, it is crucial to understand the impact the City's revitalization plans will have on existing film and screen production uses as well as their future growth prospects. Towards this end, this Study:

- Assesses the state of existing film and screen industry studios and related infrastructure in the Study Areas;
- Examines the potential impacts of development plans and trends on industry activity and growth; and
- Identifies opportunities and concerns as they relate to the innovative development of successful on-screen industry infrastructure.

The study provides an evaluation of the Study Areas as a potential hub of world-class film studio infrastructure, and recommends ways that the City can encourage industry growth within the context of ongoing and future development.

C. STUDY PROCESS

The Study takes into account a wide array of factors that could affect the feasibility and operation of film studio developments in the Study Areas, at both a city-wide and internationally level. Market research was drawn from a number of sources including City of Toronto Employment Survey data, Film Permit Application data, annual industry reports published by the Toronto Economic Development and Culture Division, and insight provided through interviews with industry analysts and stakeholders.

A comprehensive review of land use in the Study Areas was conducted, with consideration being given to existing site conditions, ownership, infrastructure, servicing and development permissions. The potential impact of future plans and anticipated development pressures was also assessed, taking into account published and draft policy documents and technical reports pertaining to the Study Areas, as well as consultations with City staff and interviews with film studio operators, both those located within and outside the Study Areas.

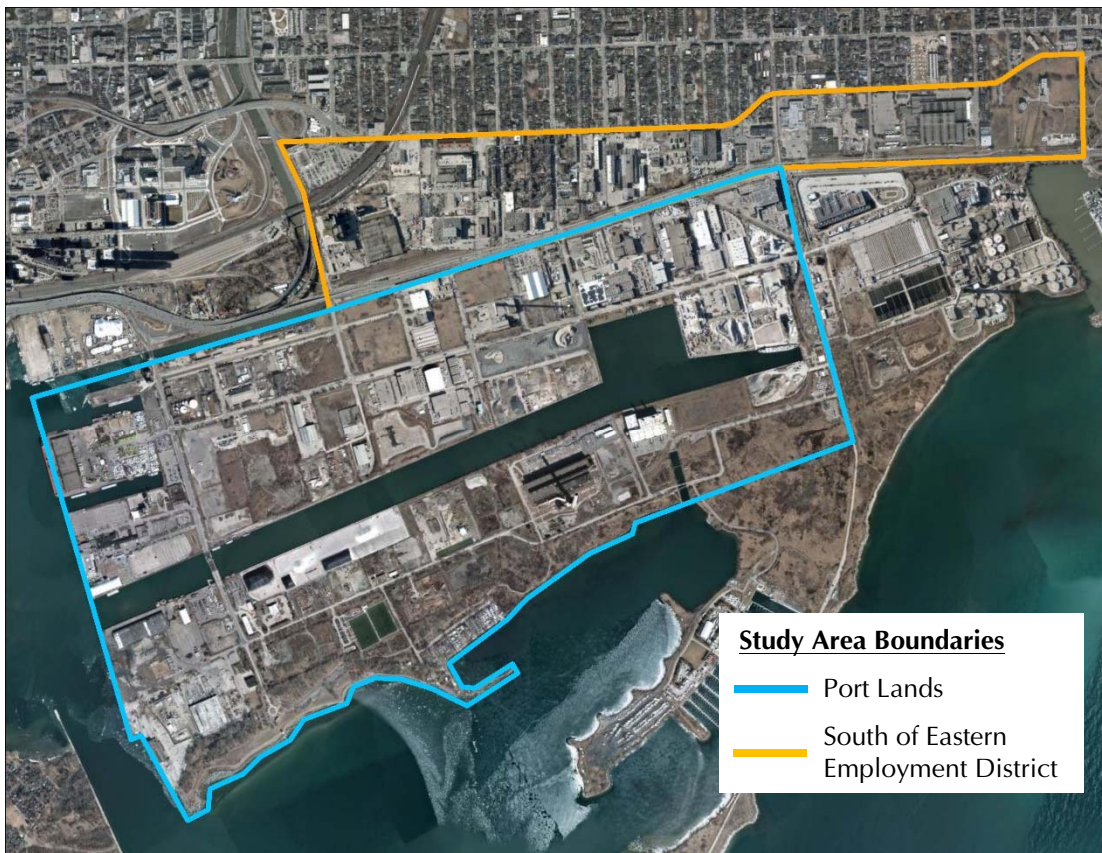
A total of 15 separate interviews were conducted through the course of the study via telephone and face-to-face discussions. These included discussions with over 35 individuals familiar with on-screen industry and the development of planning policies pertaining to the Study Areas. A summary of the interview feedback is provided in Appendix A.

In order to understand studio development dynamics and to identify innovative ways of encouraging the concentration of related industry uses, a number of global studio clusters were reviewed. A summary of the case studies selected for review is provided in Appendix B.

D. BOUNDARIES OF THE STUDY AREAS

The Study Areas are comprised of two distinct planning areas: the Port Lands and the South of Eastern Employment District. Each features their own distinct land use characteristics and planning considerations, with both being important to the current operation and potential future growth of the on-screen industry in Toronto. The boundaries of the Study Areas are shown in Figure 1. The Port Lands is bounded by the Inner Harbour to the west, Leslie Street to the east, Lake Shore Boulevard to the north, and the Outer Harbour to the south. The South of Eastern Employment District is bounded by the Don Valley Parkway to the west, Coxwell Avenue to the east, Eastern Avenue to the north, and Lake Shore Boulevard to the south.

Figure 1: Study Area Boundaries



Source: Hemson Consulting Ltd. with data from ESRI

II STUDIO USES IN THE STUDY AREAS TODAY

Together, the Study Areas represent a location of both practical and competitive advantage for on-screen industry uses. Featuring already established studio infrastructure along with a supply of large city-owned sites, these areas present a unique opportunity for Toronto to develop a first-class hub of studio and new media activity, though it is not without constraints. This section discusses issues related to the current context of the Study Areas: environmental factors, current uses and an assessment of existing studio infrastructure.

A. THE INDUSTRIAL HISTORY OF THE STUDY AREAS AFFECTS CURRENT STUDIO OPERATIONS AND DEVELOPMENT POTENTIAL

The Study Areas share a long history of industrial use stemming back to the in-filling of Ashbridges Marsh at the mouth of the Don River delta, the re-routing of the river to the Keating Channel in the late 1890s, and the implementation of Toronto Harbour Commissioners initial plan for the area in 1912. Since then, the Study Areas have been home to various industrial uses, including manufacturing and warehousing in the South of Eastern Employment District and power generation and the storage of coal and oil, as well as the City's primary port facilities, in the Port Lands. Though the majority of these heavy industrial uses ceased operations during the shift towards deindustrialization in the 1980s, their legacy can still be observed today.

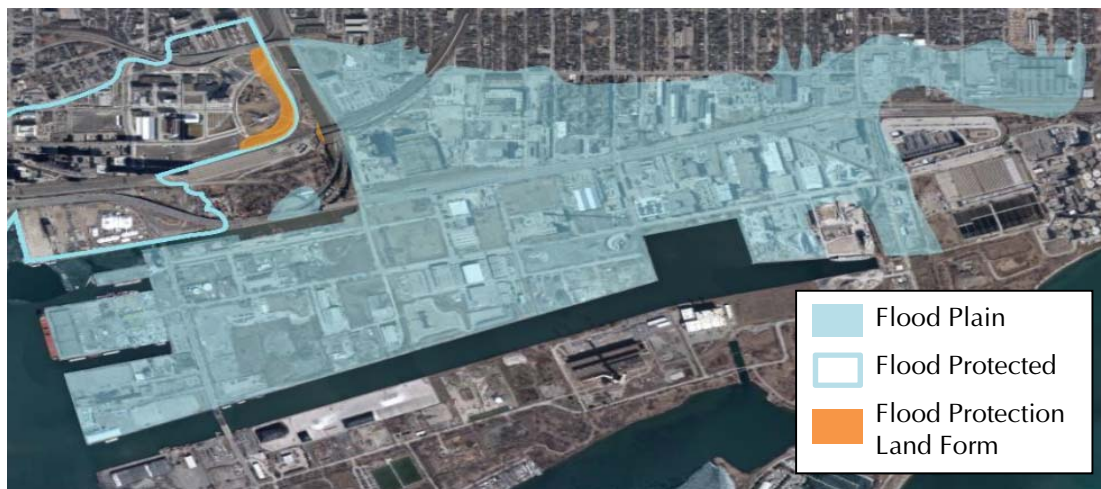
Though diminished in its activity, the port remains operational and supports the delivery of aggregate and materials to both municipal and private storage areas and to the 'concrete campus', most of which are located along the Ship Channel. The Federal government also continues to own and operate a shipping facility and cruise ship terminal along the southwest edge of the Port Lands. As the only remaining port in Toronto, these operations remain vital for the City's operation and economic development and are expected to continue into the foreseeable future.

The industrial nature of the Study Areas' previous tenants resulted in a block pattern of large parcels not commonly found in such close proximity to the urban core of a major city. The City acquired a large contingent of these sites from the Toronto Harbour Commission after many of the original industrial users ceased operations

following the industrial downturn in the 1980's. This combination of large, city-owned sites in such close proximity to the downtown creates a unique opportunity for major studio uses, though the environmental impacts of the land's previous occupiers presents a challenge. Given the industrial nature of the warehouses and tank farms which dotted the area, many sites will require environmental remediation before redevelopment can occur. Though studio production developments may involve a lesser degree of remediation than other uses, specific requirements remain unknown. This introduces a degree of uncertainty into both the cost and timeframe for potential studio development.

Currently, almost all of the South of Eastern Employment District and Port Lands north of the Ship Channel are at risk of flooding, as shown in Figure 2.

Figure 2: Current Flood Risk Area



Source: Toronto and Region Conservation Authority

While this has reduced redevelopment pressure within the Study Areas, employment uses are permitted in much of the area's land use zoning, including zones that already allow for studio production use, or could do so via modest rezoning. However, this will not be the case over the long-term. Flood protection was recently constructed on the west side of the Don River enabling the development of the West Don Lands. Similar protection is planned for the remainder of the flood plain, and will involve a multi-phase project to naturalize the mouth of the Don River. The Environmental Assessment (EA) for this project received approval from the Ontario Minister of Environment at the beginning of 2015, and will be moving forward contingent on

recently approved funding from the City and Provincial and Federal governments. The impacts of this project are discussed further in section IV.

B. STUDY AREAS ARE HOME TO A HIGH CONCENTRATION OF STUDIO USES

With the development of non-industrial uses contingent on a higher requirement for environmental site remediation and flood protection, employment uses have been able to develop in the area with a limited amount of competition from other land uses. This enabled the development of much of the existing studio infrastructure in the area, but also restricted its attractiveness as an urban studio hub.

1. Current Land Uses and Existing Studio Infrastructure

A map of major current land uses and features in the Study Areas, including existing studio industry infrastructure, is shown in Figure 3.

Figure 3: Primary Current Uses and Features within the Study Areas



Source: City of Toronto

Note: The image displays the approved path of the Don River naturalization project. This feature does not yet exist, but will be created as part of the flood protection plan for the area.

Due to their distinct patterns of development over the years, the Port Lands and the South of Eastern Employment District differ noticeably in the character of their current land uses and the infrastructure which serves them.

a. The Port Lands

In addition to the aforementioned active port uses located along the Ship Channel, materials storage and staging areas situated to the south, and concrete production yards found to the east, the Port Lands is home to a number of other uses interspersed between vacant properties.

Provincial hydro infrastructure occupies numerous sites in the area, including transfer stations and the decommissioned Hearn power generating station located south of the Ship Channel. Transportation and logistics operations are also common, including the TTC's Wheel-Trans garage and maintenance facility, Canada Post, Greyhound Courier Express, and the recently constructed FedEx logistics hub.

Other major uses include two waste management operations, one operated by the City of Toronto and the other by GFL Environmental Inc. An assortment of other employment and non-employment uses have occupied existing warehouses and industrial buildings, primarily located along Villiers Street and Polson Street. A limited number of restaurants and retail uses are also interspersed through the area.

On-screen infrastructure in the area includes Pinewood Studios, Toronto's premier studio facility, as well as Showline Studios and a number of smaller private production spaces located in existing industrial buildings. In addition to formal studio space in the Port Lands, a number of decommissioned industrial buildings, including the Hearn power generating station, are commonly used for location shoots. PS Production Services, a large on-screen industry equipment supplier, is also located in the area along with a number of smaller equipment rental companies.

Road infrastructure in the Port Lands is relatively limited with only a few main roads running east to west. Commissioners Street acts as the primary east-west corridor for most traffic not travelling on Lakeshore Boulevard. North-south access points are more prevalent in the northern half of the area including the Don Roadway, which provides direct access to the Don Valley Parkway. A map of the primary street network is shown in Figure 4.

Figure 4: Current Primary Street Network for the Port Lands and South of Eastern



Source: Hemson Consulting, adapted from City of Toronto

Note: The planned realignment of the Gardiner Expressway will result in changes to the road network shown above.

Access to lands south of the Ship Channel is from Cherry Street and Leslie Street. There is a one-lane bailey bridge on Unwin Avenue across the circulating channel and 90 degree jogs which limits access from Leslie Street. The bridge over the Ship Channel at Cherry Street is in need of repairs to maintain two lanes of traffic. Municipal servicing south of the Ship Channel is limited, with only a partial water main extending from Cherry Street to the Hearn.

Transit access to the area is currently limited to the 72 Pape bus route, which services destinations along Cherry Street and Commissioners Street on a route between Pape and Union Stations.

b. South of Eastern Employment District

South of Eastern includes a mix of studio and related infrastructure interspersed amongst other industrial and municipal uses, as well as some single and semi-detached residential buildings found between Logan Avenue and Carlaw Avenue.

Some small retail uses including restaurants are also located amongst the existing employment uses, with larger retail sites located to the east along Leslie Street. Other major land uses include a pair of automotive dealerships, distribution hubs for Purolator and Canada Post, training centre for Fire and EMS workers, and the City of Toronto's public works yard on Booth Avenue and fleet maintenance facility on Eastern Avenue. Sewage treatment facilities and a large park are located to the east near Coxwell Avenue.

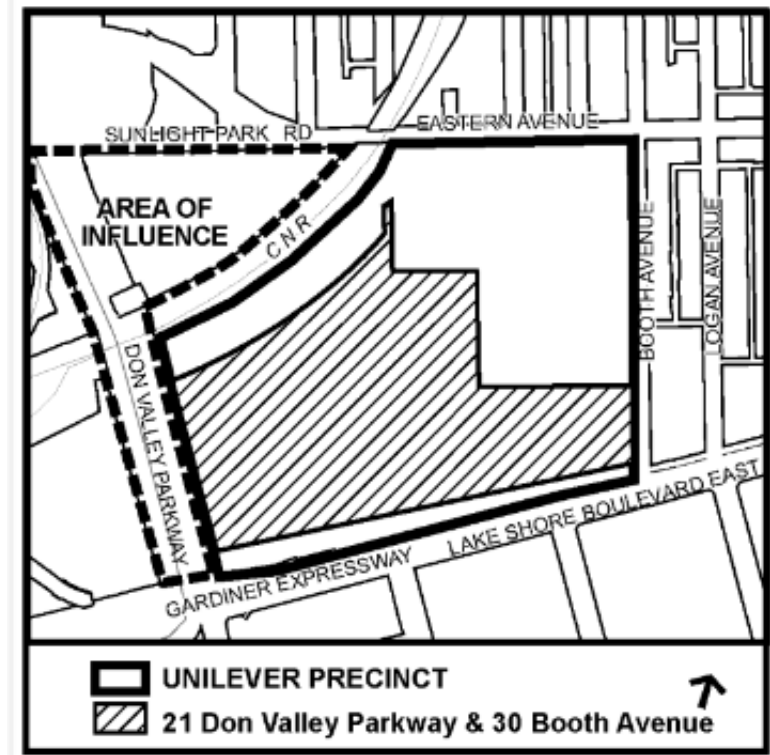
There is a well established supply of studio land uses in the South of Eastern Employment District, including Cinespace Studios' two studio complexes, Film Port Studios, and Revival 629. Various other industry-related businesses are also located within the area, including equipment rental companies, caterers, and production company offices.

Like the Port Lands, there is limited east to west road infrastructure through the area, with Eastern Avenue and Lake Shore Boulevard serving as the only east-west corridors. A number of north-south routes bisect the area, though many of these roads only have right-in right-out access to the westbound portion of Lake Shore Boulevard to the south, restricting vehicle circulation. Transit options through the area are limited to the 72 Pape bus route along Carlaw Avenue, and the 83 Jones on Leslie Street. There is also access to the 501 Queen streetcar that runs along Queen Street East a block north of Eastern Avenue.

The bulk of the South of Eastern Employment District's land supply is occupied and actively in use. The one notable exception is the site of the former Unilever manufacturing plant located at 21 Don Valley Parkway. This 11.7 hectare property is at the core of a major proposal by site owner First Gulf that would transform the site and surrounding properties (including the site of Cinespace's studios at 30 Booth Avenue) into a major office employment node, involving considerable modifications to the arterial street pattern and transit network in the area.

The City is currently conducting a Unilever Precinct Planning Study. If approved, the development of the precinct would have a significantly transformative effect on the South of Eastern Employment District and the Port Lands. A map of the Unilever Precinct Plan study area is provided in Figure 5 on the following page.

Figure 5: Unilever Precinct and Area of Influence



Source: City of Toronto

C. ASSESSMENT OF EXISTING STUDIO INFRASTRUCTURE

As it stands today, the studio infrastructure in the Study Areas acts as a central node for Toronto's broader on-screen industry and accounts for over a quarter of the City's supply of production space. Pinewood Studios is Toronto's flagship full-service studio facility, and provides one of the largest purpose-built soundstages in North America along with offices and various support facilities. Cinespace, a mainstay in the Toronto industry for over 30 years, operates two facilities in the area. Together with a supply of smaller studios and ancillary industry-serving businesses, the area offers an attractive centre for both domestic and international productions. The return of Toronto Film Studios as Revival 629 and Pinewood's recently announced expansion plans further strengthens the area's appeal. A summary of major industry studios and supporting infrastructure is provided in Figure 6 on the following page.

Figure 6: Existing Major On-Screen Industry Uses in the Study Areas

Address	Studio/Business	# of Stages	Stage Production Space (sq.ft.)
225 Commissioners St.	Pinewood Studios Toronto	12	240,000
30 Booth Ave.	Cinespace Film Studios*	4	52,000
721 Eastern Ave.	Cinespace Film Studios*	5	63,000
629 Eastern Ave.	Revival 629	16	123,500
915 & 945 Lake Shore Blvd.	Showline Studios*	3	32,000
65 Heward Ave.	Film Port Studios	2	19,200
80 Commissioners St.	PS Productions**	-	-

Source: Hemson Consulting Ltd.

Note: Stage production space count does not include offices, wardrobe, carpentry, post-production or other support space. (*) Facility has either been sold or is in the process of being sold. It is uncertain if facility will continue for studio uses. (**) Industry equipment rental supplier

Challenges face the existing supply of studio infrastructure in the area. Both of Cinespace's studio locations have been sold due to increasing market pressure, with the new owners indicating an interest in redeveloping the sites for non-studio uses. Notwithstanding this, Cinespace will continue to operate at these locations in the near future until development pressures eventually force their relocation. Showline Studios has also put its property on the market, leading to uncertainty as to whether or not it will continue to operate as a studio facility.

Although there is reported interest from a number of parties to develop a new studio facility in the Port Lands, no additional purpose-built studio space has been built in the area since Pinewood's construction in 2008. The Pinewood complex is largely isolated in the centre of the Port Lands, separate from most of the other studios and services located north of Lake Shore Boulevard.

Traffic is also flagged as a concern by a number of studio owners, as vehicle circulation options through the area are limited. Particular concerns are congestion on Eastern Avenue and the Don Valley Parkway. These drawbacks are however counterbalanced by the advantage of proximity to the large number of downtown shooting locations.

III TORONTO'S FILM AND SCREEN INDUSTRY ON THE RISE

Within the City of Toronto's diverse economy, the on-screen industry is a rising star. Competing on a worldwide stage, the industry has experienced dramatic growth in the past few years. This success represents both an opportunity and a challenge for its continued growth and operation. This section of the report provides a general overview of the employment market for Toronto's on-screen industry, and examines the unique operational needs to be considered when planning for its development. It also considers why the Port Lands and the South of Eastern Employment District are so important to its continued success.

A. TORONTO IS A GLOBAL COMPETITOR FOR FILM AND SCREEN PRODUCTION

For over four decades, Toronto has fostered and promoted the development of local on-screen industries and today is recognized both as a major North American centre for global film and television production, post-production and a centre of technological innovation. Amongst industry professionals, Toronto is recognized as having a number of competitive advantages, notably:

1. Diverse Inventory of Shooting Locations

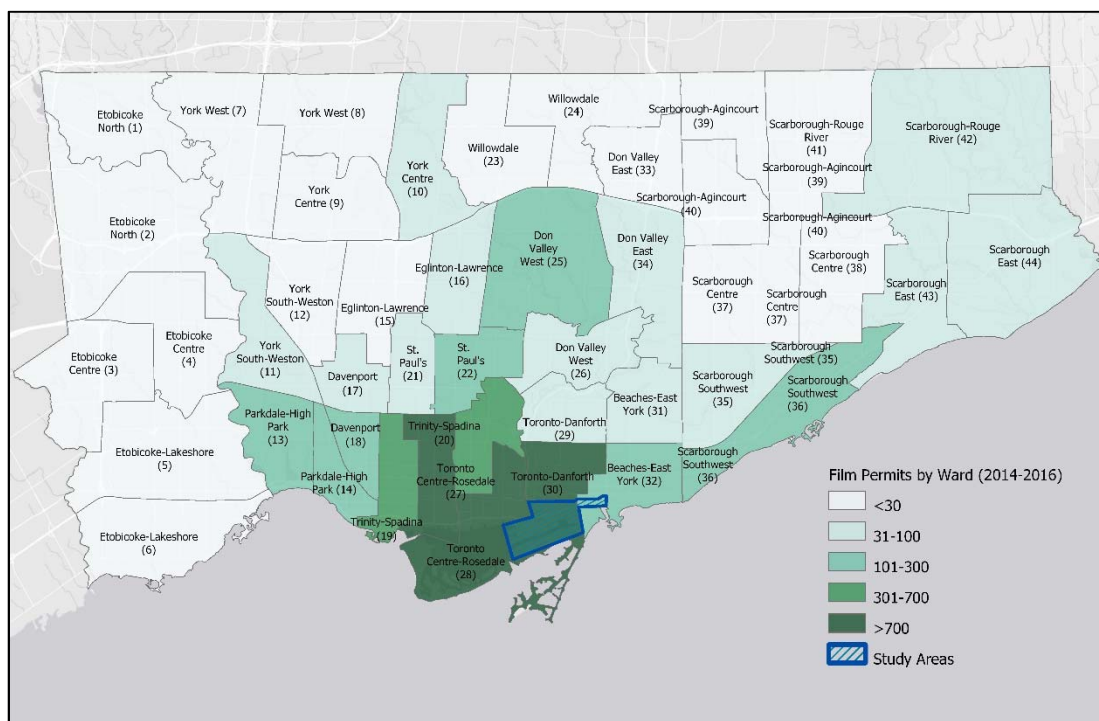
In an industry that creates stories and visuals set across different cities, countries, environments and even time periods, the versatility of nearby site locations is a major consideration for producers. As such, the more diverse a city's neighbourhoods, natural features and architecture styles, the more effectively it can double as other locations, granting greater flexibility to productions both local and international in nature. Even with increasingly elaborate set designs and digitally rendered green-screen backdrops replacements, location based shooting remains an integral part of many productions at all budget levels.

Toronto offers a very diverse inventory of urban and natural features, providing a degree of production flexibility not easily matched by other global film and television hubs. The city's broad mix of historical architecture styles, from brownstones and art deco buildings to modern glass skyscrapers enables producers to stage location shoots with Toronto standing in for such locations as 16th century France (Reign), Chicago

in the roaring 20s (Chicago), modern day New York (Suits), and even Washington, DC in the year 2065 (Minority Report).

In interviews, industry stakeholders and producers frequently mentioned this feature as one of Toronto's key competitive advantages, citing the city's downtown as a particularly versatile location. This is reflected in the distribution of location film permits issued by the City of Toronto, over 70% of which were issued in either the downtown or adjacent areas, as shown in Figure 7.

Figure 7: Film Permits Issued by Ward, City of Toronto, January 2014 – November 2016



Source: Hemson Consulting, City of Toronto

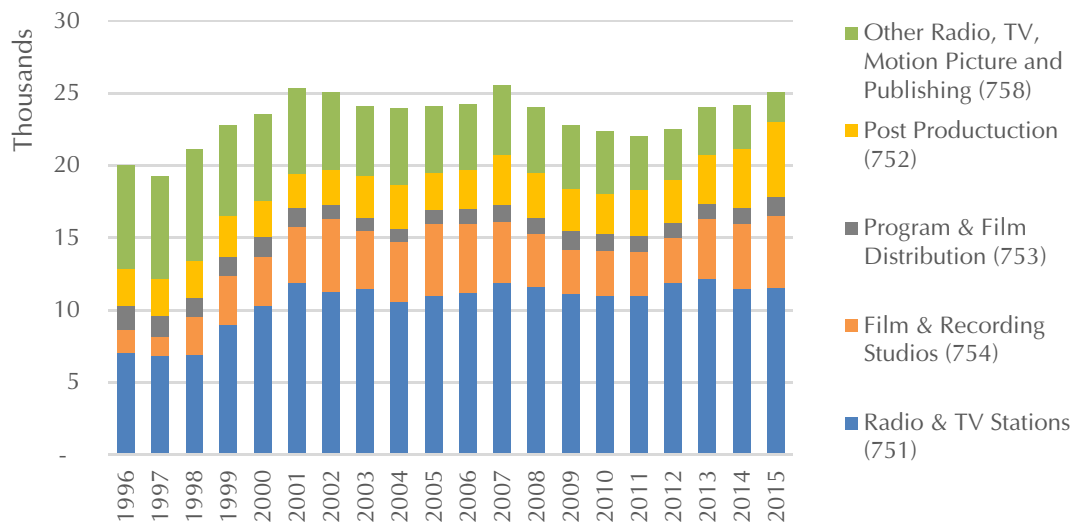
With so many films, television shows and commercials choosing to shoot on-location in the central-Toronto area, questions of access and logistics are of significant concern to the industry. Productions need to move equipment and trucks between studios and shooting locations throughout the city at various times of the day. The close proximity of studio infrastructure in the Study Areas to these popular filming locations is an operational advantage for many producers.

2. Globally Respected Talent Pool and Institutional Linkages

Toronto's film industry has over 40 years of international experience in film and television production and post-production. According to data from the City of

Toronto's most recent employment survey, the core sectors of the industry support over 25,000 jobs, having risen from a post-recession low of 22,000 in 2011. This is in addition to various spin off employment demand created amongst ancillary businesses in construction, services, transportation and other sectors. The change in the industry's core employment profile is shown in Figure 8.

Figure 8: Employment in Film and Entertainment Core Sectors, City-wide, 1996-2015²



Source: City of Toronto Employment Survey

Various professional organizations representing performers (ACTRA), directors (Directors Guild of Canada), and workers (IATSE 411, 667, 828 & 873, and NABET 700) support the industry through advocacy, coordination and skills training. In addition, many of Toronto's post-secondary institutions, including Seneca College, Ryerson University, York University and others, are providing training to the next generation of film producers and technical and visual artists.

Producers can rely on a deep, skilled labour pool when choosing Toronto as a location for their productions. International producers identify this network of experienced crews and professionals as an important factor in keeping Toronto competitive in the

² Given that some production activities occur over a short period of time (e.g. a movie may only be shooting for a few months of the year), the City's employment survey data may not accurately account for all employment activity created across the industry in a given year.

global market, particularly compared to emerging, less established film and television centres.

3. Government Support and Incentives

The three orders of government support local industry by providing financial, logistical and promotional assistance.

At the municipal level, the Mayor very actively promotes the industry, participating in outreach missions to market Toronto to international producers. The Toronto Film, Television & Digital Media Board, which is co-chaired by a member of Council and a member of the industry, contains a diverse range of industry experts, and advises the Mayor and City Council on ways to strengthen and grow Toronto's on-screen industries. At the staff level, the Film and Entertainment Industries section of the Economic Development and Culture Division provides comprehensive production service and support to companies dealing with all phases of production.

The Province is also a strong supporter through government organizations, such as the Ontario Media Development Corporation (OMDC). The OMDC advocates for and supports economic development in the sector, promoting and providing logistical support to international productions that might consider locating in Ontario. This includes the operation of a full-time marketing office located in Los Angeles, run in partnership with the City of Toronto and FilmOntario, a local industry consortium.

In an industry where cost competitiveness is also a crucial consideration, tax incentives are one of the most important factors for international producers. Filming in Toronto offers a number of stackable tax credits from both the federal government, through the Canadian Audio-Visual Certification Office, and the provincial government, administered through the OMDC. These tax credits are across a number of eligible expenses and enable savings of up to an estimated 45% of qualified labour costs and 35.2% on total production costs.

Producers and industry stakeholders consistently identify Ontario's tax credits as a major factor in Toronto's appeal to international producers. Given that many productions are multi-year endeavours, the importance of the consistent and predictable availability of these incentives cannot be overemphasized. Fluctuations in these rates would impact the reputation of the market as a "stable" location, potentially resulting in the relocation of prospective and existing productions.

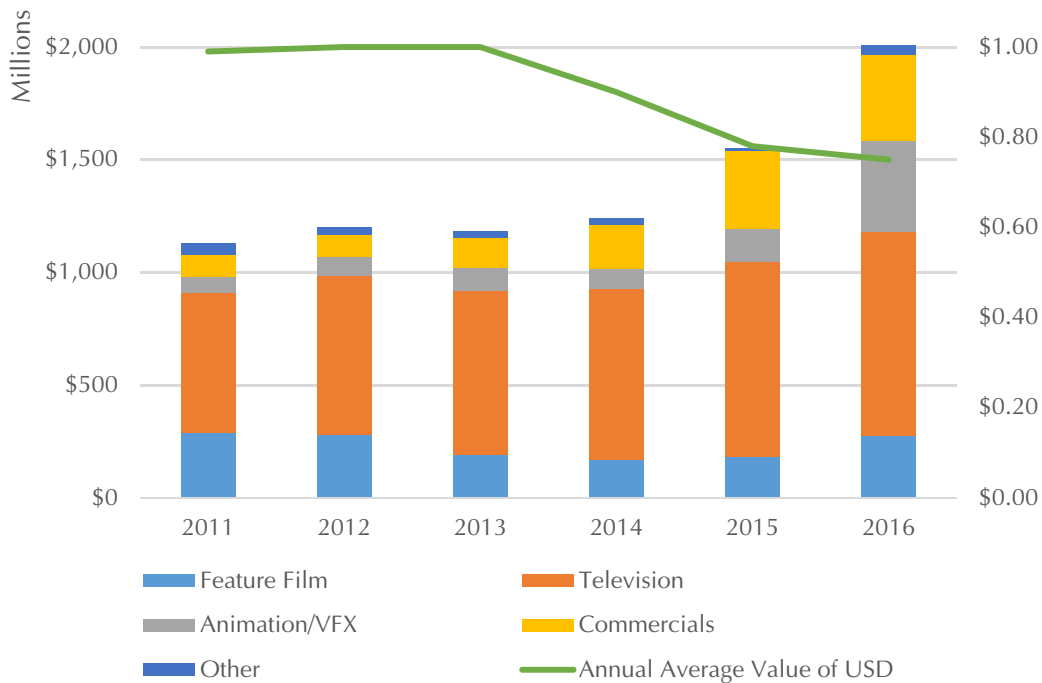
Toronto's on-screen industry also greatly benefits from the annual Toronto International Film Festival (TIFF). As one of the world's leading international film festivals, TIFF is commonly regarded as an ideal platform for filmmakers to launch their careers and to premier their work. On-screen industry stakeholders frequently

mention the positive role TIFF plays in drawing both domestic and international production activity to the city. All three orders of government provide support to TIFF on an annual basis, along with a wide roster of international corporate partners.

B. ON-SCREEN INDUSTRY IN TORONTO IS EXPERIENCING A PERIOD OF RAPID GROWTH

Since 1999, Toronto's on-screen industry has contributed more than \$1 billion annually to the local economy. Through changing market economics and a fluctuating exchange rate, the industry has remained a steady source of activity shared between both domestic and international productions. Over the past two years, however, the industry experienced a rapid boom in growth, with total investment jumping from \$1.24 billion in 2014 to \$2.01 billion in 2016, as shown in Figure 9.

Figure 9: Total Production Investment in Toronto by Type, 2011 to 2016



Source: City of Toronto Economic Development & Culture Division

Growth occurred across all major industry sectors in this two-year period. Television remained Toronto's largest on-screen production sector in terms of total investment with over \$908 million in 2016. Feature film investment rose from a low of \$169

million in 2014 to \$272 million in 2016. The most significant growth over this period came from Commercials production, which nearly doubled to \$380 million, and Animation/VFX, which flourished to \$403 million over the past two years.

Some of this growth can be attributed to the softening of the Canadian dollar and a rise in the budget of major tent pole productions filmed in Toronto, resulting in a dramatic upturn in foreign production investment, which grew by 166% over the past two years. This came at the cost of domestic production, which shrunk by roughly 31% over the same period. Much of this loss is attributable to the increasing competition for space with more lucrative international productions.

C. TORONTO'S STUDIO INFRASTRUCTURE IS INCREASINGLY CHALLENGED TO MEET DEMAND

With the rapid increase in industry activity over the past few years, productions in Toronto are increasingly competing for a limited supply of production space. The dynamics of occupancy between television production, feature film production, and other on-screen uses are distinct from other employment area tenancies, making space planning for the industry a unique endeavour.

1. Studio Stage Space at the Core of the Industry

The economic activity created by the on-screen industry is shared across multiple land uses and built forms. Large and small productions alike create demand for spaces to accommodate set construction workshops, wardrobe design and storage, production offices and even catering companies, to name a few. At the core of these various ancillary and support uses, is the stage production space where filming happens. Studios such as Pinewood group a number of stages on a lot with varying quantities of support services immediately adjacent.

In the same manner that an automotive assembly factory generates demand for multiple uses around the core factory, studios are at the centre of the industry's economic activity. While some filming will be done on location, studios are typically where the bulk of a production's filming is completed. They provide space which is both secure and flexible enough to enable whatever shots are called for in a production's script, including creating entirely new environments, without conflicting with the public or sensitive neighbouring uses.

Depending on the production, shooting can go late into the night, involving loud noises including simulated gunfire and explosions, or may require the movement of heavy trucks and equipment between buildings and sets at all hours of the day. Confidentiality is also a critical concern. With film and television projects facing financial risk if content is leaked prior to scheduled release, it is important for studio operations to be protected behind a secured perimeter. In this regard, studios function like many other industrial uses. Though they are a clean industry and typically have a smaller environmental footprint than a manufacturing plant or distribution hub, studios nevertheless require a degree of autonomy and separation from other public uses.

Ancillary uses tend to cluster around studios, but most often are accommodated on site behind a secured perimeter. The characteristics of a studio site will often determine the type of productions it can facilitate, and by extension how competitive it can be in attracting investment.

2. Studios Come in Different Shapes and Sizes, and Play Different Roles

The spatial needs of the on-screen industry can vary dramatically across sectors and individual productions. Feature films, television series, music videos and commercials each require different types of production space, with specific needs often dictated by the script. A filming stage can range from small raw industrial space converted from other uses all the way to massive purpose-built sound stages. Important factors include total floor space available for sets, clearance and load capacity of the ceiling, sound-proofing measures, and the amount of space between structural columns which may interfere with sightlines and sets.

The cost of creating stage space varies depending on the work required and quality desired. An old warehouse or industrial building may be converted to a standard that would suit film uses with a relatively modest investment. However it may still have to deal with structural issues or site concerns, such as having to work in close proximity to other non-film related neighbours that could disrupt the production. In contrast, stages built from the ground up can be designed to meet the needs of a diverse range of productions. Purpose-built studios tend to cost more to construct than converting an existing structure, though total costs can vary significantly between purpose-built studio projects depending on design features and amenities provided. Additionally, larger studio campuses may offer backlot space for outdoor sets located either on or adjacent to the primary studio facility.

A small budget television show or movie may only require a limited amount of space for a small number of key sets, while a big budget international tent-pole production may require space from multiple studios and stages, with special consideration for the

size of sets and special effects. The budgets of these productions will often dictate the type of space they can afford to rent. Therefore, having a diverse inventory of stage space in terms of both square footage and design quality is critical to facilitating continued growth in the industry.

Studio production space can be classified into three competitive tiers based on functional characteristics, as shown in Figure 10. These tiers are characterised by the studios' ability to meet the needs of various productions, with Tier 1 facilities representing the most attractive set of features for production investment.

Figure 10: Characteristics of Different Studio Tiers

Studio Tier Characteristics	
Tier 1	• Compliant with all health and safety regulations • Sound attenuation on stages • Adjacent support space and parking for all vehicles • Perimeter security of studio lots • Free of non-film related tenants • Clear span or non-structural beams that can be removed • Useable height of 25 feet or greater • Potential for backlot or water tank locations
Tier 2	• Compliant with all health and safety regulations • Some sound attenuation on stages • Some support space and must have parking for unit trucks • May have columns that are not removable • Useable height minimum 25 feet
Tier 3	• Compliant with all health and safety regulations • May not have any sound attenuation on stages • May not have adjacent support space or parking for any vehicles including unit trucks • May have columns or barriers • Useable height under 20 feet
<i>1st and 2nd Tier studios should also be located in an area defined for studio uses, protected from adjacent sensitive uses which might interfere with studio operations. List is not exhaustive.</i>	

Source: TFTDMB Infrastructure, Business, and Inter-Sector Development Working Committee and City of Toronto, Film and Entertainment Industries

Studio's can be either stand alone production spaces, such as one or two sound stages contained within an individual warehouse or building, or larger studio complexes³ spread out over multiple buildings on a secured site. Full service Tier 1 facilities are typically part of a broader complex, with ancillary sound stages, office buildings, workshops, and space for equipment and vehicle storage located on site. While some uses can be mixed within a single building, such as Pinewood Toronto's primary office building containing three sound stages, the scope of a full service studio complex will often require multiple buildings across a larger site.

Full service studio complexes in other jurisdictions, such as Paramount Studios and Sony Studios in Los Angeles, often supplement their stage rental income with other services including equipment rental, food services and on-site labour. The studios are mindful that stage space competes for a limited amount of demand that the unique combination of support services they provide make studio operations profitable.

The following are typical features of a full-service lot:

- Television series and live broadcast capability
- Stages that are audience rated and offer pre-show holding areas
- Short-term offices near stages to service productions
- High-speed data transfer for remote viewing and editing
- A selection of stage sizes and heights to accommodate various formats cost effectively
- Transportation and equipment parking
- Screening rooms for viewing dailies
- Storage for sets, costumes and props
- Staging space to accommodate grip trucks, park portables such as auxiliary dressing rooms and generators
- Blue sky and/or exterior water tanks

Most studios, even small independents will have some component of the following support services. If the services are not on-lot, they will typically offer deals with local suppliers nearby:

³ For the purposes of discussion in this report, the term 'studio complex' refers to large studio facilities that feature an inventory of sound stages and ancillary and supporting uses.

- Mill and carpentry
- Drafting and set design services
- Paint department
- Carpet and drapery
- Sign shop
- Costume shop
- Prop manufacturing
- Grip and electric including cranes, dollies, cars and portable generators
- Camera equipment, supplies and accessories
- Visual effects
- Audio post production
- Digital post production
- Motion-capture facilities
- Offices for production, marketing, distribution, casting, production accounting, music publishing, legal, and writers.

Some studios provide backlot locations which are considered an amenity in lieu of location shooting. Backlots offer a more efficient alternative to location shooting, providing a generic scene on studio grounds that can be dressed to stand in for a multitude of locations. However, due to their size and land cost considerations, backlot services are becoming less cost effective for studios located in urban locations.

3. City-wide Studio Inventory

According to the OMDC, Toronto is home to approximately 2 million square feet of studio production space across 27 production studios, 10 of which are currently located within the Study Areas. These studio sites vary in size, function, and location across the city, though almost all are located in designated Employment or Regeneration areas per the City of Toronto Official Plan. The locations of Toronto's film and screen production studios are shown in Figure 11 on the following page. Over a quarter of Toronto's total supply of stage space is located in the Study Areas, which accounts for 530,000 square feet.

Approximately 240,000 square feet (12%) of Toronto's total production space supply is purpose-built, with Pinewood Studios being the only Toronto studio built with the original purpose of facilitating on-screen uses. The vast majority of Toronto's studios were converted from previous industrial uses, and range in size, production capacity, and amenities. Toronto's studio inventory features production sites with floor areas as little as 2,500 square feet (Album Studios) to as large as 750,000 square feet (Cinespace Film Studios at 777 Kipling Avenue), with the majority of locations falling in the 50,000 to 80,000 square foot range.

Figure 11: Location of Production Studios in the City of Toronto, 2015



Source: City of Toronto, OMDC 2015

4. Limited Studio Vacancy Restricts Industry Growth

The supply of Toronto's studio production space has not kept pace with the growth the industry has experienced over the past two years. Though no city-wide vacancy rates are available for the city-wide studio inventory, almost every industry stakeholder and expert interviewed over the course of the study noted the lack of available studio space as the leading constraint on the industry today.

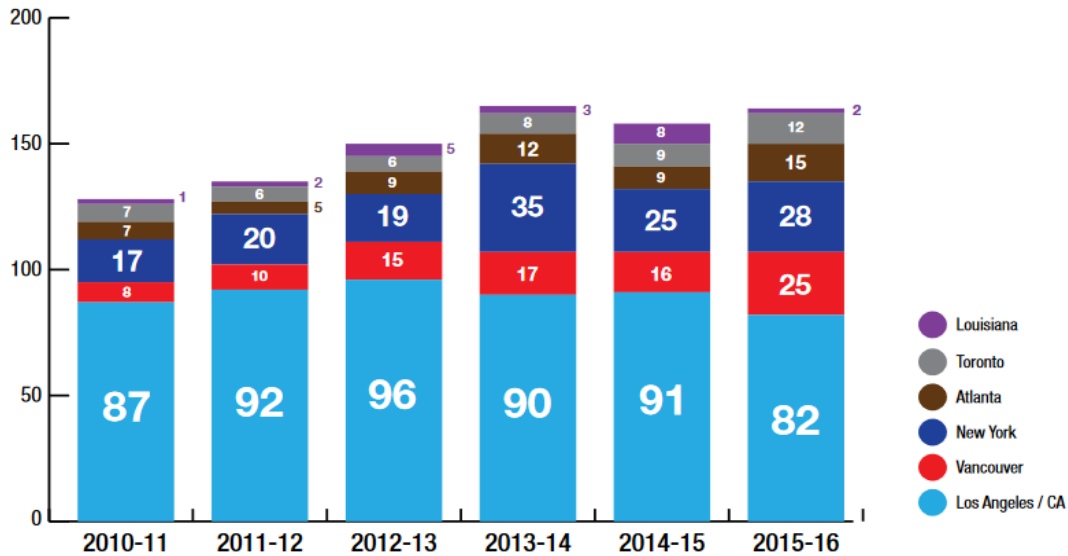
The occupancy patterns of film and television productions are unlike traditional employment uses. A movie may need studio space for principal photography over the course of a few months, while a television show may only require a limited booking to shoot a pilot or, if successful, it could be in place for a number of years. Studio owners will typically seek to schedule additional productions in advance of an existing tenant wrapping production, though finding a tenant whose specific needs match the studio's profile and characteristics can be at times difficult. Because of this uncertain dynamic, vacancies can vary significantly at any given point in time.

Some vacancy is healthy in its own right, as this may attract new productions by providing a greater range of locational choices for prospective investment. Many local producers and studio owners interviewed indicated a distinct difficulty in finding available space in the Toronto area over the past few years due to limited vacancy. While some productions have managed to find space in less-than ideal locations, including raw unconverted warehouse spaces across the city, others are not so flexible. Purpose-built space is preferred by most productions, though no new purpose-built space has been constructed in the city in over 10 years. This has become an increasing concern in recent years, particularly as it relates to the production of television programming. Heightened competition among premium cable and digital producers is resulting in a growing demand for more high quality sound stages and larger sets. The lack of vacancy is resulting in many television productions booking studio space long-term, even during production hiatus between shooting seasons, due to concerns that the studio space will be snapped up by another production.

At the same time, many producers noted the difficulties in negotiating leases for production space in traditional warehouse buildings. Landlords for these spaces tend to be unfamiliar with the occupancy patterns and needs of the film and screen industry, and often expect long term leases akin to what other traditional industries might accommodate. This has resulted in a number of prospective productions choosing to locate elsewhere. While the impact of this lost investment is difficult to quantify at a municipal level, the OMDC estimates provincial revenue losses due to lack of suitable space to be in the range of \$60 to \$90 million for the 2016 calendar year.

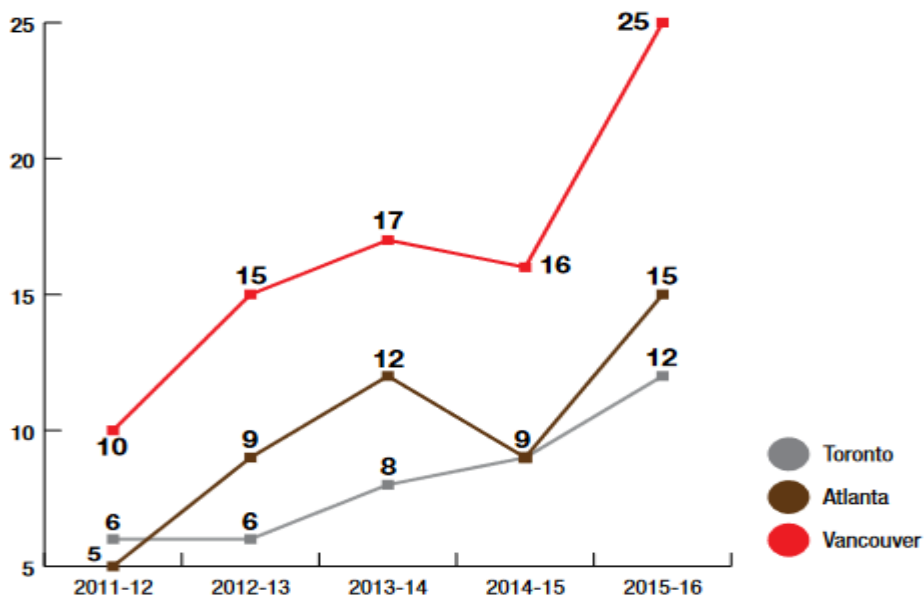
The impact of this constraint is most apparent when comparing the recent growth in Toronto's television pilot projects to other rapidly growing markets, such as Vancouver and Atlanta. These markets have steadily been gaining ground on many of the more established television markets in North America in recent years, as shown in Figure 12 and Figure 13.

Figure 12: Top Television Pilot Production Locations, 2010-11 to 2015-16



Source: Film LA Inc.

Figure 13: Gains in Toronto, Atlanta and Vancouver, 2011-12 to 2015-16



Source: Film LA Inc.

Television pilots represent original scripted projects which a distributor or network may choose to pick up for either a limited run mini-series or full-series run depending on the format of the project. If a network or other distributor chooses to ‘green light’ a project, it could mean anywhere from a limited short-term occupancy for a one-off miniseries to a multi-year engagement. Depending on its script and format, a series could require anywhere between a small studio, to multiple sound stages. As premium cable and alternative providers such as HBO and Netflix continue to raise production values in their programming, series requirements for studio space have trended towards much higher demands for space and sets. This makes pilot production a key indicator for studio market demand.

While pilot production is subject to annual fluctuations due to a number of factors, Toronto, Atlanta and Vancouver have demonstrated relatively steady growth over the past five reporting periods. Toronto effectively doubled its pilot production count since the 2011-12 production season. Over the same time period, Vancouver and Atlanta have outpaced Toronto’s growth, expanding by 150% and 200% respectively. Both markets are experiencing growth related concerns similar to Toronto, though Vancouver and Atlanta have the benefit of larger existing supplies of purpose-built studio space. Vancouver is currently home to 8 purpose-built studio facilities totalling 47 stages and nearly a million square feet of purpose-built production space, plus an additional 1.75 million square feet of raw and converted studio space. Atlanta and its surrounding area has 4 major film studio complexes, totalling over 40 stages and one million square feet of purpose-built production space, with another half million square feet of converted space across smaller studios.

Major studio producers in both Vancouver and Atlanta have also announced plans for major studio infrastructure expansions in the near future^{4,5,6}.

⁴ ‘B.C. film industry invests big in new studio infrastructure.’ *Business in Vancouver*. 23 February, 2016. <https://www.biv.com/article/2016/2/bc-film-industry-invests-big-new-studio-infrastruc/>

⁵ ‘Move over, Hollywood. Atlanta is becoming a major film mecca.’ *CNBC*. 1 November, 2016. <http://www.cnbc.com/2016/11/01/atlanta-rivals-hollywood-to-become-major-film-mecca.html>

⁶ *It is also worth noting that Georgia offers a generous above- and below-the-line tax incentive with no cap. Recent analysis has shown the program to be net negative for the state, with increasing legislative pressure to reduce the tax incentives. Should this occur, it is likely that Georgia will see a decrease in production, resulting in increased opportunity for other areas.*

5. Challenges of Building New Studio Space

Despite the demand for new space being quite high, finding adequate sites and sources of funding to develop a proper site is distinctly challenging in Toronto. While the conversion of existing industrial warehouse spaces has accommodated some demand in recent years, Toronto's supply of available employment land with suitable buildings and site locations is limited, particularly in the Study Areas. Buildings with the proper dimensions and structural standards to meet a film studio's needs are rare, and even then, the conversion prospects for these buildings only occasionally present the opportunity to create a space that would be truly desirable for major productions. More often than not, these sites will be constrained by a number of factors, including low ceiling heights with limited clear span and limited parking and secure storage space for production vehicles and supplies. This tends to limit these spaces to smaller scale commercials, one-camera television, and talk show productions. Features are difficult to accommodate in a converted warehouse.

With such a significant demand for additional space, market conditions appear to be favourable enough to warrant the construction of new purpose-built studio space. Such infrastructure would represent the first purpose-built studio stock to be added to the Toronto inventory since the construction of Pinewood Studios in 2006 (then FilmPort). New studio stock could potentially be built to Tier One standards, and would help Toronto compete with other North American markets that have also recently increased their purpose-built supply, including Vancouver and Atlanta.

Developing a viable purpose-built studio comes with its own set of challenges:

a. Construction costs

Building a purpose-built studio from the ground up typically will require more capital investment than converting an existing building for production purposes. While purpose-built structures have the advantage of being designed to specification to include features such as higher ceilings and improved sound attenuation and electrical systems, these features can be expensive to provide. Pinewood Studios is an example of a studio designed to provide a premier level of quality and film-friendly amenities at significant cost.

A new purpose-built studio would not necessarily have to be built to the same level of investment as Pinewood, as different studios facilities can meet the needs of different productions and budgets within the local market. However, the initial investment to construct any sort of purpose-built studio will likely be more expensive than the alternative of re-purposing an industrial building in another part of the city.

b. Site size

Studio developers indicated an investment in new purpose-built studio space would be best suited as part of a full-service studio complex with the space and flexibility required to be competitive and viable over the long term. This would require a site large enough to fit the majority of their operations behind a secured perimeter. Based on developer opinion and studio precedents seen in other urban film markets, a consolidated site of between 10 and 15 acres would be required to accommodate the various features needed for a full studio complex.

There are a limited number of available sites in the Study Areas that meet this standard, though the Port Lands currently features a limited array of parcels which could potentially be consolidated into a site of sufficient size. There are also creative alternatives to site design which could potentially reduce the minimum size required for a cohesive site, including structured or offsite parking, stacked studio layouts, or the separation of non-essential studio buildings, such as production offices, to other parcels in the immediate vicinity of the core site.

c. Financing

Acquiring financing to develop studio infrastructure is also difficult, as banks and other traditional lenders for capital investment are hesitant to lend to studio developers due to the industry's non-standard occupancy patterns and perceived risk. Private investors more familiar with the industry are typically required to finance these kinds of projects as their calculation of risk is more nuanced than that of a typical real estate lender.

IV LESSONS FROM THE INDUSTRY AND CASE STUDY PRECEDENT

In addition to the review of local market and stakeholder interviews the study also reviewed the development of studio infrastructure in other jurisdictions. These cases offer examples of the issues faced when developing studio infrastructure concentrated within an urbanizing neighbourhood, such as would be the case in the Study Areas. Details of the case study analysis are included in Appendix B. This section summarizes the cases studied and lessons learned which could be applied in the Toronto context.

A. CLUSTERING USES AROUND STUDIO INFRASTRUCTURE CREATES A STRATEGIC ADVANTAGE FOR LOCAL INDUSTRY

The concept of clustering related uses in a defined geographic area accrues several benefits to the industry involved. The Study Areas provide an ideal opportunity to attract additional film and media production related businesses to the district.

A cluster is a geographic concentration of interconnected companies and institutions in the same industry. Benefits are numerous. The cluster approach enables policy debate and actions to be targeted and strategic. Land use policy, zoning designations, financial incentives, and specialized infrastructure such as high-speed fiber optics, road beds, lighting, and hydro feeds can enhance a specialized district, in a more efficient manner than if distributed across the broader metropolitan region.

Studies show that businesses located in clusters have a stronger growth and survival rate⁷. Complementary services expand the pool of potential clients and businesses benefit from customer overflow. Complementary uses located nearby are also ready to meet just-in-time production needs that crop up during shooting.

⁷ Goldsmith, Ben, and Tom O'Regan. *The Film Studio: Film Production in the Global Economy*. Lanham, MD: Rowman & Littlefield, 2005

Physical proximity of companies facilitates exchanges of information and talent. While there is a natural competitive aspect to clustering, businesses evolve to distinguish themselves and develop complementary lines of products and services enlarging opportunities for all in the cluster.

Industry specific equipment can be shared. This reduces redundancy in the type of equipment offered and allows for some businesses to offer unusual and rare equipment, such as production quality film drones and cutting edge camera equipment, meaning the cluster can service a wider range of productions. Having unusual equipment stocked and a large supply of equipment close by enhances the full-service reputation of the district.

A high concentration of knowledge in a single location encourages entrepreneurs to spin out more new start-ups than would otherwise be launched. Intensive focus on one industry makes evident what might be missing from the array being offered within the cluster. This prompts innovation and the launching of new businesses.

Clusters drive productivity and competition of firms and improve the range of sizes and kinds of businesses that can succeed. The entrepreneurial energy created within the district improves satisfaction, mutual support and a sense by small firms that they are not alone.

Los Angeles, generally acknowledged to be the heart of the entertainment industry, has 612 listings for stage rental facilities in the LA411 directory – estimated to offer over 3,000 stages for rental. This means the region can accommodate all kinds of formats and budgets with a full range from top quality services to none at all. A huge roster of businesses serve independent productions that choose not to use make of full-service studios.

Vancouver, which also has a successful cluster of production businesses, has 31 stages ranging in size from 5,000 to 21,000 square feet within a ten minute drive of the core cluster. The cluster offers some converted space, but a large percentage of purpose-built stages demonstrates the commitment to the industry. The Reel West Digest, the Vancouver equivalent of LA411, lists well over 600 production related businesses in the Vancouver metropolitan area.

Given that the Toronto metropolitan area is considered to be one of North America's leading production markets, a consolidated on-screen entertainment production cluster located centrally in the Study Areas could provide an increased competitive advantage for Toronto's on-screen industries as they continue to grow. Using Pinewood, Revival and additional studio complexes as anchors, more stages and a range of related services could quickly fill out available land.

B. POTENTIAL ON-SCREEN INDUSTRY USERS IN THE STUDY AREAS

A strategic mix of commercial, retail, and light industrial uses would provide future flexibility for the industry.

Office space is used for production, marketing, distribution, casting, production accounting, music publishing, legal, writers, labor unions, insurers, marketing, and distribution entities. Digital production entities such as game developers, animators, designers, drafters and even some kinds of post-production will function within standard office space.

Institutional users that may merit government subsidy will help brand the district and provide a supply of entry level talent. This could include acting, performing and trade craft schools. Non-profits and museums with an industry focus will also encourage tourism helping to support retail occupiers.

Light Industrial uses are favored in Los Angeles because they provide well-paid jobs with non-rush hour based work days. These include processing labs, storage for props, costumes, sets, carpentry shops and mills, prop and special effects manufacturing. Transportation vendors that rent grip trucks, vintage autos and limos can temporarily occupy contaminated sites until a clean-up plan is implemented.

Retail businesses can serve the industry as well as the general public. They include audio and video equipment sales and rentals, catering/food service, paint, carpet and drapery, lighting and expendables. In the local context, industry stakeholders also highlighted the proximity to services and vintage shops along Queen Street to the north of the Study Areas as an asset.

In addition, residential uses and commercial uses, while seemingly at odds with an industry cluster can, under specific conditions, be an enhancement if planned accordingly. For example, long-stay hotels allow above-the-line talent easy access to their jobs when visiting Toronto or working on long shoots. As is noted in a number of the case studies reviewed in Appendix B, well-established studios can operate in

close proximity to single and multi-family areas, so long as the prime studio sites themselves are protected for. This requires the prevention of any residential uses within sites identified for studio uses in order to limit speculation and conflict, though residential uses could be permitted nearby.

Signature users help brand a district and can jump-start investment in a transitional neighborhood. The arrival of a pioneering media producer such as Netflix, Disney, Amazon or Nickelodeon could immediately demonstrate that the Study Areas are open for business. Pioneers use different criteria for their real estate decisions that may offset high costs of occupation. For these entities, the choices they make are used in part to reinforce an overall corporate identity. For example, Warner Music's move to the edgy, under-parked Arts District in downtown Los Angeles helped attract millennial employees and brand their music business as more cutting edge. The Study Areas, to some degree, could offer the same type of potential for future users.

C. PLANNING FOR A BALANCE OF STUDIO RELATED LAND USES COULD SUPPORT THE SUCCESS OF INDUSTRY USES IN THE STUDY AREAS

While the Study Areas are unlikely to be able to accommodate a major movie studio of the scope of a Paramount or Warner Brothers⁸, it is useful to examine the allocation of land use on a major studio lot as a guide for land use allocation in the Study Areas, particularly at the precinct plan level.

Paramount Pictures provides an example referring to a recent plan with a 25-year vision for the future of the studio. The new plan lays out the maximum build-out over 65 acres under what is considered an optimum mix. The addition of 1.4 million net new square feet is estimated to generate 7,300 direct and indirect jobs throughout Los Angeles and \$1.1 billion in economic output. At full operation the estimate is for 12,600 new permanent direct and indirect jobs throughout Los Angeles with \$3.1 billion annually in economic output.

⁸ For reference, the Warner Brothers studio complex in Burbank, California is nearly the same size as the central core of the Port Lands, east of the Don Roadway, south of Commissioners Street, and west of Carlaw Avenue. The two differ in that the Warner Brothers lot represents a fully owned and secured studio campus, whereas the Port Lands is made up of numerous smaller blocks split between various owners and public right-of-ways, limiting the opportunity to develop a cohesive secured studio complex.

The breakdown of uses proposed in the plan is summarized in Figure 14 on the following page.

Figure 14: Planned Allocation of Developable Floor Space, Paramount Studios Master Plan

LAND USE	Sq.Ft.	PERCENT
Stage	384,000	12%
Production Support	588,000	18%
Production Office	968,000	30%
Other Office	1,184,000	37%
Retail Public	111,000	2%
Retail Employee	22,000	1%
TOTAL	3,235,000	
DENSITY	50,000	s.f./acre

Source: Paramount Studios

The Paramount plan details changing approaches to a number of studio facilities and land use components. These approaches provide some insight into the changing needs of modern studios and could help to inform planning for studio land uses in the context of the Study Areas. Key components are summarized as follows:

- Stages**
 Stages must now accommodate digital recording, advanced lighting and dimming technologies, and an array of on-site technicians to manage it. Production offices are more efficient if they are located next to the stages for rewrites and crew meetings, so some office components will ideally abut a stage.
- Employee Amenities**
 Employee amenities include retail such as food service, child care, credit union, sundries and gym. These could be private or public and possibly part of a tourist component. Major studios have studio tours and stages that accommodate audience bleachers and audience holding areas. A robust tourist, audience retail component would be a natural fit for a built-out film district possibly combining it with park land and movie theatre attractions.
- Basecamps**
 Basecamps are a critical factor to consider when laying out present and future circulation and allowing open areas between structures. Production is an ever-changing and demanding process that requires all support capabilities and talent

dressing rooms to be mobile at a moment's notice. Today, production requires a traveling basecamp with a collection of talent, lighting, grip, costume and other trailers and trucks that needs to be adjacent to the production filming whether it is taking place on the lot or on location. Paramount's studio lot is hampered by a street grid and stage layout reflecting a time when productions were less equipment heavy, talent did not mind a bit of inconvenience and there was not such a wide range of technical formats and budgets to accommodate. Basecamps allow flexibility that increase stage utilization.

- **Warehousing**

Warehousing is in deficit in Hollywood. Storage for items such as props, costumes and sets have left the inner city for areas with cheaper real estate. This adds to the need for trucking, staging and distribution of such items. Sites in the Study Areas that are in flood zones or that have contaminated soil could be used for warehousing and vehicle storage until they are remediated.

- **Backlots**

Most major studios have some land allocated to a backlot for outdoor and action sequences, while also reducing the need to move to location. At Paramount this occupies approximately five acres and is called "New York Street". It has facades, some of which are live, that imitate typical scenes such as a brownstone street, the financial district, and a school, to name a few. Manholes can be made to generate steam and the fire hydrants are pressurized for action authenticity. The Studio's long-range plan maintains this amenity.

V PLANNED CHANGES ON THE HORIZON

The closure of a number of industrial activities coupled with environmental factors which restricted non-employment uses led to the current transitional condition of the area. This change created opportunities for studio uses to adaptively reuse space with little competition from other land uses.

This situation is likely to change soon, as growth pressures are reaching the point where major changes planned for the area become a reality. These changes will reshape the landscape and will introduce new uses which could potentially conflict with existing and future studio activities. This section first discusses how land use plans for the Study Areas provide a framework which seeks to enable a full range and mix of uses across the geography, including new mixed-use communities in appropriate areas, and secondly how these changes will impact existing studio infrastructure.

A. VISIONS AND PLANS FOR THE STUDY AREAS HAVE EVOLVED OVER TIME

Planning efforts to revitalize and unlock development activity in the Study Areas have been undertaken in various iterations over the past twenty years. These studies include:

- Unlocking the Port Lands (1998);
- Making Waves (2001);
- The Central Waterfront Secondary Plan (2003);
- The Don Mouth Naturalization and Flood Protection Project (DMNP) Environmental Assessment (2006);
- The Port Lands Implementation Strategy (2006);
- Lower Don Lands Design Competition (2007);
- Lower Don Lands Framework Plan (2010);
- The Port Lands Acceleration Initiative (2012);
- The South of Eastern Strategic Direction (ongoing);
- The Port Lands Planning Framework (ongoing); and
- Unilever Precinct Plan (ongoing).

One of the more recent and ongoing studies in the area is the Port Lands Planning Framework (PLPF). The Framework is a high-level, comprehensive long-term plan that will provide the basis and rationale for modifications to the Central Waterfront Secondary Plan as it relates to the Port Lands. It is also incorporating the outcomes of previous studies, most notably the DMNP EA and Lower Don Lands Infrastructure EA. The Port Lands and South of Eastern Transportation and Servicing Master Plan (TSMP) has been undertaken concurrently with the Framework as an integrated planning process under the Municipal Class EA. Additionally, a precinct plan for Villiers Island also under development is both being informed and is informing the Framework.

In combination with other ongoing studies north of Lake Shore Boulevard, including the South of Eastern Strategic Directions and Unilever Precinct Plan, these plans will enable changes to the Study Areas which may affect future studio use and development opportunities.

B. PROPOSED PLANNING AND INFRASTRUCTURE CHANGES WILL BRING SIGNIFICANT CHANGE TO THE STUDY AREAS

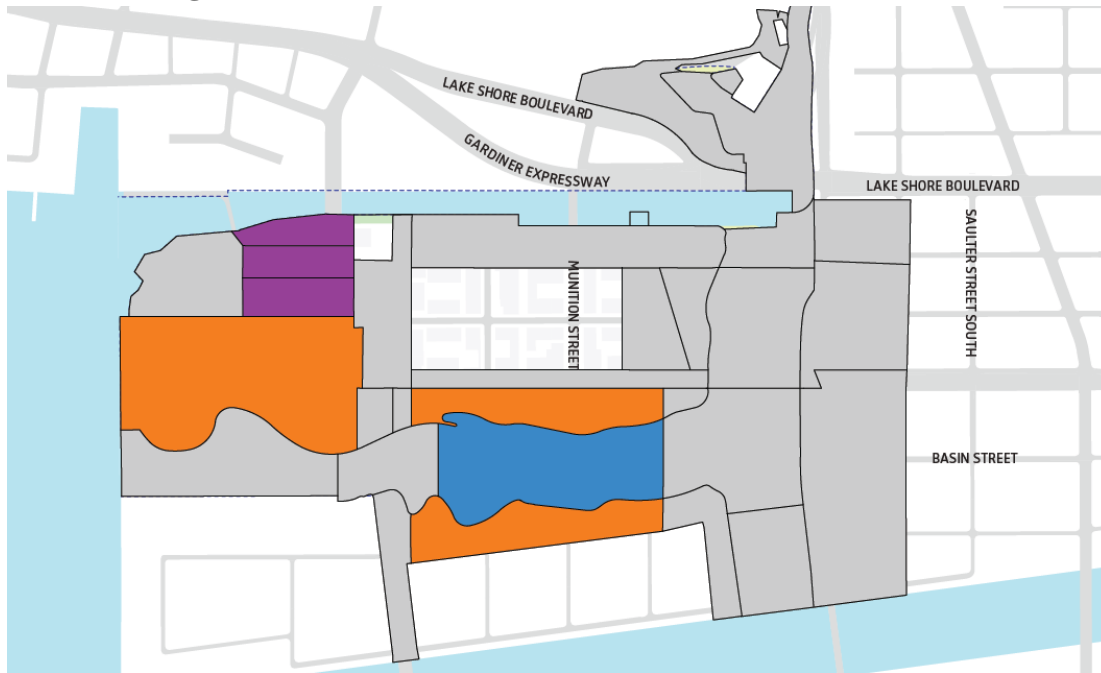
The changes proposed for the Study Areas will have a transformative effect on the land uses therein. Four major aspects will affect the operation and development potential of studio uses in particular: the naturalization of the Don River and associated flood proofing approved under the DMNP EA, the proposed Strategic Directions for South of Eastern, the proposed land use direction for the Port Lands under the PLPF, and the proposed infrastructure identified in the TSMP.

1. The Naturalization of the Don River and Associated Flood Proofing

The most significant undertaking required to improve safety and unlock the development potential of the Study Areas will be the naturalization of the mouth of the Don River. Together with rerouting the river and the creation of an additional spillway, the project will construct a number of flood protection measures, enabling intensification in flood prone areas.

In order to redirect the river and develop the required flood protection measures, the core project will be undertaken in four stages. A summary of the work to be completed in each stage is provided in Figure 15.

Figure 15: DMNP EA and Lower Don Lands Phasing
Earthworks: Stage I



Earthworks: Stage II

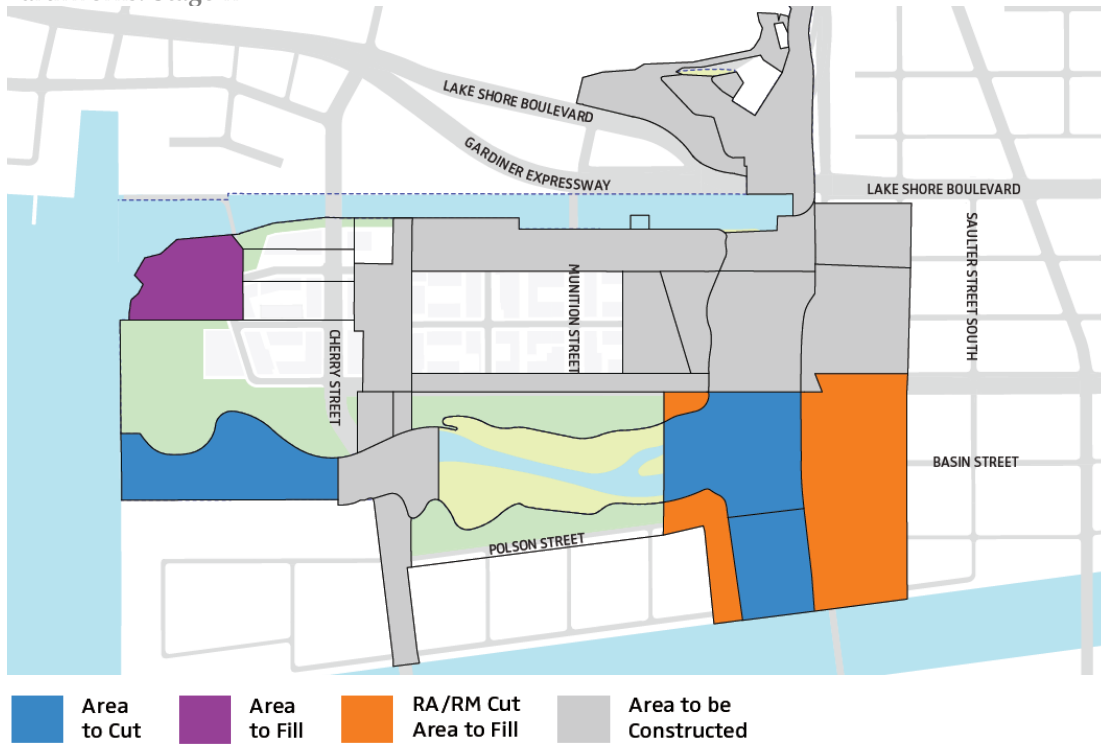
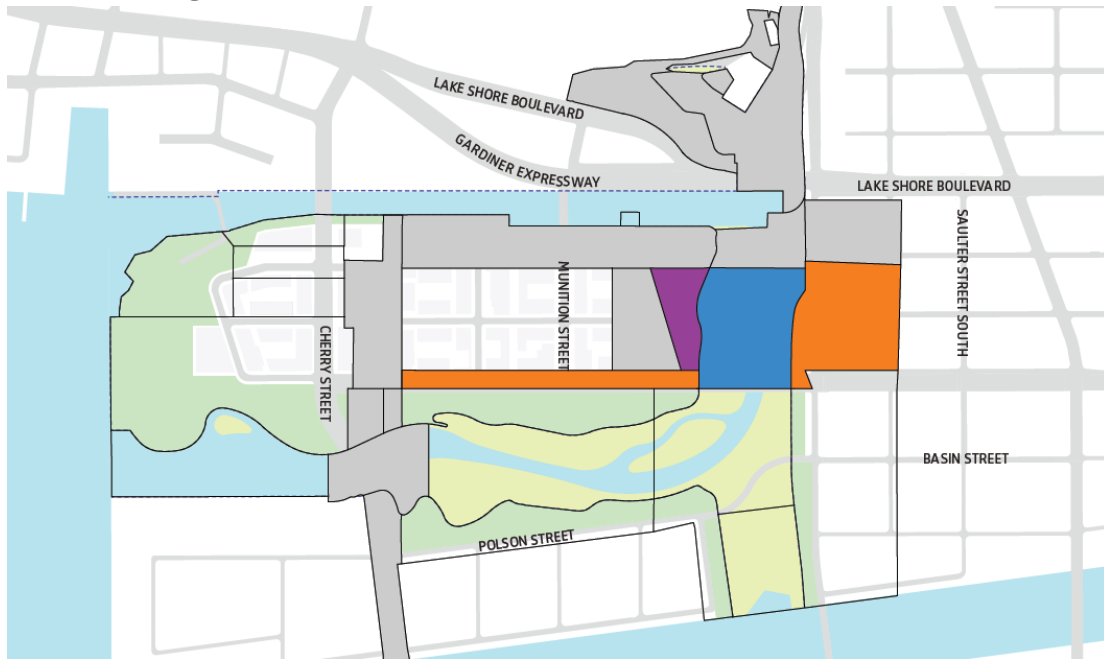
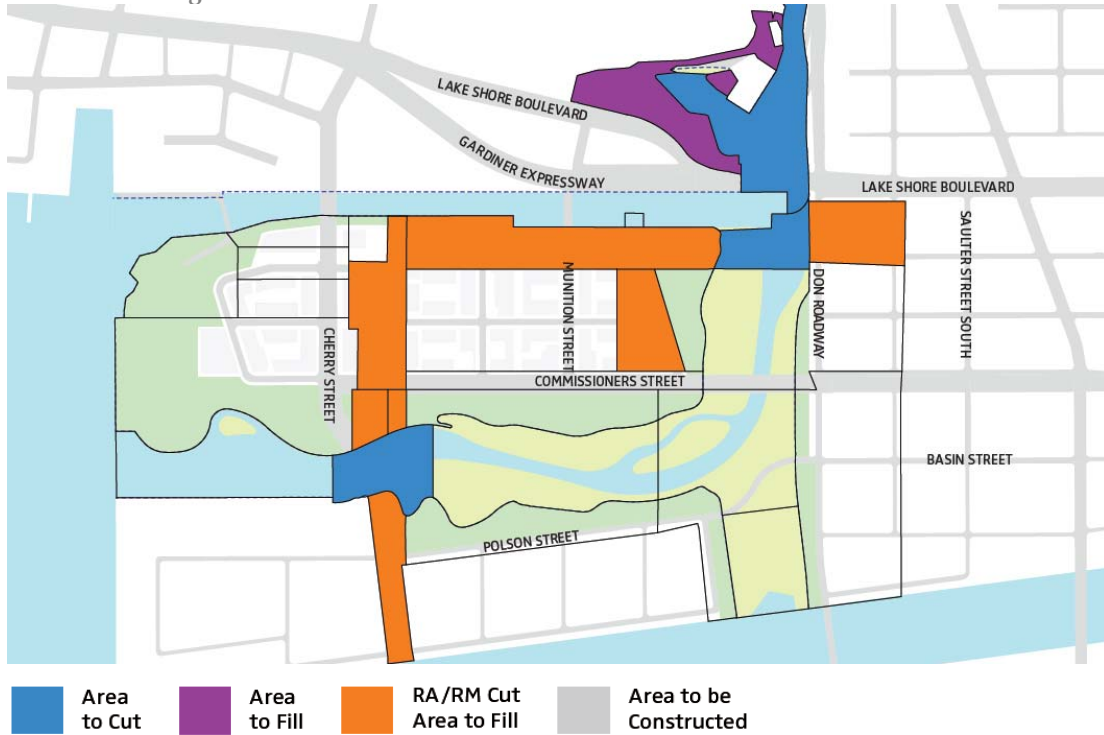


Figure 15: DMNP EA and Lower Don Lands Phasing (Continued)

Earthworks: Stage III



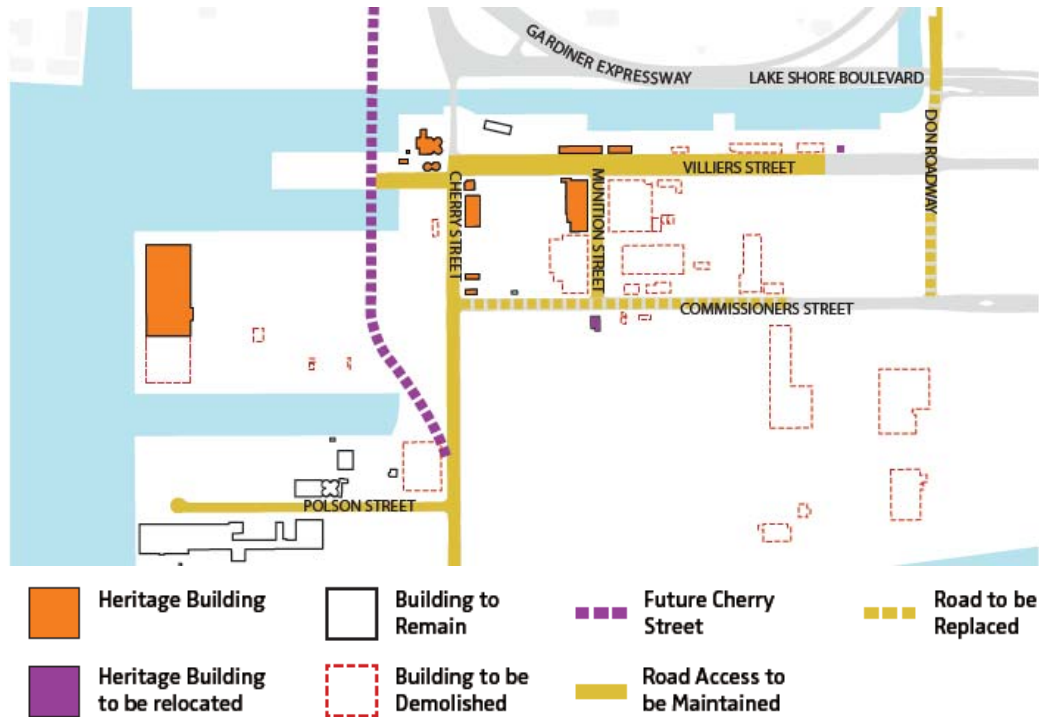
Earthworks: Stage IV



Source: Adapted from Waterfront Toronto

The core construction component of the naturalization work is anticipated to take just under four years to complete from point of commencement, and could start as early as 2018⁹. Once started, the project will likely have a disruptive impact on existing industry operations in the area. The excavation and grading of the Greenway and Ship Channel wetland will require the removal of all remaining infrastructure, utilities, and buildings in the area. This will include the relocation or removal of the Pinewood Jumbo Stage currently located at 75 Commissioners Street, Pinewood Stage 54 located at 54 Commissioners Street, and PS Production's primary film equipment rental warehouse located at 80 Commissioners Street¹⁰. The project will also require the removal and reconstruction of sections of Commissioners Street and the Don Roadway, potentially disrupting vehicle traffic in the area in the interim. A summary of these changes is shown in Figure 16.

Figure 16: Interim Road Network and Building Removal/Relocation



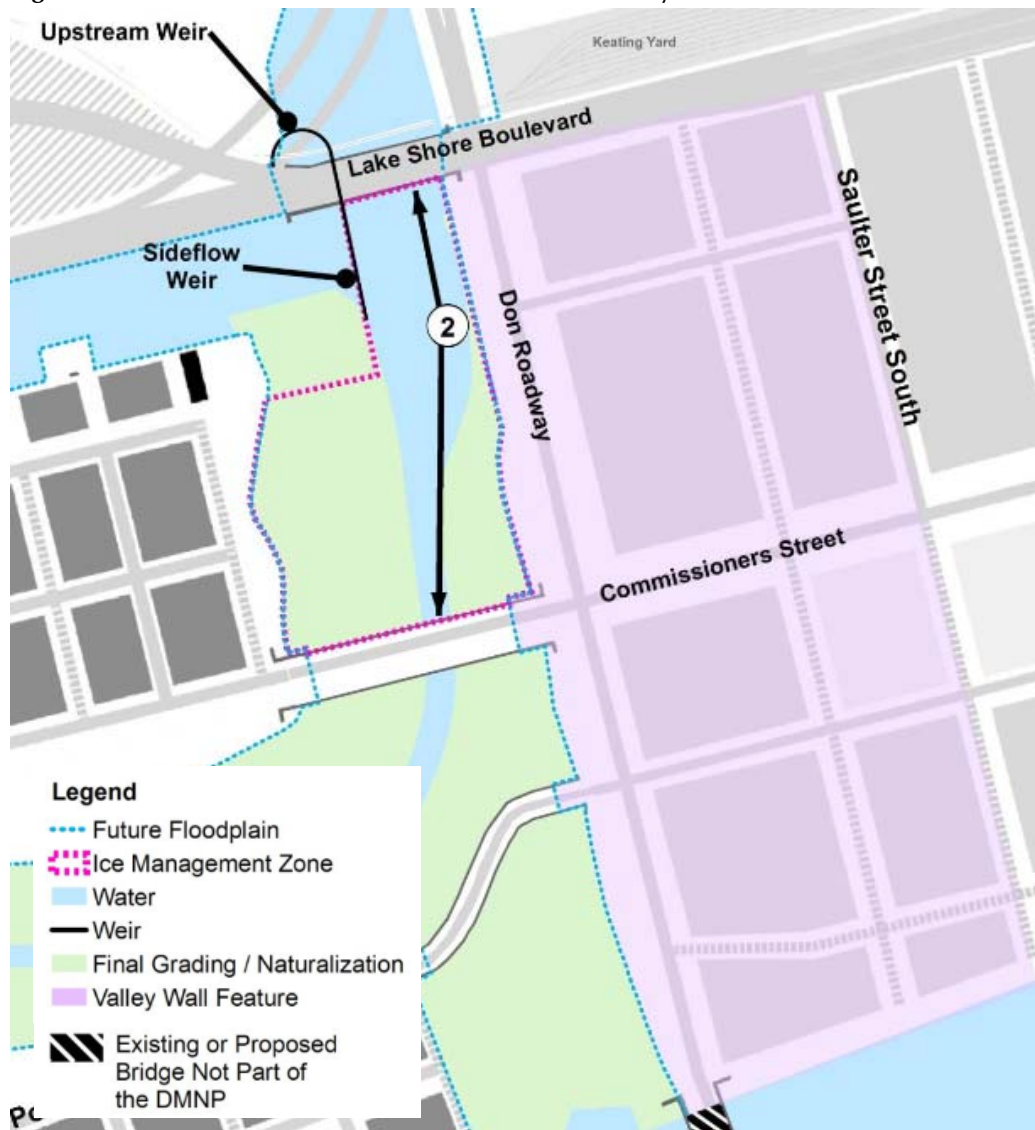
Source: Adapted from Waterfront Toronto

⁹ At time of writing, the City and Federal and Provincial governments have announced funding support for the project, though exact timing of the project start remains uncertain.

¹⁰ Pinewood's Stage 54 and the PS Productions facility are not in the footprint of the river valley but are assumed to be demolished as a result of the river construction work.

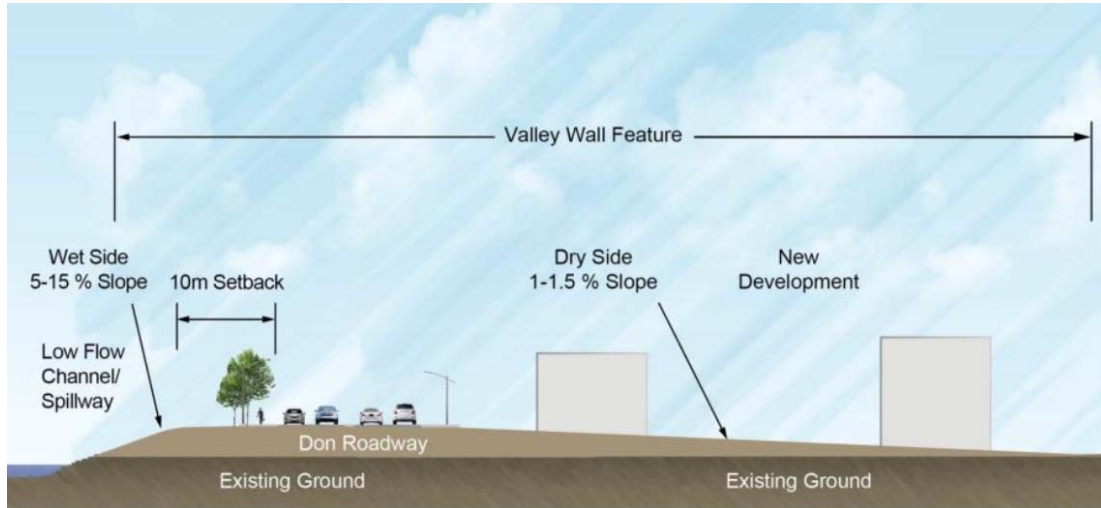
The work done in this phase will also impact potential studio sites east of the Don Roadway. During the construction of the Greenway, an elevated valley wall feature will be constructed along the eastern limit of the new river valley system to eliminate the risk of flooding to areas east of the feature. This Valley Wall Feature will raise the eastern embankment to a minimum of 0.5 meters above regulatory flood levels, with a gradual regrading eastward to as far as Saulter Street. The Don Roadway will be reconstructed on top of this new feature. The area anticipated to require grading for the valley wall feature is illustrated in Figure 17. A cross section of the valley wall feature is shown in Figure 18.

Figure 17: Phase 2 Flood Protection Measures and Valley Wall Feature Area



Source: Adapted from AECOM, City of Toronto, TRCA & Waterfront Toronto

Figure 18: General Dimensions of the Valley Wall Feature South of Lake Shore Boulevard



Source: AECOM, City of Toronto, TRCA & Waterfront Toronto

The construction of the Valley Wall Feature and subsequent grading between the Don Roadway and Saulters Street could potentially affect the development of new studio infrastructure on the affected sites¹¹. Much of the land located in the affected area has the potential to facilitate large studio sites, though the increased grade could result in increased costs and complexity for the construction of large sound stages.

Commissioners Street will also be reconstructed during the construction of the Valley Wall Feature. The proposed reconstruction plans also propose to relocate underground existing hydro infrastructure which runs through the area. This could enable the removal of easements on sites adjacent to the hydro infrastructure as it exists today, enabling a higher degree of development flexibility on these sites.

¹¹ It should be noted that the impact of the grading requirement will be more limited towards the southern portion identified in Figure 18. The Valley Wall Feature would tie into the grading of flood proofing work already completed as part of the initial development of the Pinewood site, though some of the existing parking areas to the west of the site could still be affected.

2. Direction of Proposed Changes in South of Eastern Employment District

In response to a 2012 Planning and Growth Management Committee request, the City Planning Division together with the Economic and Development and Culture Division is preparing a three-pronged South of Eastern Strategic Direction. The Strategic Direction is being designed to address the area's economic potential, the resulting transportation needs and urban design implications.

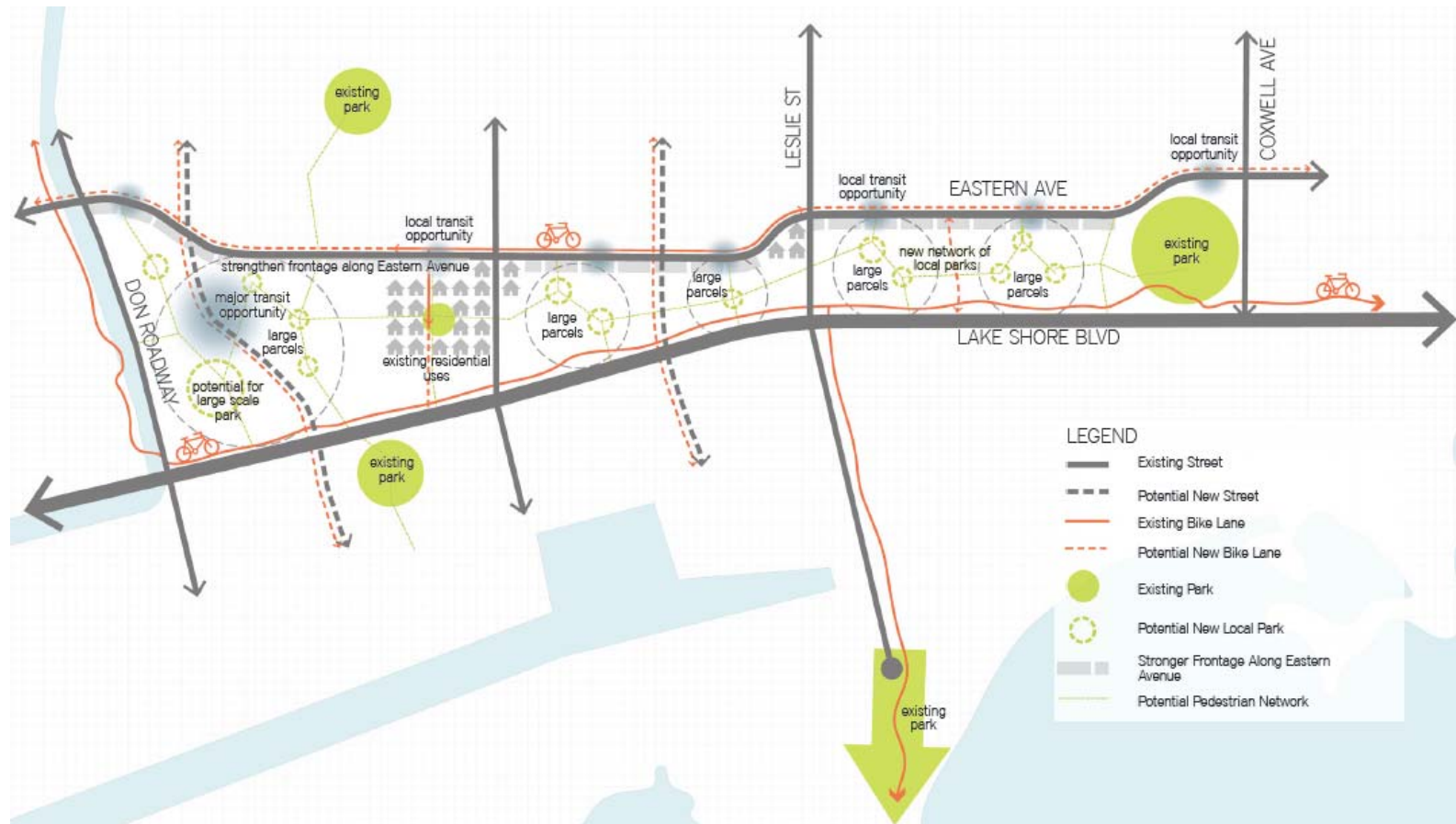
While work on the Strategic Direction is still ongoing, a Background Study Report (the "Background Study") on the area's economic future was prepared by a consulting team led by planningAlliance (now SvN), in partnership with Hemson, and published in July of 2015. The key findings of the Background Study informed a number of recommendations along with a framework plan which illustrated the recommended transportation, built form and public realm structure to support existing residential and employment uses, and attract a new generation of employment to the area. The framework plan is shown in Figure 19 on the following page.

Based on economic trends observed at the time, the Background Study assumed that the South of Eastern area would undergo a period of transition, with many of the areas historic employment sectors being gradually replaced by new uses looking to take advantage of locational advantages, such as close proximity to Toronto's financial core, downtown area, and future development along the waterfront. Large redevelopment sites were determined to be the key to the area's economic future, dependent on the provision of better transportation and public transit infrastructure.

The western portion of the area was assumed to be developed first, with the Unilever site serving as a catalyst for an increasing trend towards office development, which would gradually shift towards the central portions of the area. Creative industries were assumed to be firmly entrenched in the area based on the presence of existing studio complexes like Cinespace and Revival 629, with new growth expected to be concentrated into smaller studios and offices nearby. Redevelopment of the whole area was expected to occur over a very long time frame, leaving sufficient space available for creative industries to adaptively reuse older space without having to compete with higher order land uses.

To support this economic vision the report makes a number of recommendations, including directing major office development to the western portions of the area, allowing for hotel and retail opportunities, and providing equal access to economic development incentives found in other districts of the City. The economic vision was to be supported by increasing vehicle, transit, pedestrian, and cyclist connections through the area, along with improved urban design components highlighting the importance of parks, animated pedestrian-friendly streets, and built form.

Figure 19: South of Eastern Background Study Report Framework Plan



Source: City of Toronto, planningAlliance

The Background Study recognized that the timing and scale of development in the area would largely be contingent on market demand and the provision of higher level transit. Trends at the time suggested employment growth demand would likely call for the development of modest office development, while demand for on-screen industry space would be limited to smaller studios centred on the existing studio complexes.

Since the time of the Background Study, demand for office space in Toronto's urban core has continued at a rate higher than originally expected. This has increased speculation on local properties for office development, leading to greater than anticipated development being proposed in the South of Eastern area in terms of both timing and scale. This is exemplified by the significant scale of office and retail space being proposed in the Unilever Precinct and the arrival of other newcomers, such as GM with their innovation campus proposed for 721 Eastern Avenue.

The demand for studio space has also increased significantly since the period of analysis conducted in the Background Study. However, the increased market competition for land in the South of Eastern area now makes it more difficult for studios, both large and small, to find viable development sites.

Additionally, the Background Study did not account for the potential loss of central studio infrastructure in the Study Areas. With Cinespace selling its two studio sites, their potential redevelopment to non-studio uses could remove some of the attraction for smaller studio developments as anticipated in the report.

Though the Background Study recognized that the inventory of large parcels through the South of Eastern area would be key to its future redevelopment, most of these sites were anticipated to be developed for office uses. Few are considered large enough to facilitate a new studio complex, with the increasing competition for land making site acquisition financially difficult for a larger studio development.

These factors tend to limit, although not exclude, the prospects for additional studio complexes in this area. For example, the potential relocation of municipal operations in both the west and eastern portions of the South of Eastern Employment District could create new opportunity sites in the years to come. These opportunities are discussed in greater detail in section VI.

3. Proposed Land Use Direction in the Port Lands

The most recently proposed direction for land uses within the Port Lands is designed with the intent of accommodating a balance of broader city-building and economic objectives. This includes support for continued growth in key economic clusters through various land use categories specific to their operations. Specific focus is given to Toronto's screen-based industries under the Productions, Interactive and Creative (PIC) land use category. PIC areas are intended to permit a wide range of uses that support the industry and related sectors with active ground floor uses on key public street frontages. Two tiers of PIC land use areas are identified:

- **PIC Core** – areas reserved for desired production, interactive and creative uses and other permissible uses. These areas are intended to accommodate larger floor plates and more intense production activities.
- **PIC Mixed Use** – areas that require a minimum amount of PIC uses in a mixed-use, compact form which may also include residential permissions.

PIC Mixed Use Areas would generally permit the full range of desirable PIC Core Uses. Residential permissions would be conditional on providing a minimum amount (30%) of PIC uses on a net block, as well as addressing any land use compatibility issues with industrial uses located nearby. The PIC Mixed Use Areas are envisioned to have an urban character with compact, multi-storeyed buildings, similar to Pinewood Toronto's head office building, on key frontages. Mixed Use areas south of the re-aligned Don River will not have outright permissions for residential due to the impacts of port and industrial uses and challenges with mitigating impacts. The intent is that these areas would be well suited for desirable PIC Core uses in an adaptable or compact form.

Given the mixed-use nature of these areas, PIC uses would likely take the form of offices, perhaps with some ancillary on-screen industry uses. Parcels with mixed-residential potential are likely to achieve land prices that may limit the viability of larger studio complexes, but still allow for some smaller studios for uses such as digital and animation to flourish. However, as the owner of the lands in these areas, the City also has a degree of control over their use and could still encourage the development of a larger studio on some of the larger parcels if it sees fit.

PIC uses account for nearly 17% (6.4% Core and 10.5% Mixed Use) of the proposed Port Lands land supply. Additionally, the Warehouse District is also identified for Light Industrial and Production uses, creating additional opportunities for future studio development. A map of the proposed land use direction is provided in Figure 20 on the following page.

Figure 20: Proposed Land Use Direction, Port Lands Planning Framework



Source: City of Toronto.

Note: *Residential in Villiers Island subject to appropriate source/receptor mitigation measures and minimum amount of non-residential uses. *Residential in Polson Quay and South River to be determined subject to more detailed study at precinct planning and appropriate buffer uses and/or source/receptor mitigation measures. ^Minimum amount of PIC uses required for residential permissions.

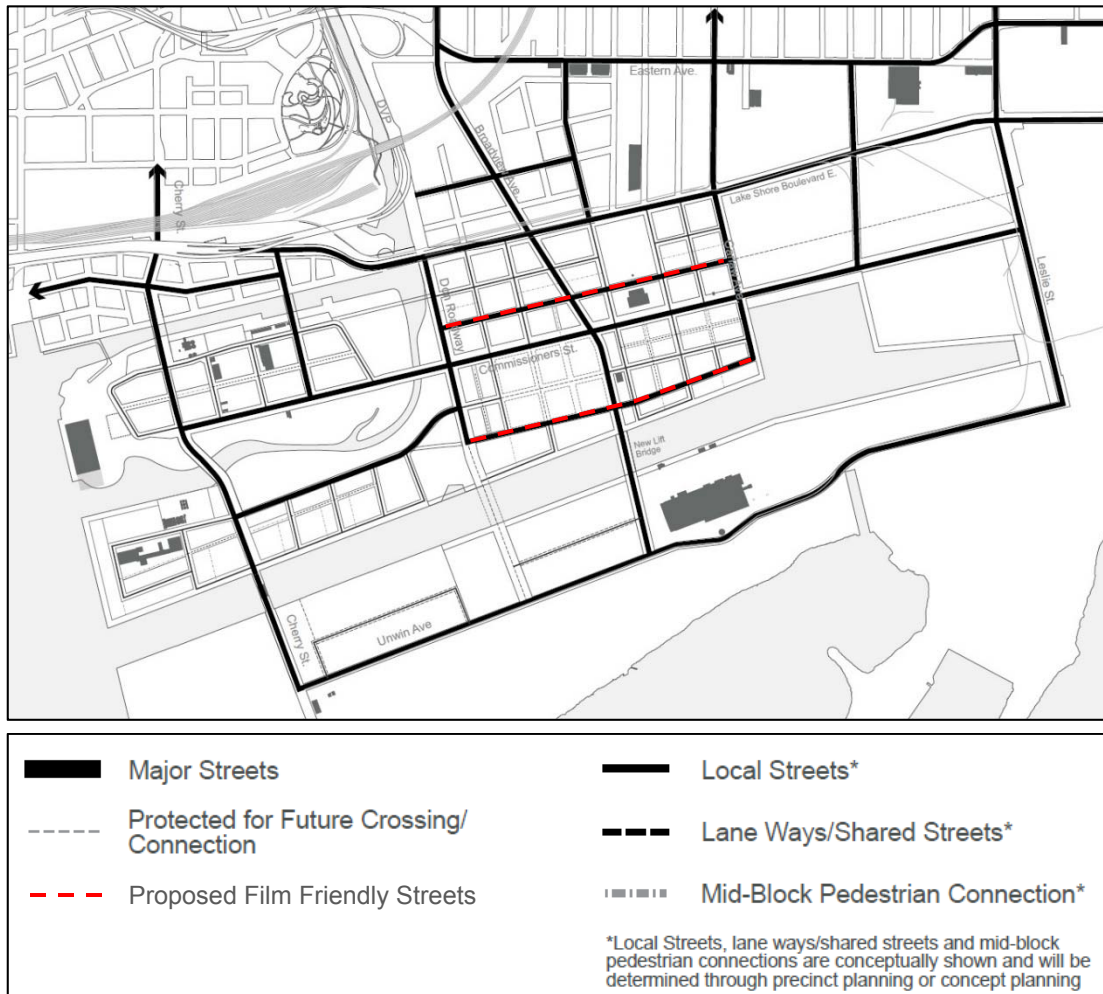
4. Transportation and Servicing Master Plan

In order to inform how both the PLPF and South of Eastern Strategic Direction will accommodate the anticipated growth and improve accessibility through the Study Areas, the City of Toronto is also developing a Transportation and Servicing Master Plan. This plan will:

- Confirm the major streets required to support revitalization in the Port Lands;
- Identify required connections between the Port Lands and South of Eastern Employment District;
- Identify the street connections required to support the employment function of the South of Eastern Employment District;
- Confirm future transit right-of-ways; and
- Identify servicing requirements to support development.

The TSMP is proposing a number of new major street connections through the Port Lands which will be required in order to accommodate the employment and population growth anticipated. The right-of-ways for these major streets will create a number of new north-south and east-west corridors that will allow for improved traffic circulation while also accommodating required municipal water and sewer servicing improvements. Various route alignment options were tested as part of the TSMP, with the preferred routes shown in Figure 21 on the following page.

Two new east-west routes through the central portion of the Port Lands are of particular note. These right-of-ways are proposed to bisect the area in order to address the need for additional street infrastructure over the life of the plan and will likely be required in order to accommodate the population and employment growth anticipated. These roads are to be designed as ‘film friendly streets’ with increased opportunities for on-screen industry parking and operational use. These right-of-ways could help to alleviate congestion from other construction activity in the area, though the exact timing of their construction is uncertain at this point. Development on existing parcels in the area will likely need to protect for these future right-of-ways, affecting site design considerations.

Figure 21: Conceptual Major and Local Street Network

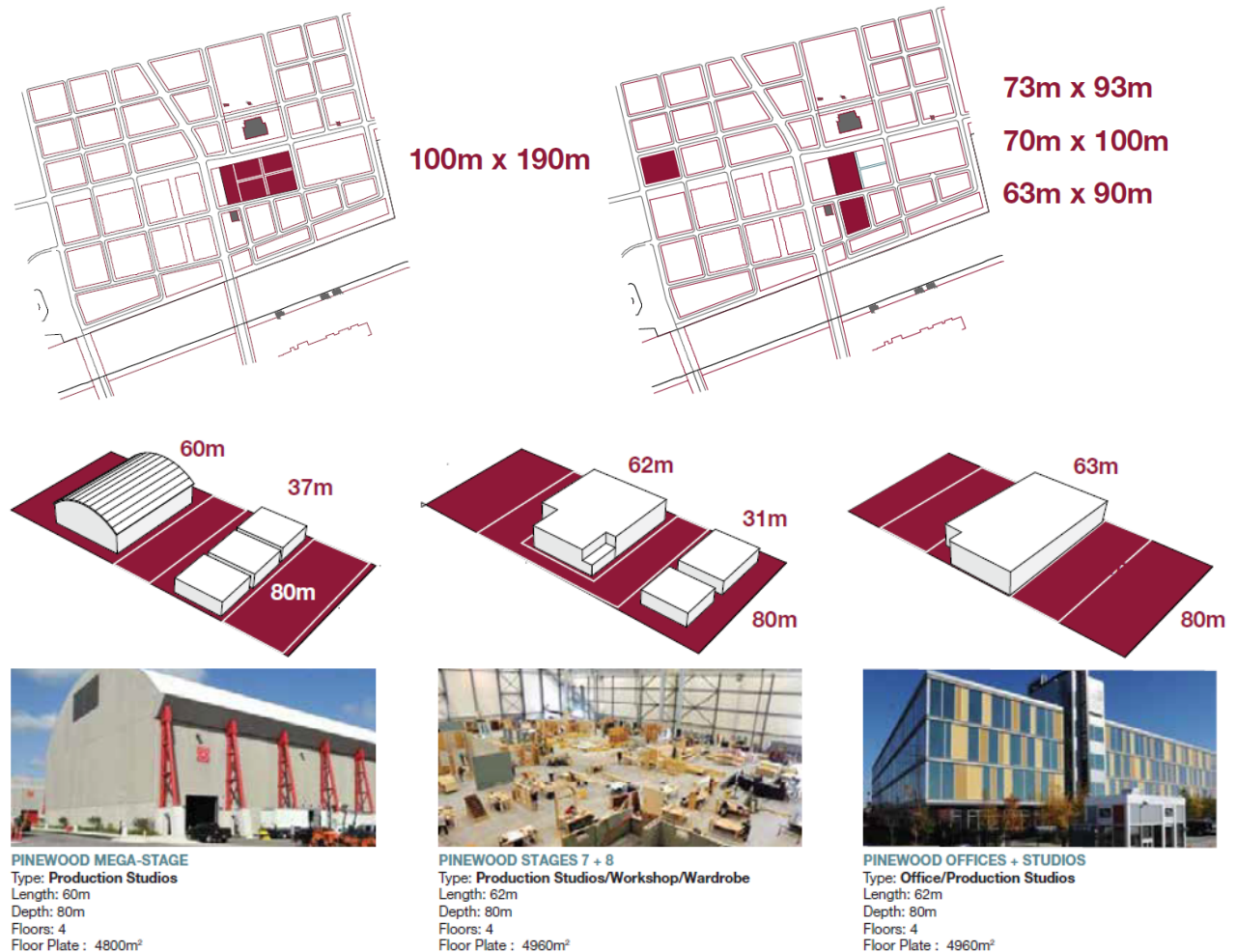
Source: Adapted from City of Toronto

A number of local streets are also shown in Figure 21. This road network represents a conceptual outline of how the area's block pattern could be built out as a broader mix of uses are introduced to the area over the life of the plan. Compared to the identified major streets, these roads are not integral to the broader transportation network in the area, but would represent opportunities to provide access while also improving walkability and block permeability as the area develops over the long term.

The intention is that this conceptual street network would not preclude the development of a secure Tier 1 studio complex in the near- and medium-term. A studio complex could still develop its facilities on a contiguous block behind a secure perimeter and gate, without the need for public access through the site. However, the site plan layouts of any building footprints should preferably reflect the conceptual

network in order to facilitate adaptive reuse of buildings should the studio site transition to alternative uses in the long term. City staff undertook various block testing exercises to demonstrate how the floorplate of sound stages and other studio infrastructure could be situated on a site to mirror the preferred road network. Examples of this block testing is shown in Figure 22.

Figure 22: Block Testing to Facilitate Studio Uses within Conceptual Street Network¹²



Source: City of Toronto

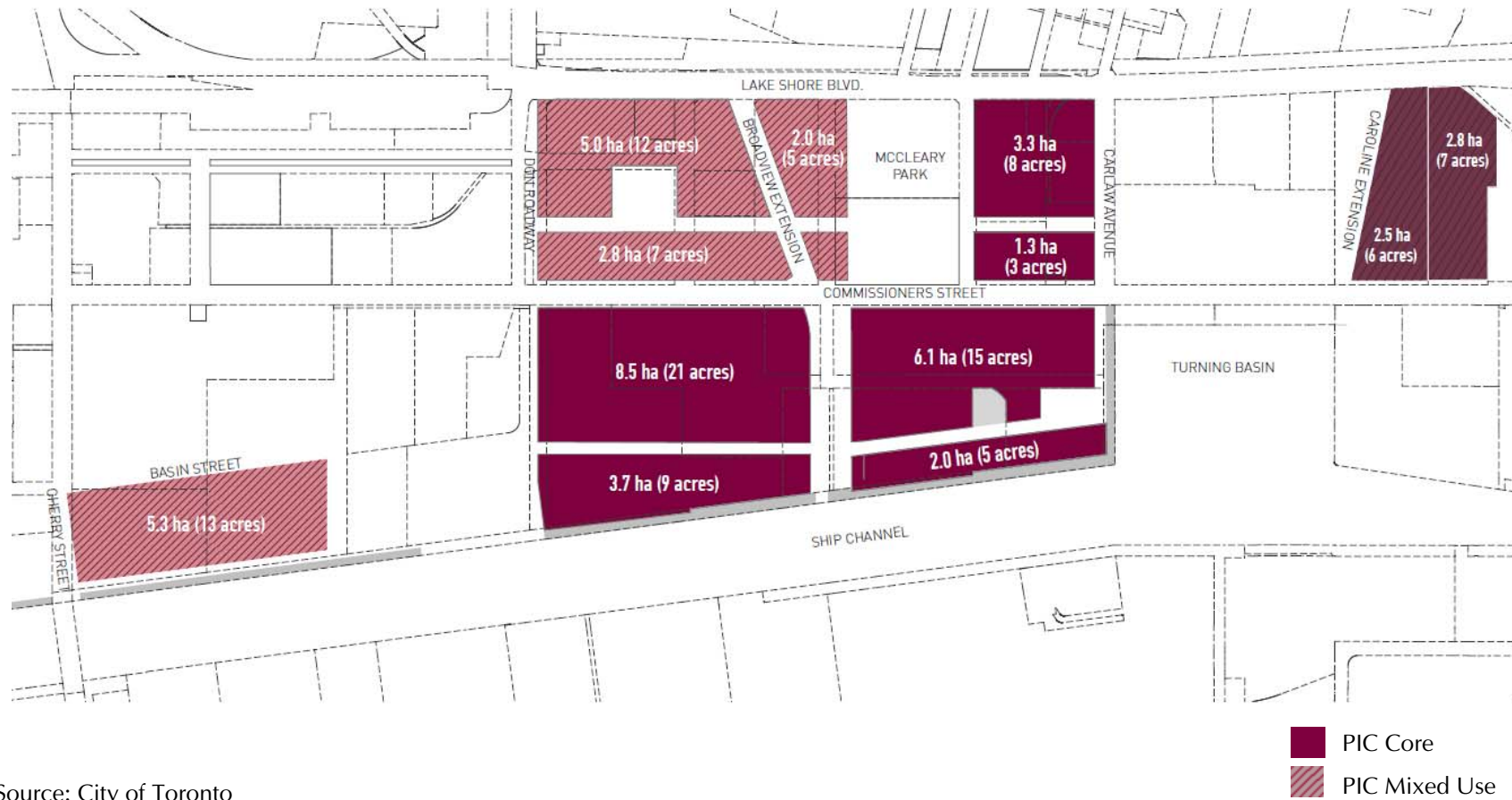
¹² The block testing shows that studios could locate a number of stages and buildings, including those as large as the Pinewood Mega Stage, within the blocks identified in the conceptual street network.

Precedents from the layout and built form of Pinewood Studio's site suggest that new studio developments could be situated to align with the conceptual street network while operating as a functional behind-gate production facility. This would enable the studio complex to operate without public interference on site while the surrounding area develops.

The long-term result of implementing the major street network identified in the TSMP will be the creation of a new block pattern within the Port Lands, particularly within the core of the Port Lands. Coupled with the potential to close some of the conceptual local roads for internal circulation, the resulting block pattern should result in blocks which could be large enough to facilitate a suitably sized studio complex, as shown in Figure 23 on the following page.

It is important to recognize that this proposed block pattern does not represent ownership considerations or current lot layouts, many of which are smaller than ideal. In order to achieve this layout, the City or a private developer would need to consolidate a number of different parcels while also negotiating for the closure of existing public right of ways. The challenges associated with this transition are discussed further in section VI.

Figure 23: Proposed Long-Term Developable Block Pattern



Source: City of Toronto

Note: Development blocks shown do not represent current parcel layout or ownership considerations.

C. PROPOSED CHANGES WILL DISPLACE SOME STUDIO INFRASTRUCTURE IN THE NEAR TERM

The naturalization of the Don River, the PLPF, and the Unilever Precinct all represent dramatically transformative projects which will reshape the Study Areas, enabling the creation of new neighbourhoods, employment and economic opportunities. As a function of this transformation, however, they also risk disrupting and potentially displacing studio industry operations in the area.

In the near term, the construction activity and increased traffic that will coincide with the ensuing development raises concerns of potential conflict with studio productions. Over the longer term, there are concerns that the introduction of more lucrative land uses will create upward pressure on the land value of nearby sites if land use permissions are too flexible, potentially spurring the relocation of studio operations. This is of particular concern in the case of mixed-use areas where residential uses could be allowed in close proximity to existing studio uses without sufficient protection to the studio land use designation.

1. Displacement to Accommodate Planned Changes

The displacement of some studio infrastructure is already on the horizon. The Don River naturalization and associated flood proofing will require the removal and relocation of some studio infrastructure and supporting uses located along Commissioners Street west of the Don Roadway, including:

- Pinewood's Jumbo Studio (40,000 sq.ft.)
- Pinewood Stage 54 (32,450 sq.ft.)
- PS Production's main equipment rental facility¹³

As a condition of these displacements, the City has set aside land within the Port Lands to accommodate their relocation. Pinewood Toronto is proposing to offset the

¹³ Pinewood Stage 54 and the PS Productions facility are not located in the direct path of the river valley, but are assumed to be demolished as a result of the its construction.

loss of its two stages as part of an expansion to its central site. It is unclear if PS productions will remain in the area.

2. Displacement Resulting from Market Pressure

Meanwhile, market development pressure created by the potential of the Unilever Precinct and other improvements to the area, including the planned arrival of higher order transit, is spurring the potential relocation of studio uses in the South of Eastern Employment District. Cinespace Studios recently announced the sale of both of its studio operations in the neighbourhood.

- 30 Booth Avenue (52,000 sq.ft.) was recently sold to development interests (hoping to capitalize on the area's transformation to a major office hub).
- General Motors recently announced its acquisition of 721 Booth Avenue (63,000 sq. ft.) with plans to redevelop the site as a multi-use 'Mobility Campus' featuring offices, research and development facilities and an auto dealership.

It is understood that Cinespace will continue to operate on these lots until development activity necessitates their closure. While the City may endeavour to secure the continued use of these sites for studio use as a condition of development, their future use remains uncertain at this time.

Should these production facilities be closed it would be a setback in the Study Areas' development as an on-screen industry hub. A significant net loss of studio space could have a knock-on effect of increasing the relocation pressure on the smaller remaining studios operations and industry-supporting businesses in the South of Eastern area if there are fewer anchor studio operations nearby. With the industry already constrained by a shortage of facilities, a net loss of studio infrastructure could affect not only the Study Areas, but also the prospects for city-wide activity and growth.

D. THESE PLANS REPRESENT A LONG-TERM VISION FOR THE STUDY AREAS

When considering the implications of the various proposed planning frameworks and their potential impact on studio infrastructure in the area it is important to recognize that these plans represent long term initiatives and visions. The Port Lands Planning Framework is a 50-year outlook, with residential development assumed to be concentrated in the Villiers Island precinct to the west before pressure from other uses transitions eastward. Much of the development pressure from residential and other potentially conflicting uses is also contingent on the completion of flood proofing

initiatives, construction of which will be initiated in short order following the announcement of funding from the City and Provincial and Federal governments. Similar timing issues are also to be expected with the proposed plans in the TSMP. While some roads (those identified as major streets) will be required sooner than others, not all streets will be built for public access in the immediate future.

This presents a near- to mid-term window for the development of new primary studio infrastructure in both the Port Lands and South of Eastern Employment District. The development of additional purpose-built studio facilities in advance of the arrival of competing land uses would further establish the industry's foothold and identity in the area while also enabling valuable economic activity in the interim. Recent demand for studio space suggests that the development of new studio space is warranted in the near term.

If on-screen industry uses are to thrive, it is imperative that additional studio infrastructure be added in the near term to offset the displacement of existing studios while a suitable supply of larger sites remains available. The longer it takes to establish additional studio infrastructure the more difficult it will be to encourage future on-screen industry growth in the area. Increasing land values and a diminished supply of suitable sites will become factors when alternative uses are eventually permitted. The development of additional studio complexes will be a critical factor in building the area's attraction for ancillary industry uses, particularly if the area experiences a loss in studio space as a result of displacement by other projects like the Don River naturalization and market pressures occurring in the South of Eastern Employment District.

VI OPPORTUNITIES FOR NEW STUDIO DEVELOPMENT

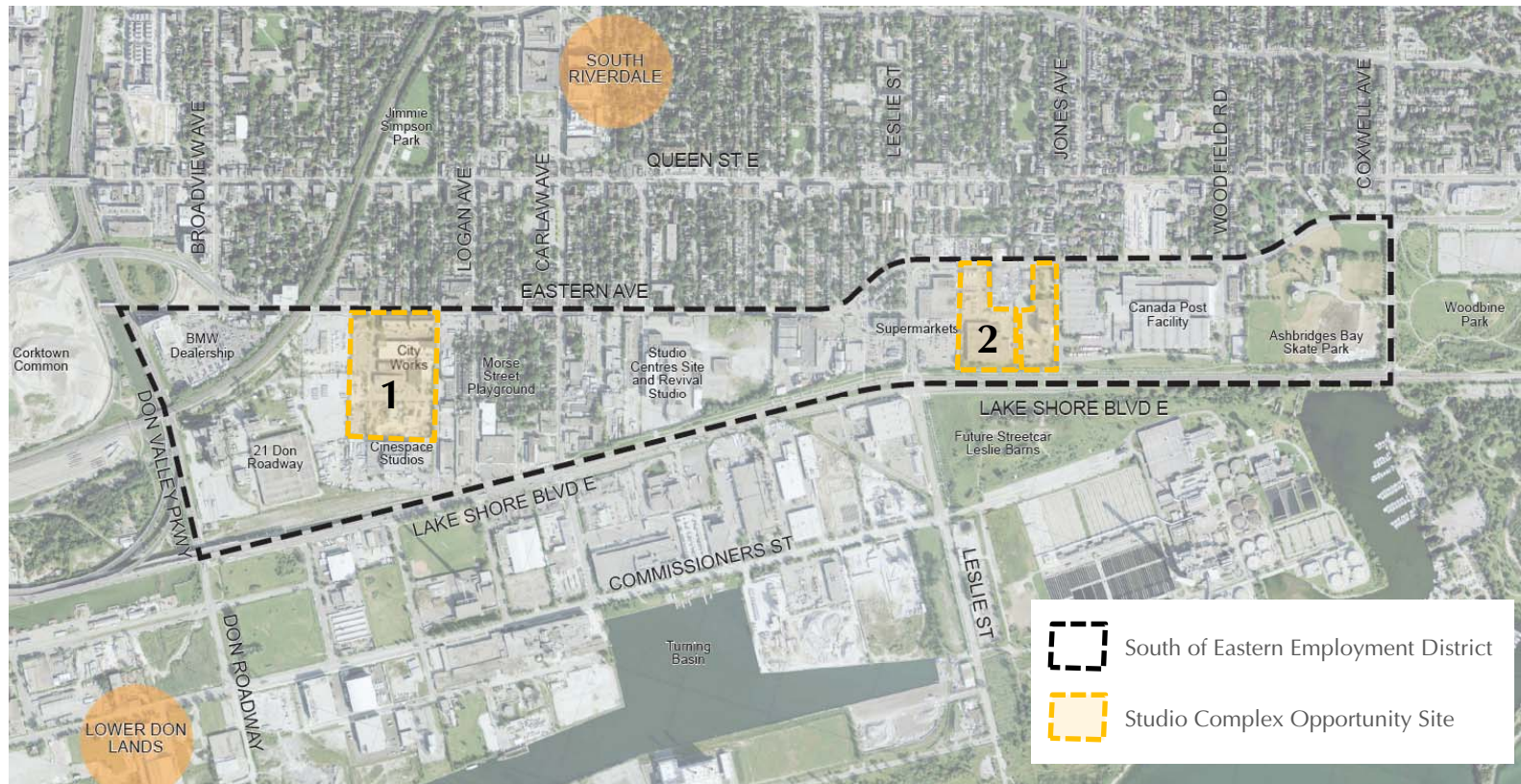
With market demand for new studio space at an all time high and the displacement of existing studio supply approaching on the horizon, there is an increased impetus to find viable locations on which to develop additional studio infrastructure. The Study Areas offer a variety of sites for potential studio development, though many are constrained by a myriad of factors. This section analyzes the prospects for new studio developments in the Study Areas with respect to these constraints and the City of Toronto's broader development goals for the area.

A. THERE ARE A LIMITED NUMBER OF LARGE DEVELOPMENT PARCELS REMAINING IN THE SOUTH OF EASTERN EMPLOYMENT DISTRICT

With the Unilever site being proposed as a major office node, near term market opportunities for the development of a studio complex north of Lakeshore Boulevard are relatively limited. Most large sites are currently occupied by existing operations while the growing prospects for office uses in the area have increased land values. Smaller studio operations and ancillary industry uses may be able to thrive in the area given the presence of existing studio infrastructure, though the consolidation of a large site may be more difficult for a studio developer.

That said, the City currently owns a number of large sites in the South of Eastern Employment District which could be adapted for larger studio use should current municipal activities be relocated. These are highlighted in Figure 24 on the following page.

Figure 24: Potential Studio Opportunity Sites in South of Eastern



Source: Hemson Consulting Ltd, adapted from City of Toronto and planningAlliance.

1. Municipal Works Yard (433 Eastern Avenue & 94 Booth Avenue)

One option is the site of the municipal works yard located in the northeast corner of the Unilever Precinct. With municipal operations eventually to be relocated to the southern portion of the Port Lands, this 18 acre site could provide enough land and adaptable industrial buildings to accommodate a new studio complex. However, its proximity to the core of the proposed office node could well drive the market value of the site beyond the amount affordable for a studio operation, unless the City chose to impose specific restrictions on its use as a condition of sale or lease.

2. Municipal Fleet Maintenance and Training Yard (841 Eastern Avenue)

Another option is the municipal vehicle maintenance and training yards located at 841 Eastern Avenue. The City is currently reassessing its use of this 5.8 acre site and could potentially relocate its operations should the site be deemed surplus. The nature of the existing garage structure on the site suggests it could be suitable for studio uses should the opportunity arise. As the site is some distance from the Unilever Precinct and the growing market pressures in the western portions of South of Eastern, it could prove a suitable base for the development of a studio complex.

Should the adjacent Fire Academy and EMS training centre also be relocated at some point in the future, the properties would provide a combined site larger than 10 acres and enough to accommodate studio complex.

B. THOUGH MANY FACE CONSTRAINTS, A NUMBER OF PROSPECTIVE SITES ARE AVAILABLE IN THE PORT LANDS

The Port Lands currently contains a number of large sites, many of which are currently vacant or underdeveloped, and thus offering some potential to be developed in the near term. Ownership of properties in the area is split between a number of private interests, the City of Toronto, and the Provincial and Federal governments. Land ownership in the area is illustrated in Figure 25 on the following page.

Figure 25: Land Ownership by Parcel, Port Lands Study Area, 2017



Source: City of Toronto

Note: This map represents a snapshot of ownership patterns at a point in time. With high development interest in the area, the status of land ownership and land leases are subject to change. The proposed path of the Don River naturalization is also shown for illustrative purposes. This feature does not yet exist but will impact development potential in the near future.

The majority of the properties in the area are owned by the City of Toronto. While some of these properties are used for municipal services and operations, others are managed by the TPLC and leased to private companies for varying terms. Their ownership provides the City with a higher than usual degree of control as to how the area will develop. If, as has been suggested it should, Toronto were to pursue the objective of becoming a larger production centre with more top quality studio infrastructure it could use its ownership position to help achieve this outcome.

Pinewood Studios is a prior example of one such development. The primary studio site was developed on a site of over 15 acres of land which was leased from the City for a 99-year term. Pinewood also has an option on the adjacent 17 acre site under the terms of this lease. Plans recently published by the owners of the Pinewood site indicate a desire to develop the option site as a mixed use residential and media use neighbourhood. However, it should be noted that this proposal runs contrary to the Land Use Direction in the area and preferred street network identified by the City. Pinewood's proposed plan has no statutory standing, nor has it received any *Planning Act* approvals.

1. Challenges Associated with Developing on Leased Land

The development of studio infrastructure on leased land presents an additional dynamic that must be considered. As opposed to freehold development, which may be held indefinitely, capital investments made on leased land may be lost at the end of the lease term. As such, the value of any betterments made to a land leased property approach zero as the lease expires. In order for a private development to be viable on a leased site, the length of the lease must be long enough to recover the initial investment and desired return. Developers interviewed articulated that they believed this length to be at minimum 25 years. Even at that length, developers would be unlikely to invest heavily in capital construction on the site, as they risk losing the site and any improvements made to it when renegotiating the lease at the end of its term.

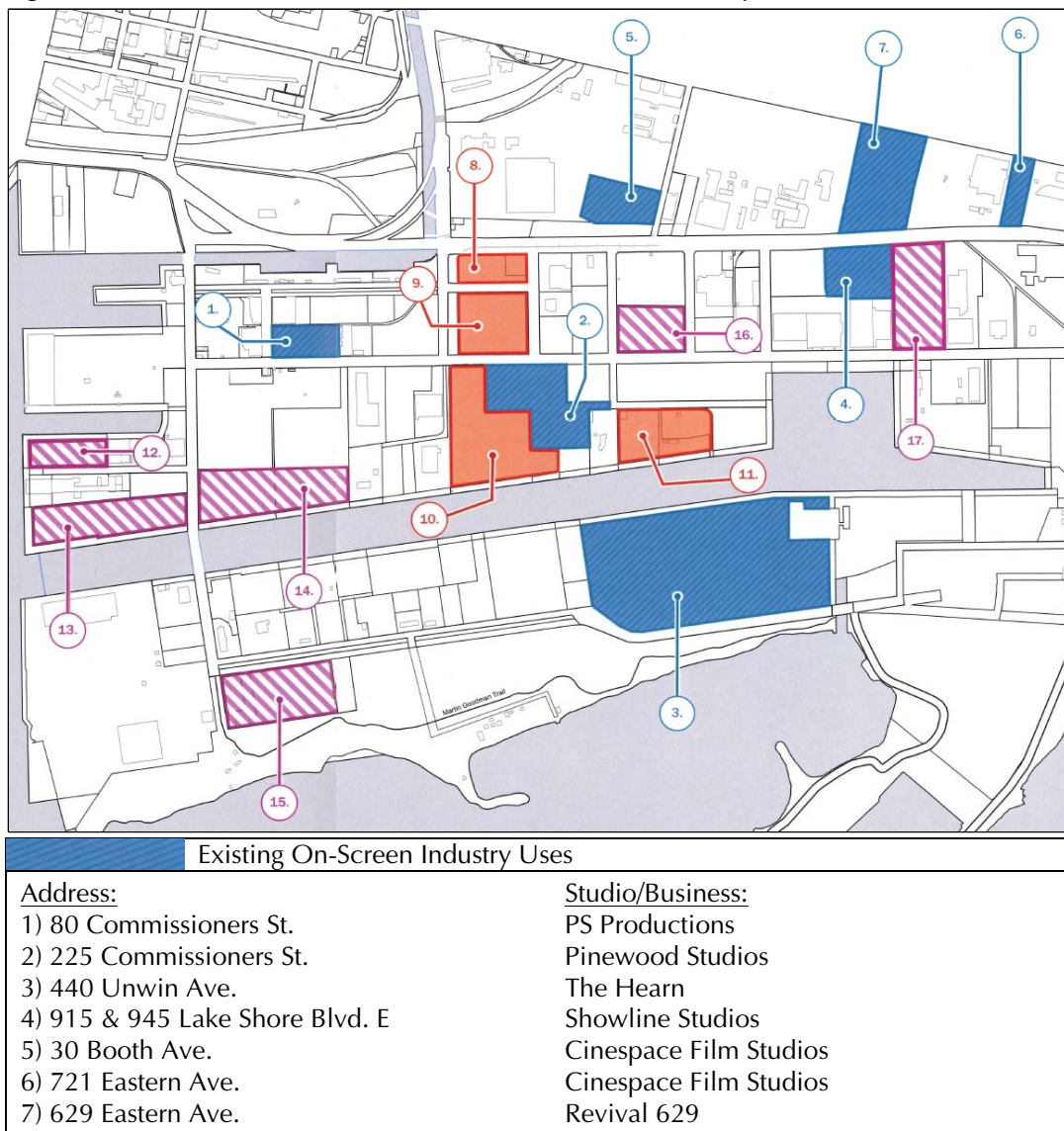
Should the City decide to further advance Toronto as a production centre, it is recommended that the City consider granting longer term leases in order to attract a higher level of investment on these sites. Ideally, leases should be at least 40 to 50 years in length to ensure the necessary degree of security and confidence in studio investment and development, particularly given the growth pressures likely to occur as the area develops. The TPLC has indicated they are flexible on the length of lease

they are able to offer, however leases with terms over 20 years would require Toronto City Council approval.

2. City Owned Sites Advertised as Having Studio Development Potential

Working in support of the Film Board's overall strategy to strengthen the competitiveness of Toronto's film industry, the TPLC identified a number of sites within its Port Lands inventory which have potential to be developed for production studio uses. These sites are mapped with their details listed in Figure 26.

Figure 26: Current and Potential Studio Use Sites as Identified by TPLC



Source: TPLC

Figure 26: Current and Potential Studio Use Sites as Identified by TPLC (Continued)

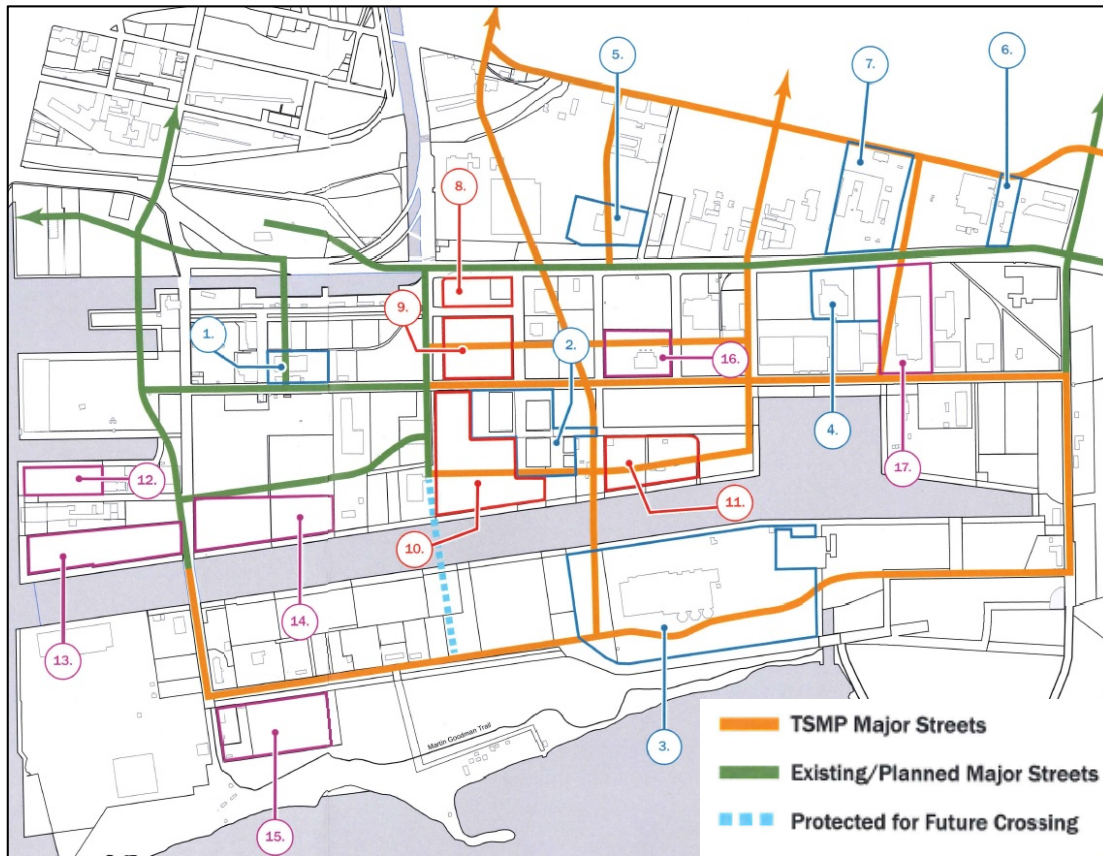
Potential Film Sites, Immediately Available, Primary Inventory			
Address:	Acres:	Zoning:	O.P. Designation
8) 625 & 673 Lakeshore Blvd E	3.95	I3 D2	Regeneration Area
9) 185 Villiers St.	8.44	I3 D2	Regeneration Area
10) 101 Commissioners St.	16.85	I4 D2 & I3 D2	Regeneration Area
11) 29 & 41 Basin St.	8.91	I4 D2	Regeneration Area
Potential Film Sites, Long Term, Available Inventory			
Address:	Acres:	Zoning:	O.P. Designation
12) 20 Polson St.	4.06	IC D2 No. 5	Regeneration Area & Park
13) 176 Cherry St.	10.76	IC D2 No. 5	Regeneration Area & Park
14) 185 Cherry St.	13.00	I3 D2	Regeneration Area
15) 55 Unwin Ave.	11.65	I2 D2 & GR	Regeneration/Natural Area
16) 400 Commissioners St.	6.13	I3 D2	Regeneration Area
17) 560 Commissioners St.	10.42	I3 D2	Regeneration Area

Source: TPLC

It is important to note that this inventory was created without proper consideration for the proposed planning framework. As such, the TPLC inventory is considered outdated with few of the identified sites likely to be viable options for major studio development over the long term. A number of the TPLC sites will be reshaped and constrained by various factors, including impacts from the construction of the river and road realignments. Nevertheless, many of these challenges are surmountable, and could be addressed through flexible design and phasing of development.

For most sites, new studio developments would need to accommodate the conceptual grid of local streets, in order to allow for the potential creation of new right-of-ways in the long term. They would also have to allow for water and sewer infrastructure that already runs underneath some of the properties. Designing around these elements should not be too difficult, as studios would still be able to construct gated perimeters around the site in order to secure their operations while allowing for internal circulation.

The major street network may also limit the development potential of a number of the TPLC's identified sites. Unlike the local street network these roadways would need to be made public in the near future, making it more difficult to develop a secured studio complex on these parcels without creative site layouts or consolidation with adjacent privately owned properties. A map of available TPLC sites and the proposed major street network is shown in Figure 27 on the following page.

Figure 27: Available Parcels and Proposed Major Street Network

Source: TPLC

Under the preferred alignment in the TSMP, the two new major streets would bisect three of the sites that are currently available (Sites 9, 10, and 11). The proposed road alignment would separate these development parcels, which are already smaller than ideal, and would eliminate the ability to fully enclose the sites within a secured perimeter.

While not an ideal design, a Tier 1 or 2 studio site could potentially still be accommodated on these split sites. It would necessitate some studio functions, such as offices and some parking structures, being situated on smaller unsecured blocks with sound stages and ancillary buildings being situated within a core secured block. The City could help to mitigate this challenge by closing roadways that become redundant after the implementation of the TSMP. For example, closure of the section of Villiers Street between Sites 8 and 9, would enable the creation of a larger development parcel.

The TPLC inventory also does not include privately owned sites. There are several such properties within the Port Lands that have development potential, some of which are adjacent to sites in the TPLC's inventory. They present an opportunity to consolidate the lots, enabling the creation of a larger studio complex.

Though a number of sites are listed as immediately available, discussions with TPLC staff suggest that some environmental remediation work would need to be undertaken before development could begin. Depending on what is required this could take upwards of 18 months to complete¹⁴.

A summary of site development potential and possible constraints is listed below:

3. Sites with Development Potential under Planning Framework

a. 625 & 673 Lakeshore Boulevard East & 185 Villiers Street (TPLC Sites 8 & 9)

- These properties are individually smaller than ideal but could be developed in tandem to form viable studio complex. Closing section of Villiers St. between the two sites could enable creation of larger secured perimeter.
- Would require relocation of servicing and hydro located underneath Villiers St. if development were advanced prior to river construction and TSMP.
- The site will be affected by construction of Valley Wall Feature, requiring grading work across site. Grading work could help address some of the soil remediation work that might be required on site.
- TSMP major road will eventually require public right-of-way through a portion of 185 Villiers St. parcel.
- The proposed PIC Mixed Use designation could potentially allow for residential and other competing uses through the precinct planning process, which would increase the competitive value of the land.

¹⁴ For reference, the remediation for the Pinewood Toronto site, which was formerly occupied by Imperial Oil, required over two years of remediation work before construction could commence.

b. 101 Commissioners Street (TPLC Site 10)

- This site is under option to Pinewood Studios and would be ideal for additional studio infrastructure. However, because of the option it is currently not available to other studio developers.
- Realignment of Basin Street will eventually be required to meet needs of TSMP, placing public right-of-way through the site. Site design will need to respect the planned alignment.
- The site will potentially be affected by construction of Valley Wall Feature, requiring grading work across western portions of site.

c. 29 & 41 Basin Street (TPLC Site 11)

- The site is an ideal location for studio development with limited conflict expected from nearby uses or flood proofing infrastructure development.
- The site is slightly smaller than would be ideal (8.9 acres compared to recommended minimum of 10 acres), but could potentially be consolidated with private sites to the east (75 Basin Street) and to the north (487-501 Commissioners Street) immediately or over time. Closing section of Basin Street between sites could enable creation of larger secured perimeter.
- Realignment of Basin Street and extension of Carlaw Avenue will eventually be required to meet needs of TSMP, placing public right-of-way through site. Site design will need to respect planned alignment. If the site is not consolidated with neighbouring parcels, the road alignment may result in parcels too small to warrant studio complex development over long term, though smaller studios could still be accommodated.

d. 185 Cherry Street (TPLC Site 14)

- The site will be large enough to accommodate a full-service studio complex on a single cohesive parcel.
- The site location will be affected by early stages of the Don River naturalization and grading work. Early development of studio infrastructure may be possible if done in phases starting from south side of parcel.
- The proposed PIC Mixed Use designation could potentially allow for residential and other competing uses through the precinct planning process, which would increase the competitive value of the land.

e. 570 Commissioners Street (TPLC Site 17)

- A large site with existing industrial buildings that could be converted to studio use.
- Occupies a location removed from potential conflicts with ongoing infrastructure work related to Don River naturalization. However, proximity to Concrete Campus to the south may result in more truck traffic and noise than would be ideal.
- Extension of Caroline Avenue identified in TSMP will eventually require public right-of-way along edge or through portion of site, depending of final alignment.
- Potential to combine site with adjacent private studio to west (Showline Studios is currently for sale) or Wheel-Trans bus garage to east at later date.

4. Sites Unlikely to Develop under Planning Framework

a. 20 Polson Street and 176 Cherry Street (TPLC Sites 12 & 13)

- Both sites are under a very long term lease and are unlikely to become available for development in the foreseeable future.

b. 55 Unwin Street (TPLC Site 15)

- Toronto's Official Plan and Zoning Bylaw designate approximately half of this site as parkland, limiting its development potential. Rezoning is not a likely option at this location.

c. 400 Commissioners Street (TPLC Site 16)

- Existing structure is a significant heritage building and would be major constraint to redevelopment.
- Site is too small for major studio complex development, and will be further reduced by a new east-west road required under proposed TSMP.

Based on this analysis, a map displaying the locations of potential studio complex development sites in the Port Lands in context of land ownership and planned infrastructure improvements is shown in Figure 28 on the following page.

5. Alternative Studio Site Possibility: The Port of Toronto

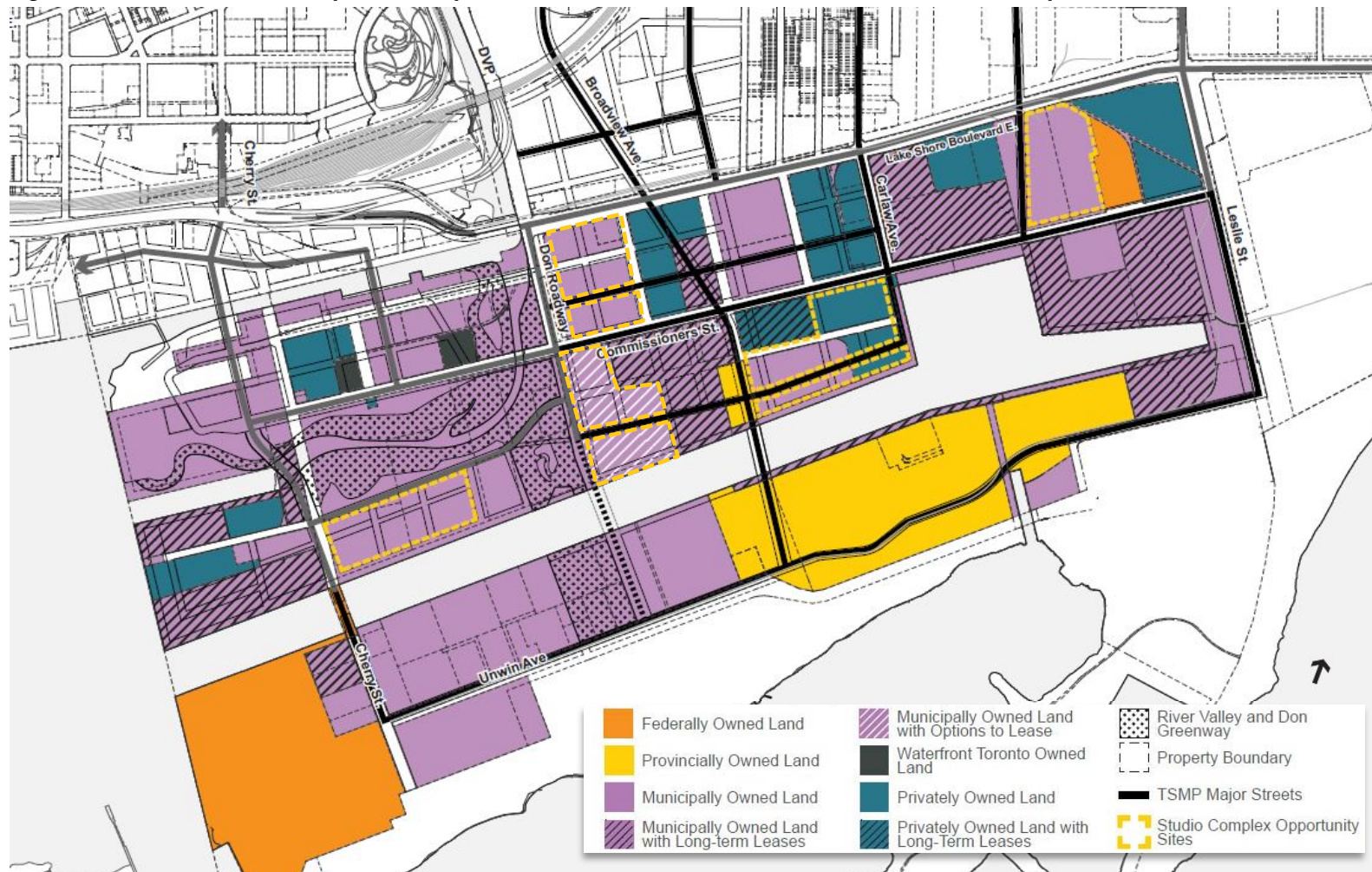
Beyond the City of Toronto's potential development sites, there are few options that present a suitably sized parcel for a major studio operation. Other sites are either in the path of the Don River naturalization or have been set aside for future municipal or provincial use.

One potential exception to this is the large Federal port site located at the southwest end of the Port Lands. The relatively limited scale of port and cruise ship operations on the 56 acre site in recent years suggest that some portion of the property is underutilized. This raises the possibility that Ports Toronto could consider leasing a portion of the site for other uses.

Though it is unknown how much land could be made available, there would appear to be enough potential to develop a secure studio complex at this location.

Approaching Ports Toronto and the Federal government regarding this concept would require a coordinated effort between the City of Toronto and a prospective studio developer. A study would need to be undertaken by Ports Toronto to establish how much, if any, of the lands could be released from port purposes.

Figure 28: Potential Studio Complex Development Sites in the Port Lands in Context of Land Ownership and Infrastructure Plans



Source: Adapted from City of Toronto

VII FINDINGS AND RECOMMENDATIONS

The Study Areas remain a key location for Toronto's on-screen industry with the potential to further strengthen their position as a global destination for media and entertainment production. However, as development pressures from other uses increase, both opportunities for growth and threats to continued operation will arise. This section summarizes these factors, presents key conclusions for the outlook on studio uses in the Study Areas, and provides recommendations designed to enhance opportunities for continued growth.

A. SUMMARY OF STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS

Based on the analysis of Toronto's on-screen production industry and feedback gathered during the consultation process, the following is a summary of Strengths, Weaknesses, Opportunities and Threats (SWOT) affecting the potential for developing additional studio infrastructure in the Study Areas (Figure 29).

Figure 29: SWOT Analysis of Studio Infrastructure in the Study Areas

Strengths	Weaknesses
• Toronto and the studios located in the Study Areas are known quantities in the domestic and international market • Home to city's premier studio facilities • Proximity to preferred shooting locations in downtown • Toronto's production crews very well respected among industry professionals • Central location for production crews • Easy highway access to the Gardiner and Don Valley Parkway • Already has supportive network of industry infrastructure and uses nearby • Strong domestic market buoys industry in times of high Canadian dollar • Strong political support from Mayor, City Council and industry groups	• Shortage of appropriately sized sites which meet the needs of industry's large footprint, security and parking issues • Flood plain concerns • Site conditions and potential remediation concerns and costs • Limited options for nearby services such as food and retail • Land ownership pattern inhibits construction of new studio space • Tenure of land leases creates investment uncertainty • Poor traffic circulation system and congestion concerns related to DVP • Poor transit connectivity to broader public transit network

Figure 29: SWOT Analysis of Studio Infrastructure in the Study Areas (Continued)

Opportunities	Threats
- Local industry is keen to develop a hub in the Port Lands - On-screen industry presents high value, clean employment use more compatible with urban context than other industries - Chance to create a desirable and iconic hub for on-screen production - Further raise Toronto's profile as a destination for both domestic and international production - Chance to create new synergies between larger and smaller studios, and spin off and ancillary businesses in area, including retail and new amenities - Chance to link in to nearby future transit infrastructure (Smart Track, Relief Line, streetcar service on Broadview Ave. and Commissioners St.) - There is a compelling need for replacement and additional studio space - Municipal ownership of many sites helps to enable and align development with City's economic priorities - Studio uses can develop in area well before most other uses will be permitted - Additional development potential south of Ship Channel (Federal port?)	- Constraints arising from future plans for Study Areas - Pending loss of existing studio space due to Don River naturalization - Pressure to bring in alternative uses or convert lands identified for studio use - Rising land costs - Uncertain timelines of development and infrastructure roll out - Conflict created by construction in the area (including flood proofing) - Pending sale of existing studio sites and potential conversion to non-industry uses - Vulnerability to changes beyond City control (Canadian dollar and provincial tax credit policy) - Hub concept requires concentration of multiple studios. Insufficient momentum in delivery of core on-screen infrastructure may create little to no draw for ancillary and related industry uses - Challenges and costs related to consolidating parcels in line with new block pattern - Increased traffic and competition for parking space for industry vehicles as other uses are introduced

Source: Hemson Consulting Ltd.

B. KEY CONCLUSIONS

As it stands today, the Port Lands and South of Eastern Employment District are Toronto's premier studio location with the clear potential to further develop as a first-class media production hub. Major firms in the industry already have a presence, the infrastructure foundations are established, and additional new entrants are interested in locating there. In short, the area is well placed for continued success should momentum of the industry continue.

This represents an ideal economic development opportunity for the City of Toronto. The on-screen industry is growing, clean, and provides well-paid employment opportunities with many positive spin offs. At the same time, it also helps to raise the global profile of the City. The City and the Provincial and Federal governments are very supportive of the industry, promoting its growth through policy, coordination, and tax incentives. Given these factors, the Study Areas offer a fundamentally attractive place to do business for domestic and international producers.

However, there are some key constraints that must be recognized. Planned revitalization initiatives in the Study Areas will result in the loss of some existing studio space as required infrastructure improvements are constructed and new development pressures mount. This risks constraining and even reversing the area's momentum as a destination for on-screen industry productions.

The Study Areas represent the City's most desirable location for the industry, but not the only location for such activity. Other options may lack the locational advantages offered by the Port Lands and South of Eastern, but nor do they face as many constraints. Given the mobility of the industry, any loss in momentum to the area's development as a studio hub may spur potential users to consider other locations. This could fracture the industry and scatter the development of future studio infrastructure across the City and Greater Toronto Area, further undermining the potential advantages offered by clustering. Given the competitive global nature of the industry, there is also a risk that failure to maintain local competitive advantages could result in additional business to other markets, including Vancouver and Atlanta.

The broad Study Areas will be in flux for many years to come, but studio uses represent a land use which can operate and thrive throughout the transitional period and, if sufficiently established, well beyond then. The economic activity created by studio uses are substantial both in the immediate area and beyond. With a core base already well established and momentum building, the challenge is now to create the necessary conditions for owners to invest in the area. This will require a degree of flexibility on the part of both the City and the industry in order to achieve the development of new mixed-use neighbourhoods and additional studio uses.

With low vacancies amongst existing stage production space proving to be one of the primary constraints to growth, a number of local studio developers are indicating an

interest in constructing new purpose-built studio facilities in the Study Areas to meet demand. Purpose-built studios offer a desirable alternative to converted warehouse facilities and adding more purpose-built supply to its inventory could help to make Toronto a more competitive location for domestic and international investment. Feedback from developers, industry experts and case study examples suggest a larger site will be required in order to facilitate all of the stages and ancillary uses necessary to warrant the investment required, preferably a minimum of 10 acres in size. Though not common, the Study Areas do offer some locations which could accommodate this.

Implementation of the PLPF at the precinct level should give very careful consideration to studio site needs relative to competing uses. This is particularly important during the interim transition period. The shortage of sufficiently sized sites presents a key concern for additional studio infrastructure which is necessary for attracting additional PIC uses to the area. Introducing residential mixed-use infill developments into the Port Lands needs to be managed with particular care since it has the potential to price studios out of the area and to consume large amounts of the land supply if key economic opportunity sites are not protected for.

As the development parcel fabric and transportation network is realigned, the City should also take steps to facilitate the consolidation of appropriately sized development blocks between private and publicly owned parcels in order to facilitate the development of a secured studio complex, taking into account both building footprints and the studio activities that take place between structures. This might warrant the closure of existing rights-of-way if no longer be required.

The City and its various land management and economic development arms should continue to work to promote the potential of the area as a location for studio activity within the framework of the plan. Studio uses will likely remain feasible through the life of the plan given a sufficient lease length, so long as developers are willing and able to arrange their sites in a manner which reflects the long term vision of the plan. This may require creative solutions to space management, including considerations for structured parking or the location of certain facilities beyond the secured perimeter of the core studio site.

C. RECOMMENDATIONS FOR THE FURTHER DEVELOPMENT OF A FIRST CLASS CLUSTER OF STUDIO USES

Based on these findings, it is recommended that the following steps be taken to further the development of a first class hub of studio industry uses within the Study Areas:

1. Seek to Maintain Existing Studio Uses as a Condition of Development where Possible

As a significant net loss of studio activity in the area could undermine the prospects of the broader studio cluster in the Study Areas, the City may wish to consider requiring existing studio infrastructure be retained or replaced on sites planned for redevelopment. Such a requirement could lead to the integration of existing studios, such as the Cinespace facilities at 30 Booth Avenue, into higher order redevelopment projects, similar to what was achieved through the retention of studio infrastructure in connection with the redevelopment of the Revival 629 site. This may require implementation of a specific policy similar to the City's office replacement policy under OPA 231.

2. Encourage the TPLC to Consider Granting Longer Land Leases for Studio Developments

A common comment made by developers interviewed was that short-term land leases are not conducive to the development of major studio infrastructure. Leases with terms of 20 to 25 year barely enable developers to recover capital investment. Such short lease terms discourage high quality development. A minimum lease term of 40 to 50 years is recommended.

3. Encourage Consolidation of Developable Parcels

The creation of new east-west road connections through the central area of the Port Lands will help to improve vehicle circulation and manage the increased demand that will come as the area develops. At the same time, the number of potentially viable sites for studio infrastructure available are limited in the near term. Developers expressed a current interest in obtaining sites and consistently voiced the need for a minimum of 10 acres in size in order to accommodate a full service studio complex. This is characteristically common to top tier studios found throughout the jurisdictional scan. The proposed alignment of the new east-west major streets proposed in the TSMP could discourage the development of studio complexes on the sites available in their current configuration. This would reduce the area's ability to attract additional industry uses in the near term.

Based on the inventory of available sites, there are two possible consolidations which could enable top tier studio development while also meeting the needs of the TSMP. The consolidations would require the closure of two sections of public roadways. These parcel consolidations are shown in Figure 30.

Figure 30: Suggested Parcel Consolidations to Encourage Studio Development



Source: Hemson Consulting Ltd., adapted from City of Toronto

a. Close the Villiers Street right-of-way to consolidate 625 & 673 Lakeshore Boulevard East with parts of 185 Villiers Street

Amongst the TPLC's inventory of immediately available development sites, the properties at 625 & 673 Lakeshore Boulevard East and 185 Villiers Street present a total development area of 12.4 acres, with the Villiers Street right-of-way dividing the two development blocks. As it stands, these two parcels could provide near to enough land to facilitate a viable full service studio if developed in concert.

Given that Villiers Street will dead end at the Don Roadway once construction of the Don River naturalization commences, it may be beneficial to close the current Villiers right-of-way in order to combine the remaining parcels north of the new east-west right-of-way. Doing so would join the parcels at 625 and 673

Lakeshore Boulevard East with the bulk of the developable site at 185 Villiers Street, creating a cohesive development parcel which should be large enough to accommodate a secured studio facility in the near term, while also meeting the broader transportation needs identified in the TSMP.

It should be noted that any development at this location would have to be done in a manner that would not conflict with the creation of nearby flood proofing infrastructure, including the reconstruction of the Don Roadway and associated grading work. Nearby hydro infrastructure would also need to be addressed. As such, a technical assessment would be required to properly assess the feasibility of constructing a full studio complex at this site.

b. Close the existing Basin Street right-of-way and consolidate the public and private parcels east of Bouchette Street, south of Commissioners Street

East of Bouchette Street and south of Commissioners Street are a number of underdeveloped sites which represent a complicated yet potentially attractive opportunity to encourage the development of a major studio complex in the near-term. The TPLC currently owns the properties at 29 and 41 Basin Street, while 75 Basin Street and the parcels between 487 and 501 Commissioners Street are owned by private interests. Though individually these parcels are slightly smaller than would be preferred, together they represent a reasonably sized site for a full service studio complex in a location largely removed from the impacts of the Don River naturalization and associated flood proofing.

At some point in the future, the City will need to secure portions of these sites in order to extend Carlaw Avenue and realign Basin Street in order to build the proposed east-west connection identified in the TSMP. There are a number of different tools at the City's disposal for securing public streets, though it is likely that new street infrastructure would be required as a condition of redevelopment. The prospect of the roads bisecting these sites limits the development potential for a cohesive studio complex, though creative site design may enable the creation of a secure perimeter on the northern and southern portions of the parcel.

However, if these sites were consolidated by closing the existing Basin Street right-of-way, it could create an attractive 23-acre development parcel while protecting for the eventual TSMP right-of-way when needed. Protecting for the major road extension would still permit for a secured portion of the site estimated to be between 12 and 14 acres, ideal for a full-service studio complex, with an additional 5 acre block south of the newly realigned Basin Street.

4. Encourage and Incent Flexibility and Innovation in Site Design

As the owner of many of the potential studio development sites within the Study Areas, the City could consider offering incentives such as preferable lease provisions, or financial support to developers who demonstrate a willingness and ability to construct studio facilities in support of the broader economic goals for the area. This could include incenting developers to construct studio facilities which creatively adapt to the challenges in the area, such as building denser studio facilities on smaller lots or across multiple proximate sites separated by public roadways. This could also include incentives for the construction of key studio infrastructure designed to serve multiple industry users, such as shared parking structures or workshops.

Financial support could include approaches such as offering the City's IMIT tax increment equivalency grant to new studio development or having the City act as a guarantor for loans.

5. Limit the Potential for Speculation on Sites Ideally Situated for Studio Complex Development

The development of a full service studio complex requires a large site, making land cost a major factor. While the introduction of new land uses to the area will make the Port Lands an attractive location, these uses could potentially drive up land values and price out potential studio developments.

In order to limit such speculative pressure, the City should restrict residential uses on these larger viable sites as it proceeds with the preferred land use direction. In particular, it should ensure that strategic development parcels are protected through the precinct planning process in areas where a mix of uses are proposed.

6. Examine the Potential for Studio Infrastructure on the Ports Toronto Site

Some developers have indicated an interest in developing studio infrastructure south of the Ship Channel. While the City owned parcels in this area are somewhat limited in their potential to facilitate a full studio complex, the Federal ports site appears to contain more land than is required given the amount of port activity.

If an alternative studio development site is not available, the City of Toronto and a prospective studio developer may seek to reach out to Ports Toronto and the Federal government regarding the possibility of leasing a portion of the eastern port site. In addition, Ports Toronto would need to complete a study that would demonstrate that the lands are not required for future port purposes.

APPENDIX A
**SUMMARY OF STAKEHOLDER AND INDUSTRY
CONSULTATION**

SUMMARY OF STAKEHOLDER AND INDUSTRY CONSULTATION

Over the course of this study, 15 interviews were conducted with various stakeholder organizations, involving 35 individuals familiar with the Study Areas and/or Toronto's on-screen industry. Representatives from the following organizations were interviewed:

- Toronto Film, Television & Digital Media Board: Infrastructure Working Group
- City of Toronto Department of Economic Development and Culture
- Toronto Port Lands Company
- Ontario Media Development Corporation
- Film Ontario
- Pinewood Studios Toronto
- Cinespace Studios
- TriBro Studios
- Revival 629 Convergent Media Centre
- eOne Productions
- Whiz Bang Productions

A summary of stakeholder input is as follows. Comments are grouped under three categories:

A. INDUSTRY ADVOCACY GROUPS

- Approximately 85% of industry activity in Ontario takes place in the GTHA.
- Industry has emerged from a recent period of aggressive change. In far better position today than when FilmPort (now Pinewood) was built.
- More stability in the tax system and credit rates has helped significantly.
- Based on trends, expect to see consistent or growing numbers, mainly in Toronto. Growth and contractions are to be expected, but general trend is steady overall growth.
- Major concerns that could impact industry growth: space and availability of trained crews. Concerned we may be missing out on opportunities. Recent periods have been as close to capacity limit as has ever been.

- Industry needs more studio space. Purpose-built is the preferred option, but doesn't necessarily need to be as high quality as Pinewood. Space with clear span and high ceilings a big draw.
- Space needs vary significantly by production. Small TV show may only need 30,000 sq.ft. Large show could require multiple sets, 90,000+ sq.ft. Rise in production quality means higher quality set needs, productions leasing out space year round to build more elaborate sets for TV. Used to be only major films would have this degree of space need.
- Other features of studio lot need to be considered, not just sound stage building. Parking is a critical function. Industry is mobile and needs quick access to trucks. Also backlots are good, must be on site. Toronto lacks good backlot space.
- Also need space to accommodate rapid growth in animation and post production. These rely on telecommunication infrastructure to grow.
- Union membership has grown steadily over past years. Hoping to keep work steady to ensure they stay in the Toronto market and employed.
- Coordination with Province and universities to see growth in skills, mentorship programs.
- Industry is looking to take the initiative regarding infrastructure investment. Some private companies looking to enter the local market and build space.
- The Port Lands are an ideal location for studio space. Wish to see development of studio infrastructure in designated studio area proceed faster. Need a second major studio in the Port Lands as soon as possible.
- There are some concerns that too much concentration in the Port Lands may draw opportunity away from other areas of the city.
- Post production and tech businesses do not necessarily need to be concentrated in one area, but doing so increases the Province's ability to promote the local market as a one stop shop. Local industry ecosystem will make it easier to attract and develop post production businesses.
- Trends in post production space tend to be more downtown and office oriented. Need broadband and transit, office space, server farms, community or neighbourhood feel and amenities.
- Have to be careful to offer a wide variety of options so that domestic market isn't priced out.
- Atlanta, Georgia and Vancouver are the two biggest competitors with Toronto, largely on account of infrastructure and price. Stable tax credits have a lot to do with this. Vancouver tends to be more oriented towards international production

than Toronto, making it more vulnerable to currency changes. Georgia has an aggressive tax credit system, though there are questions about sustainability.

- Currently available land parcels considered small for studio uses. Organizers are ready to invest but lacking space, need 10 plus-acre parcels. Concerned introduction of new uses will bring pressures that will force industry out of area.
- Stability of the industry is key for attracting international market, image on the world stage.
- Cannot just be an issue of replacing studio capacity, but also expanding. There is an urgent need for new space that must be addressed. Can just look at today but also 5 to 10 years down the road.
- Growth in last 5 years has put significant pressure on existing infrastructure. Industry is struggling to accommodate demand as is. Low vacancy rates make it difficult to attract new big films from abroad, need more flexibility.
- Land lease timeframes a concern, need time for investors to recover their capital investment out of land if projects are to be feasible. 50-year outlook preferred.
- Worry short term leases leave developers at mercy of other uses just as area will be starting to really build out. Need guarantees of protection of use.
- Many operators are hedging bets by having operations in multiple locations and markets (even across borders, e.g. Pinewood, Cinespace).
- Financing an issue, traditional lenders not keen to lend for studio development. Operators hoping for government loans (not grants) for construction financing similar to what was done for some operators in Vancouver.

B. STUDIO OWNERS

- The Port Lands is the number one preferred sight for new studio location, but challenges exist.
- Finding ideal site for key studio infrastructure development challenging. Need roughly 50% coverage, minimum 10 acres of land. All sites presented thus far are not viable in short term.
- Lease length a concern, ideally looking for 50-year operation window. Smaller studios could potentially work with less, but not ideal/competitive.
- A number of potential developers interested in building on-screen infrastructure in the area, both new and existing, but haven't been able to overcome challenges yet.

- Prospects of other growth in South of Eastern (Unilever, GM campus) will displace existing studio operation. Will stay as long as possible and would prefer to relocate somewhere in the Port Lands if possible.
- Sites don't require significant servicing, could potentially locate south of the Ship Channel.
- Trouble from precedent. Original FilmPort investment in the area struggled largely on account of bad timing and poor knowledge of the local market. Important to have studio operators familiar with the dynamics of the industry.
- FilmPort was built to be state of the art. New purpose-built facilities would likely be built at significantly lower cost per square foot.
- Current market very competitive. Estimated less than 5% vacancy.
- Studio operations are important, as City limits how many shoots can be done on location across the City, and when/how often. Good policy to keep balance, but need studio space to produce while not disturbing other communities in down time.
- Creation of place is key to success in the Port Lands and Toronto in general for both local and global competition. More than just tax credits, though these are a big factor in the industry's current success. Firm policy direction towards this goal would help.
- Full Film Studio District area of around 140 acres is too big for just studio and support uses, will need some mix of other uses.
- Purpose-built studios are better for international production draw. Converted warehouses more for budget productions and television.
- Currently some competition for investment between east and west of the city. Also some consideration for studio infrastructure development outside of Toronto where land is much less expensive, less constrained.
- Many filmmakers and crews still want to stay in Toronto, stay central.
- Pinewood Studios is kind of an island unto themselves right now. Need of a community in the area with some smaller studios interested in joining area. Like the dynamic of being in proximity to other studios, but would need more full service studios there first. Multiple studios needed to be really attractive.
- Some concerns between future planning and right of way plans for new roads. Needs some sort of exchange with transportation plan for locations of egress and access.

- Also concerns regarding impacts of construction during transition period: impact on Lake Shore from Unilever Precinct, impact of Gardiner realignment, impact of flood proofing.
- Traffic on Don Valley Parkway also a concern for studios located in area. Congestion can be problematic for production timetables.
- Difficulty competing with other North American markets such as Vancouver and Georgia which are adding significant supplies of purpose-built and converted production space.
- Opportunities for expansion of post production and other auxiliary uses good.
- TIFF as a key feature of local industry infrastructure on the global stage.
- Industry on the verge of change, need to be aware and flexible to meet changing needs.
- In order to build area's industry potential, may need to curate tenancy of out-of-gate opportunities.
- Residential problematic. Some residential may be warranted in regeneration areas, in specific areas so long as they do not compromise opportunities for studio uses. Studios generally make good neighbours. Cannot be permitted in areas that would be used for secure zone.
- Purpose-built space can be up to twice the cost compared to retrofit or converted space.
- Foundational issues of building on fill in Port Lands. Make cost per buildable square foot higher than construction in some other areas.
- Film clients are very picky. Need development and studio amenities to meet their needs. Cannot cut corners or else risk losing competitiveness.
- Core clientele want all amenities at different price points. Different studios may not compete for same clientele as a result. Wide variety of product across Toronto.
- Difficult for smaller studios to compete in the Port Lands without support from industry ecosystem. Other uses drive up price of land and create uncertainty.
- Studios may be built in phases over time. Having the land set aside is key.
- Financing difficult to come by, often require private equity.
- Site plan considerations for studio operations must be taken into effect. Space between sound stages as important as buildings themselves. Parking space for generators, grip trucks, dressing rooms, etc.

C. PRODUCERS

- Film industry is flexible, has needed to be. Everything is on wheels, has to be able to move at a moment's notice. Use of trucks, plus parking and storage, very important consideration.
- Industry has made do with current conditions so far, but could be better.
- The Port Lands location provides clients and productions with many advantages to cost, time, and safety.
- Many productions want to come to Toronto for a variety of reasons (tax credits, crew, locations, etc.).
- Topography and architecture a big draw for productions, Toronto can shoot as almost anywhere.
- Toronto also a leader in facilities and technology.
- Limited production space is a concern across the GTHA.
- Purpose-built stages are an advantage, but at end of the day cost of space is a critical factor. Many projects are decided on business side and budgets are crucial.
- Facilities operated by managers or owners who are familiar with the business are also a key advantage. Converted or raw space often expects tenants to follow traditional industrial occupancy patterns. Leads to issues on occasion.
- Space is the key issue in Toronto and the GTHA remaining competitive in the global market.
- Post production space doesn't need to be in close proximity, but would be an advantage.
- Different needs depending on production.
 - o Feature film may need 10,000 to 20,000 square feet of space, 40 to 60 foot ceilings, AC, clear span beams, sound proofing, and adequate power. Budgets can often account for all these accoutrements.
 - o Television tends to need volume of space. Series may need 15,000 up to as much as 100,000 square feet of space with 25 foot ceilings, 50 feet between beams. Volume and affordability often key concerns.
- TV leases often require landlord familiar with the industry – pilot may need 9 months (6 for space utilization for primary shooting, holding for another 3 months for finishing and air time) plus the option to extend for potential future seasons.
- Traditional warehouse spaces often want 5 year leases, even though film will pay much higher rent for limited time rental.

- Production costs are being driven up by competition amongst premium cable providers (HBO, Netflix, Amazon) creating new hybrid of TV. Squeezing local productions out.
- Local crews well respected amongst industry abroad. Having over 10 different crews with 20+ years experience is big advantage. Incredible depth in labour pool.
- The Port Lands could be a great opportunity due to location and potential to develop attractive full service location.
- Not as many shows relying on traditional backlot anymore. Many can't afford or are switching to green screen or internal sets.
- Sufficient carpentry shop and storage facilities may reduce need for trucks and parking on site, wont remove need for them entirely however.
- Preparation period for most shoots is around 12 hours. Having amenities in area is big advantage when dealing with long production days, either on site or nearby.

APPENDIX B
SUMMARY OF STUDIO CASE STUDIES EXAMINED

SUMMARY OF STUDIO CASE STUDIES EXAMINED

In support of understanding the development patterns and needs of major studio infrastructure developments a jurisdictional review of selected studio facilities and clusters was conducted. The following is a detailed summary of the features and characteristics these selected case studies, grouped by market area:

Studio	Site Size (Acres)	No. Stages	Notes	Stage Sizes (square feet)
HOLLYWOOD CLUSTER				
Paramount Pictures	65	30	Full service corporate	5,500 to 18,500
RED Studios	4.8	5	Independent digital	5,600 to 25,500
Raleigh Studios	11	13	Independent	3,200 to 16,000
Sony Pictures Studios (separate cluster)	45	18	Full service corporate	770 to 31,000
VANCOUVER CLUSTER				
Vancouver Studios	13.5	12	Purpose-built Full service	12,500 to 21,000
Bridge Studios	15	11	4-wall conversion Limited service	5,600 to 18,000
Mammoth Studios	17	3	Converted warehouse Largest stage in world	123,000
North Shore Studios	24	8	Privately owned Purpose-built	14,500 to 20,500
ASTORIA CLUSTER				
Kaufman Astoria Studios Queens NYC	5.5	9	Privately owned New and conversion	3,200 to 34,800
Silvercup Studios Long Island City, NYC			Privately owned, 4-wall Limited service.	
Main	3	13	Conversion and purpose-built	2,100 to 18,000
East	4	6	Purpose-built	9,400 to 16,000
North	1.6	4	Purpose-built	8,800 to 17,500
DOCKLANDS STUDIOS, MELBOURNE				
Docklands Studios, Melbourne	20	5	Government owned Purpose-built	8,000 to 25,000

A. LOS ANGELES FILM STUDIO CLUSTERS

Established, mature studios fully integrated with residential and commercial uses in surrounding neighbourhood.

1. Paramount, Red and Raleigh Studios

This south Hollywood neighborhood is home to three different studios, all old facilities that have been in continuous operations as studios as the neighborhood developed around them. The zoning map below shows how they co-exist with a variety of fairly dense residential and commercial uses.

The green lines within the Paramount lot show the remains of city streets that were absorbed into the studio configuration. The horizontal line was originally a street called Monroe Street that can still be found to the east of the property. The two vertical lines are Windsor Boulevard and Bronson Avenue. At one time they penetrated the studio site.

The red off-site parcels were acquired later and are used for parking. Paramount has been selling and acquiring parcels over time depending on its financial condition. Most recently Paramount completed the acquisition of the entire Melrose Avenue frontage and put the Melrose land behind its walls. The maintenance of continuous interior streets between stages and other studio functions at Paramount (and, indeed, at any campus occupier in the City of Los Angeles) are a requirement of the Fire Department and City fire trucks will make unannounced drives through the studio lot to ensure streets are not blocked by portables impeding the ability to fight fires.

The yellow highlighted Red Studios lot was the original Desilu lot before it expanded into the western edge of the Paramount site. It is a small independent lot that specializes in digital production.

The blue squares are the Raleigh Studios lot founded in 1915 as the Famous Players Fiction Studios. They are a “4-wall” operator and this is their home base. They also operate studio facilities on behalf of property owners in remote locations and offer equipment rental and other services to augment the asset management function. They have a small satellite studio in Atlanta.

Discrepancies between the zoning designation and the actual use are a peculiarity of the Los Angeles system of planning approvals. The City has been very slow to update zoning maps and therefore uses a system of zoning variances to extract concessions and controls from property owners. There is also a desire by planners to have the

underlying zoning reflect the desired uses rather than the actual use so that when a user leaves the property it will likely be developed into a more desirable use.

The City of Los Angeles has a true love-hate relationship with studios in general. Planners prefer streets that are continuous and short walkable blocks. However, the residents generally like the studio close by for employment, 24-hour security and the community services that they offer to local schools and businesses. Additionally, Paramount adds a large, clean, corporate employer that is respectful of the neighborhood and adds significantly to the finances of the City and its prestige. When Paramount approached the City with a long-range development plan to add 1.6 million square feet they encountered almost no opposition from the community.



GENERALIZED ZONING

- OS, GW
Open Space
- A, RA
Agricultural/Cemetery
- RS, R1, RU, R7, RW1
Single Family Residential
- RM, RD, RMP, RWP, R3, RAS, R4, R5
Multi-Family Residential
- CB, C1, C1.5, C2, C4, C5, CW, ADP, LAS
Commercial
- CM, MP, WC, CFS, M1, U1, UC, M1, M2,
Commercial/Manufacturing
- P
Parking
- PP
Parking Facility
- H
Historic

2. Sony Pictures Studios

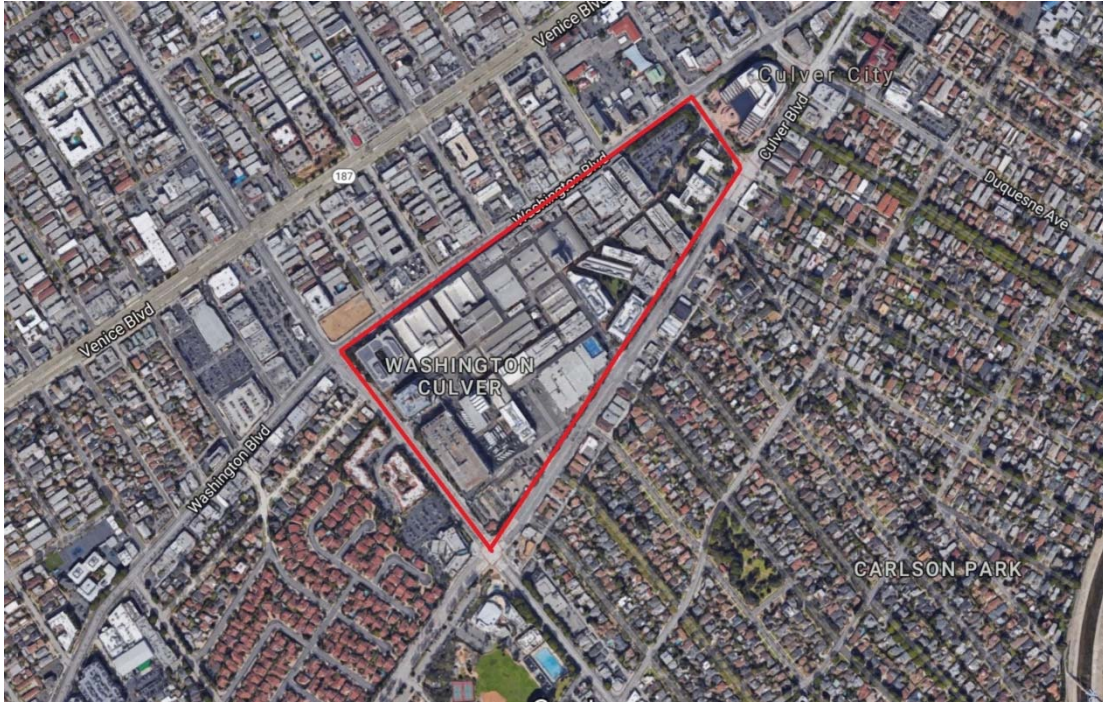
The following maps describe the Sony Pictures Studios lot in Culver City California. This studio was originally built in 1915 as Triangle Studios. It has changed hands multiple times over the years and has had ownership involvement of MGM, Warner, Columbia and finally Sony. The facility is owned by Sony Pictures Entertainment and houses the division's film studios, Columbia Pictures, TriStar Pictures, and Screen Gems.

The 45-acre lot was the catalyst for the development of Culver City which rose around it. Similar to Paramount, the adjacent mix of uses is varied and includes a large tract of single family residences to the south. Culver City is one of the rare communities that has a Studios category in its zoning code. This zoning code allows for an interface with nearby residential uses while still protecting a sufficient supply of land for studio operations. Culver City is a small, prosperous municipality that is the current target of mixed-use land development. It values the studios and the zoning designation is at once a control and a preservation tactic for the long term viability of the studio business in within its borders. The text of that provision may be a model for Toronto to consider as it seeks to protect filming related businesses:

17.250.015 STUDIO (S) DISTRICT REQUIREMENTS.

Land uses allowed within the S Zoning District shall comply with the following provisions, in addition to all applicable provisions of Article 3 (Site Planning and General Development Standards).

- a) Uses Permitted. No building or land shall be used and no building shall be erected, constructed or established except for uses customary or incidental to the production or distribution of motion pictures and other forms of audiovisual products, including but not limited to, education and entertainment films, tapes and other reproduction media. Restaurants, support and related retail and sales of alcoholic beverages, pursuant to an "on sale" license issued by the State Department of Alcoholic Beverage Control, are permitted if not accessible to the general public. Telecommunication facilities may be permitted with an Administrative Use Permit or a Conditional Use Permit, as provided for in § 17.400.110 (Telecommunication Facilities).
- b) Comprehensive Plan to Establish Standards. All development standards for sites within the S Zoning District, except the height limits established by Subsection 17.250.015.D. (Height Limit) below, shall be established by a Comprehensive Plan in compliance with Chapter 17.560 (Comprehensive Plans).
- c) Temporary Structures. Temporary structures constructed as part of a production set shall not be subject to the requirements of this Title; provided that the structures comply with applicable building, fire, and other applicable life safety regulations, and do not interfere with required site improvements, including parking spaces and aisles, and setbacks.
- d) Height Limit. No structure within the S Zoning District shall exceed a height of 56 feet. (This provision is as approved by Initiative Ordinance No. 90-013½, adopted April 17, 1990, or as may be amended.)



The Culver City case demonstrates the importance of clearly protecting for studio uses if residential uses are planned to be incorporated nearby, but not within the studio site itself. The Studio zoning classification on the Sony Pictures Studios lot provides a sufficient supply of land (45 acres) to facilitate a full range of studio activity, similar to the PIC Core designation planned for the Port Lands.

B. VANCOUVER FILM STUDIOS CLUSTER

A central hub of studio facilities owned by different entities in urban setting, linked by highway access.

Vancouver benefits from a cluster of related filming facilities such as North Shore Studios, Mammoth Studios, Bridge Studios and Vancouver Film Studios.

Vancouver is about 1,000 miles from and in the same time zone as Los Angeles. The short three-hour flight or 21-hour drive mitigates issues of travel time for talent and crews and access to filmmaking infrastructure. This relative proximity, a strong U.S. dollar and government subsidies are major factors in the growth of Vancouver's filming industry. As a result, Vancouver's local inventory of ancillary businesses and experienced crews have grown.

Complaints have been lodged that Canadian domestic productions suffer when skilled resources are devoted to foreign productions as Vancouver focuses on attracting US production. As such, Vancouver's on-screen industry tends to be somewhat more exposed to currency fluctuations.

Vancouver's film cluster is anchored by two large film studios which are located in a central part of the metropolitan area, directly adjacent to the region's primary highway. Other studio complexes are spread across the area, but are easily accessible to the central cluster via the highway network.

1. Vancouver Film Studios

Vancouver Film Studios is a full-service production facility with 12 purpose-built sound stages and a suite of support services on a fenced, multi-acre lot, just 15 minutes from downtown and 25 minutes from the airport. It claims to be the largest production facility outside of Los Angeles in North America.

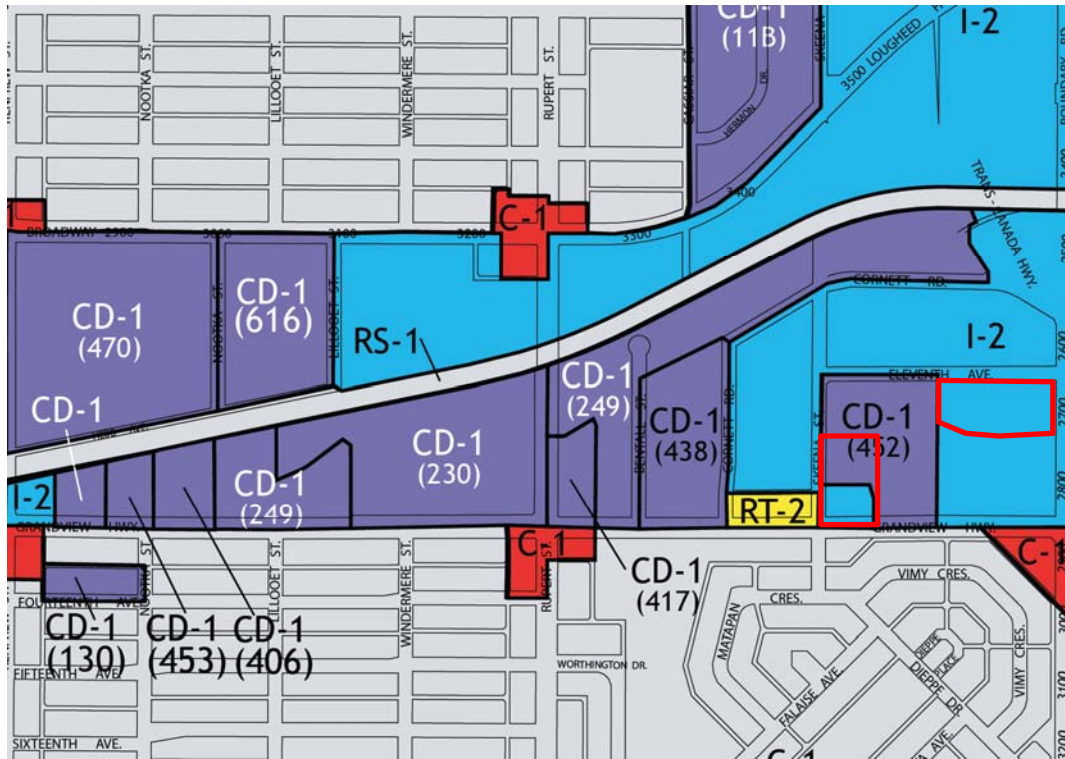
The facility began as a cluster of warehouses on a large land assembly in East Vancouver. In 1987, the property was acquired by the McLean family and in 1999 rebranded as Vancouver Film Studios. New sound stages augment the converted

factory space which are used for workshops and offices. Users are domestic and international, film and television. The facility services are operated by separate corporate entities grouped roughly under backlot, audio, aerial and production functions.

The studio is surrounded primarily by retail, light industrial and other commercial uses. It has two workshops within a retail complex across 11th Avenue that is anchored by Walmart. There is a formerly public roadway bisecting the gated lot shown in green on the map below.



The studio site is zoned light industrial (the blue area) and a special use zone that is defined by the particular occupier (the purple zone). Extending north and south of the light industrial zone are large tracts of single family homes (grey).



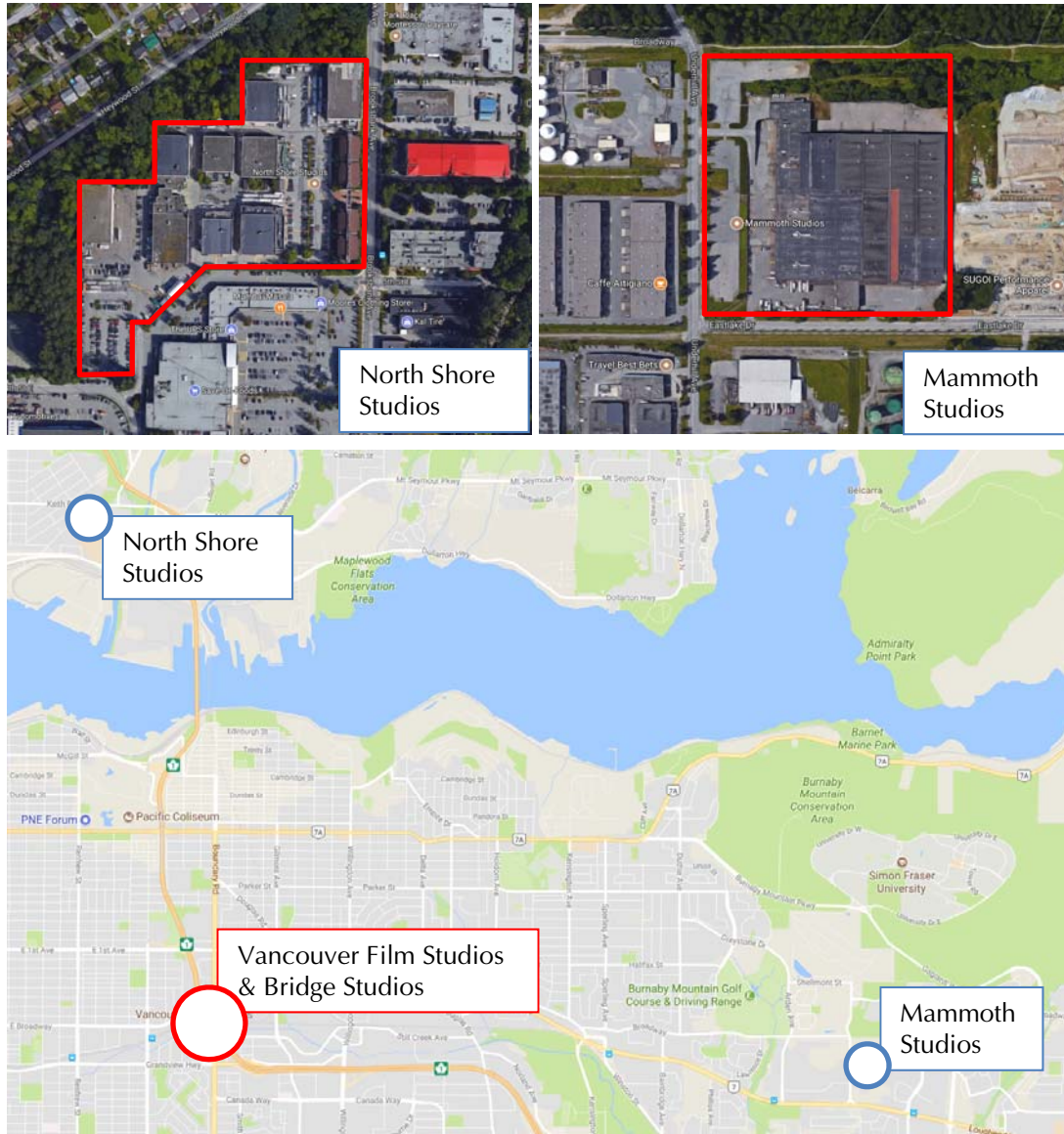
2. Bridge Studios

The Bridge Studios is a Canadian film studio located across the highway from Vancouver Film Studios. Its eight studios, range in size from 4,600 square feet to 40,000 square feet, including one of the largest effects stages in North America. Bridge operates as a strictly four-wall operation and provides no equipment or labor. Those must be contracted for separately by the production, though many of these services are available through businesses ancillary to neighbouring Vancouver Film Studios.

3. North Shore Studios and Mammoth Studios

North Shore Studios is a purpose-built lot in the docklands area of North Vancouver. It is surrounded by a curious mix of neighborhood serving commercial and big box retail. A landscape buffer separates it from single family residences and a major railroad yard separates it from an active industrial port operation. Its sister studio, Mammoth Studios in the Vancouver suburb of Burnaby, is a 3-stage operation boasting a 123,000 sq.ft. stage - the largest in the world. It is part of an industrial complex surrounded by

single family homes and golf courses. Both of these complexes are within a 15 to 20 minute drive of the central studio cluster.



C. ASTORIA QUEENS FILM PRODUCTION CLUSTER

Established on-screen infrastructure hub in urban area. Studio uses serve as catalyst for revitalization of mixed use arts focused neighbourhood.

Astoria is a middle-class residential and commercial neighborhood with a population of about 80,000 people in the northwestern corner of the New York City borough of Queens. Astoria's 100-year history as a filming center owes its legacy to Adolph Zukor, a furrier who founded and built the first film production company in Queens called Famous Players Lasky. Its slate of films was distributed by sister company Paramount Pictures. The influence of the studios in the area offering well-paying creative jobs combined with the city's rezoning efforts are causing the communities to be transformed by an influx of young couples and families. The studios believe they are responsible for spurring the rebirth of the neighborhood. As Hal Rosenbluth, president of Kaufman Astoria put it, "This neighborhood used to be full of vandalized buildings. Our goal wasn't just to build a movie studio. It was to revitalize a neighborhood using the studio as a base."

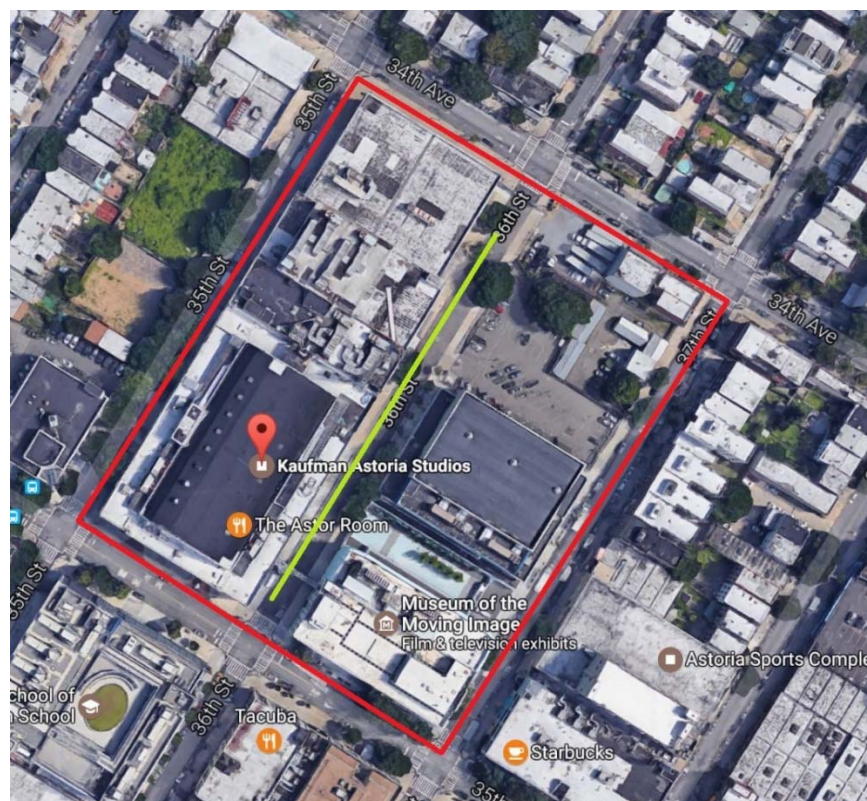
In 2004, the state implemented a tax incentive to spur film and TV production, a fund that has since grown to \$420 million annually. More than 300 movies were shot in the state last year, and there are 52 prime-time TV series filming in the five boroughs, according to the Mayor's Office of Media and Entertainment. The historic nature of Astoria's built environment makes it a filmmaker's favorite stand-in for older urban settings.

1. Kaufman Astoria Studios

Kaufman Astoria Studios first production facility was built in 1920 for Famous Players Lasky. In 1932, Zukor and his team relocated film production to California to take advantage of the film-friendly climate. The building eventually fell into disuse and in 1980 the City of New York City enticed real estate developer George Kaufman to rescue the hulking landmark. He took on the challenge with aplomb and went into the film studio business.

The reopening of the structure as an operational studio "clearly provided the impetus to make this area the hub of New York productions," said Matt Dienstag, co-owner of LeNoble. "It's the New York production version of Field of Dreams: They built it and we came." That structure is now home to the Museum of the Moving Image.

Kaufman Astoria Studios now has over 500,000 square feet in nine sound stages, including the newest, Stage K, which opened in 2010. In 2013, Kaufman unveiled a new backlot to shoot outdoor scenes and action sequences, the only one in New York City. Concessionaires on site include a lighting and grip company, a music recording and ADR studio and other production support facilities and services as well as a full service restaurant allow the small enterprise to be fairly self-sufficient. Services not available on lot are most likely in the neighborhood nearby where they have flocked over time as the studio has proven its concept.



Optimistic that the film business will survive the drama surrounding government subsidies, Kaufman Astoria broke ground on two new soundstages at the corner of 34th Avenue and 36th Street—which will add more than 24,000 square feet of studio space. In January 2017, it paid \$24 million for a 50,000-square-foot commercial building at 35-01 36th St., across from the studio's backlot. KAS ultimately plans to double its size and rent out the space to production companies, arts groups and others. In June the studio paid \$45 million for another nearby commercial building that houses a United Artists multiplex.

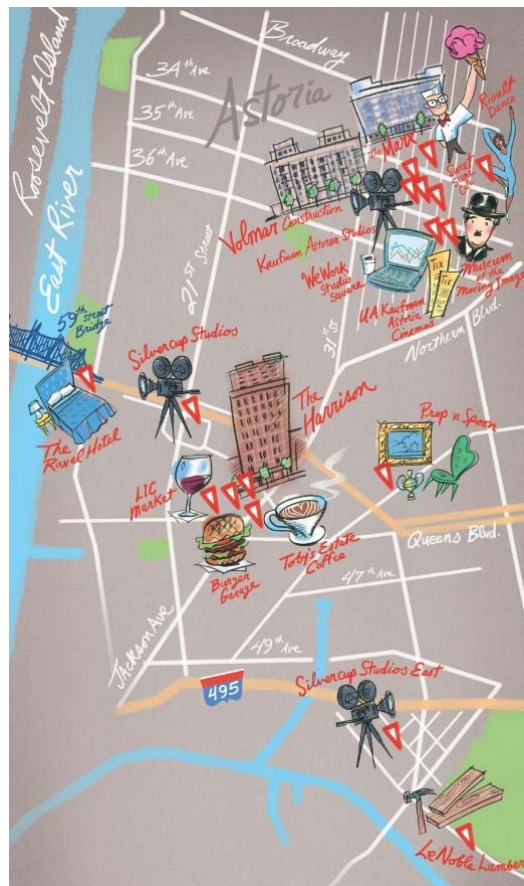
2. Silvercup Studios

Silvercup Studios, founded in 1983, has a privately owned 4-wall operation with three locations in Long Island City and the Bronx adjacent to Astoria. Silvertrucks is a lighting and equipment rental company that is housed on their East lot. Their Main location, the largest, is a bakery conversion and in a highly urban area abutting an expressway. The lot is encircled by an elevated traffic off-ramp system. Though not immediately in the Astoria district, Silvercup adds to the demand for production services allowing support businesses to thrive nearby.

3. Ripple Effects in the Area

Between 200 and 400 people work on a typical television series. Over the course of a day this means thousands of writers, costume and set designers, location scouts and production assistants, many well-paid union workers, flood into the neighborhood.

That activity has been a magnet for ancillary businesses that support the film industry such as a 95,000 sq.ft. prop business opened in 2013. Another prop house, Prop N Spoon, relocated to Long Island City to be nearby. After nearly 60 years as set-builders, LeNoble Lumber relocated from Hell's Kitchen to Long Island City. New businesses also include Toby's Estate Coffee, Sweet Scene Café, WeWork Studio Square and Rioult Dance NY. The following graphic maps the cluster as a creative hub.



Long Island City, part of which was rezoned in 2001 to allow for apartment towers, has also spurred the district's prosperity. Astoria's relative affordability and proximity to Midtown has made it appealing. As might be expected, real estate prices are soaring. The average price per square foot of residential space in the part of Astoria around Kaufman has jumped roughly 35% in the past two years as has the area adjacent to Silvercup.

In both cases the studios are developing residential property nearby. Silvercup built The Harrison, a 27-story condominium—its second in the area in the past few years. George Kaufman, owner of Kaufman Astoria, developed The Marx as condos across the street from his studio. Developer Peter Volandes of Volmar Construction views the studios as an attraction and is developing a 64-unit residential building next to The Marx.

The Kaufman Arts District

Acknowledging Kaufman's contribution to neighborhood revitalization, 24 blocks surrounding the studios has been named by the City of New York as The Kaufman Arts District. The City believes that by branding the area, it will help promote Astoria as a vibrant cultural destination and home to the creative industries and cultural institutions that support emerging artists. The Kaufman Arts District spans from 31st Street to the west, 34th Avenue to the north, Steinway Street to the east, and 37th Avenue to the south. Creative institutions in the District include:

- Astoria Performing Art Center
- Fisher Landau Center for Art
- Flux Factory
- Frank Sinatra School of the Arts
- Museum of the Moving Image
- Queens Council On The Arts
- Socrates Sculpture Park
- The Easement – Art Space
- The Noguchi Museum
- UA-14 @ Kaufman Astoria Studios Multiplex
- Materials For The Arts
- Soundview Broadcast
- Studio Nova
- The Entrepreneur's Space
- Ukehut

D. DOCKLANDS STUDIOS, MELBOURNE

Government supported studio facilities located on lands formally used for port operations. The studio has struggled to achieve critical mass, but is beginning to see more investment in recent years.

The studios opened their doors in 2004 under the name Melbourne Central City Studios as a focal point of Melbourne's Docklands re-development into a tourist and entertainment mecca. The site is located approximately one mile from the City of Melbourne's Central Business District. One of only three filming facilities in the country, the Studios are touted as a flagship for the Australian film and television industry.



Facility:

- Site area of about 15 acres
- 5 purpose-built stages from 8,000 to 25,000 sq.ft., each with its own production offices
- Mill
- No tanks or waterfront filming location capability
- Television series and live broadcast capability

The configuration of the site is spread out over the full 5.5 ha (12.8 acre) lot, leaving considerable room for parking supply, some of which allows for expansion of studio facilities within the site. The site layout is similar in context to the Port Lands in that the City was able to secure publically accessible open space adjacent to the Moonee Ponds Creek, similar to how Toronto plans to secure a waters edge promenade adjacent to the Ship Channel.

Unlike Fox Studios in Sydney and Village Roadshow Studios on the Gold Coast, Docklands has been fully government owned since 2008. In 2009 it was reported to be running at a loss and rebranded with a new name, Docklands Studio, and \$10 million in public investment. In 2009, the Government of Victoria, together with the Studios, undertook the Future Directions project. This has resulted in the State Government committing to the Studios to focus on both international and domestic film and television industries.

In 2014-15 the Docklands Studio generated \$3.7 million in revenues and had earnings of about \$1 million before depreciation. It covers its own costs, but does not pay dividends.

In 2014, on the occasion of its 10th anniversary, Innovation Minister Louise Asher noted that in its first decade, the complex had been responsible for "more than half a billion dollars of economic activity in the state". Studio chief Rod Allan cited figures claiming that international productions using the complex have spent \$351 million within the state, while domestic productions have spent \$278 million. But despite its many attractions and successes, Docklands still struggles to attract the big-budget shoots that tend to gravitate towards the larger facilities in Sydney and on the Gold Coast.

There are significant incentives for producers to come here. The Australian government refunds 16.5 per cent of costs for movies filmed locally, or 30 per cent if post-production and digital effects are also done in Australia. Film Victoria also offers incentives if producers can prove they will spend more than \$3.5 million here.

"[Currency] is a big factor in attracting production to Australia and certainly two or three years ago when the dollar was at parity it was much more difficult," says Chief Executive of Docklands Studios, Rod Allan. "It starts to get problematic really when it gets over 80¢ [US]. We would rather see the dollar around 70¢ [US]." It is also noted that Australian technical crews are well-qualified and English speaking giving them further advantage in attracting production.

Originally, the studio struggled in part due to its isolation from other studios and ancillary support services. To rectify this, further developments to the infrastructure of the site were planned for 2010, including a refurbishment of Stage 5 as a television studio and redevelopment to the workshop. Long term plans for the Studios include a large sound stage, mess hall, workshop and retail spaces, production offices, and permanent commercial tenancies. These expansion plans are just now being implemented.

Future strategy for the studio include the following key points:

- Studio should remain in government hands (it was built and operated by a private consortium from 2003, but the state took control in November 2008);
- A sixth sound stage, considerably larger than any of the others, is being built to attract larger international productions;
- Development of the site as a hub of ongoing film production through construction of new office space, mess hall and workshop spaces;
- Pre-rigged for environmental effects;
- Sophisticated electrical distribution;
- Addition of several large interiors; and
- Easy access to compressed air, water and gas lines.