



REPORT FOR ACTION

Los Angeles Mission 2019

Date: August 13, 2019

To: Economic and Community Development Committee

From: General Manager, Economic Development and Culture

Wards: All

SUMMARY

On May 9, 2019, Mayor John Tory, alongside Deputy Mayor Michael Thompson, Councillor Paula Fletcher and key City staff led a delegation of 30 Toronto screen industry companies and organizations to Los Angeles to strengthen existing relationships and foster new ones with Los Angeles' leading film, television and digital media companies in order to secure more investment in Toronto.

The delegation, the largest to date for this mission, presented a unified voice for the jurisdiction and showcased Toronto's commitment to growing the industry beyond the \$2 billion it contributed to the city in 2018. Messaging from Mayor Tory, Deputy Mayor Thompson, Councillor Fletcher, City staff and delegates was focused on infrastructure growth, workforce development and customer service during this unprecedented golden age of content creation.

This report provides an overview of the Mayor's Los Angeles Mission including key activities and outcomes.

RECOMMENDATIONS

The General Manager, Economic Development and Culture recommends that:

1. City Council receive this report for information.

FINANCIAL IMPACT

The total cost of the trade mission was \$152,822.42. The net cost after sponsorship contributions of \$133,193.16 was \$19,629.26. This amount was included in Economic Development and Culture's 2019 Approved Operating Budget, under the Film and Entertainment Industries activity. Future investments in Toronto by companies met in Los Angeles will result in benefits to the City.

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

DECISION HISTORY

The Economic Development Strategy, Collaborating for Competitiveness, adopted by City Council in February 2013, presents specific recommendations and actions to advance four key strategies to accelerate economic growth and job creation in Toronto. A key pillar to the strategy is to “Boost Business Growth” which focuses on leveraging the City's relationship with our international alliance partners to establish cross border business oriented partnerships, develop new markets and trade alliances, and to act as a catalyst for new investment, as well as business, educational and cultural exchanges. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.ED19.4>

The delivery and implementation of *Spotlight on Toronto* was the focus of the mission as well as a prime occasion to gather feedback on opportunities for growth and film-friendly features as required by the industry. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.ED22.4>

The Mayor previously led screen industry missions to Los Angeles in 2016, 2017 and 2018.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.ED12.1>
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.ED22.5>
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.ED31.5>

COMMENTS

The focus of the 2019 mission was to present news of Toronto's achievements and initiatives around physical and workforce infrastructure expansion and customer service enhancements. This information was delivered to solidify ties with recurrent producers and studios in Toronto as well as to develop future clients.

An important component of the mission was to gather intelligence from production entities on their experiences making content in Toronto and comparatively, in other jurisdictions. The City team was comprised of Mayor Tory, Deputy Mayor Michael Thompson, Councillor Paula Fletcher, the City of Toronto's Film Commissioner and Director of Entertainment Industries, the Film Sector Development Officer and the Mayor's Deputy Chief of Staff. The 48 delegates were placed into teams and each assigned meetings with key companies in Los Angeles. The information gathered by the City team and the delegation directly guides priorities in fostering an outstanding content-making ecosystem that leads to confidence in bringing projects to the city.

The mission included meetings by the City team and for the first time delegate team meetings with film studios, key production companies and streaming services and a reception for industry stakeholders.

In order to strategically extend the City's business relationships in LA and to secure future investment in Toronto, missions to Los Angeles were mounted in 2016, 2017 and 2018 with Mayor Tory, Film and Entertainment Industries staff and key representatives of the local industry. Outcomes of the 2016 mission to LA resulted in the Five Point Plan for Film which focused on five key areas to ensure growth in Toronto's film and TV industry. Returning to LA with a larger delegation in 2017 was a strategic extension of the Five Point Plan that cited Film and Entertainment Industries' commitment to provide consistent support to the industry and to build awareness of Toronto as a premier global destination of choice for screen production. In July 2017, City Council adopted *Spotlight on Toronto: A Strategic Action Plan for the Toronto Film, Television and Digital Media Industry*. A recommendation within the Strategic Plan states that "in light of the importance of Los Angeles based clients, the City promote Toronto's brand and build relationships among key Los Angeles decision makers." Building on previous missions' success and the expressed need to further solidify the jurisdiction's presence in Los Angeles, the 2018 Mission created a robust new approach to engage more industry stakeholders from Toronto and in Los Angeles.

2019 Mission Objectives:

- Re-connect with the City's key industry partners and investors in Los Angeles to present the ongoing initiatives that are underway to maintain Toronto's position as one of the best and most competitive production jurisdictions in the world.
- Sell Toronto as a globally-leading jurisdiction for film, television and digital media production to established and new content producers.
- Cultivate relationships with prospective investors, companies and key stakeholders to pursue new business opportunities of high potential growth.
- Detail the jurisdiction's announced studio space growth for the next two years, efforts around workforce development and customer service.
- Gather information on global workforce training initiatives and what the industry expects of Toronto's talent for the future.
- Celebrate the year of outstanding success and growth that Los Angeles investments in Toronto have yielded and thank the City's industry stakeholders for their ongoing partnerships.
- Showcase Toronto's industry expertise and diversity and the city's livability.
- Provide a platform for Mayor Tory, Deputy Mayor Thompson (Chair of Economic and Community Development) and Councillor Fletcher (Chair of the Toronto Film, Television and Digital Media Board), Film and Entertainment Industries staff and key businesses to network and promote Toronto internationally as an investment destination for the creative industries.
- Provide a platform to gather intelligence on what improvements can be made in Toronto to further attract major investment and respond to the rapid growth of market demand and production.

Business/Delegate Recruitment

Toronto's film, television and digital media industry is recognized globally for its wealth of expertise, innovation, creativity and talent. Showcasing this talent in a business mission is crucial to delivering the message of a strong and unified industry. A wide

range of industry partners were engaged and contributed to the mission including unions of industry professionals such as IATSE873, the Directors Guild of Canada-Ontario and NABET 700-M Unifor; film studios including Pinewood Studios, TRiBRO Studios, Revival Studios, and Cinespace Studios; post-production/VFX houses like Technicolor, Mr. X, Rocket Science VFX, Deluxe and SpinVFX; and hotels and banks servicing the industry such as The Hazelton Hotel, The Four Seasons Hotel, RBC and BMO, among others.

City of Toronto staff reached out to delegates of the previous missions and new companies who had expressed interest in joining a future mission. In total 30 delegate companies participated in and contributed financially to the mission and were involved in all stages of planning, including consultations on messaging, itinerary, marketing collateral and event programming and logistics. Key to the selection of the delegation was the relevance of the companies' services to the industry and their willingness to be part of a message and delegation that speaks to all of what Toronto has to offer. Also on the Mayor's Mission were Deputy Mayor Michael Thompson, Councillor Paula Fletcher, and the City of Toronto's Film Commissioner and Director of Entertainment Industries and Film Sector Development Officer.

A list of the Toronto delegate companies is provided in Attachment A.

Mission Highlights - Los Angeles, May 9, 2019:

City team breakfast meeting with Motion Picture Association of America members, Intercontinental Hotel:

- Following his previous meetings with MPA members during the 2016, 2017 and 2018 missions, the Mayor and City staff returned to speak with representatives of each of the major studios. The MPA members are: Disney (ABC, Marvel, Pixar), Paramount Pictures (CBS, CW, Nickelodeon, MTV), Sony Pictures (Columbia, Screen Gems, Sony Animation), 20th Century Fox (Fox, Fox Searchlight, Blue Sky Animation), Universal (NBCUniversal, Focus Features, DreamWorks Animation, Universal Animation, Illumination Entertainment, Gramercy Pictures, Working Title Films), Netflix, HBO and Warner Brothers (New Line Cinema, DC Films, Castle Rock Entertainment, Turner Entertainment, CW).
- The Mayor, Councillors and staff delivered key updates with a focus on infrastructure developments, crew training, tax incentives stability, customer service developments and upcoming initiatives as well as gathered important feedback on the studios' past and recent experiences in Toronto and in other jurisdictions. Workforce development has proven to be the most important challenge Toronto (and several other popular filming jurisdictions) face in the next few years as production levels go up and new space becomes available.

Meeting with Netflix, Netflix office:

- Netflix is the biggest content-producing streaming platform in the world, and recently committed to Toronto for one of their production hubs, leasing stages for multi-year agreements at two major Toronto studios, thus anchoring their activities in Toronto beyond the several productions that have come to Toronto these past years.

- The Mayor thanked Netflix for this commitment and addressed how Toronto's infrastructure growth is timed for the next two years, citing recent announcements and upcoming developments, and reinforced the City's commitment to growing the infrastructure footprint in Toronto. The Mayor addressed Toronto's need to develop more crew and spoke to our concerted efforts with industry to quickly and properly increase and diversify our workforce to respond to the type of global shows being produced here. Open discussions with attendees about crew capacity, recent experiences on the ground with current major productions shooting in Toronto like October Faction and Jupiter's Legacy were productive in determining opportunities for the Film Office to best serve productions.
- Netflix is dedicated to bringing a large slate of projects to Toronto in the near term and is eager to work with the City on how to best take advantage of Toronto's film-friendliness. They are interested in assisting in workforce development efforts.

Meeting with Entertainment One, Entertainment One office:

- Headquartered in Toronto, Entertainment One's major productions stem out of Los Angeles. A major producer and distributor, eOne has recently shot American and Canadian projects in Toronto, including Molly's Game, Designated Survivor, and currently Run with HBO.
- The Mayor gave an overview of the current growth path for infrastructure over the next few years and the City and industry's efforts to build its workforce capacity and asked for feedback on recent experiences and other utilized jurisdictions.
- Entertainment One sees Toronto as a top destination for their projects and intends to bring more in the next two years, both Canadian and American projects alike.
- Entertainment One is interested in engaging on workforce development initiatives to address skills gaps observed in the workforce, some of which are pertinent to Canadian content productions, in addition to foreign service production.

Meeting with Apple Studios, Apple Studios office:

- First meeting between the Mayor and Apple Studios. Apple having now launched their production division and announced their Apple streaming service, their need for originally-produced content is vast and Toronto is set to greatly benefit from attracting this high-level producer. The Head of Production is very familiar with Toronto, having produced here: Hannibal, Hemlock Grove, and Unnatural History. This first meeting was a perfect stage to update their team on Toronto's industrial as well as social ecosystem, speak to Apple's infrastructure, workforce and service needs when choosing a jurisdiction and what if any roadblocks prevent them from selecting one location over another, anywhere in the world.
- Apple is interested in bringing projects to Toronto in the next two years.

Meeting with HBO, HBO Headquarters:

- HBO has been back in Toronto this past year and a half with Fahrenheit 451 in 2018 and with Jett and Run this year (produced with Entertainment One). This meeting was designed to thank HBO for their recent commitments to Toronto and

to gather feedback on their experiences and upcoming projects that could land in Toronto.

- HBO expressed a strong interest in workforce development and diversity in front of and behind the camera, which places Toronto in an excellent position to attract continued business from the company. They are actively willing to participate in and discuss workforce development initiatives.

Meeting with Legendary Pictures, Legendary Pictures Headquarters:

- Legendary Pictures has been in Toronto in the past (notably with Pacific Rim in 2013), but not much lately on the production side. However, they have taken advantage of Toronto's exceptional VFX houses to do post-production here on certain projects. They do a lot of business when outside of the US in Vancouver and Eastern Europe. This meeting provided an opportunity for the City team to give them one-on-one time, ask them honest questions about their experience in other jurisdictions, and whether they consider Toronto for their projects.
- Legendary Pictures is looking at their 2020+ slate and will give Toronto more serious consideration for their major television and/or film projects.

Industry Celebration:

- Hosted by the Mayor, City staff and the delegation, this evening celebration was attended by over 250 people to celebrate the achievements of the past year and to foster relationships that will result in increased business opportunities for the City of Toronto, as well as Toronto-based content businesses and creators.

Mission Feedback Summary

Feedback from the mission participants gathered from informal meetings following the mission and at a formal post-mortem meeting held on June 6th, 2019 was extremely positive. Delegates agreed that the clarity and strength of our message was well received, that the format of the team meetings created a much more involved and impactful mission, and that the significant involvement of key politicians and staff leadership sent a powerful message of commitment to our stakeholders and clients in Los Angeles. The Toronto industry views this trip as an essential business and marketing trip given the competitive nature of the industry, especially during this unprecedented golden age of content production. The format of the meetings and events in Los Angeles allowed for candid conversations and intelligence gathering that would otherwise not be possible.

Mission Outcomes

- All studio and production executives were pleased to see the City of Toronto present in Los Angeles for a fourth year in a row, with a larger and more involved delegation than ever. All were eager to hear updates on the recent studio growth announcements in the city and what the jurisdiction is doing to ensure the workforce will be in place to absorb the large amount of new projects that will come to Toronto.

- All view Toronto as an absolute top jurisdiction that is often their first choice, and commend our level of service and dedication to the industry and our care toward citizens of Toronto understanding the importance of this industry.
- The most critical and ubiquitous feedback was the urgency for the jurisdiction to quickly increase the amount of crew available for several simultaneous large projects. Many have had to bring American crew to get the needed numbers. And within this need for growth, a strong need for diversity within crew memberships will be key in positioning Toronto as the one true global city for content producing.
- The feedback gathered through the team meetings with over 30 LA companies gave the City a much larger data set to determine Film and Entertainment's priorities for the sector.
- City staff will continue to work closely and further establish connections with the stakeholders met on this trip to ensure initiatives are carried through and messaged back to the industry.

Mission Budget and Financials

The detailed mission budget and financials are attached as Attachment B.

CONTACT

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SIGNATURE

Mike Williams
General Manager, Economic Development and Culture

ATTACHMENTS

Attachment A: List of Delegate Companies
Attachment B: Los Angeles 2019 Film Mission Budget and Financials

Attachment A: List of Delegate Companies

- 1 Bank of Montreal (BMO)
- 2 Century Studio Inc.
- 3 Cinespace Film Studios
- 4 Deluxe Toronto
- 5 Directors Guild of Canada-Ontario (DGC-ON)
- 6 Dufferin Gate Studios
- 7 Entertainment Partners Canada
- 8 FilmOntario
- 9 High Park Entertainment
- 10 IATSE Local 873
- 11 Media One Creative
- 12 MR. X
- 13 NABET 700-M UNIFOR
- 14 New Metric Media
- 15 Panavision
- 16 Pinewood Toronto Studios
- 17 Royal Bank of Canada (RBC)
- 18 Revival 629 Film Studios
- 19 Rocket Science VFX
- 20 SIM International
- 21 SPINVFX
- 22 The Stratagem Group
- 23 Studio City Toronto
- 24 Take 5 Productions
- 25 Technicolor
- 26 The Four Seasons Hotel
- 27 The Hazelton Hotel
- 28 TRiBRO Studios
- 29 William F. White International Inc.
- 30 York University

Attachment B: Los Angeles Film Mission 2019 Budget and Financials

City of Toronto political and staff delegation travel (Air and ground transportation, hotels, per diem)	\$19,629.26
Business events and Reception	\$105,324.25
Marketing materials and advertisement	\$11,526.24
Event staff	\$5,401.74
Meetings charges	\$1,327.99
Delegation Transportation	\$9,612.94
Total Mission Budget	\$152,822.42
<i>Sponsorships covered expenses</i>	<i>\$133,193.16</i>
Net Total Mission Expense for the City of Toronto	\$19,629.26