

INTRODUCING FILM PERMIT FEES

Date: June 28, 2021

To: Toronto Film, Television and Digital Media Board

From: Film Commissioner and Director, Entertainment Industries

Wards: All

SUMMARY

The Film, Television and Digital Media Office (Film Office) is seeking to introduce fees to its current film permit structure (for location shoots on city-owned and operated properties and streets) starting in 2022. The purpose of this report is to provide the Film, Television and Digital Media Board with an update on the background and work done to date regarding the introduction of film permit fees.

RECOMMENDATIONS

The Film Commissioner & Director, Entertainment Industries, Economic Development & Culture recommends that:

The Toronto Film, Television and Digital Media Board receive this report for information.

FINANCIAL IMPACT

There is no financial impact resulting from the adoption of the recommendation in this report.

DECISION HISTORY

In [April 1999](#), free film permits were adopted as a way to attract a more nascent industry, when production levels were a fraction of what they are today, and charging for permits would've been considered a jurisdictional disadvantage.

<https://www.toronto.ca/legdocs/2000/agendas/council/cc/cc001003/pof12rpt/cl039.pdf>

COMMENTS

Toronto is the only top film production jurisdiction in North America, and the only local jurisdiction, that does not charge for film permits. Additionally, the Film Office is constrained by limited financial resources, as business demand continues to grow while budgetary resources contract. The revenue generated by these fees will provide the Film Office with resources to deliver the highest level of customer service along with innovative initiatives that support the industry's growth. These efforts are crucial in fostering competitive advantages for Toronto as a global production jurisdiction, and in meeting the requirements of a fast-growing industry.

Toronto is one of the 5 largest production hubs in North America, home to over 1,400 productions per year, issuing 3,400 permits, generating \$2.2 Billion in economic impact, and employing over 35,000 people. In each of the three years prior to the pandemic, production volume grew by 10% year-over-year, and 2020 is seeing unprecedented production volume growth. Further, Toronto is expecting a 63% expansion in studio space in the next 5 years, which will bring a large increase of location shoots across the city each year. The costs to the City have grown as services have expanded in response to the importance of this industry to our local economy. The Film Office needs to be equipped to respond with efficacy and to foster this growth.

To thoroughly explore and model the potential of charging for film permits, Film Office staff took the following steps:

- Determined internal processes for compliance
- Conducted external consultations
- Performed a jurisdictional scan of North American cities
- Based on the findings, modeled tiers and types of fees

The objective was to arrive at a model that is simple, streamlined, predictable, and responsive to the variety of productions served by the Film Office.

1. INTERNAL PROCESSES AND COMPLIANCE:

Film Office staff are working with the City's Legal and Finance departments to ensure full compliance in the introduction of a new fee to businesses (productions). In [April 1999](#), free film permits were adopted as a way to attract a more nascent industry, when production levels were a fraction of what they are today, and charging for permits would've been considered a jurisdictional disadvantage. The decision at the time was done in full consultation with industry stakeholders, in the same way as the introduction of fees is now being conducted and fashioned to adjust to the current size and scope of the Toronto screen industry.

In addition, the Film Office handles the permitting process completely differently than it did over twenty years ago.

- The Film Office now has a team of 11 employees, including two Managers (Film Permit and Sector Development)
- The 8 Film Permit Coordinators issue permits in 48 hours - the fastest service time in North America. They skillfully and quickly work with other City divisions like Transportation, PF&R, TPS, CREM, TPA, and other stakeholders in the public realm, to coordinate large scale temporary sets that benefit all stakeholders affected.
- They offer concierge service that is greatly valued on productions for the global market such as Star Trek, Handmaid's Tale, The Queen's Gambit, Kim's Convenience, Workin' Moms.

The Film Office provides services that weren't conceived of in 1999, such as:

- Workforce development in partnership with unions, school boards, community groups and producers, addressing critical labour shortages and ensuring quality crews
- Matching BIPOC creators with eager employers by linking community groups to productions
- Working with City Planning to embed film-friendly characteristics in parts of the City's Official Plans
- Greening production, thereby creating infrastructure producers want to use
- Working with real estate brokers, studio developers, City Planning and Toronto Buildings to facilitate studio expansion
- Marketing Toronto to international clients through annual Mayor's Missions to LA, xoTO House at TIFF, and other initiatives.

2. EXTERNAL CONSULTATIONS

Film Office staff have consulted with industry stakeholders between April and June of 2021, including members of the Toronto Film, Television and Digital Media Board and members of the Directors Guild of Canada's Locations Caucus, to ensure the proposed permit fee structure would take into account any and all implications, benefits and concerns around the introduction of film permit fees.

Industry stakeholders have been unanimously supportive of introducing film permit fees, as it offers the City of Toronto the opportunity to generate revenues for the purpose of providing gold-standard customer service to a globally competitive industry.

Key points of discussions iterated below are fully taken into account in the ongoing financial modelling of the future fees structure.

- Pricing and Competitiveness:

A jurisdictional scan has been completed to ensure Toronto presents a competitive and fair fee structure for all types of productions in all location shoot scenarios, including multi-locations and multi-day shoots, and that fees should be charged only for issued permits.

- Consistency:

To ensure productions have time to budget for the new fees, they will not be implemented until 2022. Any fee increases over the years should be done incrementally, with prior notification.

- Ease-of-Use:

The fee structure should be simple, transparent and predictable, and the transaction system should be seamlessly integrated into the existing film permit applications system.

- Customer Service and Industry Growth:

Importance of the majority of generated revenues staying with the Film Office to increase customer service to a fast-growing industry.

3. JURISDICTIONAL SCAN

Los Angeles	
Application fee (10 locations in 2 weeks)	\$795
Still photography	\$75
Monitoring Staff (supervised)	\$37/hour
Permit Revision fee:	\$31
Public Notification fee:	\$198

New York City	
Application fee is \$300	\$300
Permit fee	\$300
No b-roll filming permits issued (free)	
Filming in a department of Citywide Admin Services property	\$3,200

Chicago	
Permits	\$250/day per location
Students	\$25
Permit Issuance: minimum 3 days	

Mississauga	
Permit Fee for usage of roads and sidewalks.	\$400
Parks: Daily Fee	\$500-\$750
Arena's/community centres/city rooms etc: \$500-1000.	\$500-\$1,000
Less than 3 days' notice permit is \$100 extra.	\$100
Cancelled permits, they keep 15% of permitted fees	

Vancouver	
Two-tier system:	

1. Low Impact Filming: shorts, specials, documentaries, music videos, b-roll. No late night filming allowed, no road closures, cap is 15 people and is a reduction of 80% of the below fees.	
2. All other productions require a business license to apply for a film permit. Business license with City is required for each production:	\$60
Site visits	\$110
Site Monitoring	\$78
Production Daily Filming Fee (as many locations as they can for the day)	\$1,000
Late night filming	\$2,000
Holding Fee	\$111
Park Fees: structured as Student, Lunch only, 4 different levels of productions with different corresponding fees	\$300-\$1,130

Hamilton	
Permit fee	\$64
Road Closure permit is \$700	\$700
Parks filming - per day	\$300-\$1500
City Hall, Arenas (interior)	\$4,000
Community Centres (interior)	\$1,000

PROPOSED TORONTO PERMIT FEE STRUCTURE MODELLING:

While the exact amounts that would be charged are still being worked through, the tiers for various types of productions, and the types of fees that would be introduced, are presented below.

Three-tier system: The three-tier system ensures that film permit fees remain affordable for all. Tier 1 fees are full fees, fees for Tier 2 are lower, and in Tier 3, permits will be free for local news and student films. Tiers are created and separated based on large/small format, complexity of permits, and general impact to neighborhoods and stakeholders. Any increase in fees throughout the years would be done in small increments.

Tier 1: Features, Series, Mini-Series, Pilots

Tier 2: Commercials, Documentaries, Reality TV, Music Videos, Short Films

Tier 3: Local News, Student Films

Fees being introduced:

1. Registration Fee: All must register, but there is no fee for Tier 3 productions.
2. Grid Permit Fee: Tier 1 and Tier 2 (Free for Tier 3)
3. Location Permit Fee: Fee per public location (not per day). These permits are free for Tier 3 productions, Scouting and SPFX permits remain free for all.
4. Road Closure Fee: All tiers
5. Park permit Fee: Tier 1 and Tier 2 (Free for Tier 3)

The online film permit fees system will be a part of FilmPal, the current film permit portal used by all productions operating in Toronto. Film Office staff are doing preliminary work with the Digital Adaptation team to test the implementation of a fee structure in the existing system. All payments will be done online, and all permits outside of the Application fee will only be charged once fully executed.

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SIGNATURE

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