

Los Angeles Mission 2022

Date: June 21, 2022

To: Economic and Community Development Committee

From: Interim General Manager, Economic Development and Culture

Wards: All

SUMMARY

On May 25, 2022, Mayor John Tory led a delegation of 32 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 \$2.5 billion it contributed to the city in 2021. Messaging from the Mayor, 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 (LA) Mission including key activities, objectives, and outcomes of the mission.

RECOMMENDATIONS

The Interim 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 \$155,048.73. The net cost after sponsorship contributions of \$113,000.00 was \$42,048.73. This amount was included as part of Economic Development and Culture's (EDC) 2022 Approved Operating Budget. The work done during the trade mission will result in future investments in the City of

Toronto by companies met in Los Angeles and this will provide future benefits to the City.

The detailed mission budget and financials are attached as **Attachment C**.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact Section.

DECISION HISTORY

At its meeting on February 20, 2013, City Council adopted item ED19.4, [Collaborating for Competitiveness: A Strategic Plan to Accelerate Economic Growth and Job Creation in Toronto](http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.ED19.4), which presented recommendations to accelerate economic growth and job creation in Toronto. One of the recommendations focused on leveraging the City's relationship with international alliance partners and friendship cities as well as with bi-lateral business associations to establish cross-border business oriented partnerships, develop new markets and trade alliances, and to act as a catalyst for new investment, as well as business, educational and cultural exchanges.

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

At its meeting on June 7, 2016, City Council adopted item ED12.1, Mayor's Mission to Los Angeles: Growing Toronto's Screen Industry, which directed the Economic Development and Culture division to lead a staff working group with the mandate to maximize the City's support for film and television production in Toronto.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.ED12.1>

At its meeting on July 4, 2017, City Council adopted item ED22.4, [Spotlight on Toronto: A Strategic Action Plan for the Film, Television and Digital Media Industry](http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.ED22.4), which emphasized the importance of Los Angeles based clients and the need for the City to promote Toronto and build relationships among key Los Angeles decision-makers.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.ED22.4>

At its meeting on July 4, 2017, City Council adopted item ED22.5, Los Angeles Mission 2017, which provided a summary of the Mayor's mission and its focus on strengthening existing relationships with Toronto's key investment partners in film, television and digital media and on expanding new business opportunities across all aspects of production including visual effects, animation, post production and virtual reality.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.ED22.5>

At its meeting on October 2, 2019, City Council adopted item EC7.7, Los Angeles Mission 2019, which presented an overview of the Mayor's mission to Los Angeles and focused on the consensus stakeholders demonstrated regarding the need for workforce development and expansion of production infrastructure for the growth of the film industry in Toronto.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EC7.7>

COMMENTS

The focus of the 2022 Los Angeles Mission was to present Toronto's achievements and initiatives on physical infrastructure expansion, workforce development, and customer service enhancements. This information was delivered to solidify ties with established production clients, and to develop opportunities with new ones.

The mission included meetings with film studios, key production companies and streaming services, along with two receptions for industry stakeholders. An important component was to gather intelligence from production entities on their experiences making content in Toronto and comparatively, in other jurisdictions. The information gathered by the team representing the City and the delegation will help guide priorities in fostering an outstanding content-making ecosystem that leads to confidence in attracting investments by bringing projects to the city.

Mission Objectives:

- Thank the City's industry stakeholders for their ongoing partnerships, and celebrate the outstanding success and growth that Los Angeles investments in Toronto have yielded.
- Detail Toronto's announced studio space growth, actions and results in workforce development and customer service.
- Gather information on global workforce training initiatives and what the industry expects of Toronto's talent for the future, and provide a platform to gather intelligence on what improvements can be made to further attract major investment and respond to the rapid growth of market demand and production.
- Promote Toronto as a globally-leading jurisdiction for film, television and digital media production to established and new content producers.
- Re-connect with the City's key industry partners and investors in Los Angeles to present the ongoing initiatives to maintain Toronto's position as one of the best and most competitive production jurisdictions in the world.
- Cultivate relationships with prospective investors, companies and key stakeholders to pursue new business opportunities of high potential growth.
- Showcase Toronto's industry expertise and diversity and the city's livability, and promote Toronto internationally as an investment destination for the creative industries.

Business/Delegate Recruitment:

The 32 sponsor companies and the City sent a total of 63 delegates to Los Angeles for the mission. Delegates represented major industry segments: studio owners, unions, equipment suppliers, educational institutions, financial services, VFX, post-production, hospitality, and industry organizations. Each of the companies participating as a delegate contributed to the costs of the mission as a sponsor, and payed their travel costs for participating in the meetings and receptions.

In order to recruit, Film Office staff reached out to delegates of previous missions and to new companies who had expressed interest in joining a future mission. Key to the formation 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 promoted Toronto as a global leader in the industry.

In addition to Mayor John Tory, the City team included Deputy Mayor Michael Thompson, Councillor Paula Fletcher, Deputy Chief of Staff Courtney Glen, Manager of Planning and Operations Louise Brunet, Film Commissioner and Director of Entertainment Industries Marguerite Pigott and Film Sector Development Officer Collin Joseph.

Toronto's stakeholders in Los Angeles have expressed that this mission is regarded as exceptional because every sector of Toronto's industry was represented, and competitors worked together in support of the shared goal to advance Toronto as globally-leading jurisdiction for film, television and digital media.

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

Mission Highlights:

The Mission included several key events.

Reception at the Residence of the Consul General to Los Angeles - Tuesday, May 24

- All delegates were invited to attend this event, which launched the mission. Local guests from Los Angeles were also invited and included representatives from companies that have brought business to Toronto beyond service production. Companies included Hackman Capital Partners, Manhattan Beach Studios, and CBS given their investments in studios in Toronto. Netflix and Amazon were also included in recognition of the offices they have opened in Toronto to develop and commission original Canadian production.

LA Mission Debrief, La Peer Hotel - Wednesday, May 25

- After a day of meetings, all teams gathered for an hour-long debrief session, Chaired by Mayor Tory. Each team discussed the 'headline' feedback from their meetings, and shared what they heard regarding what Toronto does well as a film production jurisdiction, and where more investment would be beneficial. Feedback is reflected below.

Industry Celebration, La Peer Hotel - Wednesday, May 25

- Hosted by the Mayor, City staff and the delegation, this evening event was attended by over 250 people to celebrate the achievements of the past year and to foster growth for the jurisdiction by anchoring Torontonians as hosts.

Mission Feedback Summary:

The delegate companies were divided into 10 teams, with varied segments of the industry represented on each team. Teams were assigned several companies to meet

with in Los Angeles on the day of the mission, determined by geographical proximity for efficiency. A total of 40 meetings took place.

Attachment B lists the Los Angeles companies that took part in meetings.

- Client Feedback

Feedback shared by Los Angeles stakeholders was positive – they noted that Toronto is amongst the most desired production jurisdictions for clients working across different budget levels and formats. As the city becomes an even more dominant production hub, stakeholders' primary request is for "more of what you're already doing". The Film Office must be resourced in a manner equivalent to that of other major global hubs and competitors in order to meet expectations.

In addition to overwhelmingly positive feedback received from clients on the quality of Toronto's crews, the aggressiveness with which studio space is expanding, and the excellence of Toronto's workforce development programs, several priorities were expressed where even greater investment is desired. These are outlined below:

Scaling up workforce development

- With the projected increase in studio space in the GTHA of 68% between 2022 and 2026, the workforce will need to grow by at least 10,000. The only way to achieve the degree of scale required is to work with post-secondary institutions, in addition to ongoing work with unions and community groups.
- Diversity and inclusion is and should continue to be a driving principle in workforce development, and the studios almost unanimously expressed the need for a more direct connection between participants in workforce development programs advanced and supported by the Film Office and their productions in order to enable on-set experiences that advance skills development. Ensuring diverse crew members advance to become Heads of Departments is an objective that can be pursued in partnership with unions.
- Certain roles, such as production accountants, hair stylists for Black performers, and the development of talent in post-production or VFX were listed as particular priorities, with some specific training models for consideration.
- There is a desire for the City to explore partnership with studios offering below-the-line training programs.

Tax Credits

- Stakeholders shared that it is vital for tax credits to remain stable.
- The industry has long been advocating for specific adjustments that would increase their efficacy, such as untethering OCASE from OPSTC/OFTTC, and including location fees in the production tax credits, and these changes are still a priority for clients.

Studio Infrastructure

- Toronto is one of the most sought after production jurisdictions in North America. The city needs to continue to grow studio infrastructure, including expansions, retrofits, and purpose-built, in order to accommodate all types of production. A backlot would also be a valued asset.

Technological evolution

- Virtual production is becoming established as a game-changing technology, and Toronto needs to keep pace or take a lead in offering world-class equipment and spaces, along with trained workforce.

Greening production

- Not only are the existing and planned powerdrops greatly appreciated, but a more frictionless path to connecting with existing drops in public squares or elsewhere is needed. A new role of 'Green Steward' could be developed, and could help drive the industry's demand for electric vehicles and charging stations, and other means to green production.

VFX and Post-Production

- There is great interest in Toronto's VFX and post-production industry. Because of the wealth of talent and competitive tax credits, Toronto has a massive growth opportunity. The only constraint is the pace of workforce development, and the industry advocates for immigration programs as a short-term response as more workforce developed in Toronto.

Getting the Word Out

- The perception exists that 'Toronto is full', so some productions do not enquire with the Film Office or Ontario Film Commission as to availability of space.
- More awareness regarding the Toronto Film Office services is needed. Enhanced communication regarding the concierge services offered is desired.

- Delegate Feedback:

In addition to gathering feedback from clients, feedback was also sought from the delegates in a post-mortem meeting held on June 2nd, 2022. Feedback was extremely positive. They reflected that our message was well received, and that the format of the team meetings is effective. The Mayor's presence sent a powerful message of commitment to our stakeholders in Los Angeles. The meetings and events in Los Angeles allowed for intelligence gathering that would otherwise not be possible.

Delegates made a number of suggestions for future years:

The major mission, involving many companies, delegates and events, should probably occur every two years instead of every year. It was felt that annual changes to be presented and discussed may be too incremental, and a bi-annual frequency was unanimously supported.

For the years in between mission years, ongoing presence would still be required, and it was suggested that smaller, more focused formats be considered. Formats suggested include involving Mayor and City staff in:

- a breakfast or lunch, hosted by the Mayor, with a particular focus on post-production, VFX or Virtual Production.
- a panel hosted by the Mayor with a specific focus, accompanied by meetings.
- an event targeted at showrunners, to make a case for Toronto's strengths as a destination for long-term relocation.
- individual dinners or meetings with priority clients.

In considering the possible long-term impact of work-from-home policies at client companies, it was noted the mission should provide a space available for hybrid meetings. It was recommended that the timing of the mission could be moved to January – March, to avoid the heavier production months in the spring and summer.

As the mission becomes more known and valued by industry, more companies and individuals want to participate. The mission will become unwieldy if it is allowed to grow in an unlimited way, so thought will need to be put to possible parameters in order to ensure an optimal number of teams and team composition.

Mission outcomes

- All studio and production executives were pleased to see the City of Toronto present in Los Angeles for the first time since the pandemic, 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 insure the workforce will be in place to absorb the large amount of new projects that will come to Toronto, and how it plans on diversifying it up its ranks.
- 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 feedback gathered through the meetings provides the Film Office with a much larger data set to determine 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.

CONTACT

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SIGNATURE

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ATTACHMENTS

Attachment A: List of Delegate Companies
Attachment B: List of LA Clients that Met with the Delegation
Attachment C: 2022 Film Mission Budget and Financials

Attachment A: List of Delegate Companies

1 Hotel
ACTRA-Toronto
Bank of Montreal
BDP Quadrangle
Cinespace Film Studios
Company3
DGC-Ontario
Dufferin Gate Studios
Eastside Studios
Entertainment Partners
FilmOntario
IATSE Local 411
IATSE Local 873
MBSE-Canada
Media One Creative
NABET 700-M UNIFOR
National Bank of Canada
Nieuport Aviation
Northcrest Developments
Ontario Creates
Panavision
Pinewood Toronto Studios
Royal Band of Canada
Rocket Science VFX
Sheridan SIRT
SPINVFX
Starline Trailers
Stratagem Studios
Studio 550
William F. White
International Inc.
Wiseacre Inc.
York University

Attachment B: List of LA Clients that Met with the Delegation

A&E
A24
Amazon
Amblin Partners
AMC Networks
Apple
Bad Robot
Black Bear Pictures
Black Label Media
Blumhouse
Endeavor Content
Entertainment One
Focus Features
Gettleson, Witzer & O'Connor
Hackman Capital Partners
HBO & HBO Max
Jax Media
Lionsgate Entertainment
Marvel
Media Res
Miramax
My so called company
NBC Universal
Netflix
Paramount Studios
Participant PictureStart
Scott Free
Showtime
Sidney Kimmell Entertainment
Sony Pictures
Spyglass Media
StudioCanal
The Hideway
The Walt Disney Company
UCP
Universal Features
Universal Talent Development
Walden Media
Warner Bros. Discovery

Attachment C: 2022 Film Mission Budget and Financials
(ESTIMATED COSTS / Expense reports to be finalized)

City of Toronto political and staff delegation travel (Air and ground transportation, hotels, per diem)	\$21,335.35
Business events and Reception	\$89,002.39
Marketing materials and advertisement	\$15,420.86
Meetings charges	\$2,000.00
Delegation Transportation	\$27,290.13
Total Mission Budget	\$155,048.73
Sponsorships covered expenses	\$113,000.00
Net Total Mission Expense for the City of Toronto	\$42,048.73