

Report to Council on Film/TV Industry

2013.04.09



VancouverFilmStudios



motion picture production
industry association of bc

Context



- Film/TV a priority sector in Vancouver's Economic Action Strategy
- Supporting close to 20,000 jobs in BC
- Increased competition through tax incentives
- Council motion Feb 12, 2013
- Mayor's Roundtable Feb 28, 2013
- Letter to the Federal Government Mar 11, 2013

In this presentation ...



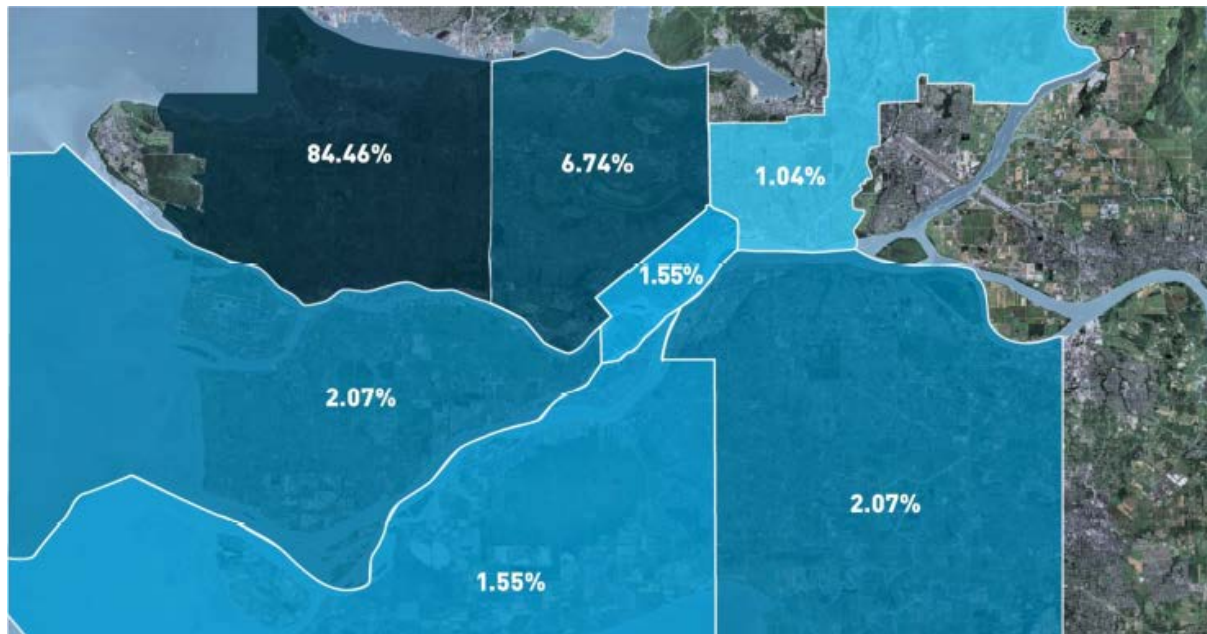
- Industry background
- Direct feedback from the industry
- What we are doing, and ideas to further support the industry

Industry background



Location of Film / TV Companies ...

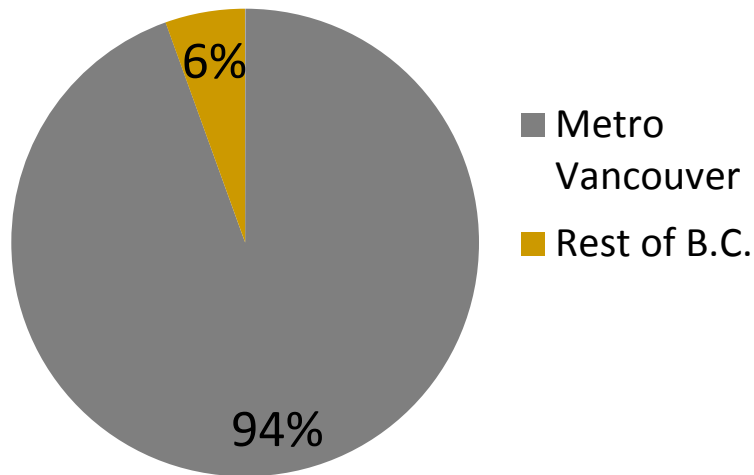
- 80% of BC's companies are in Metro Vancouver
- 85% of Metro's companies are in the City



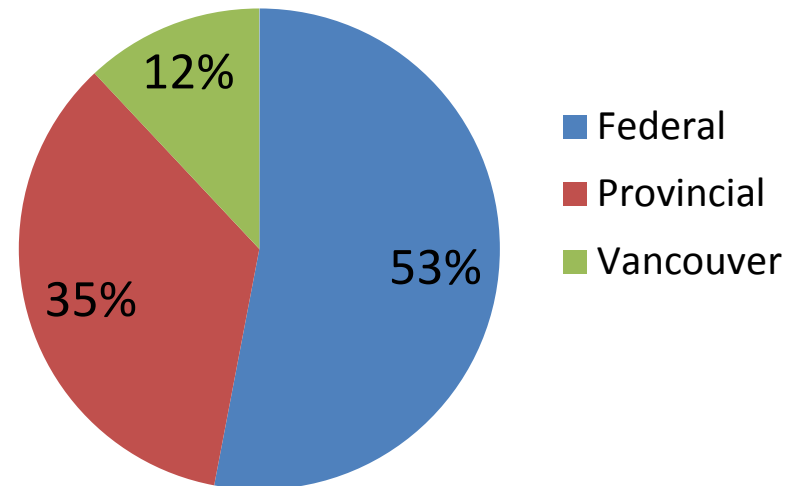
Jobs and tax revenues ...

- Close to 20,000 jobs in BC, over 18,000 of them are in Metro Vancouver
- 88% of tax revenues are accrued to senior governments

Total Film & TV Jobs in BC and Metro Vancouver



Estimated Tax Revenue Allocation



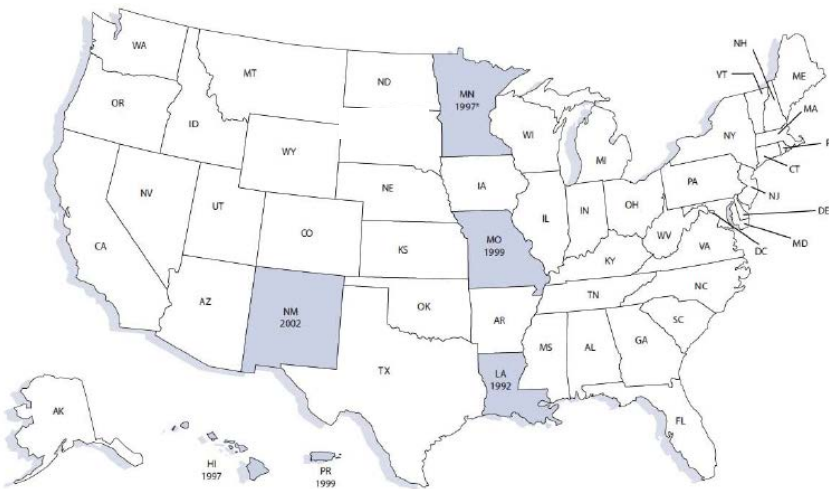
¹ Nordicity MediaScreen 2012 Draft Report

² Nordicity 2012 Vancouver's Creative Digital Media Sector: A Snapshot, Draft Report

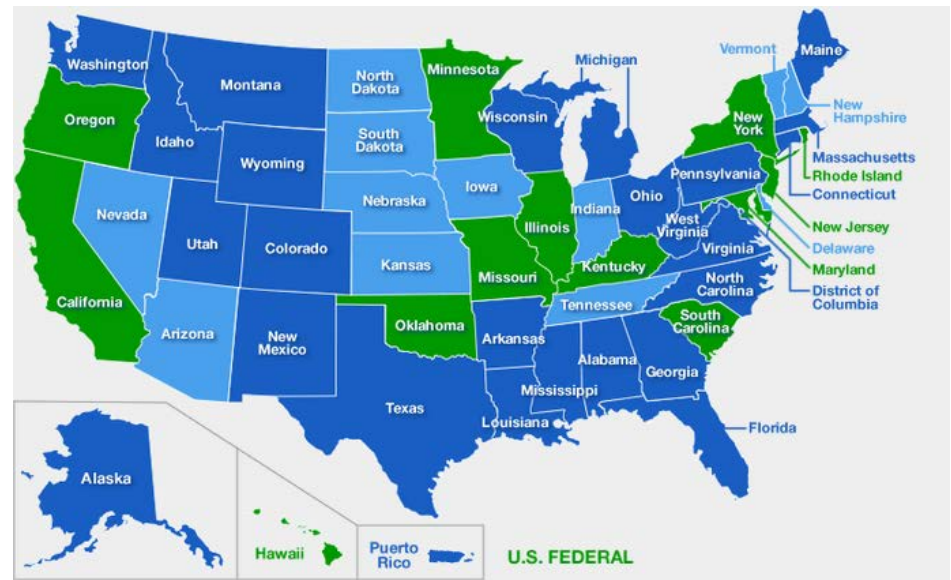
Increasing competition through tax incentives

- 4 US States had incentives in 2002
- 40 US States have incentives in 2013

Film & TV incentives in USA 2002

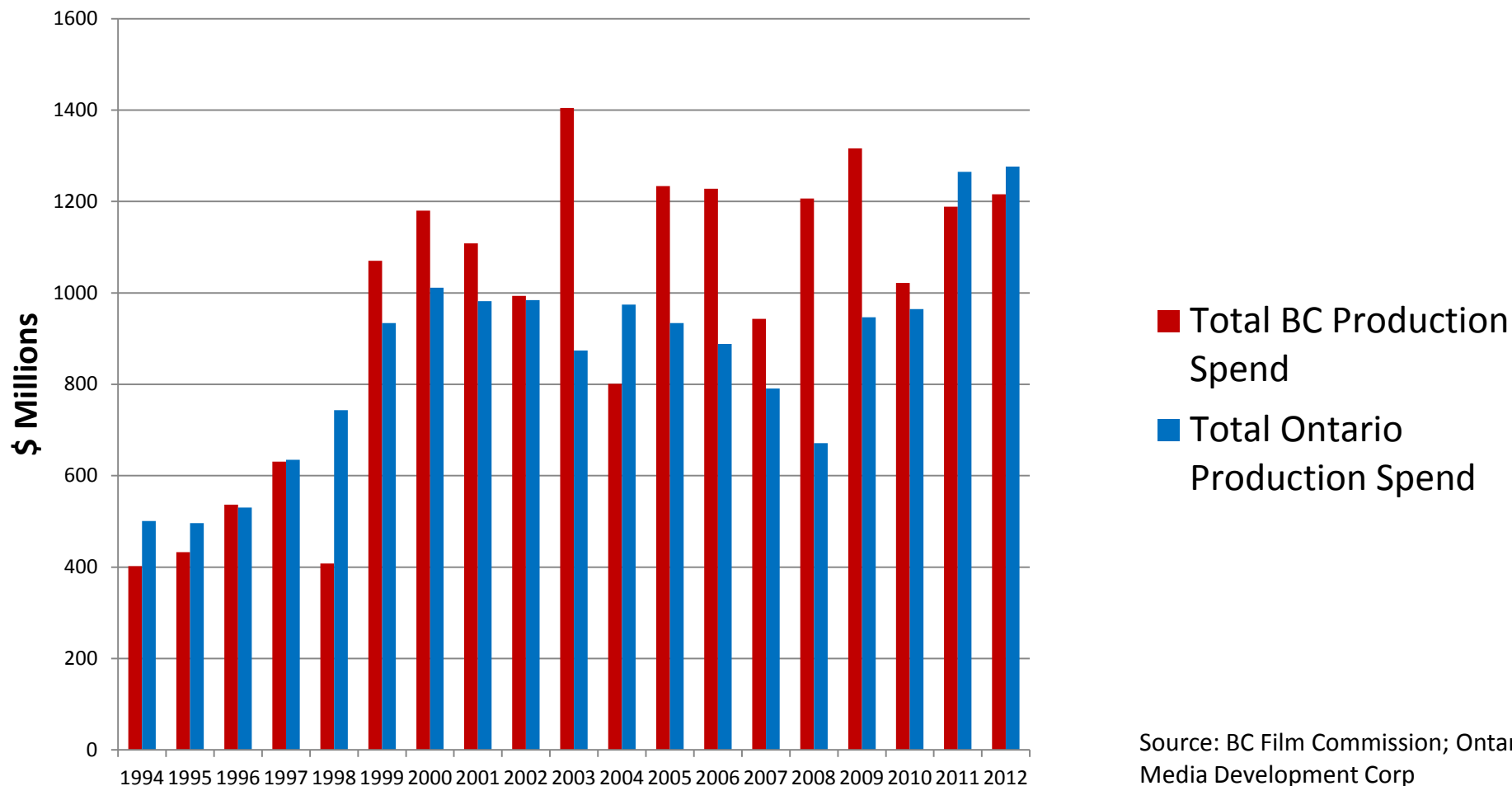


Film & TV incentives in USA 2013



Total production spend: BC vs Ontario

Comparison of BC and Ontario Total Film & TV Production Spend



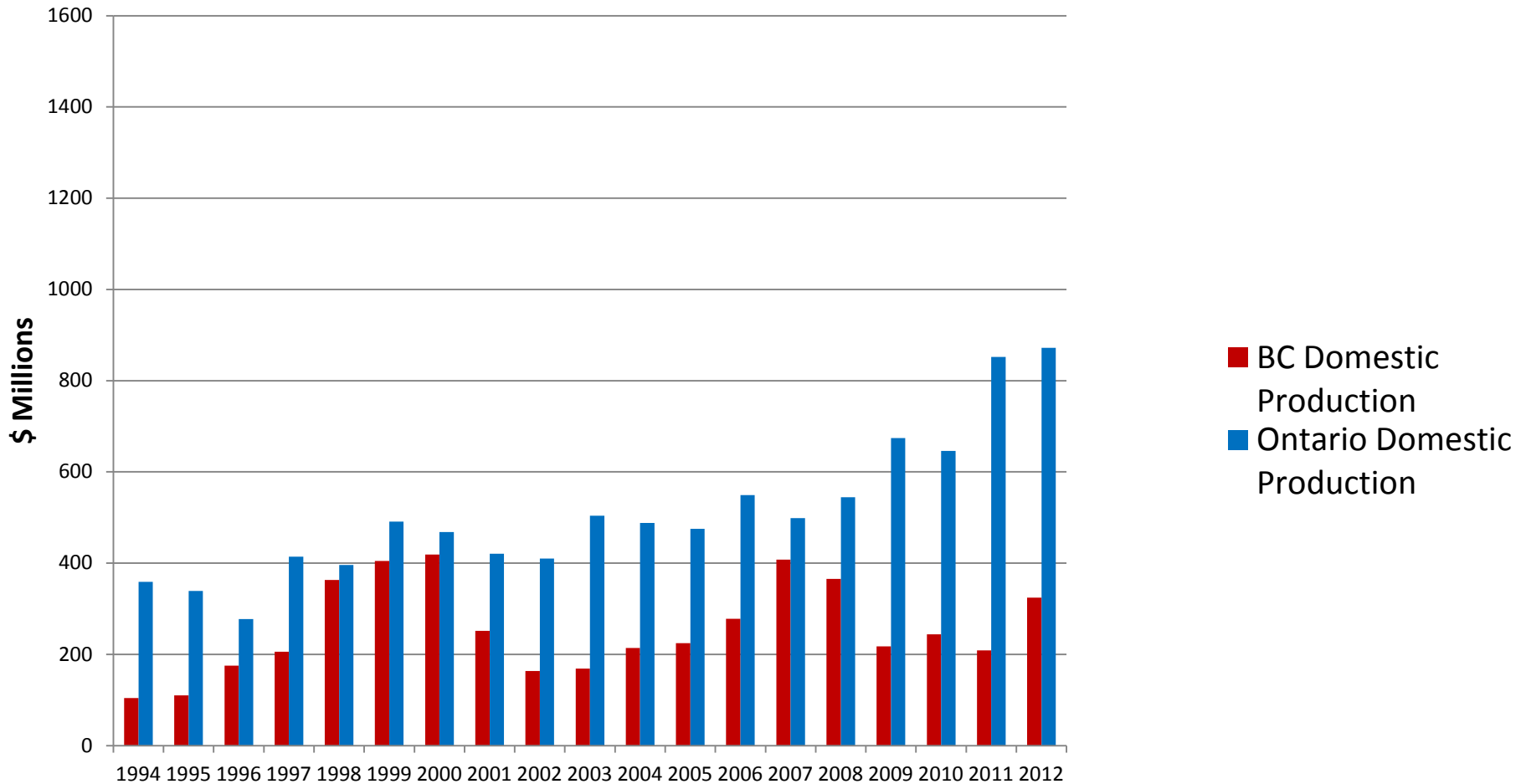
Source: BC Film Commission; Ontario Media Development Corp

Incentives start in BC & ON

Ontario introduced 25% all spend tax credit

Domestic production-spend: BC vs Ontario

Domestic Film & TV Production in BC and Ontario



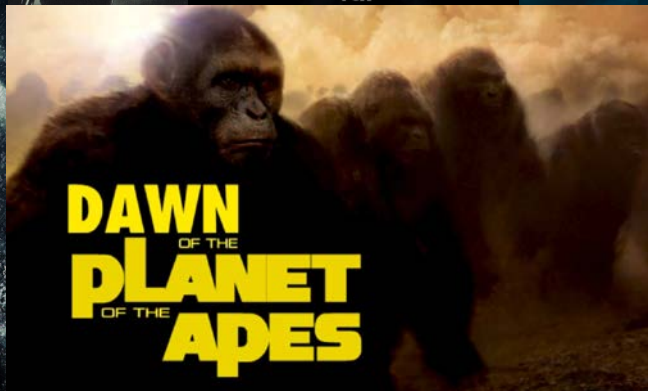
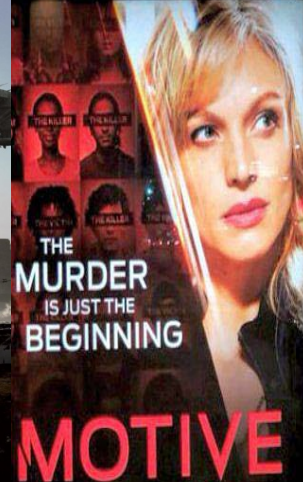
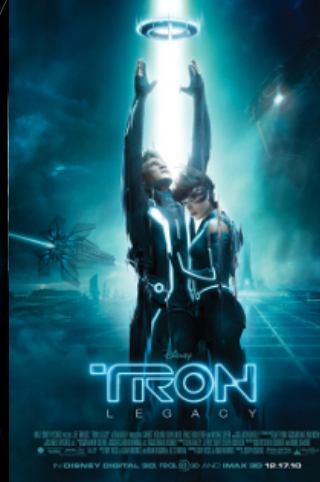
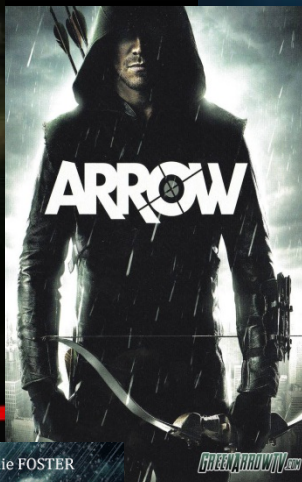
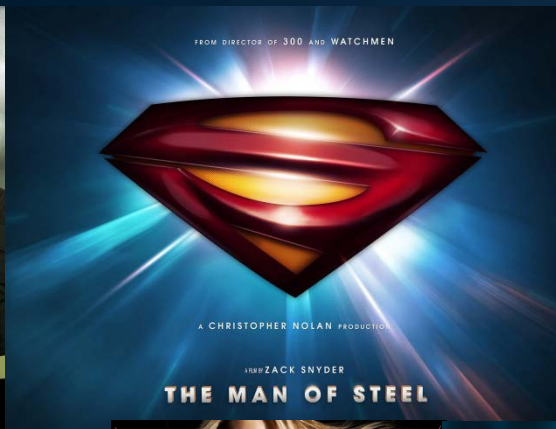
Vancouver: strengths & weaknesses

STRENGTHS	WEAKNESSES
High calibre crews	Uncompetitive tax incentives
Leading-edge training institutions	Low IP ownership
Varied and appealing landscapes	Lack of promotion
Production infrastructure	Lack of strong, collective voice
Time zone, proximity and relationship with LA	
Supportive community	

**Direct feedback from
the industry**



Examples of Vancouver's Film & TV Projects



Simplified Film & TV Lifecycle

Development

- Producer
- Director
- Writer
- Cast
- Financing

Pre-Production

- Location
- Facilities
- Pre-vis

Production

- Crew
- Cast
- Catering
- Equipment

Post-Production

- Editing
- Sound
- Colour correction

Distribution

- Marketing
- Broadcasting

Visual Effects & Animation

Industry Supported by British Columbians

A Mustel public opinion poll commissioned by MPPIA found that:

85%

of BC residents support encouraging growth of film + TV industry

92%

believe the industry is at least somewhat important to BC's economy

83%

support provision of government incentives in order to keep and encourage production on BC

50%

of Vancouver residents know someone who works in the industry

Low Awareness of Economic Benefits

- Lack of general public's understanding of the industry's economic benefits to the city and the province
- Public awareness is low with regards to quantity and quality of projects happening in Vancouver
- Insufficient efforts to promote the industry via Provincial government and City of Vancouver communication tools

Response to BC Government's Job plan

- BC Government's Jobs Plan didn't include Film & TV Industry
- Industry responded with social media campaign #Save BC Film
 - 30,000 signed on-line petition
 - Town Hall meeting at North Shore Studios
- Omission of Film & TV fuels perception that BC government doesn't consider it a priority sector and doesn't fully understand the economic and employment benefits
- "We Create BC" - MPPIA movement to celebrate BC's creative industries



BC Government's Current Initiatives

- 33% labour-based refundable tax credit
- \$1 million for the newly formed *Creative BC* for research, development and international marketing.
- \$113 million to support a new state-of-the-art facility at Emily Carr's Great Northern Way Campus

Uncompetitive Tax Incentives

- All spend model from other provinces hurting the industry in BC
- How is BC affected?
 - In 2013 first quarter- industry estimates are employment in service side of physical production to be down 40%- lowest workforce in 5 years.
 - Many directors, actors, producers and film technicians have moved out east to find funding and work
 - Post-production facilities have downsized or closed
 - Return of PST also widens gap
- During recent MPPIA delegation, studio heads in LA said the tax credit differential between other jurisdictions was too attractive to overlook

Low Ownership of Intellectual Property (IP)

- Currently, local producers are forced to look outside of British Columbia for investment leading project development and production to occur in those areas
- No access to a government-based IP fund which exists in other provinces

Challenges of Filming in Vancouver

The 3 Ps: Parking, Permitting and Policing

Parking

- process, costs and alignment with other Metro Vancouver jurisdictions

Permitting

- process, costs and alignment with other Metro Vancouver jurisdictions (YVR, Port etc)

Police

- high costs

**What we are doing, and
ideas to further support
the industry**



What the City of Vancouver has heard from the Film Industry



- a) Consistent and reduced parking fees
- b) Review police requirement
- c) Permits
 - Speed up zoning permits
 - Continued Film Office support
- d) Promotion of the industry

Filming Activity within the City of Vancouver

- Commercials, documentaries, mini-series, features, movie of the week, music videos, photo shoot, pilot, short, series

Year	Total Productions
2008	230
2009	210
2010	191
2011	197
2012	223

Parking

Parking supply is managed by three different areas

- Engineering: on-street metered parking
- Parks: parking within city lots
- Real Estate: off-street City owned lots

Charges for recovery of lost parking revenue are not consistent within the City

- hourly rates for metered parking
- flat rates for off-street parking
- seasonal variations, surcharges may apply

Parking fees charged to Film Industry ~\$529,000 in 2012

Policing



Filming and Special Events office staff work with VPD to review guidelines related to requirements for sworn members

Vancouver Police Department charges to Film Industry
~\$889,000 in 2012

Permits



Film and Special Events office

- Fees based upon cost recovery for operation of FASE office
- 210 productions per year (avg. since 2008)

Land Use and Zoning permits

Industry is seeking:

- Flexibility for temporary needs
- Expedited process

Permit fees (Engineering and Parks) charged to Film Industry ~\$780,000 in 2012

Promotion of the Industry



- Currently the City does little to promote the film industry
 - VEC has clearly identified creative sector which includes this industry as a priority sector in Economic Action Strategy
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Next Steps for City Staff



- Review of Parking strategy and fees for Film and TV Production activities
 - Examine Permit fees and process with a view to:
 - Possible bundling to a single permit/one stop shop
 - Examine possible prioritization in Permits and License project
 - Review of pricing strategy in relation to Film/TV Production activities
 - Benchmark use of Police for on site Film and TV production activities and discuss results and pricing with VPD
 - Examine role of VEC and City in better profiling Industry
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Summary



- Film & TV industry is integral to the BC economy
- The industry is facing increased competition from other jurisdictions, particularly through tax incentives
- Actions from all levels of government and the industry are needed to ensure long term success
- The City of Vancouver and the Vancouver Economic Commission are committed to supporting the industry
- Staff have work underway and will report back to Council

