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ADMINISTRATIVE REPORT

Report Date: June 17, 2016
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Meeting Date: June 28, 2016

TO: Vancouver City Council
FROM: City Manager and CEO Vancouver Economic Commission (VEC)
SUBJECT: Vancouver Economic Commission Update

RECOMMENDATION

THAT Council approve an increase of \$200,000 to the future annual operating budget for the Vancouver Economic Commission to support the creation of the Vancouver Film Commission Office and the development of the Vancouver Film Commission Office strategy and implementation plan. For 2016, partial year costs of approximately \$100,000 will be managed within the City's existing operating budget.

REPORT SUMMARY

The Vancouver Economic Commission (VEC) is the agency of the City that is responsible for the Economic Development strategies for the City of Vancouver. This report outlines the key areas of economic focus for the VEC, its major program areas and the goals, activities and achievement within those focus areas.

The Vancouver economy is one of the strongest in Canada and has experienced significant growth in the VEC's focus areas of the Green Economy, Innovation and Technology, and the Digital Entertainment and Interactive sectors.

The report also outlines the opportunity to enhance the City's position within the Film Industry through establishment of a Film Commission business unit which will support the growth and success of the Vancouver Film, Television and Digital Entertainment sectors, and help establish Vancouver as the premier global hub for the industry. Funding for the costs of the new business unit of \$200,000 would require an increase to the VEC budget from \$2.9 million to \$3.1 million.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The Vancouver Economic Commission is the agency of the City that is responsible for the economic development strategies for the City. Council approves the VEC budget each year as part of the City's annual budget. In December, 2015, Council approved a 2016 operating budget of \$2.9 million for the VEC.

Council has adopted several motions and approved multiple programs that directly impact the Vancouver Economic Commission. These include:

- July 2011, Council adopted the Greenest City Action Plan 2020, which includes the VEC-owned Green Economy Goal (Target 1a and 1b) of doubling the number of green jobs by 2020 and doubling the number of businesses engaged in greening their operations by 2020;
- Sept 2011, Council adopted the Vancouver Economic Action Strategy which includes supporting and promoting local innovation and innovators as well as developing the key sectors of Digital Entertainment (including Film & TV), Technology and Sustainability-related sectors including Cleantech and Clean Energy.
- January 2013, Council resolved that the Mayor write to the Premier and the Prime Minister to urge for a national approach on how film & TV tax credits are handled so as to create a “level playing field” across the Canadian film & TV industry.
- April 2013, Council adopted the Digital Strategy, which includes supporting growth in the Digital Economy such as enabling all businesses to benefit from digital infrastructure and digital services, as well as delivering on digital incubation programming, digital demonstration sites, and applying more flexibility to zoning by-laws to attract and grow the sector;
- April 2013, upon presentation from staff, industry and the VEC, Council supported a motion that staff continue to work with the VEC, film industry stakeholders and Tourism Vancouver to support the film and TV industry;
- July 2014, Council approved in principle a motion to fund a three-year program called the Vancouver Entrepreneur Initiative which included increasing access to investment capital for small innovators, attract local and foreign investment, and maintain and strengthen locally owned small businesses and neighbourhood shopping areas.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

REPORT

As the Economic Development lead for the City, the Vancouver Economic Commission (VEC) develops and executes strategies to strengthen Vancouver's position as a globally recognised city for innovative, creative and sustainable business. The VEC undertakes this by developing projects, programmes, special events, business missions, and other strategic initiatives that are focused on Vancouver's Technology, Digital Entertainment & Interactive, and Green Economy sectors, and at every stage of the business growth continuum - from early-stage start-ups to export-ready enterprises. The VEC's work includes research, marketing and communications as well as advising business leaders, connecting businesses to talent, capital and markets, and promoting Vancouver as a premier global business destination for talent, capital and business.

VANCOUVER'S LOCAL ECONOMY

The Vancouver economy is enjoying the lowest unemployment rates and trends it has seen in over a decade with an unemployment rate of only 5.7% in Greater Vancouver. In 2015, the region created more jobs than any other city in Canada with 94,000 net new jobs. The metropolitan area has experienced the nation's highest growth rate at 3.9% GDP which equates to \$123 billion, and has averaged growth of over 3% for the last 5 years. The Conference Board of Canada is forecasting that Vancouver will remain the fastest growing economy for the next 5 years.

The economy has also become more diversified. Once known as a resource centre, Vancouver has insulated itself successfully from the boom and bust cycles that the resource commodity sector tends to create. Today, Vancouver has the most diversified economy in the country according to the Conference Board of Canada and resource extraction jobs are far outnumbered by the jobs provided by the innovation and technology sectors. Vancouver can now also claim to have one of the most diverse workforces on the planet. 45% of the population is foreign-born and the Vancouver School Board states that 52% of the student population speaks English as a second language. Only Dubai, Toronto and Brussels have a more diverse workforce than Vancouver. This is a competitive advantage in a globally connected world.

Forecasted growth has been driving the renaissance of constructing new and green commercial office space. Over 5 million square feet has recently been built or is under construction in the city, with the Technology and Digital Entertainment & Interactive sectors currently taking up over 40% of the available space according to commercial real estate firm, CBRE. This increased supply of commercial space will help keep our lease rates competitive with other technology hubs in North America. For example, Vancouver's class A lease rates are approximately \$30 per square foot compared to San Francisco's \$85 per square foot.

KPMG reports that Vancouver is ranked 5th for overall tax competitiveness of major global cities and PWC ranks Vancouver as the 2nd best city to live and do business in the Asia Pacific region. Vancouver is well-positioned to take advantages of the opportunities available in the Asia Pacific region.

VEC AREAS OF FOCUS

The VEC's key areas of focus have been on the Green Economy, the Digital Economy (primarily Digital Entertainment & Interactive), and the Innovation Economy (primarily the technology start-up and emerging growth companies). Support is provided through a variety of programmes and initiatives as well as business development, marketing, research, and more. The VEC also advocates for positive government policy that can impact these parts of our economy. Functional areas of focus include Business Development (including business retention, expansion, and attraction), Capital (business investment capital), and Talent. Geographically, the VEC is focused on the Asia-Pacific (primarily China, Japan, Korea and Taiwan) in addition to deepening Vancouver's existing connections to the US west coast and northern European markets.

Table 1: VEC Framework for supporting its key sectors.

	Green Economy	Technology & Innovation	Digital Entertainment & Interactive	
Business	Business Retention & Expansion, Trade, Foreign Investment/Attraction, Marketing, Promotion,			Business
Capital	Angels, Venture Capital, Private Equity, Public Markets, Alternatives (Crowdfunding, etc),			Capital
Talent	Immigration, Recruitment, Retention, Diversity & Inclusion, Job Readiness & Education, Temporary Foreign Workers,			Talent
Research, Strategic Initiatives, Business Engagement, Advocacy				

Below is a summary of the VEC activities in these key focus areas over the past 12 months.

INVESTMENT CAPITAL

VEC GOAL: To increase the flow of smart global capital to Vancouver's local businesses

As part of the Vancouver Entrepreneur Initiative that was passed by Council in 2014, the VEC has undertaken a three-year program to better understand human capital and venture capital flows and to implement strategies that would raise the profile of the Vancouver business ecosystem and ultimately increase the amount of investment capital attracted to this city. The VEC is activating the second phase of this program and is implementing a number of new initiatives based on three key themes of data collection, education and advocacy/outreach.

Over the past 12 months the VEC has:

- Addressed the Northwest Angel Alliance and promoted Vancouver opportunities to angel networks in Seattle, Portland and Vancouver. This event attracted more than 75 US angel investors from the pacific northwest region;
- Partnered with the Business Development Bank (BDC) to host their ongoing investor education series called FUNDamental Principles. This event attracted more than 200 investors including VCs and Angels for a two day forum on the Vancouver investment climate, best practices for investors and start-ups in raising and deploying capital, and networking;
- Supported the largest-ever chapter gathering of North American angel investors - part of the Angel Capital Association (ACA) network; More than 300 angel investors were in Vancouver for this event;
- Addressed the Canadian version of the ACA in Toronto at the annual National Angel Capital Association (NACO) summit; In addition, the VEC has partnered with NACO to bring their annual conference to Vancouver this October - for their first time ever; More than 400 investors & entrepreneurs from across Canada will attend;
- Met with each of the Canadian Consulate Trade Commissioners and Investment Officers on the West Coast (Seattle, San Francisco, Palo Alto, and Los Angeles) to provide up-to-date profile and sector information for their clients in the investment community;
- Conducted in-depth research on the needs of Vancouver's investment community and developed strategies to address the gaps and concerns.

Results from these activities have been encouraging including several visits from targeted high profile investor groups all of whom now have an interest in the Vancouver business ecosystem with some planning a significant presence here in the near future.

Overall, the VEC is observing an improvement across all of its key sectors as it relates to access to investment capital with 2016 looking set to be a new record for venture capital investment in Canada. According to the Financial Post, the venture capital industry (predominately based in the US) is paying much more attention to Canada as a place to invest as it undergoes a shift away from its resource sectors. This is good news for Vancouver, and the following announcements made in the past 12 months are especially encouraging in regards to the VEC's goal.

- Suncor and Cenovus each contributed \$100m to create a new cleantech investment fund to be headquartered in Vancouver. Named Evok Innovations and partnered with the BC Cleantech CEOs Alliance, this new fund will be aimed at impactful clean energy solutions;
- Vancouver-based Chrysalix announced a new \$146m venture capital fund focused on robotics;
- The Province of British Columbia announced a new \$100m BC Tech Fund to be invested in BC's entrepreneurial technology start-up community;
- Kensington Capital announced a new \$306m fund to invest in Canadian venture capital firms and startups
- The Federal Liberal government announced a top-up of Sustainable Development Technologies Canada (SDTC) of \$200m for its pilot and demonstration projects which can accelerate commercialization and attract even more investment.

Highlights within the venture capital and private equity community indicate:

- 40% of deployed capital is coming from foreign sources which is an 11 year high;
- BC received some of the highest amounts of investments nationally with ICT being the dominant industry sector;
- In 2015, BC had 16% of the deal flow and 20% of the \$ share;
- In 2015, in BC, 63% of investments went to ICT while Lifesciences and Cleantech received 17% and 16% respectively;
- 2015 represented a 24% increase in deals and a 12% increase in dollars invested.

TALENT

VEC GOAL: To retain and attract the best creative, innovative and sustainability human capital.

With improved access to capital and increased economic growth comes competition for skilled labour. The success of our economy is tied to our ability to develop, attract and retain talent, especially in the knowledge economy where so much intellectual property (IP) and wealth is created.

There are over two thousand vacancies posted in any given week for the Technology and Digital Entertainment & Interactive sectors in Vancouver, with ICTC predicting another 15,000 tech jobs in Metro Vancouver by 2020. Vancouver is not alone in this technology talent shortage. Cities around the world are registering a critical shortage making the competition for global talent even fiercer.

To help these key sectors address these issues, over the past 12 months the VEC has:

- Coordinated and hosted a Career Fair for 40 companies in the Digital Entertainment & Interactive sector; More than 1,700 job seekers participated to learn more about their career options and identify prospective employers; There were 300+ positions open and 8 positions were filled on the spot;
- Sponsored and supported a Career Fair for 19 companies at the annual Techvibes Techfest which attracted more than 750 job seekers;
- Partnered with the Canadian High Commission in London for a film and television talent event to encourage talent to move to Vancouver; 250 attended;
- Twice hosted 30 educators and career counsellors from the Vancouver School District to give them a tour of studios to educate them on the possibilities for students in visual effects, gaming, and animation sectors;
- Worked with the University of Waterloo and their technology coop program to get more students and graduates to be posted in Vancouver; The VEC brought Microsoft, BuildDirect, D-Wave, Fortinet, MacDonald, Dettwiler and Associates, SAP, and ACL Services to Waterloo to engage with more than 175 coop students;
- Promoted Vancouver as a destination to develop a career to audiences of more than 250 in both the UK and France as well as 3 Canadian cities where over 2,000 participants and roughly 20 companies participated including Unbounce, D&B Innovation Centre, TELUS, IBM, Fortinet and Food.ee;
- Assisted 35 companies with their cases regarding Immigration Express Entry Applications, BC Provincial Nominee Program and Temporary Foreign Worker Program's Labour Market Impact Assessments (LMIA's);
- Hosted roundtables for the Federal Minister of Citizenship, Refugee and Immigration and the Federal Minister of Finance regarding concerns that the business community has on sector service issues and public policy;
- Testified in front of a Parliamentary Committee on recommendations for improvement regarding the Temporary Foreign Workers Program;
- Met with several multi-nationals to hear their concerns on their ability to attract mid-level experienced talent to Vancouver in the face of high real estate costs;
- Met with over 150 key senior stakeholders across the Province to discuss human capital issues that are impacting their growth and business;
- Developed and deployed marketing collateral solely for talent attraction;
- Conducted various media relations campaigns to establish Vancouver as a smart city with high-paying jobs available;
- Hosted a Startup City Impact careers fair in partnership with Spring.io for job opportunities with 16 Impact businesses attended by approximately 500 job seekers.

In addition, the VEC has been taking a deeper dive into the talent situation to better understand what strategic moves need to be made to maintain Vancouver's competitiveness in the global talent hunt for years to come. This includes immigration policy, recruitment (including aggressive promotional campaigns), retention, job readiness & education, and diversity. Data collection is a big part of this work as well.

Today, the VEC is leading a multi-year, multi-stakeholder engagement, analysis and strategy development for the broadly defined technology sectors of Cleantech, ICT, Digital Entertainment, Lifesciences, and Engineering Services. To accomplish this, the VEC has partnered with the Ministry of Jobs, Tourism, and Skills Training - Labour Market Division. Outcomes of this work will directly impact talent policy and future strategy at the Federal, Provincial and Municipal levels. The VEC is engaging with 150 stakeholders from across our

key technology sectors to facilitate a dialogue around solutions that will help address the current and forecasted talent shortage.

Overall, current forecasts predict a critical shortage of talent that is needed to keep this sector vibrant and world-leading. The VEC's work will endeavor to positively change this forecast over time.

THE GREEN ECONOMY

VEC GOAL: To secure Vancouver's international reputation as a mecca of green enterprise.

The Green Economy is thriving in Vancouver and the City continues to enjoy a high profile as a clean and sustainable City. In 2015, the VEC commissioned a report that identified the number one reason for Vancouver's outstanding global brand is attributable, to the very public-facing work of the Greenest City Action Plan. The research organization, Brand Finance, assesses Vancouver's overall city brand to be worth \$31.7B.

Over the past year, the VEC has continued to deliver on the Greenest City Action Plan's Target #1a and #1b - the Green Economy - (specifically to double the number of green jobs, and the number of businesses engaged in greening their businesses) with programs such as the Green & Digital Demonstration Program and our ongoing work to develop a green enterprise zone or hub on the False Creek Flats. Internationally, the VEC has been engaging with the global business, NGO, and professional communities on green initiatives, sharing the Vancouver story and promoting Vancouver as a destination for Green Business.

Over the past year, VEC progress and activities on the Green Economy also include:

- Interest from 85 local companies in the VEC Green & Digital Demonstration Program and the acceptance of more than a dozen into this innovative initiative;
- Partnering with City Planning to develop a Local Area Plan and an Economic Action Strategy for the False Creek Flats;
- Engaging with the business community on the False Creek Flats to help businesses measure and manage their GHG emissions;
- Engaging with the False Creek Flats business community to create new opportunities in the Circular Economy, Green Transportation, and Renewable Energy; for example:
 - Circular Economy: Adding "re" businesses to allowable uses in I2 and I3 zones to help find spaces for unique circular economy businesses AND matchmaking industry materials challenges with student R&D capacity (starting fall 2016) AND connecting community of circular economy businesses to enable flow of salvaged materials between designers, contractors, and resellers
 - Green Transportation: Helping HTEC find a site for their first hydrogen fueling station AND conducting a study on fleets in the Flats to understand alternative fueling / charging infrastructure needs, as well as fleet conversion or fleet sharing pilot project opportunities;
 - Renewable Energy: Building funding mechanism and financial partnerships to enable more rooftop solar AND hosting myth-busting events to help industrial businesses understand myth vs. reality of rooftop solar AND investigating community solar models for industrial areas
- Addressing national economic development associations in the US and Canada (hundreds of economic developers) on the benefits of transitioning to a low-carbon economy;
- Presenting to key high-profile conferences in the Green Building and Urban Land Use sectors;

- Developing key relationships with the international network of Canadian Trade Commissioners that are responsible for the cleantech and clean energy files;
- Partnering with and presenting our Green Economy initiatives to important City networks such as the C40 and USDN; This includes partnering with six C40 Cities to identify a suite of “Green Growth Metrics” and participating/contributing in the annual C40 Finance and Economics workshops;
- Addressing hundreds of professionals through several Finnish organizations in a knowledge exchange including the City of Helsinki, Climate Leaders Group, Neste Corp, and SITRA, the Finnish Innovation Fund for transitioning to a low-carbon economy;
- Launching of the Vancouver Climate Pledge, a communications campaign which engaged over 200 businesses in the lead-up to the UN climate negotiations (COP21), and organized programming before and during the event to amplify the city's reputation for green business;
- COP21 – developed and executed a week-long series of initiatives including events, speaking opportunities, media relations, social media, and business meetings. A group of a dozen Vancouver organizations and businesses came together for a Team Vancouver presence which left many feeling like “Vancouver was everywhere”;
- GLOBE – Building on the successful COP21 Mission, the VEC endeavoured to brand this year's edition of GLOBE as the next major environmental conference to discuss the critical aspects of the new agreement and continue to engage the business community on the climate change imperative while telling a positive green economy story. With the media and its stakeholders, VEC branded this year's edition of GLOBE as “The Road from Paris Starts Here”. The VEC partnered with GLOBE to deliver a week-long series of panel discussions, workshops, speaking opportunities, site tours and business development at our trade floor space.

Today, greater Vancouver's cleantech, clean energy, and sustainability-related sectors account for 25% of the nation's green jobs, 29% of the companies, and 27% of investments according to Sustainable Development Technologies Canada. This is impressive given that Greater Vancouver only accounts for 7% of the country's population.

Overall, Vancouver is well-positioned to lead in the Green Economy and demonstrate that transitioning to a 100% clean energy future is possible. The VEC will be developing new strategies to engage the business community to move to 100% renewable energy and continue to message the transition as an extraordinary business and economic opportunity.

TECHNOLOGY, START-UPS AND THE INNOVATION ECONOMY

VEC GOAL: To position Vancouver's tech ecosystem as a centre for entrepreneurship and innovation, growing start-ups and attracting smart capital and talent.

The VEC has worked closely with the technology business community since 2010 and in 2013, Vancouver was recognized by the Compass Group as a top ten global start-up ecosystem. Today, this sector features 3 of the nation's 5 home-grown “unicorns” (emerging growth companies valued at \$1bn or more) and employs more than 75,000 technology professionals in Greater Vancouver and generates more than \$23 billion in revenues and \$15 billion in GDP across BC. Many of these innovative companies show promise to provide game-changing solutions that will make incredibly valuable contributions to the global economy. Companies such as Stemcell, DWave, General Fusion, Hootsuite, Global Relay and Ballard are home-grown companies that are attracting smart capital and talent to Vancouver.

The VEC has also been working for many years with technology multi-nationals including Amazon, Microsoft, SAP, Tableau and others, who are attracted to Vancouver for its vibrant technology ecosystem including the talent pool that exists here. Work in this regard includes assistance with expansion, community engagement, talent, and growth.

The VEC has a variety of initiatives placed along the business growth continuum from developing incubation and accelerating programming for start-ups to digital demonstration programs for emerging companies to market access and investor programs for export-ready firms including business missions to Northern Asia, California, and Northern Europe.

Over the past 12 months the VEC has done the following to support the retention and growth of the technology sector including:

- Created and operated the “Vancouver Startup City” brand as a mechanism to promote and bring together start-ups, investors and talent for a week-long series of programming and events covering topics such as raising capital to attracting key talent to product development and market research;
- Promoted Vancouver’s tech ecosystem at the world-renowned Web Summit in Europe where many Vancouver companies participate;
- Continued to support the Vancouver Enterprise Forum, our City’s leading monthly networking and pitch event for the technology and investor communities;
- Hosted incoming delegations from China, Belgium, Dubai, among others, and introduced them to our technology communities;
- Coordinated and hosted an investor pitching event to investors from the Teochew Society, a global network of ex-pat Chinese immigrants;
- Worked with HanHai Technologies to successfully land their business accelerator in Vancouver;
- Developed and executed on Trade Mission to China that highlighted the Vancouver technology ecosystem;

The VEC continues to be a leading organization in Vancouver’s rapidly evolving technology ecosystem, which continues to outpace the growth seen in other tech regions in Canada and globally. Vancouver’s brand as a centre of innovation will benefit from continued investment in the expansion of the VEC’s programs and services. The increased public recognition of our work and engagement of Vancouver’s tech community in our activities is demonstrative of the significant traction we have achieved based on our recent activities.

DIGITAL ENTERTAINMENT AND THE FILM & TV INDUSTRY

VEC Goal: Expand Vancouver’s leadership position as a global centre for Digital Entertainment & Interactive.

Vancouver’s Digital Entertainment & Interactive (DE&I) sector is defined as the screen-based entertainment sectors of Visual Effects (VFX), Animation, Film & TV Production, Digital Media, Video Games Development and other Interactive Media such as Augmented Reality and Virtual Reality who rely on similar infrastructure, talent and technology to create quality content. The VEC goal for the DE&I sectors is to maintain Vancouver’s leadership position in this globally competitive and mobile marketplace.

The advancement of entertainment technology and networks has allowed for a new crop of content distributors to emerge. For example, Netflix and Amazon Prime are now prolific producers of content where the demand did not exist just a few short years ago. These two

organizations are now responsible for an additional 400 hours per week of screen-based entertainment. At the same time, Hollywood continues to “greenlight” mega feature films and expensive animations.

This growth bodes well for the Vancouver industry which has seen 40% growth from 2014 to 2015 and forecasts for this year are similar. Studios across Greater Vancouver are fully-subscribed and new studios are under construction. Meanwhile, the expansion of our Visual Effects & Animation sector continues and currently employs more than 6,000 people. Indeed, Vancouver is recognized as having the largest Visual Effects industry cluster on the planet.

Over the past 12 months the VEC has:

- Partnered with the Canadian High Commission in London to build a business program for a Vancouver video games delegation at the Pocket Gamer conference including keynote address, panel discussions, pitch sessions and networking b2b sessions;
- Advised and supported the Vancouver International Film Festival’s Industry Exchange, Canada’s first market for online content. VEC hosted film industry executives at the annual Vancouver International Film Festival;
- Worked with Electronic Arts to create a Vancouver business demonstration area to highlight the work done at Vancouver Studios during the 2nd Annual External Developers Summit in Vancouver;
- Participated in the International Film Location Production event in London to discuss best practices and the future of film commissions;
- Conducted a business mission to Annecy, France, to gain exposure for Vancouver’s animation sector at this annual Animation festival;
- Advised on industry tax credits in a variety of working groups and to the Province;

Vancouver’s Digital Entertainment & Interactive sectors are positioned for success. With the some of the world’s most creative talent, low costs of energy, world-class infrastructure, and a culture for innovation in fields such as Virtual and Augmented Reality, the future looks bright. However, with high growth emerge new challenges in how to remain competitive while simultaneously building out new infrastructure, attracting new investment and retaining top talent in a highly mobile industry. The VEC working to build more in-house capacity for the purposes of attracting investment, marketing Vancouver, and advocating for positive policy that are key to future economic opportunities, growth and monetization.

VANCOUVER FILM COMMISSION OFFICE

Proposed New Vancouver Film Commission Office

With the significant local success of the Digital Entertainment & Interactive industry over the past decade, the Vancouver Economic Commission has identified the need for a dedicated Vancouver Film Commission Office. This proposal has received considerable support for this additional industry focus, from industry stakeholders in Vancouver, as well as in the key international markets of the US and the Asia Pacific.

This report recommends that this Vancouver Film Commission Office be established as a division of the Vancouver Economic Commission, with the Vancouver Film Commissioner reporting to the CEO of the VEC. The VEC Board of Directors will have ultimate accountability for this function.

The proposed mandate of this office will be to ensure the long-term competitiveness of local Film & Television production, encompassing the entire supply chain that supports this

industry, from physical production to digital Visual Effects, Animation, and Virtual/Augmented Reality, as well as the range of other existing and emerging goods, services and technologies that comprise this dynamic industry.

The proposed mandate of the Vancouver Film Commission Office will be to support the growth and success of the Vancouver Film, TV & Digital Entertainment industry, via three key activities.

1. **Investment.** *Attract investment for local Film, TV and Digital Entertainment production as well as investment for the cultivation of locally-owned intellectual property. Attracting investment for digital and entertainment infrastructure (such as specialized studios and digital rendering farms) will also be a part of the mandate.*
2. **Marketing, promotion and business development.** *Market Vancouver as a destination for Film, TV & Digital Entertainment business, further strengthening Vancouver's reputation and position as a global leader in this industry.*
3. **Advocacy.** *Lead/support advocacy efforts to ensure that government regulations and policy appropriately support the local Film, TV & Digital Entertainment production industry.*

There is currently no single entity in Vancouver that has the sole mandate, responsibility or resources to achieve these objectives.

Film Regulation and Operational Management

City of Vancouver staff is responsible for permitting, parking, policing and other operational functions associated with local film and television production, as well as City policies and strategies related to physical location asset sustainability, fatigue prevention and local community outreach. This work is critical and complements the VEC work of promoting the Vancouver region as a competitive, global film production hub, increasing local economic activity in the supply chain, and attracting additional investment into Vancouver. These responsibilities are managed via (a) the Film and Special Events Office, reporting to the GM, Engineering Services, and, (b) for filming occurring in or around local parks, the Vancouver Park Board Filming and Special Events Office, reporting to the GM, Board of Parks and Recreation. These two City of Vancouver offices are not responsible for activities related to Film/Television/Digital Entertainment industry investment, marketing & promotion, and business development, however play an important role in ensuring the overall success of the industry within the City of Vancouver.

Rationale

The Film and Television industry is a significant local economic driver. The Vancouver Economic Commission estimates that 80% of British Columbia's Film and Television economic activity occurs within the Greater Vancouver region, and that approximately 30,000 individuals are employed in the Metro Vancouver region within the Film and Television industry supply chain. Of this employment base, the post-production component of the industry (e.g. Visual Effects, Animation, and Virtual/Augmented Reality), employs more than 6,000 people, mostly concentrated within Vancouver city-limits. The Vancouver Film, Television and Digital Entertainment industry is well-positioned to continue to grow and thrive, and the objective of establishing a dedicated Vancouver Film Commission Office is to support the existing industry and maximise its potential.

There are film commission offices in many North American metropolitan cities, and the proposed Vancouver Film Commission Office structure and mandate is comparable to those that exist elsewhere. Indeed, there are over a thousand such commissions in North America, Europe and Asia that are members of the Association of Film Commissioners International which sets standards and provides professional education, training and business services.

Financial Implications

This report recommends that Council provide \$200,000 in annual operating funding to support the creation of the Vancouver Film Commission Office and the development of the Vancouver Film Commission Office strategy and implementation plan. This strategy and plan will be developed in consultation with key stakeholders in order to optimize the plan and its impact on the City's economic development. Once this work is completed, the VEC CEO will report back to City Council with the proposed strategy and implementation plan, as part of the regular update to Council. For 2016, partial year costs of approximately \$100,000 will be managed within the City's existing operating budget.

CONCLUSION

Vancouver's economy has been performing exceptionally well for some time, and is currently Canada's fastest growing, most diverse, highest job-creating, and greenest economy. Through focusing on investment capital attraction, talent attraction/retention, the Green Economy, Technology/Innovation, and the Digital Entertainment & Interactive industry, the Vancouver Economic Commission has played an important role in strengthening Vancouver's position as a globally recognised city for innovative, creative and sustainable business. The VEC currently focuses on deepening business & economic connections with the Asia-Pacific (primarily Chinese, Japanese, Korean and Taiwanese), US west coast, and northern European markets.

This report summarises the VEC's recent activities and achievements, and recommends the creation of a new Film Commission Office within the Vancouver Economic Commission.

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PRIMARY FUNCTIONS OF THE VANCOUVER FILM COMMISSION

The following functions will be performed by the new Vancouver Film Commission.

Business Development

- Support local Vancouver producers through:
 - Local business retention and expansion services;
 - Entrepreneurship programming;
 - Encourage the development & distribution of local productions;
 - Work closely with the City of Vancouver film office and Creative BC.
- For international business, develop and implement programs that include:
 - Database/CRM for lead development and follow-up;
 - Production attraction and foreign direct investment;
 - Incoming delegation hosting and executive fly-in;
 - Trade missions and business trips that facilitate investments.

Communications, Marketing & Promotion

- Globally, raise Vancouver's destination profile through:
 - Brand maintenance and/or enhancement;
 - Marketing of Vancouver and its many industry assets including locations and studios;
 - Marketing of local crews, assets & expertise;
 - Media relations including being official spokesperson;
- Locally, increase audiences for film product particularly via film festivals.

Strategic Planning

- Ensure Vancouver's competitive position by providing critical thinking and long-term planning through:
 - Industry research, assessment & analysis;
 - Monitoring and evaluating trends and precedents in the industry;
 - Long-range strategy development.

Industry & Government Liaison

- Be a leader in the local community through:
 - Pro-active, long-term policy development & support with all levels of government;
 - Partnerships with key agencies, ministries, and industry associations;
 - Advocating for responsible industry incentives;
 - Liaising between governments, agencies, and industry;
 - Participates in City and Provincial committees to ensure adequate industry representation.

Management, Evaluation and Reporting

- Evaluate effectiveness of programs including business development, marketing and incentives;
- Reports to CEO, and other industry stakeholders, industry data and figures and results from activities;
- Provides briefing papers and presentations on issues and the state of the local industry.