
TO: CITY MANAGER **DATE:** 2013 April 15

FROM: DIRECTOR PLANNING AND BUILDING

SUBJECT: **FILM AND TELEVISION INDUSTRY IN BURNABY**

PURPOSE: To provide information on the contribution and benefits of the film and television industry to the community of Burnaby.

RECOMMENDATIONS:

1. **THAT** the Mayor, on behalf of Council, write to the leaders of the political parties campaigning to form the next provincial government informing them of the value of the film and television industry to Burnaby, and of Council's desire that carefully reasoned and timely steps be taken to maintain British Columbia as an attractive location for film and television production.
2. **THAT** copies of this report be sent to the Motion Picture Production Industry Association, Burnaby Board of Trade and Tourism Burnaby.
3. **THAT** a copy of this report be sent to all candidates in the upcoming Provincial election within Burnaby to call attention to the importance of the film and television industry to the community of Burnaby.
4. **THAT** a copy of this report be sent to the Lower Mainland Local Government Association as a means of highlighting the importance of the film and television industry to the Lower Mainland region.

REPORT**EXECUTIVE SUMMARY**

The film and television production industry is a key economic driver in Burnaby, injecting at least an estimated \$408 million in direct and spinoff spending into Burnaby's economy in 2012. Other notable facts about the industry in Burnaby in 2012 include:

- 131 productions were made in Burnaby, with an estimated production value of \$153.6 million;
- at least 2,425 Burnaby residents were directly employed in the industry as cast and crew and their combined earnings were over \$32.9 million;

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- Burnaby boasts 62% of purpose-built studio space in the Lower Mainland, which is home to about 88% of all studio space in the province;
- at least 72 other Burnaby businesses directly support and serve the local film industry;
- many other Burnaby businesses, such as car rentals, hotels, restaurants, lumber suppliers and florists, are patronized by the film industry, with a typical one month-long pilot television series spending almost \$1 million in Burnaby; and
- the City received revenues from the film and television industry of approximately \$2.3 million for permits, property taxes, and rental fees for City properties.

Notwithstanding this significant contribution to Burnaby, there is considerable concern about the challenges facing the industry in British Columbia, the significant decline in activity in the last quarter of 2012, and the slow start in 2013 in the industry generally.

1.0 INTRODUCTION

At its meeting of 2013 March 11, Council requested a staff report on the contribution of the film industry to Burnaby. The request was prompted by concerns raised by industry representatives regarding recent impacts to the industry, and the longer term viability and sustainability of film and television production in British Columbia.

Although the City has never before attempted to quantify the value of the film industry to Burnaby¹, Council has long recognized, from a policy perspective, the benefits that are derived from the industry. Burnaby's Official Community Plans (1987 and 1998), for example, recognized the forthcoming growth of the film industry in the region, and the resultant increased demand for associated services and facilities in local municipalities by noting the importance of providing for and encouraging tourist facilities and filming opportunities in Burnaby. As such, the City created a Film Office which now employs two full-time staff.

The City's Economic Development Strategy (EDS), updated in 2007, also outlined a sector action plan for film, television, digital entertainment and new media. The action plan consists of thirteen

¹The figure for total economic activity has been calculated using two formulae provided by the Economic Development Officer from the Township of Langley who sourced them from websites of the Association of Film Commissioners International (AFCI) and Canada West (a former coalition of film industry associations in the four western provinces). The first formula – for calculating the “direct economic impact” of the film and television industry – multiplies the number of “shoot days” engaged in by the industry by industry accepted 2007 daily production value figures from AFCI. The second formula – for calculating the “total economic impact” of the film and television industry – multiplies the “direct economic impact” by a multiplier furnished by Canada West. Qualifiers must be attached to any attempt to calculate the value of an industry, particularly when formulae depend on multipliers that are not fully current, and when conversions must be made from foreign currency to Canadian. Moreover, the multipliers assume that every dollar spent is spent locally, and that every actor, director, cameraman, and other crew are local, as fully accurate information on these factors is not available. As such, the instruments are somewhat “blunt”, and do not take into account a number of detailed factors and considerations. Thus, some caution must be exercised in citing the figures, which are clearly only estimates based on a number of assumptions, and are intended as a broad measure of economic activity.

initiatives, ranging from supporting on-location film activities in Burnaby and reviewing zoning to ensure flexibility to accommodate the industry to advocating for a stronger regional approach to marketing Greater Vancouver as a film and television centre, and undertaking a needs analysis of media firms and their employees. The EDS also notes the importance of maintaining a high quality of life in Burnaby and the region, given the role of quality of life factors in attracting a strong labour pool and thus relevant companies and businesses. This focus on quality of community life is echoed in the Burnaby Social Sustainability Strategy (SSS), adopted by Council in 2011 July, with its goals of community inclusion, liveability, and resilience.

This report responds to Council's request for information on the contribution of the industry to the Burnaby community. It provides a brief contextual overview of the film and television production industry in Canada and British Columbia, information on the industry in Burnaby, and estimates of the benefits of the industry to Burnaby from economic and other perspectives.

It should be noted that figures cited in this report for both the economic value of productions and the overall economic contributions and benefits in the community have been developed on a conservative basis and should be viewed as a minimum effect. To calculate such benefits, staff contacted the production or location managers of every production made in Burnaby in the year 2012 to obtain information on the number of days they were filming in Burnaby (known as "shoot days".) Of the 131 productions identified, information was available for 126 of them. Moreover, information on productions was gathered only from the five purpose-built film studios in Burnaby. It is recognized, however, that additional activity in this industry occurs through temporary and transient use of industrial and other venues. These venues and activities, however, are difficult to specifically identify and contact to obtain information, and as such represent further contributions that are not specifically represented in this report. Finally, calculations for overall economic contributions are based only on features; television pilots, series and movies; and short films, as a specific economic information was not available for other types of productions such as commercials, still photos, music videos and documentaries.²

Based on the findings of the staff review of the activities of the industry in Burnaby, this report expresses the need for future provincial governments to take the necessary steps to maintain British Columbia as an attractive location for film and television production, for the continued general benefit of the province generally, and Burnaby specifically.

2.0 THE FILM AND TELEVISION INDUSTRY CONTEXT

2.1 The Film and Television Industry in Canada

The Canadian film and television production industry is composed of three key sectors: Canadian production, foreign production, and broadcaster in-house production.³ The industry is a major source of economic activity and jobs for Canadians. In 2011/12, it:

² As noted, economic activity associated with the film and television industry can be difficult to fully and accurately measure due to a number of factors including the "incomplete" nature of the information collected for Burnaby.

³ Broadcaster in-house production includes television programs made internally by Canadian broadcasters in their own facilities, and is comprised of news, sports and current affairs programming.

- generated almost \$5.9 billion in production budgets ; and
- sustained over 132,000 full-time jobs (52,100 of which are direct and 80,400 of which are indirect or “spinoff”).⁴

As **Table 1, attached**, depicts, the 2011/12 production value, which represented a 5.6% increase from the previous year, is at a ten year high, although the percentage increase fell from the previous year. The 2011/12 increase was almost totally due to an increase in levels of Canadian production.

In 2011/12, 44% of production value in Canada took place in Ontario, with British Columbia and Quebec representing 27% and 23% respectively. These three provinces have, for at least the past ten years, cornered an average of 91% of industry activity in Canada.

The Federal government supports the screen production industry with a Production Services Tax Credit of 16% on net eligible Canadian labour costs. The tax credit is primarily applicable to foreign productions.⁵

National box office trends suggest that Canadians still like going to movies, even though they are able to access a growing array of digital distribution platforms, including cable and satellite video-on-demand services, iTunes, and Netflix. In the past three years, box office revenues in Canada have exceeded \$1 billion, for a 10 year high.⁶

2.2 The Film And Television Industry In British Columbia

2.2.1 Summary of Recent Industry Activity

The BC film and television production industry boasts a world-class infrastructure and a large and skilled workforce. As is depicted in **Table 2, attached**, the sector attracted about \$1.22 billion worth of projects in 2012, a 2.3% increase over 2011.⁷ The total number of productions in British Columbia in 2012 was 294, a 4.6% increase over 2011.

Domestic – or Canadian – production, which accounted for 54% of the 294 projects, grew in value by 55% between 2011 and 2012. In terms of economic value, domestic production represents 27% of the B.C. industry.

Foreign production, which accounted for 46% of the 294 projects, dropped in value by 9% between 2011 and 2012. From an economic value perspective, foreign production represents 73% of the BC industry.

⁴Profile 2012: An Economic Report on the Screen-Based Production Industry in Canada; Canadian Media Production Association; p. 4.

⁵“Production Tax Incentives”, BC Film Commission, www.bcfilmcommission.com.

⁶Profile 2012, Canadian Media Production Association, p. 69.

⁷This figure represents direct spending and does not include hospitality spending, economic spinoffs, and patronage of the small and medium-sized businesses which support the film industry.

A 2012 profile of the Canadian screen production industry by the Canadian Media Production Association⁸ (CMPA) estimates that the total direct and indirect (“spin-off”) full-time jobs generated by film and television production in British Columbia at 36,000. Of those, 14,200 positions are directly in the industry. This is a decrease from 2010/11 and is also below the industry-related job figures for 2003/04, 2005/06, and 2007/008.⁹

2.2.2 Summary of Tax Incentive Programs

The government of British Columbia has supported the film and television industry through tax credits since 1998. The Province acknowledges that tax incentives are becoming an increasingly important component of entertainment project financing, as they strongly influence production location decisions.¹⁰ At present, the Province offers two tax incentive programs: Film Incentive BC (FIBC), which is available only to Canadian productions producing Canadian content, and the Production Services Tax Credit (PSTC), which is available to both domestic and foreign productions.¹¹ Both apply only to expenditures on qualified BC labour. Each has several components, as depicted, below.

Summary of Film Incentives

Type of Credit	PSTC	FIBC
Basic	33%	35%
Regional (for principal photography outside of the designated Vancouver area)	6%	12.5%
Distant Location (for principal photography outside of the Lower Mainland area)	6%	6%
Digital Animation/Visual Effects	17.5%	17.5%
Training (for registration of BC-based individual in approved training program)	n/a	30%

The Province estimates that it provided \$331 million in tax credits for film, television and digital interactive media for the 2012/13 fiscal year.¹²

3.0 CHALLENGES FACING THE BC FILM AND TELEVISION INDUSTRY

Film and television production is one of the most highly competitive global industries and is defined by an ever-changing technological landscape. Despite the modest increase in the BC industry in 2012, in recent years, British Columbia has fallen from third to fourth place in film production in North America, behind Los Angeles, New York and Ontario.

⁸ CMPA is Canada’s leading trade association of companies engaged in the production and distribution of English language feature films, television programs, and digital media.

⁹ Profile 2012; Canadian Media Production Association, p. 11.

¹⁰ Ministry of Community, Sport and Cultural Development webpage, www.gov.bc.ca

¹¹ Canadian productions cannot stack the two incentives but must choose which program to apply to.

¹² Email correspondence from Deputy Minister of Finance, Peter Milburn, April 5, 2013.

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Further, the Canadian Media Production Association's Profile 2012 reports that British Columbia lost 3,500 direct and spinoff film and television production jobs during the year ending March 2012, while Ontario's industry gained nearly 8,000 jobs.¹³ Moreover, the last quarter of 2012 and first quarter of 2013 are some of the worst the industry in British Columbia has experienced, a fact acknowledged by Bill Bennett, Provincial Minister responsible for the film industry, who is quoted as saying:

"...the last quarter of 2012 saw a dramatic decline in production, and therefore government will need to actively monitor the industry as we proceed through 2013."¹⁴

The industry in British Columbia faces challenges common to the Canadian film industry in general. The value of the Canadian dollar, for example, influences whether foreign productions are made in Canada or elsewhere. Copyright infringement and piracy in the industry are serious global challenges, especially for feature films.¹⁵ The BC industry is further challenged, however, by factors which do not necessarily affect other parts of Canada.

First, other jurisdictions, including Ontario, Quebec and Manitoba, offer more lucrative tax incentives than British Columbia.¹⁶ In the last decade, the competition to offer more attractive tax incentives has escalated. In 2009, for example, Ontario and Quebec both raised their tax incentives to the film and television industry to 25% of total production costs (as compared to BC's 33% and 35% for labour costs only). Because the industry is highly fluid due to the mobility of labour and the focus on relatively short-term projects, producers can easily pick up and leave to take advantage of cost differences in other locations. As productions move to more cost-effective locations, the labour pool and infrastructure – or industry capacity – move with them.

The data would seem to corroborate this migration. In addition to the job figures cited above, *Table I* illustrates that Ontario's 44% of national production value in 2012 was up from 2011, and was higher than its ten year average of 39%. British Columbia's 27% share in 2012 was consistent with its ten year average of 27% but was down from both 2010/11 and 2009/10. Quebec's 23% share was slightly below its ten year average of 25%, and has declined for the past four years.

A second challenge to the BC industry is the fact that investment capital for film and television production is more accessible in Ontario and Quebec, which serve as the financial/investment hub of the country.

Finally, the BC film and television industry faces increased production costs as the PST applies to film/television production. It is estimated that the PST will cost the industry about \$20 million a year in tax credits not received as compared to other jurisdictions. This arises as British Columbia is the only province which applies a provincial sales tax to the film and television production industry¹⁷.

¹³ Profile 2012; Canadian Media Production Association; p.11.

¹⁴ Ministry of Community, Sport and Cultural Development webpage, www.gov.bc.ca.

¹⁵ Ibid.

¹⁶ Louisiana and North Carolina in the United States also offer more lucrative tax incentives than British Columbia.

¹⁷ As reported by Bruce Constantineau in "Film Industry Managed Increase in Business for 2012" in the Vancouver Sun, March 14, 2013, Section D, Business BC.

3.1 Responses to the BC Film and Television Industry’s Issues

3.1.1 The BC Film and Television Industry

Given the down-turn of the industry in late 2012 and unknown prospects for 2013, a grass-roots movement of concerned film production industry professionals galvanized to create the “Save BC Film” campaign in early 2013. The campaign is supported by the Motion Picture Production Industry Association’s (MPPIA) communications plan, “We Create BC”.¹⁸ The campaign is focused on raising awareness of the value of the film industry to the province generally, and on pressing the Provincial government to increase the tax incentives offered to the film and television industry.¹⁹ In addition to hosting town hall meetings about the state of the BC industry, and keeping headlines on the subject in the local media, on 2013 March 27, “Save BC Film” delivered a petition with over 30,600 names of people who support saving the BC industry to both the Premier and the Leader of the Opposition.

3.1.2 Government of British Columbia

The Province has not acted on the request from the industry to match the tax incentives provided in eastern Canada. It reportedly cites growing concerns about the additional \$100 million per year that would be required to match Ontario’s incentives²⁰, and about the long-term sustainability of ever-escalating incentives (the so-called “race to the bottom”). Former Provincial Finance Minister Mike De Jong’s view is that the main issue is the lack of harmonized tax incentives across Canada. In an attempt to address that issue, he met recently with Ontario’s Minister of Finance to begin a conversation about how governments can work together to create consistency in film industry tax incentives across the country. However, to date, progress on this matter has not been announced.

To support the screen production industry, in January 2013, the Province launched “BC Creative Futures”, a strategy to help BC’s creative industries continue to grow. Part of that strategy is “Creative BC”, an independent non-profit society that is consolidating the duties of the BC Film Commission and BC Film+Media beginning in April 2013. Creative BC is to engage government and the creative industries to develop a broad strategy for the future. As well, the recent Provincial budget allocated funding for a program aimed at increasing youth participation in the arts. Generally, however, this response from the Province has been viewed as inadequate in the face of competition from other jurisdictions which provide better support for the industry.

4.0 THE FILM INDUSTRY IN BURNABY

The film and television production industry is a key economic driver in Burnaby, injecting at least an estimated \$408 million in direct and spinoff spending into Burnaby’s economy in 2012.

¹⁸ MPPIA is a member-based non-profit society created in 2002 to promote the growth of a competitive and sustainable motion picture industry in British Columbia.

¹⁹ Some industry representatives note that British Columbia has such advantages over other jurisdictions – its wide variety of topography, its world-class facilities, and its fortune at being in the same time zone as Los Angeles – that even a partial narrowing of the tax incentive gap between British Columbia and eastern Canadian provinces would stem the flow of productions out of British Columbia.

²⁰ As quoted in the Vancouver Sun, February 1, 2013.

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Based on information provided by the BC Film Commission, Burnaby boasts two-thirds of purpose-built studio space in the Lower Mainland, and about 62% of all studio space if warehouse conversion stages and FX and broadcast stages are included. Burnaby's five purpose-built screen production studios provide 655,903 sq. ft. of studio/stage space. As the Lower Mainland is home to 88% of studio space in British Columbia, Burnaby studios are major players in the province generally. In addition to purpose-built studios, there are a number of converted warehouses and other more temporary production venues in Burnaby, including one converted warehouse on Buller Avenue owned by the City.

In 2012, 131 productions were made in Burnaby. Of those, 24% were commercials, 21% were feature films, 16% were TV, mini- or web-series, and 12% each were TV movies and student films. The remainder consisted of a range of production types including music videos, still photo shoots, short films, and TV pilots (small movies). The direct value of the productions is estimated at \$153.6 million. The City's Film Office issued 111 production permits in 2012. This was up from 97 permits in 2011 and 94 in 2010.

In terms of employment, local studios report that a typical feature film hires between 600 – 800 local people for crews.²¹ Based on data supplied by two firms which provide payroll services to the screen production industry²², at least 2,425 Burnaby residents were directly employed, as crew or cast, in the motion picture industry in 2012. Their combined earnings were over \$32.9 million. Although there were about 75 fewer cast and crew employees in 2012 than in 2011, the employment figure has been fairly stable since 2008, with a variation of only 6% between the highest employment year (2010) and 2012.

4.1 Burnaby Businesses Which Directly Support the Film Industry

Many Burnaby businesses, such as visual effects facilities, props companies, stunt and make-up artists, animators and catering companies directly support and serve the local film industry and are part of the infrastructure which attracts productions to the area. *Table 3, attached*, is a list of 72 such businesses in Burnaby. It was not practical for staff to contact all the relevant businesses to inquire about 2012 revenues and expenditures, and unfortunately those contacted were not generally in a position to release information about their "bottom line" business figures.

4.2 Other Burnaby Businesses Which Benefit from the Film Industry

Many other types of businesses benefit indirectly from the film industry. Production companies have many needs unrelated to actual production, including garbage disposal, cleaners, car rentals and repairs, gasoline, hair stylists, shoe repair, florists, transportation, meals and accommodation for cast members, lumber supplies for sets and space rental from local businesses. Even if a film or TV series is not filmed in Burnaby, the production company's office might be located in Burnaby where local businesses are patronized.

²¹ Email correspondence from Peter Leitch, Mammoth Studios.

²² Entertainment Partners Canada and Cast & Crew are leading providers of payroll services to the motion picture, television and commercial production industries. Representatives from Cast and Crew estimate that the two firms provide payroll services to 90% of the industry in Burnaby.

Local film studios report that a typical feature spends in the range of \$50 to \$100 million in the community.²³ It was not possible through staff’s research to generate a list of all the local businesses which benefit from the film industry. As with the businesses which directly support the film industry, those unrelated businesses which were contacted about the portion of their business they could attribute to the film industry were also not in a position to provide the information, as it can be difficult to track and attribute sales to a specific industry. Many local businesses confirmed, however, that sales to the film industry represent a significant portion of their business.

In addition to local businesses, other Burnaby-based entities also benefit from film and television industry activities. The Burnaby School District, for example, received revenues of \$51,973 in 2012 for use of school or playground facilities by the industry.²⁴

The case study presented in **Table 4, attached**, of a pilot television series produced in Burnaby in spring 2012 illustrates how the economic impact of a production flows through the community. The pilot, which took a month to produce, generated almost \$1 million in transactions for 60 Burnaby-based businesses.

4.3 Revenues to the City and Benefits to the Community

In addition to the economic benefits businesses reap from the film and television industry, the larger community of Burnaby, including the City of Burnaby, is supported through activities of the industry in numerous ways. For example, film and television productions contribute revenues to the City through:

- electrical permits;
- film permits;
- rental fees for City properties;
- fees for RCMP, Fire Department, and/or Engineering Department assistance (e.g., signage, street closures, parking meters, pyrotechnics);
- rental fees for Buller Studio; and
- administration fees to the Film Office.

Burnaby’s five purpose-built studios contribute additional revenues through property taxes, electrical permits, utility, water and sewer assessments, and business licences, the latter of which are also paid by film/television production offices.

As depicted below, direct revenues to the City in 2012 were approximately \$2.3 million.

City Revenues – 2012

Film Office – administration, permit, and rental fees	Electrical Permits	Property Taxes	Utility Fees	Business Licence Fees	Buller Studio Rentals	Water and Sewer Fees	Total Revenue to City - 2012
\$332,123	\$21,198	\$1,389,020	\$3,047	\$4,284	\$498,543	\$52,255	\$2,300,470

²³ Email correspondence from Peter Leitch, Mammoth Studios.
²⁴ Figure provided by Burnaby School District staff.

4.4 Gifts-in-Kind and Benefits to the Community

In addition to economic benefits, the community of Burnaby enjoys social, cultural and environmental benefits and contributions which are attributable to the film and television production industry.

For example, production companies provide compensation and/or gifts-in-kind for public inconvenience and/or wear and tear on the facilities rented. The closure of Robert Burnaby Park to the public while a shoot was in progress, for example, was compensated for by new tennis courts, valued at \$50,000, paid for by the production.

Similarly, Burnaby has also acquired new turf on soccer fields, road repairs with extra drainage capacity added, roads and fences in Deer Lake Park, a mural to cover over graffiti and a \$16,000 study room at Bob Prittie Library. In addition, production companies make donations to local charities and sports groups, such as Burnaby Girls' Soccer, for the inconvenience caused when a production takes over facilities usually used by those organizations.

MPPIA, the industry association in British Columbia, stages an annual golf tournament which endows a community charitable organization. It also promotes environmental responsibility in an industry which is, by nature, labour intensive and green. MPPIA and its partner Reel Green provide tools and information for companies and individuals wishing to reduce their environmental footprint. Some players in the industry, for example, donate their used building materials to Habitat for Humanity for recycling purposes.

4.5 Looking to the Future in Burnaby

Staff contacted each of Burnaby's purpose-built production studios regarding the current level of filming activity in each, and the outlook for the remainder of 2013.

One studio was able to provide positive information. It has had the fortune to become home to two popular TV series which occupied most of its space in 2012 and early 2013. The studio envisions the same occupancy level – or higher – for 2013 as it had in 2012. In fact, it is currently constructing a new stage with related offices and support space, and has already had tenancy inquiries. The new facilities are expected to be in use by June 2013. This studio also saw an increase in the number of productions from 2011 to 2012.

Reports from the other four purpose-built studios confirm, however, that 2012 was not a good year for the industry and that 2013 does not look any more positive. One studio, which caters to large features, reports that occupancy was down in 2012 from the usual 80% to 55%. For that studio, 2013 has started off slowly, with no substantial occupancy for the first quarter. A second studio reports only two major productions in 2012 (for two months each) and one new film which will run from October 2012 until June 2013. Much of the studio stood vacant for most of 2012. This was a change from the period of 2008 to 2011, when the studio was always full, with a waitlist. For 2013, bookings are fairly good until the end of June 2013. A third studio hosted one production in 2012 and has been vacant for six months except for a day or two of commercial shoots. The fourth studio has been vacant since the last production wrapped up in November 2012, and has no bookings until the end of June 2013. At that point, it is booked for 6 months for a production.

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Other businesses – both those related to the film industry and other more peripheral ones – report a downturn as well. As reported in the *Burnaby Now* on March 20, 2013, the owner of Can Am Importique is selling off half of his stock of movie props and memorabilia to help pay the rent at his business warehouse in Burnaby. Three years ago this film industry prop retailer employed seven people; today employees number one. The associated Lake City Studio has seen a decrease in business of 47% from 2011 and 2012 levels. A local car rental agency, which does significant business with the film industry, reports that the film component of its transactions are down about 40% from 2012. Another local business, HollyNorth Production Supplies, provided overview information for the past several years to demonstrate the current plight of the industry. That information, which suggests that 2013 business will total only 59% of 2009 business, is presented in **Table 5, attached.**

In terms of a response to the issue of the competitiveness of BC’s film and television industry with jurisdictions offering more attractive tax incentives, current Finance Ministry representatives report that if the Liberals are re-elected in the 2013 May Provincial election, the Minister will continue his tax incentive discussions with Ontario in the months ahead, in hopes of providing long-term stability for the industry. And at an April 9, 2013 press conference, the Leader of the Provincial New Democratic Party announced that, if elected, his government would raise the basic film tax incentive level to 40%.²⁵ This announcement has been applauded by many industry representatives.

5.0 SUMMARY AND CONCLUSIONS

Burnaby is a choice location for film and television production in British Columbia and benefits from an estimated minimum annual injection from that industry into the local economy of at least \$408 million. However, the BC industry has lost ground to Ontario in recent years and has slipped to fourth place, behind Los Angeles, New York and Ontario, as a North American production centre. Although Burnaby boasts 62% of purpose-built film studio space in the Lower Mainland, much of that studio space was significantly under-used in 2012 and the first quarter of 2013. Industry representatives are concerned for the future of the industry given more lucrative tax incentives in Eastern Canada and the migration of skilled labour and infrastructure to Ontario and Quebec.

The industry has mounted the “Save BC Film” campaign to raise awareness of the value of the film industry to the province generally, and to press the Provincial government to increase tax incentives for film and television production. Both major provincial political parties have responded that they will address the matter, although from differing perspectives. As noted above, past Finance Minister, Mike De Jong, met with his Ontario counterpart to discuss the need for consistency in film industry tax incentives across the country. Those discussions are expected to continue in the months ahead if the Liberals are returned to office in the 2013 May election. Opposition Leader, Adrian Dix, announced on 2013 April 9 that, if elected, the NDP will raise BC’s basic film tax incentive to 40% from the current 33% and 35%.


²⁵ CBC News, April 9, 2013.

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For Burnaby, reversing the declining fortunes of the BC film and television industry is an urgent issue. Based on information provided in this report, the significant contribution that the industry makes to Burnaby's collective social, cultural, environmental and economic wellbeing is clearly evident. The industry supports our community with a broad range of jobs, provides direct and indirect benefits and revenues to many other individuals and businesses, and contributes to development, the City's tax base, and community objectives. Inaction on reversing the decline of the industry in the latter part of 2012 and early 2013 would impact the overall health, quality of life and economic vitality of Burnaby, and would be a major detriment to our community, and to the Province more generally.

As such, given the current state of the BC industry, and its importance to the economic and overall well-being of Burnaby, it is recommended that the Mayor, on behalf of Council, write to the leaders of the political parties campaigning to form the next provincial government informing them of the value of the film and television industry to Burnaby, and of Council's desire that carefully reasoned and timely steps be taken to maintain British Columbia as an attractive location for film and television production.

Further, to call attention to the importance of the film and television industry to the community of Burnaby and the Lower Mainland generally, it is also recommend that a copy of this report be sent to the Motion Picture Production Industry Association, the Burnaby Board of Trade, Tourism Burnaby, to all candidates in the upcoming Provincial election within Burnaby, and to the Lower Mainland Local Government Association.


Lou Pelletier, Director
PLANNING AND BUILDING

JS:sla
Attachments (5)

cc: Deputy City Managers
Acting Director Engineering
Director Finance
Director Parks, Recreation and Cultural Services
OIC – Burnaby RCMP
Burnaby Fire Chief
Chief Librarian

TABLE 1

Total Volume of Film and Television Production in Canada

	Ontario		Quebec		BC		Other Provinces		Total Canada	
	S Millions	% of Canada Total	S Millions	% of Canada Total	S Millions	% of Canada Total	S Millions	% of Canada Total	S Millions	% Change
2002/03	1,915	38.4	1,381	27.7	1,157	23.2	536	10.7	4,989	n/a
2003/04	1,805	36.3	1,185	23.9	1,550	31.2	427	8.6	4,967	-.4
2004/05	1,951	42.8	1,240	27.2	931	20.4	437	9.6	4,559	-8.2
2005/06	1,951	39.7	1,130	22.9	1,379	28.1	456	9.3	4,916	+7.8
2006/07	1,792	35.8	1,247	24.9	1,401	28.0	561	11.2	5,001	+1.7
2007/08	1,960	36.6	1,212	22.6	1,683	31.4	501	9.4	5,356	+7.1
2008/09	1,903	37.2	1,346	26.3	1,338	26.1	532	10.4	5,119	-4.4
2009/10	1,929	38.2	1,291	25.6	1,402	27.8	424	8.4	5,046	-1.4
2010/11	2,118	37.9	1,349	24.2	1,714	30.7	399	7.2	5,580	+10.6
2011/12	2,568	43.6	1,355	23.0	1,580	26.8	388	6.6	5,891	+5.6

Figures taken from Profile 2012: An Economic Report on the Screen Based Production Industry in Canada, Canadian Media Production Association.

TABLE 2

BC Film and Television Production Industry

	Total BC Industry		Domestic Production		Foreign Production	
	Volume	Change from Previous Year	Volume	Change from Previous Year	Volume	Change from Previous Year
2008:						
# of Productions	260	n/a	174	n/a	86	n/a
Production Money Spent in BC in \$ Cdn	1,206,770,000	n/a	365,600,000	n/a	841,170,000	n/a
2009:						
# of Productions	239	-8.1%	155	+10.9%	84	-2.3%
Production Money Spent in BC in \$ Cdn	1,316,450,000	+9.1%	217,600,000	-40.1%	1,098,850,000	+30.6%
2010:						
# of Productions	246	+2.9%	152	-2.2%	94	+11.9%
Production Money Spent in BC in \$ Cdn	1,021,720,000	-22.4%	243,830,000	+12.0%	777,890,000	-29.2%
2011:						
# of Productions	281	+14.2%	147	-3.3%	134	+42.3%
Production Money Spent in BC in \$ Cdn	1,188,700,000	+16.3%	208,980,000	-14.3%	979,720,000	+25.9%
2012:						
# of Productions	294	+4.6%	159	+8.2%	135	+7%
Production Money Spent in BC in \$ Cdn	1,215,900,000	+2.3%	324,240,000	+55.2%	891,660,000	-9%

Figures taken from British Columbia Film Commission Production Statistics 2012, BCFC.

TABLE 3

Film-Related Businesses and Associations Located in Burnaby

Name of Business	Address
<u>Animation/Animators</u> Animatrik Film Design	4088 First Avenue
<u>Associations, Guilds, and Unions</u>	
ACFC West (Association of Canadian Film Craftspeople)	#108-3993 Henning Drive
IATSE 891 (International Alliance of Theatrical Stage Employees)	1640 Boundary Road
Stunts Canada (an association of stunts coordinators/performers)	2400 Boundary Road
Commercial Production Association of Western Canada (resource centre for international productions)	3755 First Avenue
<u>Design, Construction, Props, Supplies</u>	
Scenic Oasis Films (backdrop rentals)	#48-7342 Winston Street
Coast Fiber Tech Products (silicone and latex rubber, pour in place foam, fiberglass and epoxy resin)	1306 Boundary Road
New Line Hose and Fittings (hoses and fittings for special effects)	5059 Regent Street
On Set Glass (glass products for special effects)	#110-2544 Douglas Road
ProVeer Sign and Graphics (plotters, printers, laminators, plastics and substrates, adhesives, graphics vinyl, digital media and banners)	#107-6741 Cariboo Road
Camel Productions (designs for film, tv, commercials, theatre, displays, promotions)	#48-7342 Winston Street
Acme Prop Shop (props)	4014 Myrtle Street
3D Custom Foam (3D scanning, 3D resin, printing, hot wire foam)	3127 Thunderbird Crescent
Can Am Importique (sales or rental of movie and tv props)	3188 Thunderbird Crescent
The Prop Shop	3941 Grant Street
Super Props Rental	1763 Douglas Road
Off Set Rentals (director's chairs, pop-up tents, polytak for film and tv productions)	3735 First Avenue
<u>Graphic Design/Illustrations/Photography</u>	
Mad Acts Entertainment (illustrations, designs, storyboards for film, tv, commercials and music videos)	8775 Crest Drive
Graphic Results (signage)	#106-2799 Gilmore Avenue
<u>Performers and Related Services</u>	
The Underground Circus (circus acts, productions, riggings, stunts, rehearsal and training facility)	P.O. Box 44070, Burnaby
Lindala Schminken Studio Inc. (puppeteers, animatronics, costumes and wardrobes, make up)	5538 Imperial Street

Table 3

Re: Film-Related Businesses and Associations Located in Burnaby

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Name of Business	Address
<u>Production Equipment</u>	
Cinequip White Inc. (sales, repair, consultation and installation crews for lighting, grip, camera, rigging and theatrical applications)	#300-8363 Lougheed Highway
VER (Video Equipment Rentals)	#204-6741 Cariboo Road
HollyNorth Supplies (machines, make up, lighting, effects, wardrobe)	3735 East First Avenue
Lorne Lapham Sales and Rentals (cameras, lighting, film equipment)	3774 Napier Street
Parallel Rentals Production Support Equipment (lighting, make up and wardrobe mirrors, tents)	3995 Kitchener Street
Paramount on Location (lighting and grip equipment)	8015 North Fraser Way
PS Productions (lighting and grip equipment, generators)	8301 Eastlake Drive
William F. White (lighting, grip, dollies, jib arms, cranes, generators, transport)	#100-8363 Lougheed Highway
Studio 1622 (studio, green screen, production office)	1622 East First Avenue
SIM Video West (mixers, mics, computer prompting systems, camera mount and hand-held systems)	5258 Lougheed Highway
Trew Audio (location sound equipment sales and rentals)	#107 - 3823 Henning Drive
Epic Production Technologies (lighting, rigging, staging equipment)	3771 Marine Way
Matrix/MVCC (broadcast, audio visual equipment)	#106-8678 Greenhall Avenue
Panavision Canada (film production equipment and supplies)	#116-5560 Trapp Avenue
Cramped Attic Technology (repair, build, sell electric equipment for film production)	3984 Dundas Street
Filmotechnic Canada (camera support equipment)	7634 Winston Street
Christie Lites (stage lighting rentals and productions)	3686 Bainbridge Avenue
Key Rigging Equipment (rigging for the film industry)	8060 Winston Street
Lighthouse Sales (lighting for the film industry)	3131 Underhill Avenue
Stage Fab (stage fabrication for the film industry)	#201-7475 Hedley Avenue
Studio City Rentals (scaffolding, trusses, rigging for the film industry)	2050 Alpha Avenue
<u>Production Personnel</u>	
Metrotown Media Productions (video and still photo production, digital editing, broadcast, industrial, music video and special events)	#141-6200 McKay Avenue
Astrophonic Sound (sound mixer for film and tv)	3968 Southwood Street
<u>Post Production</u>	
Technicolor Creative Solutions (full processing and digital lab support)	#130-2400 Boundary Road
Mix Media Productions	#211-2465 Beta Avenue
Applied Electronics (post production, broadcast technology)	8573 Commerce Court
Kodak Canada (post production feature films, commercials)	3700 Gilmore Way
Digital Sound Magic	#212-2465 Beta Avenue

Name of Business	Address
<u>Producers and Production Services</u>	
Art Young (video production and location sound)	8387 13 th Avenue
Brightlight (independent film producer)	2400 Boundary Road
Kinetix Media Communications (video productions, digital marketing)	#155-5489 Byrne Road
Luximation Films (animated film producers)	#101-2544 Douglas Road
NGN Productions (independent film producers)	8180 Winston Street
<u>Special Effects and Stunts</u>	
Canadian Steam (mobile steam and hot water boilers for special effects)	8089 Hunter Street
Pacific West Special Effects (rain, snow, smoke, wind, fire special effects)	3333Ardingley Avenue
MasterFX Inc. (special effects for film and tv productions)	3822 First Avenue
<u>Services</u>	
Tangerine Catering	#115-9229 University Avenue
Wee Tote Delivery Services (cars, vans, courier services)	7011 Randolph Avenue
Cast and Crew Entertainment (payroll services)	#250-4529 Canada Way
Tahoe Industries (movie trailer rentals)	4888 Still Creek Avenue
Location Caterers	6390 Darnley Street
<u>Studios</u>	
Bridge Studios	2400 Boundary Road
Bron Studio (animated films)	5542 Short Street
Lake City Studios (in-house film studio in association with Can Am Importique)	3188 Thunderbird Crescent
Canadian Motion Picture Park	8085 Glenwood Drive
Eagle Creek Studios	4210 Phillips Avenue
Mammoth Studios	2820 Underhill Avenue
MJA Studios	4961 Byrne Road
BCIT Studio	3700 Willingdon Avenue
First Avenue Studio	4088 First Avenue
Buller Avenue	7320 Buller Avenue

TABLE 4

CASE STUDY OF PILOT TV SERIES		
Item	Expenditure	# of Crew
Salaries, all BC residents	\$ 3,391,440	917
Salaries, Burnaby residents	193,400	91
Office equipment/supplies	25,872	
Construction	85,355	
Set Decorating	16,860	
Wardrobe	3,031	
Props	4,522	
Equipment	200,191	
Fuel	50,477	
Food	38,532	
Location Expenses	4,416	
Location Site Rentals	16,128	
Office/Stage rental	289,708	
Restoration	9,795	
Misc.	16,380	
Burnaby Spend Total	\$ 954,665	

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TABLE 5

CASE STUDY OF HOLLYNORTH

HollyNorth Production Supplies services the film, television and TV commercial industry with products ranging from set decorations, props and packaging, to make up, lighting, wardrobes and digital FX supplies.

HollyNorth was formed in 1998 as a one person shop, and a 2,500 square foot storefront/warehouse was chosen specifically in Burnaby, the center of the local industry.

In 2007, Off Set Rentals, which provides location supplies such as tents, table, chairs, heaters and signage to the industry, was purchased. By 2009, HollyNorth had expanded into a 12,500 square foot facility at 1st and Boundary in Burnaby. Revenues had increased by more than 300% since 1999. Off Set employed 6 persons and HollyNorth employed 12 full time and 2 part time persons.

In 2010, HollyNorth was chosen as the Special Effects contractor for the Opening and Closing Ceremonies of the Winter Olympics. This created an epic sales year for HollyNorth, with a decent year for Off Set.

By 2011 year end, the effects of the tax credit war were being felt by both companies. Off Set was turned into a web store, resulting in a loss of 6 jobs, and HollyNorth was trimmed to 9 full time plus 1 part time person. The end of 2012 saw HollyNorth down to 8 persons and Off Set sharing a person with HollyNorth.

Using HollyNorth's gross 2009 year end sales as 100%, its economic trajectory is as follows:

2009	100%
2010	163%
2011	79.25%
2012	72.23%
2013	58.7% ¹

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¹ Projected, based on current trends.