

Sector Overview for Freshwater Production Studio Opportunity

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Report Summary

This report provides information pertaining to the development of a purpose-built film and television production studio in relation to a presentation from Cultural Industries Ontario North (CION) on the Freshwater Production Studio project being brought to the August 9, 2022 meeting of Council.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

This report refers to an opportunity that would advance strategic objectives including Business Attraction, Development and Attraction as well as Economic Capacity and Investment Readiness. The film studio concept also aligns with economic development strategic objectives and Greater Sudbury Cultural Plan goals explicitly noting the need for film studio facilities in Greater Sudbury.

Financial Implications

There are no financial implications associated with this report

Summary

The film and television industry has demonstrated significant economic impact for the local and regional economy. Greater Sudbury has benefitted from over \$200 million in economic activity from the film and television industry over the past ten years, creating thousands of local crew jobs.

A purpose-built film studio has the potential to create and retain jobs, develop and grow the local economy and increase the profile of Greater Sudbury in international markets, which is in line with the goals from the Economic Development Strategic Plan, *From the Ground Up* in addition to advancing objectives in the Strategic Plan 2019-2027.

Cultural Industries Ontario North (CION) is a not-for-profit organization, based in Greater Sudbury, with the mandate of supporting and growing the film and television and music industries across northern Ontario. Over the past two years, CION has developed the business plan for Freshwater Production Studios (FPS), a new purpose-built film studio. This work was funded in part with a contribution of just over \$67,000 from the Greater Sudbury Development Corporation (GSDC) through the Community Economic Development program.

Staff has reviewed CION's business plan and notes the following key aspects of the studio development:

- FPS is a proposed purpose-built 116,000 square foot film studio facility with three sound stages and accompanying support spaces. This layout and format have been selected to fill a gap in demand for studio space offerings available in the region and across the province.
- Through a competitive process conducted by CION, William F. Whites International is the confirmed studio manager. This company is a foundational asset to northern Ontario's film and television sector and one of the biggest names in the business in terms of production services across the country, bolstering the significance of their involvement in the project.
- FPS has secured land on a 24-acre property on the Kingsway. The property is conducive to studio activity and allows for potential expansion opportunities. Design and construction services have been retained for the studio's development.
- FPS has private investors and tenants in place to provide for the studio's short- and long-term viability, however CION is also seeking public support to expedite the development.

Current zoning for the property permits the development of an Audio/Visual Studio at that location. Staff are aware that the proposed site for the project will require investments in infrastructure including road and water/wastewater services; any discussions regarding infrastructure requirements would reflect the City's standard development policies.

Recent studies by Film Ontario and Nordicity have suggested that there is a significant demand for studio space since supply has outpaced current availability. This would create a prime opportunity to make Greater Sudbury the film destination of Ontario for the North. In Ontario, studios have been operating at near full capacity since 2016 and hundreds of millions of production dollars have been turned away.

Background

Economic Impact of the Film & Television Industry

Greater Sudbury is a major production center within Ontario and Canada. Film, television, and digital content productions have been gradually increasing in size and frequency for well over a decade. The sector makes significant economic contributions within Greater Sudbury and the surrounding area, contributing thousands of jobs within the region and millions of dollars to the local economy.

According to internal tracking over the past decade, the City of Greater Sudbury has attracted over 140 film and television projects with a total local direct impact of over \$200 million, which does not account for the indirect or spin off spending associated with those productions. This local spend represents approximately half of the overall production budgets.

The table below reflects the economic impact resulting from film and television productions that have shot in Greater Sudbury from 2012 to 2021. These figures are reported by the productions to staff at the onset of filming.

Year	Number of Productions*	Filming Days	Local Spend		Local Crew**	
			Amount	% of Total Budget	Local Crew	% of Total Crew
2021	11	382	\$ 16,756,000	48%	269	57%
2020	12	450	\$ 25,383,186	65%	230	62%
2019	13	749	\$ 24,006,418	55%	438	67%
2018	15	580	\$ 35,667,000	55%	517	55%

2017	19	560	\$ 26,761,381	50%	488	62%
2016	16	714	\$ 22,319,872	43%	417	53%
2015	22	789	\$ 18,196,000	39%	559	53%
2014	15	447	\$ 13,015,000	49%	272	54%
2013	11	229	\$ 9,304,000	37%	175	45%
2012	8	306	\$ 8,634,352	42%	360	68%
Total	141	5,206	\$ 200,043,209	49%	3,725	57%

**Note: Total number includes all production types tracked individually: feature films, short films, television series, single episodes, student projects, documentaries, commercial drone filming, reality shows, television movies, etc.*

***Note: Crew member totals do not reflect the indirect jobs created because of the film industry. These are only the direct employment numbers from crew members hired on the productions.*

The following observations are worth noting:

- While the number of productions peaked in 2017 (19 productions), the number of filming days was the highest in 2019 (749 filming days). This is a result of longer-running projects, such as series which offer longer term employment and a higher overall economic impact. The decline since then can be attributed to several factors, including funding and the Covid-19 pandemic.
- In Greater Sudbury there has been significant development of new infrastructure and services dedicated to film over these ten years. However, given demand across the province, research and industry feedback indicates there are opportunities to increase the percentage of production budgets spent locally to keep those funds in Sudbury, and staff actively markets Greater Sudbury's unique locations offerings.
- Additionally, work with the sector to identify gaps in local offerings has indicated that there is continued demand for studio space across Ontario, in part driven for the demand for new content for streaming services.
- A recent study conducted by Nordicity indicated that demand for studio space will outpace supply in the next several years.
- Greater Sudbury is home to a qualified local crew base, making up half of the estimated crew working across the north. While their residence may be in the city, these people will often travel across the region to work on contract for film projects.

Industry Scan of Film Studios

Staff has conducted preliminary research into film studio developments in other jurisdictions to learn about the role of municipal support in each case as well as the overall impact of these developments on the industry. Below is an overview of the research conducted to date, which includes interviews with key staff in those jurisdictions.

Studio	Description	Municipal Support
<i>Pinewood Studios (Toronto)</i>	<ul style="list-style-type: none"> - Phase 1 of the \$60 million, 260,000 square foot landmark studio complex included a 45,000 square foot purpose-built sound stage. Started in 2006, the completion of Phase 1 created an anchor and a catalyst for redevelopment in the Port Lands within the new Studio District. - Phase 2 of the expansion began in 2012 with the lease of additional 2.2 acres to build three new sound stages. - In 2018, Bell Media purchased a controlling stake in the studio and Toronto Waterfront Studios Development Inc. proposed a further expansion with 224,864 square feet of new non-residential uses, including studio space, new communication, broadcasting, and office 	<ul style="list-style-type: none"> - The City of Toronto has acted in the capacity of landlord, owner, and lender to support the development of Pinewood Studios. - As the City's economic development corporation, Toronto Port Lands Company (TPLC), then operating as TEDCO and now part of CreateTO, sponsored research to understand why Toronto was losing big film productions to other cities. The research identified the need for purpose-built studio space and larger sound stages so Toronto could compete for international large-scale film productions.

	<p>space. When the work is finished, the Toronto location will offer a total of 16 sound stages.</p>	<ul style="list-style-type: none"> - In support of the City's objectives, TPLC organized an international, competitive bid for a private joint venture consortium to develop the new project. - TPLC owned property in the Port Lands that could accommodate this project. Once the investors were in place, TPLC conducted a 30-acre remediation of the lands. - The result was the first private sector commercial investment in revitalizing Toronto's waterfront, with upcoming expansions to enhance Toronto Pinewood Studios state-of-the art sound stages that anchor the Port Lands Media, Innovation and Creativity Cluster.
<i>Studio Bottega (Mississauga)</i>	<ul style="list-style-type: none"> - Studio Bottega aims to break ground in the fall of 2022. It will be the first purpose-built studio in Mississauga and the largest of the other eight existing studios, which are housed in repurposed facilities. - The 850,000 square foot project consists of three buildings, two of which are sound stages with office and support spaces and the third is an above ground parking structure. 	<ul style="list-style-type: none"> - The City of Mississauga has supported the development of Studio Bottega by requesting a Ministry Zoning Order. This provincial order will allow the project to be fast-tracked by up to a year sooner than if it were subject to the usual municipal approvals process. - The City of Mississauga worked with the other eight studios by ensuring services and approvals required for their development. - No further development incentives have been provided as Mississauga remains an attractive filming location due to its proximity to Toronto.
<i>Calgary Film Centre</i>	<ul style="list-style-type: none"> - The Calgary Film Centre is a premier facility with 50,000 square feet of sound stages - Built on 8.35 acres, the Calgary Film Centre features 50,000 square feet of purpose-built studios over three sound stages and 25,000 square feet of multipurpose warehouse and workshop spaces. - William F. White International is an anchor tenant in the facility, providing equipment rental services. 	<ul style="list-style-type: none"> - The Calgary Economic Development Corporation (CED), advocated for film sector growth and provincial incentives prior to the studio development. - CED was the organization that initiated the development of the Calgary Film Centre in 2009. - Ownership and operations of the studio were transferred to the City of Calgary in 2018 for a contribution of \$10 million, including land acquisition.
<i>Aeon Studio Group (Hamilton)</i>	<ul style="list-style-type: none"> - Aeon Studio Group is developing Hamilton's first large scale studio production facility, Bayfront Studios, with 80,000 square feet on 7.5 acres of land. - Hamilton is a one-hour drive from Toronto, making it a popular host city for short-term filming which is otherwise based in Toronto. - Recently productions have been establishing roots in Hamilton with production office space and the development of studio space. Hamilton has five renovated studio spaces as 	<ul style="list-style-type: none"> - The City of Hamilton has supported the studio development by entering a memorandum of understanding with the developer to construct the multi-purpose studio district at the Barton-Tiffany lands, owned by the municipality. - The City has addressed issues of soil contamination at the site and is working with the developer to reduce investment risk in order for the build

	<p>well as a new proposed studio development, by Aeon Studio Group.</p> <ul style="list-style-type: none"> - Aeon is now looking to build a live-work-play hub for the creative industries on a site adjacent to its current property. - This new economic cluster would include studios to produce film & television, animation, video games, virtual reality, music, and fashion. The district would also feature affordable workspace for artists and makers, office space for creative industry companies, event, and performance spaces, as well as learning and training spaces to build the local workforce. 	<p>to proceed without further delays.</p>
<p><i>Northern Ontario Film Studios (Greater Sudbury)</i></p>	<ul style="list-style-type: none"> - The Northern Ontario Film Studio (NOFS) features a 16,000 square foot single span main stage floor, a hair and makeup room, a prop shop, a craft kitchen, laundry facilities and 3,000 square feet of office space. 	<ul style="list-style-type: none"> - The City of Greater Sudbury supported the development of NOFS through a lease agreement for the former Barrydowne Arena since 2012. - NOFS has invested in the facility with considerable upgrades at their own cost. - The lease is re-negotiated on a three-year cycle, including temporary rezoning to permit commercial activities in this municipally-owned facility
<p><i>North Star Studios (North Bay)</i></p>	<ul style="list-style-type: none"> - In May 2022 North Star Studios announced its purchase of the 100,000-square-foot facility North Bay to house the city's first dedicated film studio. - With \$26 million in private investment the owner plans to convert most of the former Epiroc building into five sound stages for film and television productions. The building is on 4.8 hectares of land, offering potential future expansion opportunities. 	<ul style="list-style-type: none"> - The City of North Bay is working with North Star Studios to facilitate the success of this venture. At the time of this report no public incentives have been provided for the studio's development.
<p><i>BRB Studio (Greater Sudbury)</i></p>	<ul style="list-style-type: none"> - BRB Studio, located in Coniston, has over 3,200 square feet of studio space, 20 workspaces, a meeting room and kitchenette. - As a smaller scale space, it caters to smaller productions and can offer full service to department's operating remotely from other production activities. 	<ul style="list-style-type: none"> - The City of Greater Sudbury approved rezoning of the property to allow studio activities in 2022. No further public incentives were provided for the studio's development.
<p><i>TriBro Studios (Ottawa)</i></p>	<ul style="list-style-type: none"> - While Ottawa has several other smaller and repurposes studios, TriBro Studios was intended to be Ottawa's first dedicated and purpose-built film studio. - In 2018 TriBro Studios proposed the construction of four state-of-the-art sound stages at the former site of the National Capital Commission's Greenbelt Research Farm. The proposal also included a "creative hub" that would feature 25,000 square feet of workshop space and 50,000 square feet of production facilities and co-working space for film, television and animation studios. 	<ul style="list-style-type: none"> - In 2020, Ottawa council approved a \$40-million 30-year loan to support the development of the TriBro Studios proposal. - The Ottawa Film Office, operating on behalf of the City of Ottawa, has expressed its commitment to building a sound stage following the pause of this specific project.

	- The project is not proceeding as planned due to a number of factors, citing each parties' timelines, refocused business direction, and COVID-related challenges such as supply chain issues.	
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Industry & Studio Outlook

The City of Greater Sudbury and the Greater Sudbury Development Corporation have recognized the significant economic impact of the film and television industry over the years. It has been reported that northern Ontario is one of the fastest-growing film production markets in North America.

The economic success of the film and television industry is supported in large part by federal and provincial tax credits as well as training assistance and funding from the Northern Ontario Heritage Fund Corporation (NOHFC).

- While the sector has grown substantially in recent years, funding conditions have helped to increase local economic contributions.
- There is production activity that takes place in Greater Sudbury independent of NOHFC funding, although it is currently limited.
- In contrast, this film studio would be designed to attract productions that require the larger size, flexibility, transformability and range of services that can be provided by a studio.
- Investments in studio infrastructure would enable Greater Sudbury to attract productions with larger budgets.
- This is an important consideration as it makes these productions less reliant on the NOHFC film fund and corresponds with reducing the reliance of Greater Sudbury's film and television sector on the film fund, reducing the risks associated with the possible cancelation of the funding by the province.

As noted, recent studies by Film Ontario and Nordicity have suggested that there is a significant demand for studio space since supply has outpaced current availability. In Ontario, studios have been operating at near full capacity since 2016 and hundreds of millions of production dollars have been turned away.

Conclusion

The next phase of development of the Freshwater Production Studios presents a viable and realistic opportunity for economic growth and job creation for the region and the North. The film studio will help to support attraction of skilled workers to settle in the region. The establishment of a film studio may also entice other production companies to the region, and the studio will act as an incubator for many smaller businesses servicing the industry (catering/craft, carpentry, set design, accounting, etc.).

The proponent will be seeking municipal funding and support in order to advance the project sufficiently to take full advantage of current market conditions.

Resources Cited

Council report: Economic Impact of the Film & Television Sector, December 9, 2021: <https://pub-greatersudbury.escribemeetings.com/FileStream.ashx?DocumentId=42609>

External Resources

Canadian Media Producers Association, *Blueprint Studio City*
<https://cmpa.ca/indiescreen/blueprint-studio-city/>

City of Toronto, *Study of Film and Screen Industry Studios in the Port Lands and South of Eastern*

Employment District

<https://www.toronto.ca/legdocs/mmis/2017/ra/bgrd/backgroundfile-109043.pdf>

Finance and Administration Committee of Council, *Economic Impact of the Film and Television Industry*

<https://pub-greatersudbury.escribemeetings.com/FileStream.ashx?DocumentId=42609>

Nordicity, *Soundstage Market Sounding Assessment*

https://www.nordicity.com/de/cache/work/133/Nordcity_CreateTO_Market-Sounding-Assessment-2019.pdf

Ontario Creates, Film and Television Statistics

https://ontariocreates.ca/assets/images/research/statistics/eng/2021-film-and-television-production-statistics-backgrounder_march_24-2022-en.pdf