

The City of Calgary Recreation

SPC on Community &
Protective Services
2014 March 05

CITY OF CALGARY	
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IN ENGINEERING TRADITIONS ROOM	
DATE:	MAR - 5 2014
ITEM:	CPS2014-0206
Admin Presentation	
CITY CLERK'S OFFICE	

THE CALGARY FILM
STUDIO

CPS2013-0206

Recreation....More than you think



Project Scope

- Investment in a 'one-stop' **facility** that will make it easier and more attractive to make movies in Calgary
 - The Calgary Film Studio will facilitate film-making, but not produce films

Project Overview and Benefits:

2014 - 2015

Budget: \$22.8 M (including land)

Content:

- Two sound stages
- Warehouse (for film-related gear)
- Production space (sets, wardrobes & dressing rooms)
- Support space (logistics, administration, & accounting)

83,000 s.f.
(at grade)

Benefits:

- One-stop facility with the right kind of space next to each other
- Primary market is the local film-making industry
- Facilitate training & talent development in Calgary
- Attract new business

Financing:

Calgary =	\$10 M
Alberta =	\$5 M
Private =	\$3.3 M
Debt =	\$4.5 M

2014 March 05

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Recreation....More than you think

Risk – Reward Evaluation

What is the risk that...	Rating
Facility cannot be completed	<ul style="list-style-type: none"> •Very Low
Facility cannot operate without subsidy	<ul style="list-style-type: none"> •Low •Predicated on pent-up demand •Low overhead •Ability to service debt
Investment cannot be recouped upon wind-up	<ul style="list-style-type: none"> •Low •Probability is low •After creditor(s), residual value of the asset would revert to Calgary Economic Development
Overall Value Proposition	<ul style="list-style-type: none"> •The risk-reward ratio justifies the investment

Recommendation

- Administration recommends \$10 M towards the construction of the Calgary Film Studio

2014 March 05

Recreation....More than you think

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MAR - 5 2014

ITEM: CPS2014-0206
Speaker 3, (m16)
CITY CLERK'S OFFICE

Calgary Economic Development is a catalyst, a conduit and a connector

Calgary Film Studio
March 5, 2014

calgary economic development | creative industries
be part of the energy

Background/History

- Film Commission joined CED in 2003
- ACH Corporation created in 2009
- Non-profit subsidiary of Calgary Economic Development
- Our mission is to grow Alberta's film industry

Support for the Film Studio

Support received from:

- City of Calgary - \$10M grant approved in 2011
- AAMPTU
- AMPIA
- Post secondary institutions
- Comweb & William F. White

Economic impact

- Production value increase estimated to double over next 5-7 years
- Local crew-base growth
- Growth of peripheral industries
- Retention of local talent – 7,000 graduates yearly from Calgary post-secondary institutions in creative industry related degrees

✓ Facility description

- Over 6 acres of land development
- 2 purpose-built, state-of-the-art sound stages
 - 40' clear height, long clear spans, extensive acoustical insulation etc.
- Warehouse, workshop/production space
 - 18,000 sq ft for long-term leases (William F. White & partners)
 - 10,000 to 15,000 sq ft workshop/production space for props, sets, wardrobes etc.
- Construction will meet sustainability requirements

✓ Future Ownership and Governance Model

- Governance report commissioned in 2011
- Office of Film Commissioner to remain with CED
- Corporation will become facility administrator for the operator and programming, and for marketing and promotions of the facility
- Full ownership of the Calgary Film Studio is to remain with CED
 - Operate at arms-length and as a non-profit, subsidiary
 - Self-sustaining

✓ Business Plan

Detailed business plan created as part of the submission process with the following goals:

- Self-sustaining facilities
- Development of local resources and skilled talent one of the key objectives
 - Support for smaller Alberta projects and indigenous newcomers
- Collaboration with Alberta post-secondary institutions, Unions and Guilds for training and development

Plan has been previously reviewed and approved by City and Province

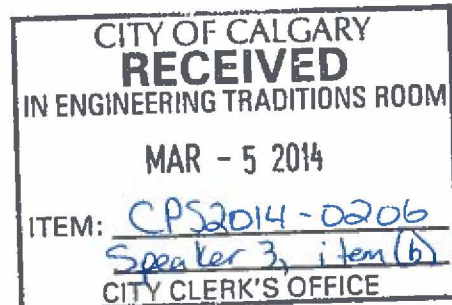
Conclusion

- Development of sustainable, state-of-the-art, purpose-built Film Studio in the Calgary Region
- Unique non-profit organization
 - Aimed at growing the local film, television and creative industries sector and supporting economic development
- Supporting all levels of screen production
 - Indigenous and foreign productions that tell Alberta stories which foster the growth of the industry
- Not just building a studio, we are building an industry and diversifying Alberta's economy



February 26, 2014

Luke Azevedo
Commissioner
Film, Television & Creative Industries
731 1st Street SE
Calgary, AB T2G 2G9



Dear Luke,

I am writing to express my appreciation for the work you and your team have done to secure a purpose-built film and television studio complex in Calgary.

As a local content creator and producer of numerous Canadian television series including Heartland, Wild Roses, Tom Stone, The Shoebox Zoo, Dinosapien and North of 60, and as a co-producer of American feature films such as Brokeback Mountain and The Assassination of Jesse James, I am profoundly grateful that a Calgary studio is at last a reality.

I cannot stress enough the importance of this long awaited infrastructure. My company, and indeed our industry, has struggled for decades to create world-class film and television productions and attract prestigious projects to Calgary. We've been moderately successful despite the lack of purpose-built studios, but as you are no doubt aware, we've also lost numerous projects to jurisdictions with more appropriate physical infrastructure. We've also paid enormous sums to move sets from one temporary space to another, and have been far less than efficient in our production models as a result of improvised production environments.

A new purpose-built facility capable of housing multiple film, television and interactive productions is a crucial step in building a sustainable screen-based industry in Calgary. Not only will this facility enable local producers to develop large scale projects, knowing that the necessary infrastructure exists to house them, it will provide a much needed sales tool for the Calgary and Alberta film commissions to attract international series and feature films that would otherwise go elsewhere.

By attracting new local and international productions, this studio complex will provide ongoing skilled jobs for hundreds of Calgary's film and television technicians and training opportunities for new graduates of Alberta's educational institutions.

It will foster numerous related businesses such as lighting and camera equipment houses,



props, wardrobe and set decoration rental shops, post-production facilities, digital effects and animation houses, and music studios.

The projects attracted to this facility will stimulate tourism, attract investment, help stimulate cultural exports and diversify Calgary's economy.

Bravo. I look forward to lending support in any way I can throughout the design and construction process, and I can't wait to become a tenant.

God Speed.

A handwritten signature in black ink, appearing to be "Tom Cox", written over a horizontal line.

Tom Cox
Managing Director
SEVEN24 Films
Calgary

My name is Mike Shields. I work on the post-production side of the film and television industry as a soundtrack composer. I'm heading into my 23rd feature film, scored hundreds of hours of television, and I sit on the board of the Alberta Media Producers Industry Association, as well as the national board of the SCGC – the Screen Composer's Guild of Canada.

Through my twenty three years in post-production in film and television, I have come to realize, along with other industry leaders, that the greatest need here in our province is for our own purpose-built sound stage and post facility - where people not only come to town to shoot and go home, but where they can be confident spending their money finishing their project in a similar, or even more comfortable environment than they've historically enjoyed in other jurisdictions.

I'm excited and encouraged by CED's business plan, which creates a model that will be sustainable for the long term - by being flexible embracing the newest technology, supporting our own indigenous producers, and including training and education for future generations.

Calgary Film Studios will play a pivotal role in establishing Calgary and Alberta as leaders in film, television, gaming, new technology and all aspects of the creative industries. It will enhance and support other industries as well - including construction, computer sciences, advanced education, and tourism.

Attracting new projects, companies, and creative professionals to the city and province through the new studios will have a very positive impact - and will bring diversification to our economy, and depth to our culture.

I've worked across the country and I've seen the incredible success that other major cities have had with their facilities of this type, yet Alberta has still won more Oscars, Emmy's, Gemini's and other awards than many of them. Can you imagine what we'll be able to do with a world-class facility? I truly believe, although it's been a long time coming, that Calgary Film Studios will finally allow our great people and talented crews a real chance to compete, and provide an amazing new stage to showcase this dynamic city and province to the rest of the world.

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Dubetz, Jeannie

From: Mike Shields [mike@mikeshields.com]
Sent: 2014 March 06 12:45 PM
To: Dubetz, Jeannie
Cc: Luke Azevedo
Subject: Calgary Film Studios Remarks
Attachments: Calgary Film Studios - City Council.docx

Hi Jeannie,

Thank you for the opportunity to speak in front of the committee yesterday. Attached is a copy of my remarks as requested.

Mike Shields
JET MUSIC INC.
mike@mikeshields.com
(403) 620-7117

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2014 MAR 10 A 9:40
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