

CIVIC PARTNER 2018 ANNUAL REPORT SNAPSHOT- CALGARY FILM CENTRE LTD. (CFCL)

CALGARY FILM CENTRE LTD. (CFCL)

Mission: To become a centre of innovation and excellence in the creative and digital media industries, consolidating leading edge activity while driving project production in the Calgary Film Centre and sector acceleration in Alberta.

One Calgary Line of Service: Economic Development and Tourism

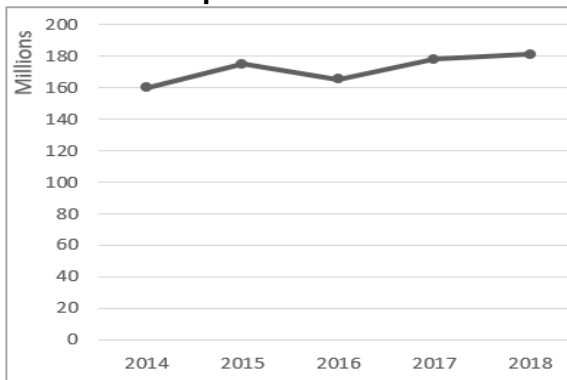
2018 City Investment

City owned asset? Yes

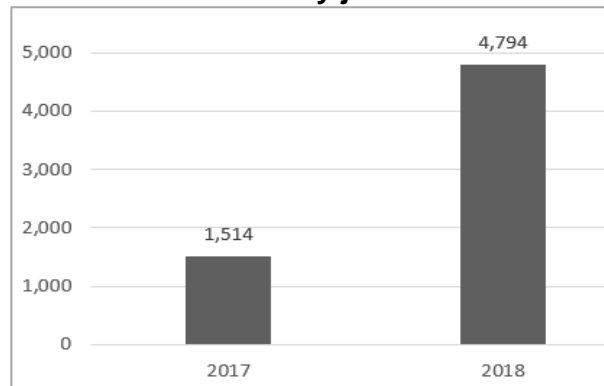
*Wholly Owned Subsidiary of
Calgary Economic Development*

2018 Results

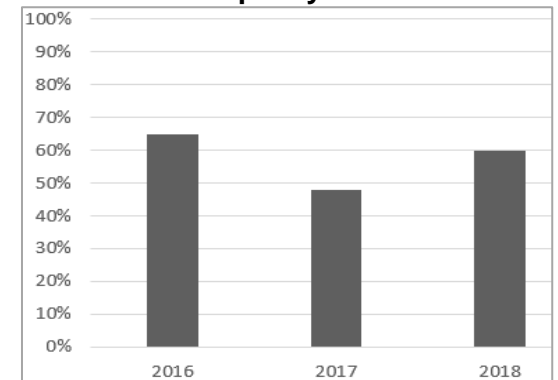
Film production



Film industry jobs



Occupancy levels



The story behind the numbers

- In 2018, CFCL hosted two international television series - Fargo Season 3 and Tin Star Season 1 and 2, and four high-profile international television commercials. The facility also attracted three foreign productions and supported local productions.
- Supported the creation of 4,794 screen industries jobs and 30 companies by attracting and retaining film production projects.
- Responded to 83 inquiries, delivered 18 quotes, secured 16 leases, 14 partnerships, and 5 sponsorships.

Strategic alignment

- Creative Industries are identified in *Calgary in the New Economy: An economic strategy for Calgary* as an emerging and growth cluster, of which CFCL is an integral part.
- CFCL's work aligns with the *Cultural Plan for Calgary*, and the organization, along with Calgary Economic Development is identified as a lead for Culture under the strategy.
- The Project Lab initiative aligns with Calgary Arts Development Authority's *Living a Creative Life* strategy by supporting Alberta's emerging filmmakers through finance, venue, mentorship, equipment, and in kind services.
- CFCL supports Tourism Calgary's *Destination Strategy* through sales and marketing initiatives; and by attracting, developing and promoting events.



**Calgary Film Centre Ltd.
Civic Partner 2018 Annual Report**

Organizational Structure: Wholly Owned Subsidiary of Calgary Economic Development Ltd.

Fiscal Year: Ended December 31, 2018

Related Subsidiaries or Foundation: No

1. Current Vision, Mission and Mandate:

Vision:

The Calgary Film Centre aims to be recognized as the location of choice for screen production globally by growing its reputation through exceptional facilities, services and screen content production support and expertise.

Mission:

To become a centre of innovation and excellence in the creative and digital media industries, consolidating leading edge activity while driving project production in the Calgary Film Centre and sector acceleration in Alberta.

2. What key results did your organization achieve in 2018 that contributed to one or more of the Council Priorities in Action Plan 2015-2018 and created public value?

(A Prosperous City, A City of Inspiring Neighbourhoods, or A Healthy and Green City?)

In 2016, Calgary Economic Development Ltd. ("CED") initiated a new 3-year Corporate Strategy with clear metrics represented on a Balanced Scorecard. The metrics for Calgary Film Centre Ltd. ("CFCL") and Creative Industries are included in CED's Balanced Scorecard. In 2018, the following results were tracked monthly through the CED Balanced Scorecard to complete the final year of the Corporate Strategy.

- Supported the creation of 4,794 screen industries jobs and 30 companies through attraction and retention of film production projects in Calgary;
- Achieved a 60% utilization rate for the Calgary Film Centre; and
- Supported the generation of \$181 million dollars of film production in Calgary and region.

The activity and metrics of CFCL and the Creative Industries team contributed to the strategic actions of *A Prosperous City* by contributing to the film and TV production, and digital media sectors in the following ways:

- Hosted five industry panels, seven training initiatives with post-secondary institutions, unions, and guilds, and seven industry events to service the growing film industry;
- Distributed a sales video to 50 opportunities through business to business meetings;
- Generated five quality leads and opportunities through billboard and advertising campaign during American Film Market;
- Completed 10 location scouting tours and 38 facility tours promoting Calgary and the region as a location of choice for screen industries in the United States, Europe, and India;
- Participated in the Advisory Committee that drafted the cultural plan for Calgary to support creative industries with a long-term strategy and growth plan;
- Participated in or supported a total of 350 meetings to attract local and global investment to Calgary in specific local industries and communities;
- Responded to 83 inquiries, delivered 18 quotes, secured 16 leases, 14 partnerships, and 5 sponsorships;
- Awarded 12 Project Lab grants in 2017 and 2018;
- Hosted 7 local training workshops; and
- Sponsored and participated in 19 local film, television and digital media sector events.

3. What challenges affected your operations in 2018 and how did you adjust?

Since opening in May of 2016, the CFCL was encumbered with a heavy debt load resulting from escalating costs due to land use requirements by The City of Calgary and relatively high construction costs due to the tail end of the boom. In addition, the lack of competitive incentives on a provincial level put significant pressure on cash flow. These factors combined restricted CFCL's ability to negotiate competitive pricing and combat lower-cost warehouse space in order to meet debt payments. Ongoing cash flow challenges required a loan from the parent company (CED) to sustain operations and restricted the number and level of facility enhancements and upgrades. In 2018, the facility was sold to The City of Calgary, executing a strategy for elimination of debt and interest, and creating sustainable operations.

Furthermore, in 2018 third-party consultants were engaged to provide a situation assessment and viable business plan to align insights and recommendations to optimize growth opportunities for the Calgary Film Centre. The new strategy aims to diversify the range of clients by refocusing the mix of marketing and sales efforts to new markets increasing lead generation and conversion rates. CFCL is in the process of implementing the new sales strategies and has a renewed strategic and business plan in 2019.

4. Briefly describe how your key results in 2018 contributed to the following Council approved strategies (as applicable. Please note if you steward the strategy)

Strategy	Key Results
Calgary in the new economy: an updated economic strategy for Calgary	<p>CED is the steward of the economic strategy for Calgary, <i>Calgary in the New Economy</i>. In 2018, CED engaged over 1,800 Calgarians to create a shared economic vision for the city. After an in-depth consultation process, City Council unanimously approved in June 2018.</p> <p>As a wholly-owned subsidiary of CED, CFCL was involved in the refresh of the economic strategy and its current implementation. Creative Industries is identified in <i>Calgary in the New Economy</i> as an emerging and growth cluster, of which CFCL is an integral part.</p>
Cultural Plan for Calgary	In 2017, key executives of CED and CFCL commenced their participation in the Advisory Committee that drafted the Cultural Plan for Calgary and are identified as the lead of the economic opportunities for culture. In 2018, CED developed a Digital Media Strategy and committed to the implementation and participation of both the Digital Media Strategy and the Music Strategy for Calgary. In addition, the Manager of Arts and Culture for The City of Calgary participates on the Place Committee for the economic strategy.
Enough for All Poverty Reduction Strategy	N/A
Sport for Life Policy	N/A
Foundations for Hope: Calgary's Corporate Affordable Housing Strategy	N/A
Open Spaces Plan (Calgary Parks')	N/A
Recreation Master Plan	N/A
Calgary Heritage Strategy	N/A
Other:	

5. Do you support any Civic Partner approved strategies? For example, Calgary Arts Development Authority's [Living a Creative Life](#), or Tourism Calgary's [Destination Strategy](#)?

Calgary Arts Development Authority's Living a Creative Life

Living a Creative Life is built on four Focus Areas and CFCL's Project Lab is a perfect example of how our organization supported the vision of Calgary as "a place that empowers every resident to live a creative life, fueling a vital, prosperous and connected city."

CFCL received a grant from the Government of Alberta which was used for funding Project Lab applicants in 2017 and 2018. Project Lab supported Alberta's emerging filmmakers by providing them with grants to launch their projects into the global marketplace. Supported by the Government of Alberta, CFCL via Project Lab offered support in the areas of finance, venue, mentorship and equipment services, along with in-kind resources. The program engaged seasoned Alberta producers, storytellers and others who will use their skills to train and mentor the new generation of talent. Project Lab was a successful investment of \$465,000 across all aspects of film and TV development, production, post-production and marketing.

Project Lab supported the four Focus Areas of Living a Creative Life in the following ways:

- 1) Arts Incubation – Boosted business to business activities in the city as filmmakers employed high skilled labour and specialized businesses to complete their projects. Discounts were arranged for the production to use the very best equipment.
- 2) Youth and Education - Offered opportunities for recent SAIT graduates and new talent entering the job market to work on professional projects with skilled mentors to strengthen the crew depth and real working skills.
- 3) Artistic Exchange – Supported diversity in production resulting in employment of a more inclusive nature and diversifying the current arts business environment.
- 4) Centre City Arts District – Supported local filmmakers with local stories for the international festival market. Productions shot across Calgary, highlighting the unique geographical landscape, culture and livable city.

Tourism Calgary's Destination Strategy

CFCL supported and continues to support the Destination Strategy in the following areas:

- 1) Articulate and emotionalize Calgary's unique personality – As part of CFCL's sales and marketing initiatives, we utilize the clever voice of Calgary to make the reach unique and memorable. CFCL played a role in the "Be Part of the Energy" campaign with a billboard, and two advertisements in Los Angeles as part of the American Film Market. All advertising and collateral for global markets and business to business meetings promote the city and the province, as well as the Calgary Film Centre.
- 2) Attract, develop, promote and activate events year-round – The Calgary Film Centre was built to support year-round film screen industry production in Calgary from local, regional, national and international markets. In 2018, the Film Commission, Creative Industries and the Calgary Film Centre conducted 350 meetings to attract, develop, promote and activate screen production in the facility in Calgary and of the \$181M in film production in the Calgary region, \$53M was produced in the Calgary Film Centre.

- 6. Please estimate how The City's operating funding was allocated in 2018. Mark all areas that apply by approximate percentage. For example, 45% allocated to staffing costs, 10% to evaluation or research, etc.**

Operations ¹	Non Core ²	Total Funding	Expense Category
0%	0%	0%	Advertising and promotion
22%	0%	22%	Programs or services
1%	0%	1%	Office supplies and expenses
3%	0%	3%	Professional and consulting fees
21%	0%	21%	Staff compensation, development and training
0%	0%	0%	Fund development
0%	0%	0%	Purchased supplies and assets
37%	0%	36%	Facility maintenance
0%	0%	0%	Evaluation or Research
16%	1%	17%	Other, please name: <ul style="list-style-type: none"> - General Travel - Travel, conferences, events for film festivals (via CED Non-Core funding) - Finance & interest expense
99%	1%	100%	

Footnotes:

1. Revenue generated from Leases, Operating Costs Chargebacks, and Programming.
2. Costs were covered by CED's Opportunity Calgary Funding for Creative Industries sector.

- 7. Did volunteers support your operations in 2018? If yes:**

How many volunteers?	Seven
Estimated total hours provided by volunteers:	252 hours

- 8. What resources did your organization leverage to support operations in 2018?**

CFCL's operations are supported by revenue generated from lease opportunities. In 2018, the Calgary Film Centre executed 16 lease agreements and achieved an occupancy rate of 60% inclusive of our anchor tenant, William F. White. The Calgary Film Centre recovers operations costs through tenant chargebacks for services, such as utilities and technology.

Funding through CED's Opportunity Calgary was utilized to support travel of the General Manager for key activations such as the Association of Film Commissioners International, American Film Market, and the Toronto International Film Festival. CFCL utilized programming funds from the Government of Alberta which supported all programming initiatives including Project Lab.

In 2018, the Calgary Film Centre continued a Management Services Agreement with Calgary Economic Development utilizing executive, senior management, marketing, research, and business development through the creative Industries.

In October 2018, The City of Calgary purchased the Calgary Film Centre in which proceeds were used to eliminate debt.

9. Using the chart below, please report your 2018 performance measures that demonstrate: how much you did, how well you did it, and how Calgarians are better off. *Please identify through BOLD font, 1-2 measures that are most significant and could be presented in a chart.*

	Performance Measure	2016 results	2017 results	2018 results	What story does this measure tell about your work?
How much did you do?	Operations Plan Facility Enhancement Plan Rental rate structure Long term Strategic Plan Global online access/brand Promote CFCL/AB - location of choice via meetings Industry engagement Partnerships: <ul style="list-style-type: none"> Local regional national Executed Project Lab programs Workforce training	N/A*	Developed Developed Developed Developed Website launch 250 meetings 8 events 6 3 2 6 grants 2 Workshops	Sustained \$25K Implemented Implemented Social Media Plan 350 meetings 7 events 8 4 2 6 grants 7 Workshops	CFCL continues to grow its reputation and brand in alignment with Calgary's brand towards attracting major film production and growing local film production in the region. CFCL executed programming initiatives for a grant program for emerging filmmakers, industry training and events, and the growth and development of strategic partnerships on an international level. Project Lab projects have received six international awards and 8 nominations for Rosie's from AMPIA. The web series have garnered global attention and two Calgary-shot and produced feature films have been accepted in international film festivals (Berlin, Los Angeles, Whistler, Calgary International Film Festival). One feature has been picked up for distribution in Europe and North America for the 2019 Christmas season.
How well did you do it?	Global online access/brand via website Promote CFCL/AB - location of choice Programming Workforce training Facility Tours	N/A*	5,574 Views 367 leads \$323,910 28 attendees 55	52,731 Views 925 leads 5 Sales Campaigns \$316,311 179 attendees - SAIT, unions and guilds expanded programs 38	Increased sales and marketing campaigns achieved higher profile, increased awareness, and qualified leads in 2018. In 2018, two films shot in Calgary were on the International Film Festival Circuit and 1 Alberta web series won 6 international awards.

How are Calgarians better off?	Occupancy Rate of Calgary Film Centre	65%	48%	60%	<p>Productions in the film centre in 2018 included two international television series - Fargo Season 3 and Tin Star Season1 and 2 – and four high-profile international television commercials.</p> <p>In 2018, CFCL attracted 3 foreign productions and supported local productions.</p> <p>CFCL programs support local filmmakers in taking high quality Calgary production to the international screen market.</p>
	Film Production	\$165.5M	\$178M	\$181M	
	Creative Industries Jobs	N/A	1,514	4,794	
	Creative Industries Companies	12	13	30	

*The Calgary Film Centre opened in May of 2016 and operated June to December. While stabilizing operations, the facility achieved a 65% occupancy rate over the six-month period.

10. CAPITAL AND ASSET MANAGEMENT (for applicable partners)

Asset: Calgary Film Centre

a) Provide a summary of your organization's 2018 capital development, including specific lifecycle/maintenance projects.

Capital assets acquired in 2018 were limited by funding available. Cash flow challenges allowed for a total of \$25,000 for capital expenditures in 2018.

Annual and quarterly maintenance and inspections were undertaken by external service providers.

b) What funding did your organization leverage to support capital activities in 2018?

No funding was leveraged to support capital facilities in 2018.

The City of Calgary agreed to purchase the facility in 2018. The facility was sold in October of 2018 and is undergoing a Building Condition Assessment which will inform and determine capital activities in 2019.