

From: "Johnston, Sadhu" <Sadhu.Johnston@vancouver.ca>

To: "Direct to Mayor and Council - DL"

CC: "City Manager's Correspondence Group - DL"
"LaClaire, Lon" <lon.laclaire@vancouver.ca>

Date: 5/28/2020 10:49:36 AM

Subject: Memo - Simplified Fee Structure for Film Permits

Attachments: Memo - Simplified Fee Structure for Film Permits.pdf

Dear Mayor and Council,

Please see the attached memo from Lon LaClaire regarding upcoming changes to the film fee structure administered by the Film & Special Event Branch.

These changes will:

- Align with the pending launch new online application portal, replacing the existing system which is past end of life.
- Ensure cost recovery and support industry strategic initiatives.
- Provide incentives associated with reducing diesel generator use.
- Introduce simple flat fees in place of a number of smaller variable fees that resulted in high levels of cost uncertainty for the industry.
- Respond to expressed desire from industry stakeholders to streamline process and enhance service levels.
- Verify that the new fee structure and implementation timeline is supportive of the industries post-Covid recovery efforts.

If you have any questions, please feel free to contact Lon LaClaire at 604-873-7336 or lon.laclaire@vancouver.ca.

Best,
Sadhu

Sadhu Aufochs Johnston | City Manager
Office of the City Manager | City of Vancouver
604.873.7627 | sadhu.johnston@vancouver.ca

Pronouns: he, him, his



The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the Musqueam, Squamish, and Tsleil-Waututh peoples.

MEMORANDUM

May 28, 2020

TO: Mayor and Council

CC: Sadhu Johnston, City Manager
Paul Mochrie, Deputy City Manager
Karen Levitt, Deputy City Manager
Lynda Graves, Administration Services Manager, City Manager's Office
Rena Kendall-Craden, Civic Engagement and Communications Director
Rosemary Hagiwara, Acting City Clerk
Anita Zaenker, Chief of Staff, Mayor's Office
Neil Monckton, Chief of Staff, Mayor's Office
Alvin Singh, Communications Director, Mayor's Office

FROM: Lon LaClaire
General Manager, Engineering Services

SUBJECT: Simplified Fee Structure for Film Permits

This memo is to update Council on the planned implementation of a new fee structure for film permits. The changes are in response to industry feedback requesting a simplified permitting process, better cost estimate accuracy and more flexibility for on-location filming.

These changes are being expedited due to the immediate need to transition the Film & Special Events Branch to a new permit application system platform, as the old system is at end of life. We have been working on modernizing the IT platform over the past year and now have a unique opportunity to expedite the deployment of the new platform and new fee structure in a way that also supports post-Covid recovery of industry.

In addition to previous engagement with industry leaders, over the coming weeks, staff will be conducting a final round of discussions with industry to share information on the proposed changes and seek any final input on the rollout that accounts for the current Covid context.

Industry Engagement

In late 2019, the City's Motion Picture Leadership Group (MPLG), a City-convened group composed of industry leaders to enable engagement with motion picture industry, identified the need for more simplified permitting process and transparent fee strategy as one of its top 10 priorities. Working with the MPLG, the following fee structure was developed and endorsed in early 2020 as a positive step forward to achieving that goal:

- **A single daily, city-wide permit fee of \$1,000**
 The need for multiple Film Activity and Street Use Permits on a per-location basis is being discontinued and a single permit fee is being introduced in its place. This flat daily fee of \$1,000 will cover an unlimited number of locations and activities during one day of filming, eliminating the need for multiple permits and allowing for more accurate budget forecasting.
- **Ultra-low impact activity reductions**
 Ultra-low impact filming, such as still shoots, short films, documentaries and music videos, will receive an 80 per cent reduction on the flat daily rate.
- **Fixed fees for parking signage and parking-meter hooding**
 A fixed-fee structure for parking signage and meter hooding will be introduced, allowing for more accurate preproduction budgeting. Previously costs were variable, with actual cost being disclosed only after filming was complete.
- **Late-night & early-morning surcharges**
 The City is implementing a late-night and early-morning surcharge of \$2,000 in addition to the daily film permit fee for shoots taking place in residential areas outside of current filming guidelines. This adjustment will better reflect the resident impact and additional administrative costs associated with the activity.
- **Clean-energy incentives**
 To encourage the development and use of clean energy technologies, both the daily activity fee and the late-night activity fee are eligible for a 50 per cent reduction if filming proceeds without diesel-fuel generators.

This new fee structure for permits is just one step toward making Vancouver production easier for filmmakers. These changes will be implemented concurrently with a new online permitting system to simplify the permitting process and reduce processing times.

Financial Impact

In addition to restructuring and simplifying the fees, these changes include an adjustment to account for there being no film permit fee increases by the City in more than 10 years. These changes also reflect the film industry's expressed desire to pay higher fees toward service level improvements, such as increased staffing and on-set presence, IT system enhancements, investments in power kiosks to support an industry shift away from diesel generators, and financial incentives for clean energy use and low-impact productions.

The new fee structure will provide a net revenue level that, at a minimum, ensures full recovery of costs incurred by the City related to facilitating film requests and permits. Additionally, it provides the potential for surplus revenue ranging from \$100K to \$600K (based on production volume) that would provide opportunity for sustained support for strategic industry initiatives, including for aligned priorities such as the clean power incentives.

Client Impact

The net impact for film clients will vary depending on the nature of their filming activity, with increases primarily being seen for high impact activities in residential areas and decreases for

productions which can reduce their overall impact by moving quickly through multiple locations per day.

Additionally, productions which are able to eliminate the use of diesel generators would see significant savings. Furthermore, the new flat fees will simplify the client's internal estimating processes and allow them to budget with confidence. Table 1 provides comparisons of the old fee structure to the new fee structure for some typical filming activity scenarios.

Table 1: Client Impact

Fee Structure	Residential 1 location, 1 day	Mixed Use 3 locations (café, condo & bar), 1 day	Residential 1 location, dusk to dawn
Existing fee structure	\$300-450 (2-3 permits @\$150 per)	\$900-1,350 (6-9 permits @\$150 per)	\$300-450 (2-3 permits @\$150 per)
New fee structure	\$1,000	\$1,000	\$3,000
New fee structure (w/clean energy discount)	\$500	\$500	\$1,500

Next steps

Industry engagement

There is a desire for these fees and permit application portal to be implemented in the next several weeks in anticipation of the industry starting to get back to work as early as June. Following up on previous engagement with the MPLG, staff will be conducting a final round of engagement with the broader industry to present the new fees, financial incentives and the new application system. During this round of final discussions, staff will also be verifying that the new fee structure and implementation timeline is supportive of the industries post-Covid recovery efforts.

Communication of the changes will include a newsletter brief, web hosted info sessions hosted by industry stakeholders, instructional videos and updates to vancouver.ca web pages.

By-law review & update

In early 2021, Council can expect to receive a report from Engineering Services with a review of the City's by-laws, guidelines and fees related to filming along with recommendations for any changes to further support the City's film sector.

If you have any questions please do not hesitate to contact me directly.



Lon LaClaire, M.Eng., P.Eng.
 General Manager, Engineering Services
 604.873.7336 | lon.laclaire@vancouver.ca