

Film and Television: Location "Bump Up"

Sponsored by: High River

Co-sponsor(s): Okotoks, Edmonton

ISSUE

Alberta is a major player in big and small film and television productions. While the communities that play host to these productions enjoy their presence and the novelty of being highlighted on screen the businesses in the area have a unanimous concern — not enough business coming their way from the numerous casts, extras, grips, etc.

Currently, while some elements such as catering, lodging, etc. is organized via the actors' guilds and unions it is believed more can be done to establish service and supply relationships within the location community.

RECOMMENDATION(S)

1. The GoA should explore ways to increase production companies' use of local business services.
2. The GoA should work with businesses and the film industry to improve communication before filming begins by expanding education for businesses and publishing supporting resources.
3. The GoA should consider encouraging post-secondary institutions to Increase their film, production, media, and drama program offerings to help keep our talented students and future skilled trades in the province, from education to career.

BACKGROUND

With speaking to the local business community in areas such as High River (Heartland, The Last of Us, Joe Pickett, Wynona Erp, etc.), Okotoks (The Last of Us), Edmonton (The Last of Us) and other film locations it is openly expressed that there is not enough business generated to the local business community (caterers, product supply, coffee runs, etc.) because currently most, if not all, production companies bring in their own suppliers.

It's a bone of contention given that there could be days, sometimes weeks, where the access to the businesses is closed or deter patrons from coming due to the filming production.

SUPPORTING INFORMATION (supplied by Brock Skretting with Keep Alberta Rollin')

Timeline of major Gov. Announcements the past 3 years -

Per Project Cap Removed - March 26, 2021

<https://calgaryherald.com/news/local-news/alberta-lifts-per-project-caps-on-film-and-television-industry-aims-to-attract-big-budget-series>

Video:

<https://www.facebook.com/keepalbertarolling/posts/pfbid0sQzHrJXhcooW9oLD99qHYKErBHVkbq2Sr9NVNJUEqsxUY5ptQeJn6cYgP4S7wwmCl>

HBO: Last of Us Official Announcement - August 3rd, 2021

<https://calgary.ctvnews.ca/filming-of-hbo-series-the-last-of-us-the-largest-ever-production-in-canada-underway-in-calgary-1.5532880>

Video: <https://www.youtube.com/watch?v=brxlrhBML6I>

<https://www.facebook.com/DougSchweitzerUCP/videos/418818396121818>

Increase to 70m Fiscal year 2022, 225m over 3 years - Budget 2022 February 2022

<https://globalnews.ca/news/8842869/alberta-film-television-tax-credit-expansion/>

(Announcement video: <https://www.youtube.com/watch?v=HhFIb-MIMrA&t>)

Future Provincial Policy pushes to look at that can be beneficial to province and industry.

1. **Implement Rural Tax Credit bump up for portions of projects that film "Outside of the zone"** which is essentially the ring roads of both Calgary and Edmonton. Include Wording: Distinction Location or Regional Bonus of up to 5% for productions that meet criteria like those found in Manitoba, Ontario, BC etc.

Positive effects:

- Immediate increase to bedroom communities surrounding Calgary and Edmonton
- Expansion of length of shoots and size of spend of distant location shooting (example a week or two in Fort Macleod may become a month in Fort MacLeod and two weeks in Pincher Creek, double or tripling the spend in smaller communities where the dollars have a magnifying impact)
- Increased new tourism opportunities for communities that may have limited current development in that area
- Longer-term Development and Expansion of Secondary City Hubs: Lethbridge, Medicine Hat, Red Deer, Grande Prairie, Fort McMurray can go from very small centers to smaller centers of creativity over the next decade by providing access to services needed for larger production volumes - this can eventually include soundstages in secondary markets (5-to-10-year outlook)

Gov. Cost:

A \$100 million dollar project would receive an additional \$5 million from the tax credit pool for shifting 20-30% more of its budget toward 'Rural' Areas

Alberta & Gov. ROI: A \$100 million dollar budget that may have spent 10 Million in Rural Alberta would be incentivized to spend 30 million (the exact requirements can be adjusted to be in-line with other jurisdictions)

Potential Drawbacks

Because the crew is primarily based in Calgary shows with a significant amount of driving and time away from home/family can be physically and emotionally draining on crew. This would be a growing pain of spreading the existing labor force too thin.

2. **Increase Supports for Alberta Made Production Grant & Alberta 100% IP Development like script writing.** A 30% Base plus a 10% Rural incentive would foster training grounds "The Farm Team" for new producers, new work force/crew, and have money spent in Rural communities where it goes further.

Context:

In the process of implementing the tax credit with Ec Dev (JEL now Jobs, Economy and Northern Development) the Alberta Made Production Grant supporting projects under \$500,000 was left in Alberta Culture gov. branch with limited funding and smaller supports available for local producers

Problem 1 — A \$400,000 100% Alberta Intellectual IP local film project receives 25% where as a \$500,000 would receive 30%

Problem 2 — A budget of \$1 Million/yr is allocated for all under \$500,000 projects vs. the 70 million available for over \$500,000 Alberta and Foreign Productions

Problem 3 — The allocation of script writing grants is bureaucratic, opaque, slow and viewed by some in the industry as 'Unfair and lacking transparency' - the exact amount allocated to this program is out the 4 Million total for the AMPG and it is unclear how much is spent on that versus other "Alberta Film Commission" initiatives

These projects and producers are either just starting their production company or creative careers and therefore are often not looked at as economic drivers while they should be looked at as incubators for future larger businesses in a high risk, high leverage business similar to the tech industry. <https://www.alberta.ca/alberta-made-production-grant.aspx>

Criticisms of supporting smaller producers:

In the past, a lack of solid business foundations, distribution plans and experience has led to some of these projects being viewed as 'having no audience', having no plan to recoup investment and in the worst cases 'making documentaries for your grandmother' AKA artists who do not intend to grow but rather want to live in small creative spaces off of grants for their entire careers.

Gov. Cost:

5-10 Million per fiscal year

Alberta & Gov ROI:

Money is all spent in Alberta similarly to the tax credit, sometimes it is locally funded and other times it is new money coming into the province, increase workforce development, give young Albertan producers, and crew experience needed to succeed at higher levels. Development of Local Editing since they do not often have the budget to send the work to other places.

3. Develop Postproduction Supports that encourage Editing, VFX, Sound Editing facilities.

Implement a tax credit to attract and develop postproduction facilities like the DAVE tax credit in BC - the Alberta Postproduction Association has been working on this policy and paper. I can connect you if this is an area of interest to the chambers.