



INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	December 7, 2016
SUBJECT/REPORT NO:	Film Office Review (PED16247) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Debbie Spence (905) 546-2424 Ext. 3049 Julia Davis (905) 546-2424 Ext. 2921
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SIGNATURE:	

Council Direction:

N/A

Background:

The purpose of this Report is to provide Council with an update on the results of the Film Office Review which includes:

- Benchmarking and Better Practices (municipal and industry standards);
- Continuous Improvement; and,
- Positive Impacts of Filming (e.g. direct spend) and Performance Measures related to Film operations.

Filming in Hamilton has increased steadily over the last three to five years. In 2015, the Film Office processed and managed 572 film permits and has been averaging 550+ permits over the last two years. The increase in filming has created a need for the City to review its processes and resources in order to ensure staff balance the needs of the two key customers - residents and the film industry.

Two relevant Information Updates have been provided to Council in the last year: November 16, 2015 - Filming in the City of Hamilton: How Film Office is Meeting the Demand and March 9, 2016 – Filming in the City of Hamilton: Industry Status Update (Provincial and within Hamilton).

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The improvements identified in this Report include solutions and continuous improvement for enhanced tracking, measurement and communication of the direct benefits of filming along with reducing residents' complaints related to filming.

While staff have identified the impacts on residents (e.g. 8% of film permits generated complaints from residents in August 2015 – August 2016) when filming occurs, there are many direct benefits of filming including:

- collection of film permit fees along with other City fees (e.g. road closure fees, rental fees for City-owned properties, parking etc.);
- film production companies spend money on local services and businesses;
- financial compensation or donations for individual homeowners or businesses;
- donations to local charitable organizations, community groups and Business Improvement Areas (BIAs); and,
- the role filming plays in business development in terms of exposure to the City for individuals and businesses who work in film and the creative industries not only as a place to film but as somewhere to open a business and live. (e.g. in the last two months the City has received two enquiries from film studios who would like to investigate opening in Hamilton which would bring permanent jobs to the City).

Film Office Highlights

# of Film Permits Issued (2013 – 2016)	Staffing	Services Provided	Direct Spend from 2015	Permit Fee Revenue	Wards with Most Permits
2013 = 386 2014 = 553 2015 = 572 2016 = 418 (as of Oct. 31, 2016)	1.5 FTE (note: no increase in staffing)	1. Regulation (processing permits) 2. Community liaison 3. Process management, review and continuous improvement 4. Industry support and promotion	\$8,449,440	\$12,820	Wards 2, 3, 1 and 13 (highest to lowest)

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Areas of Analysis and Review

Staff examined a variety of items as part of this review some of which included:

Item	Description
Baseline Measures (2013-2016)	Collection of annual baseline measures included annual number of permits, locations of permits (e.g. wards and BIAs), Canadian dollar in relation to US dollar, number of filming days etc. (Please refer to Appendix 'A' to Report PED16247 for this data).
Identification of the Film Office's Current Services	Staff identified, (highest to lowest time spent) the following Film Office services: 1. Regulation: review, process and conduct site visits for a total of 572 permits in 2015. 2. Community liaison and communication: resolve and track resident complaints/concerns and provide proactive updates to media and public (i.e. communicate potential impacts). 3. Process management, review and continuous improvement. 4. Industry support and promotion of Hamilton as a film destination.
Better Practice Research	Researched processes, regulations, statistics, staffing, and mandates for other film offices and municipalities and connected with the Ontario Media Development Corporation on industry standard practices. (Please refer to Appendix 'B' to Report PED16247 for summary of municipal better practices).
Current Film Permitting Process	Mapped City processes, reviewed existing tools and resources, and outlined customer needs.
Comprehensive Review of Resident Complaints	Undertook a LEAN Six Sigma review of resident complaints to define the problem, understand root causes, implement new guidelines and measure solutions to help minimize impacts to residents and ensure continuous improvement is part of our on-going operations. (Please refer to Appendix 'C' to Report PED16247 for complete details).
Current Film By-law 09-179 – To Regulate Location Filming in the City of Hamilton	Looked at current by-law to identify potential revisions that would support improvements in the process, which included housekeeping items and application requirements.
Communication Tools	Reviewed current tools (print and online/electronic) for promoting filming happening in Hamilton and improved communications to residents regarding City-wide disruptions (e.g. road closures).
Measurement of direct spend* and economic impacts	Reviewed information (spend) currently collected from Film Production Companies; how to most accurately collect this data; and ways the Film Office can encourage increased spend with

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Item	Description
and improve spend to local businesses	local businesses (e.g. enhance existing tools and create new ones to make it easier for film companies to spend money in Hamilton). *Direct spend calculation is the industry standard used by the Ontario Media Development Corporation and other Ontario cities. It does not include any indirect economic impacts or spin-off. It can include Film Permit fees, Corridor Management and Parking Fees, Police Services fees (paid duty officers), City facility fees, accommodations, rental of private property, rental of private parking lots, donations to BIAs, hiring of local businesses, property rentals, and catering services. (Reference: totals for Hamilton's direct spend are found in Information Update from March 9, 2016 - Filming in the City of Hamilton (City Wide))
Economic impacts of filming and business development	Consideration of the relationship between regulation (film permit process) and business development; the kind of exposure the film industry has to Hamilton (being open for business) can positively or negatively affect the ability to recruit and retain film industries and complementary business to open and expand here.

In determining and prioritizing improvements staff used the following data to develop and implement solutions:

- Hamilton baseline measures. See Appendix 'A' to Report PED16247.
- Better practice research of eight other Canadian Film Offices examining number of film permits processed/year, turn-around times for permit approvals, staffing, services provided, permit fees, by-laws, limitations to filming (responses/guidelines to how much filming they allow), notification letters to residents etc. See Appendix 'B' to Report PED16247: Better Practice Review.
- Comprehensive review of resident complaints. See Appendix 'C' to Report PED16247: LEAN Six Sigma Review of Residential Complaints for Filming.

From Q2 2016 – Q3 2016 staff were able to complete a number of improvements and identify improvements to be completed in 2017.

Completed Improvements for 2016

The following are some examples of improvements implemented by the Film Office:

Improvement	Key Benefit(s)	Completion Date
Automation: transferred permitting process to AMANDA	<ul style="list-style-type: none">• Common database accessible to other City Departments to provide feedback and review• Streamlined system to track permits by address, collect and track payment, input alerts and inquiries attached to various addresses	Q2 2016
Standardized tracking, categorization, and monitoring of residential complaints	<ul style="list-style-type: none">• Categorization of types of complaints• Understanding of top problem areas for prioritization of solutions	Q3 2016
Reducing resident complaints (refer to Appendix C: LEAN Six Sigma review) (Goal is to reduce parking related complaints by 25% in phase one)	<ul style="list-style-type: none">• Solution implemented to reduce complaints related to parking (identified as most common complaint)• Since implementing the solution, no parking-related complaints have been received (despite it having been the busiest quarter for filming)	Q3 2016
Enhanced and proactive communication to wider audience (more than just residents who are in impacted film area)	<ul style="list-style-type: none">• Information sent to media and posted on Hamilton.ca/film revised to include impacts to residents (e.g. road closures, special effects)	Q3 2016
Identified key services provided by the Hamilton Film Office	<ul style="list-style-type: none">• Clarified priorities based on voice of customer(s)• Maintained a consistent process to help manage outcomes and expectations• Improved communication with residents/general public	Q3 2016
Developed a new pilot guideline to help identify potential 'film fatigue' areas	<ul style="list-style-type: none">• Piloting a new guideline: Following the third occurrence of filming in a calendar year in a residential area (street/block) the	Q2 2016

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Improvement	Key Benefit(s)	Completion Date
	Hamilton Film Office will require that the Production Company receives 60%* buy-in/approval from the residents where filming is proposed (*other Canadian cities have a threshold of 50% + 1 or don't have any guidelines around buy-in from residents regarding filming)	
Revisions to Industry Film Guide	<ul style="list-style-type: none">• Update to guide that was created in 2005• Resource to be shared with Film Industry to increase use of Hamilton businesses to support local economy• Supplier guide compiled through outreach with local businesses	Q3 2016

Continuous Improvement Scheduled for 2017

The following is a list of key improvements to be implemented in 2017:

Area of Improvement	Description	Estimated Completion
Improved collection and estimate of direct spend from production companies	Gather a more detailed direct spend breakdown through a random sample survey with production companies who filmed in 2016 (e.g. line by line itemized spend: hotel stays, catering costs, use of local businesses etc.)	Q2 2017
Enhanced communication to Council	Film Office to email Ward Councillor with the production company's film notification letter (same letter that residents receive for filming notification)	Q1 2017
New Online Form	New online form will be directly connected to AMANDA (current form is a writeable PDF that requires data entry into AMANDA) Improvements to online form will assist with customer service and collect additional details about direct spend	Q4 2017
Continuous Improvement: Resident Complaints	Continue with Lean Six Sigma work and identify other areas of complaints to improve processes (i.e. no notification, incivility, etc.) Continued monitoring, review and implementation of improvements that help reduce resident complaints	On-going

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Area of Improvement	Description	Estimated Completion
Introduction of a Code of Conduct (additional requirement for Production Companies)	Development of a Code of Conduct (based on better practice research) that production companies must sign in order to have their Film Permit approved. Code of Conduct includes notification, vehicle restrictions, pedestrian traffic, eating/drinking/smoking, noise, etiquette, etc.	Q1 2017
Update current film by-law to align with improvements and general housekeeping	A number of housekeeping items and suggested improvements to the film by-law were identified through the review process (e.g. <i>minimum</i> notification to residents and BIAs of five (5) business days or longer depending on impacts, size and location of filming)	Q2 2017 to Council for approval
Improve online content: step-by-step process/requirements for filming in Hamilton	Outline of process and frequently asked questions to assist production companies wanting to film in Hamilton	Q1 2017
Re-establish annual updates to Council regarding performance measures	To include a recap of industry trends from previous year and statistical benchmark numbers (e.g. number of film permits, location trends, permit revenue, direct spend, resident complaints)	Performance Measures Report to GIC January 2018
Develop/enhance a list of local businesses who can support Film Productions	Continue to grow businesses and contacts included in Film Guide. Work with local businesses to educate them on requirements of the film industry so that they can provide goods and services to support those needs	Q3 2017
Increase and enhance film locations listing available on the Ontario Media Development Corporation site	Increase promotion of Hamilton as a film destination Increase the number and variety of film locations across Hamilton, especially those that have low impacts on residents (interior filming) and areas of low filming	Q4 2017

Next to Toronto, Hamilton issues the second highest number of film permits each year in Ontario. From a business development perspective, careful attention needs to be paid to the relationship between regulation (film permit process) and business attraction and retention within the Creative Industries; the kind of exposure the film industry has to Hamilton (being open for business) can positively or negatively affect the ability to

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recruit and retain film industries and complementary businesses to open and expand in Hamilton.

While there are a number of benefits (e.g. direct spend, increased awareness and exposure of Hamilton to workers and businesses in Creative Industries); the City needs to continue to work with all of its customers (residents, businesses, BIAs, Ward Councillors) to decrease impacts through continuous improvement while maintaining the benefits of filming and more accurately improve, measure, and communicate the economic benefits of filming in Hamilton.

Appendices

Appendix 'A' to Report PED16247 – 2013 – 2016 Film Permit Stats

Appendix 'B' to Report PED16247 – Summary of Municipal Better Practices

Appendix 'C' to Report PED16247 – Film Office-Permit Process LEAN Six Sigma Review

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