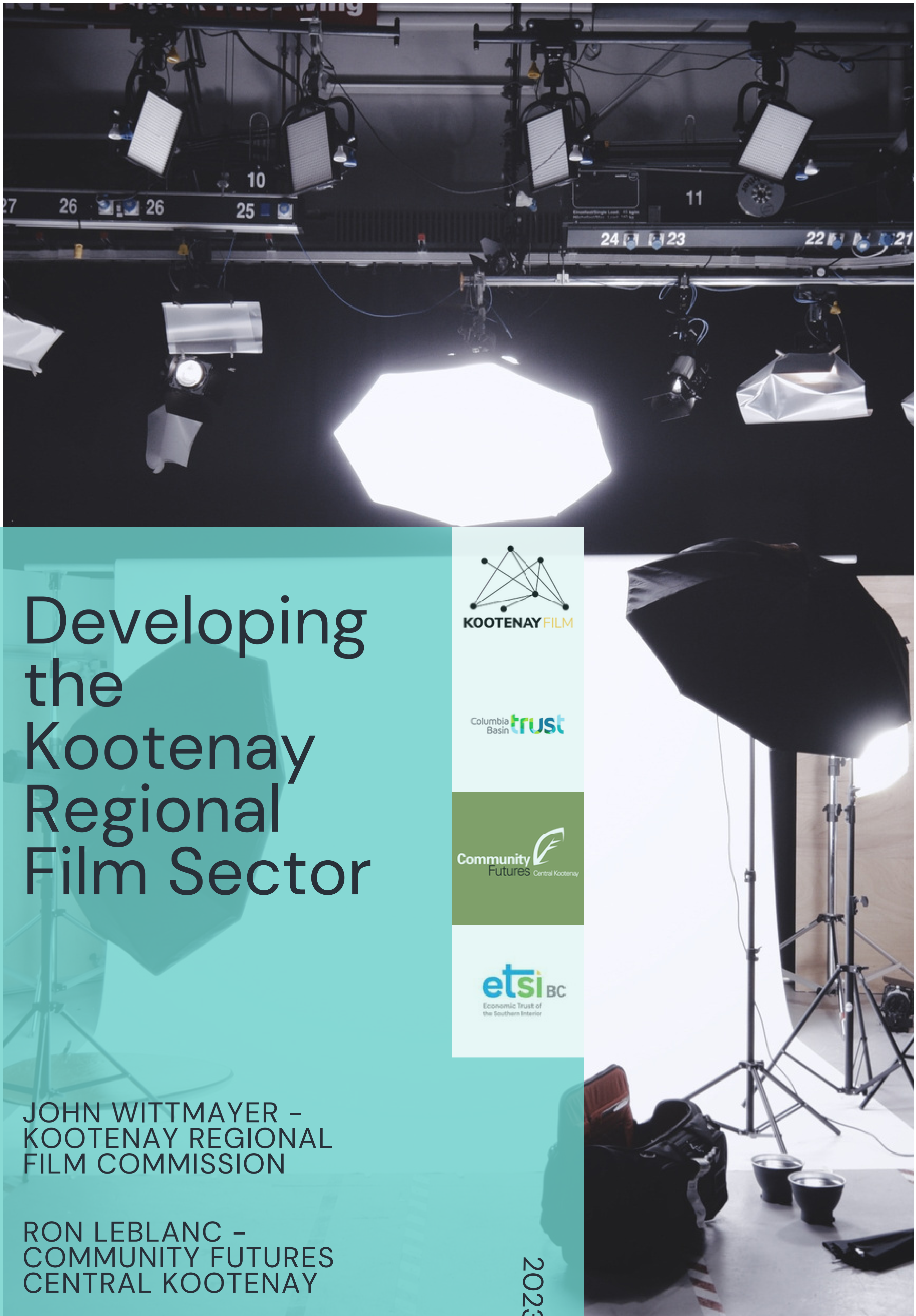

Developing the Kootenay Regional Film Sector

JOHN WITTMAYER –
KOOTENAY REGIONAL
FILM COMMISSION

RON LEBLANC –
COMMUNITY FUTURES
CENTRAL KOOTENAY

2023

Executive Summary

The film industry in British Columbia spends almost $5 billion annually. In 2020 the BC Regional Film Commissions generated over $3,064 Million in "Direct Output" economic impacts, of which a disproportionate $18 Million (0.6%) found its way to the Kootenay region (CIERA 2020 Insights Motion Picture Industry draft report, November, 2023). "Direct Output" is the direct impact (no indirect or induced impact extrapolations are added) and represents labour and profit contributions GDP plus expenditures on supplies and services.

This represents an opportunity to attract more film production to the region, increasing its share of the market and reaping the associated benefits.

Broad-based regional support and key organizational pieces and partnerships are already in place to advance the local film sector in a short timeline.

Opportunities from increased film production:

1. Regional economic benefit with direct, indirect and induced impacts.
2.Cross-sector opportunities in tech, arts and culture and tourism.
3.Workforce development through educational and training.

Challenges to attracting more film production to the Kootenay region:

1. Driving distance from cities with major film hubs is the biggest barrier for film producers.
2.Experienced local talent/crew needs to reach a critical mass, but the Kootenays are almost there.
3.Available and affordable accommodation can be hard to find.
4.Transportation options are not always readily available, but can be arranged.
5.Winter accessibility requires extra planning and services with contingencies for bad weather days.
6.Film industry infrastructure is lacking but can be addressed through investment in assets.
7.Rental equipment availability is limited.

Recommendations for local and provincial stakeholders:

1.Adopt community film-friendly policies and measures.
2.Expand the provincial distant tax film production incentives.
3.Increase provincial funding to support distant Regional Film Commissions.
4.Advance regional film sector development.
5.Maintain and expand local film crew database.
6.Pursue investment in regional film industry assets.
7.Develop film-related educational courses and training programs.
8.Streamline municipal film location permitting processes.
9.Expand regional location photo library on CreativeBC's Reel Scout website.
10. Inventory community assets and identify suitability for film production use.

Executive Summary

(continued)

Executive Summary from <u>Appendix A</u> <u>(page 32)</u>

Feasibility of Film Sector Infrastructure Investment in the Nelson Civic Arena

Based on input from film producers and location managers (the majority from the BC Lower Mainland), analysis of the Kootenay film sector, and preliminary analysis of costs and revenue, it is recommended that the Nelson Civic Arena be developed for multiple use, incorporating a film sound stage, lighting grid, production offices, and secure storage. If funds allow, then a recommendation is made to include a green screen set-up.

Cost for this film sector infrastructure is roughly estimated at $130,000 for the base studio package; and an additional $25,000 for a small green screen, or $75,000 for a large green screen set-up.

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Introduction

The purpose of this report is to examine the film industry in the Kootenay region of British Columbia*, look at the opportunities and challenges for film producers, and make some recommendations on how to attract more film production to the region.

The intended audience is threefold:

1. Regional government & stakeholders– to further their knowledge and support of the local film industry.
2. Film industry decision-makers- to increase their awareness and understanding of the Kootenay region as a viable, film-friendly location for their work.
3. Current and future film industry workers living in the Kootenays or considering relocating there to work.

The film industry at home and abroad has been rocked in recent years by COVID-19 restrictions and new consumer preferences that have changed due to streaming video services, artificial intelligence (AI), digital animation, technological advances, changing consumer preferences, the economy, and more recently - striking writers and actors in 2023.

The reverberations of the writer/actor strikes have impacted the sector as a whole, with investors and productions companies on both sides of the border now experiencing a "reset" - consolidating and being more risk-adverse, with fewer projects in the pipeline.

Given these conditions, film studios are likely to gravitate to lower-cost jurisdictions to make films, commercials and TV shows. The Kootenay region would need to position itself into this lower-cost market to be competitive.

Screenwriters and actors are just returning to work after their strike, so now is a good time to better understand and support the film sector in the Kootenay region, its potential, and its contribution to economic diversification.

This report provides the rationale for further film sector development work, building on considerable work done by the Kootenay Regional Film Commission (KRFC) and the Kootenay Screen-based Initiative (KSBI) over many years.

Appendix A takes a high-level view of the feasibility of investing in a variety of film industry assets, using the example of a multi-use adaptation of the Nelson Civic Arena. This exercise is relevant and transferable to other Kootenay communities.

Appendix B shows the results of a survey conducted to inform this report, polling Film Producers and Location Managers (mostly from BC's Lower Mainland) for their input about the Kootenay region.

*see **Location: the Kootenay Region**, p.8

I. Background

Film Industry in BC & the Kootenay Region

- British Columbia is an internationally renowned filming destination, with its motion picture and animation industry a key contributor to B.C.'s economy.

- B.C. is one of the largest film production centre in North America, after Los Angeles and New York, and offers diverse locations, state-of-the-art infrastructure, film-related vendors, talent, and highly skilled crews.

- While most B.C. motion picture activity occurs in the Lower Mainland, increased film production activity have pushed more domestic and some foreign productions into other economic regions. Vancouver Island has emerged as a secondary hub with the Okanagan third.

- Film and television production was worth an estimated $4.9 billion to B.C.'s economy in 2022, with the sector supporting up to 70,000 full-time and part-time jobs throughout the province. By contrast, overall production volume in Alberta was expected to be in the $550M range in 2022.

- In 2020 the BC Regional Film Commissions generated over $3,064 Million in "Direct Output" economic impacts, of which a disproportionate $18 Million (0.6%) found its way to the Kootenay region (CIERA 2020 Insights Motion Picture Industry draft report, November, 2023). "Direct Output" is the direct impact (no indirect or induced impacts are added) and represents labour and profit contributions GDP plus expenditures on supplies and services.

- Creative BC is the provincial government's economic development agency of record for the province's creative sector, delivering a wide range of programs and services with a mandate to expand B.C.'s creative economy. Creative BC is also home to the provincial film commission, servicing foreign production and domestic creators and supporting regional film commissions in attracting film production to their area.

- The regional film commissions, such as the Kootenay Regional Film Commission (KRFC), are considered 'Distant' because they are located outside of Metro Vancouver and the Lower Mainland, also known as the 'Studio Zone'.

- The Province's Motion Picture Tax Credit programs incentivise film production outside a designated Vancouver area (DVA) through its additional Regional Tax Credit (6%) and Distant LocationTax Credit (6%), applicable on eligible labour costs. When minimum requirements for filming days outside the DVA are met, the Distant Location tax credit is applied to the prorated accredited BC Labour expenditure in conjunction with both the Basic and Regional tax credit.

- Kootenay Film is the umbrella that KRFC and Kootenay Screen-Based Initiative are a part of and work collaboratively under.

- KRFC is an initiative governed by a partnership between Nelson Civic Theatre Society (NCTS) and Kootenay Rockies Tourism (KRT). KRFC works directly with Creative BC to promote, serve, and assist the Kootenay economic region through local knowledge, industry expertise and ground support to film productions. KRFC is essentially in healthy competition with other regions to attract film production.

I. Background

Location: The Kootenay Region

"The Kootenays offers a world of looks for filmmakers – from unparalleled natural scenery to charming turn of-the-century heritage towns, mountain lodges and rustic cabins; the vibrant and offbeat creative communities populated with creators and makers…" – KRFC Commissioner John Wittmayer

- The Kootenay film region is located in the southeast corner of British Columbia. The Kootenay Regional Film Commission's boundary extends from Rossland in the west to the Alberta provincial border in the east. Revelstoke and Golden are located just beyond its northern border, and the region extends southward to the USA border.

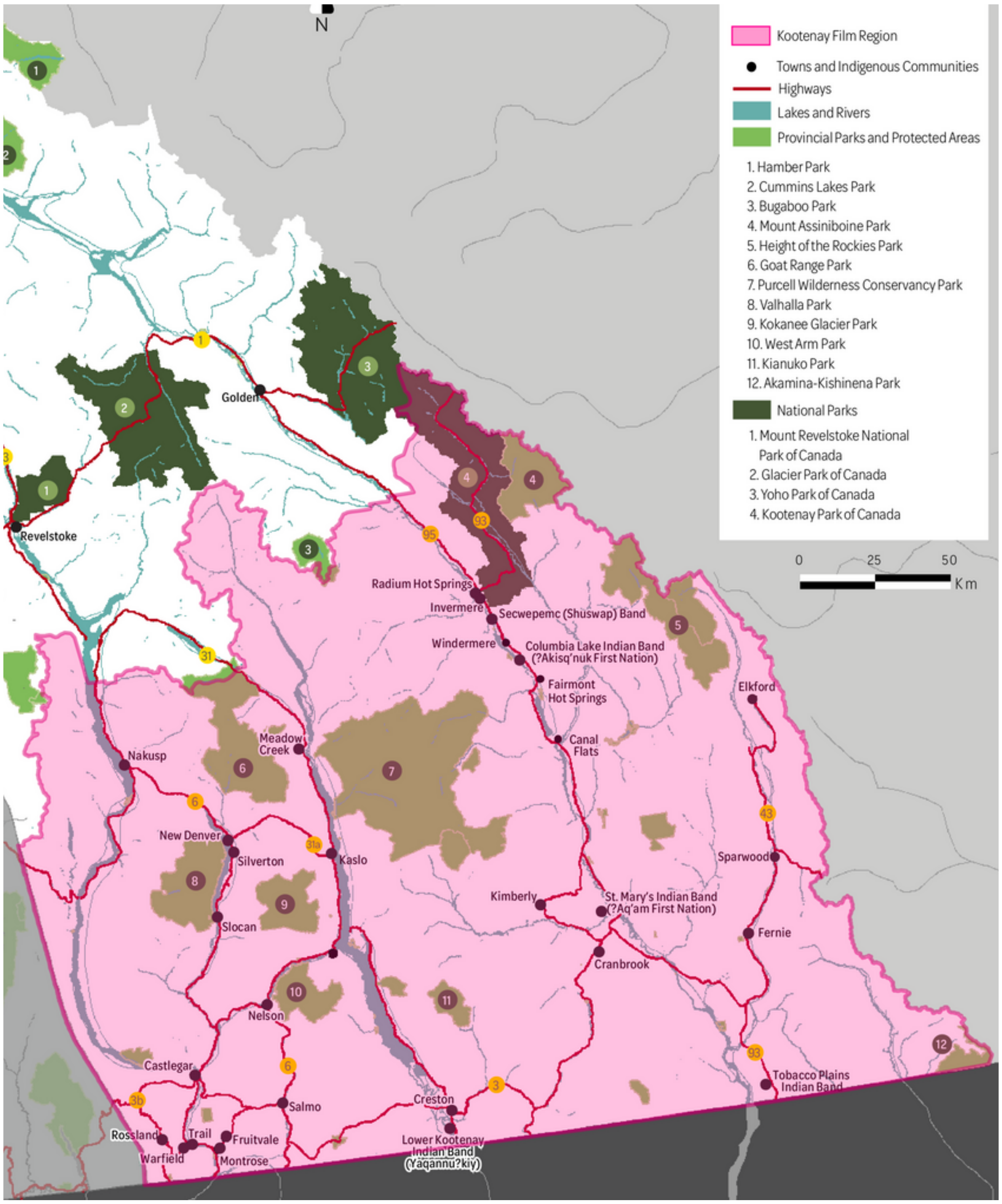
- The region is characterized by a handful of small cities including Castlegar, Nelson, Trail, Cranbrook, Rossland, Kimberley and Fernie, plus towns, villages and rural regional districts serviced by regional airports and a small international airport in Cranbrook.

- The Kootenays lie midway between Vancouver and Calgary, north of Spokane, Washington and is considered "off-the-beaten path" as the region is bypassed by the Trans-Canada highway and Via Rail passenger railway service.

- Many residents and visitors to the region celebrate the beauty, character and culture that has developed because of its mountainous setting.

I. Background

Location: The Kootenay Region



The Kootenay Regional Film Commission Boundaries (in pink)

The region is within the shared Traditional Territories of:
the Ktunaxa Nation
the Sinixt Nation
the Okanagan Nation
the Secwepemc (Shuswap) peoples

I. Background

History of Film in the Kootenays

- Commercial filming began in the Kootenay region in 1921 when American studios shot four feature films in the East Kootenay.
- More filming activity occurred after 1938 when the BC Government Travel Bureau Photographic Branch was formed. Films primarily focused on mining, forestry, agricultural, industrial, and resource management.
- In 1944, two films relating to tourism were filmed in the West and East Kootenay entitled, *The Kootenays: British Columbia's Mountain Playground*.
- More nature-themed and travelogue films followed, but most filming developed through the CBC Film Unit and National Film Board was comprised of a documentary style of filmmaking.
- Hollywood did not return to the Kootenays in any significant way until 1982.
- Notable major motion pictures filmed in the Kootenays are *Roxanne* (1987) starring Steve Martin; *Snow Falling on Cedars* (1999) starring Ethan Hawke; and *The Tall Man* (2012) starring Jessica Biel.
- See **Appendix C** for a complete list and dates of films made in the Kootenays.

Adam Bentley shot, "*The Next You Will Be Different*", in Kaslo, BC. Photo credit: Adam Bentley

I. Background

Kootenay Socio-Economic Environment

- The Kootenays have a high degree of work/life satisfaction (93% of survey respondents) .
- Socio-economic indicators highlighted in the State of the Basin and Selkirk Innovates – including cost of living (unemployment rate, living wage gap, housing) and workforce characteristics (aging workforce, skills gaps) – support the notion that the Kootenay region could benefit from increased economic activity and more job opportunities, by retaining and attracting younger workers and offering skills training.
- Film sector work is typically project-based work, rather than a regular full-time job. There is a need for better paying work to support part-time or gig workers in the Kootenays, who often get paid less than a living wage.
- Entry level film jobs pay over $28/hour for paint or construction labourers; $27/hour for assistant set dresser and $26/hour for security personnel.
- The BC Motion Picture Industry Below-the-Line Labour Market Study (2019) provides a baseline of data on the industry workforce and insights to help industry leaders address workforce development.

Credit: Kootenay Rockies Tourism/Mitch Winton

II. Opportunity

Attracting More Film Production to the Kootenays

- The Kootenays have a rich culture of local filmmaking, with some films gaining national or international attention, typically smaller productions featuring recreation in the mountains (skiing, mountain biking).
- Interest and film opportunities in the region grow as producers become more aware of what the region has to offer.
- The Kootenay Regional Film Commission tracks producer enquiries and interest expressed in bringing film projects to the Kootenay region.
- Between August 2021 and August 2023, forty different files were opened which represent potential commercials, feature films, TV series/movies/reality shows, documentaries, and music videos.
- To harness opportunity more fully, the region should consider challenges faced by film producers interested in the Kootenays as a film location.
- Having regional film industry infrastructure in place can directly support the development and attraction of more film production to the Kootenays.

"Susap: Keeper of Knowledge", directed by Dan Caverly from Nelson, BC was filmed in the Kootenays. It was a joint venture with the Community of Creston Arts Council, Yaqan Nukiy People's Heritage Society, the Province of BC and Quinntex Entertainment (also based in Nelson).

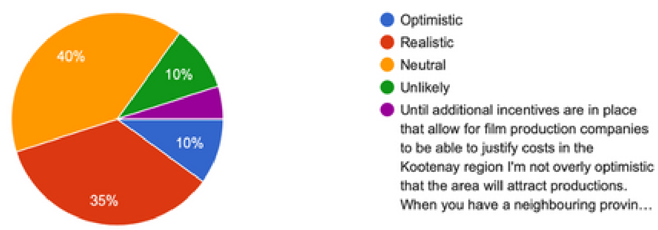
II. Opportunity

Survey Says...

Prospects of attracting more film production to the Kootenays, as identified in a survey response of 20 Film Producers & Location Managers from British Columbia and area (September 2023).

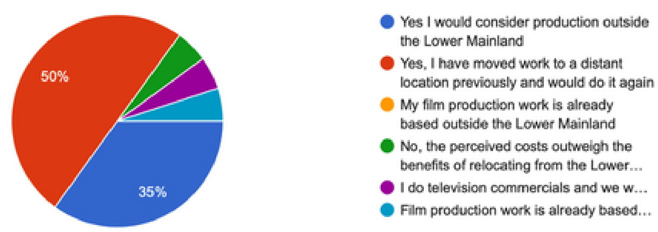
1. How do you view the prospects (post-strike) of attracting more film production to the Kootenay region in BC's Southern Interior?

20 responses



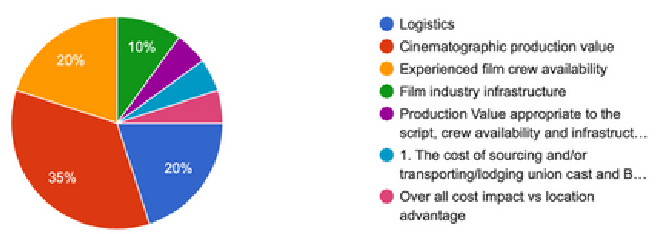
2. Would you consider moving film production out of the Lower Mainland (Vancouver, BC) in favour of a distant location, if the conditions were right?

20 responses



3. When deciding to film in the Kootenay region, what are the most important criteria for decision-making, after production costs/bottom line? Please rank:

20 responses



See **Appendix B** for complete survey results.

In summary, 85% of respondents ranged from Neutral to Optimistic about the Kootenay's prospects of attracting more film production; 95% would consider moving their film projects outside the Lower Mainland; and "Cinematographic production value" outweighs "Logistics" as the most important criteria,
and importantly - film industry infrastructure is an element that could sway a decision.

II. Opportunity

Economic Benefits

The three types of economic impacts, as described by Creative BC:

- The **DIRECT** impact reflects the immediate economic activity of those businesses within the creative industries.

- The **INDIRECT** impact reflects the demand from creative industries for inputs from other industries. The indirect impact is cumulative, and includes transactions going all the way back to the beginning of the supply chain.

- The **INDUCED** impact reflects the economic activity that arises as a result of industry workers, involved in either direct or indirect activity, spending part of their wages and salaries on other goods and services.

- The film and television, visual effects (VFX) and animation industries in British Columbia generated a record $4.8 billion in direct spending in the provincial economy in 2021. This figure does not account for indirect economic benefits on other sectors such as tourism, accommodation, hospitality, and transportation services.

- Since 2012, the film and television, visual effects and animation industries have collectively invested $30.1 billion, in the provincial economy. Of this, $17 billion, has been paid to British Columbians as salaries and wages.

- According to Creative BC's 2020/2021 Impact Report, the sector employs a total of 63,000 workers and creates approximately 35,000 full-time and equivalent jobs in B.C.

- Economic Diversification is a desired pursuit in rural BC, especially in areas that historically have been dependent on resource-based industries.

- Interest exists for more film production in the Kootenays. The large number of letters of support received for this project demonstrates broad-based stakeholder support in developing this sector.

II. Opportunity

Demonstrating Economic Benefit - 2023 Fernie Case Study

- The Hallmark film, *Love in Glacier National: A National Park Romance,* was produced by Nelson-based, **Snowfield Productions Inc**, facilitated by the Kootenay Regional Film Commissioner and filmed on location in Fernie, BC in 2022 over a four-week period.

- Used as a case study, it can demonstrate the direct economic benefits flowing from a regional motion picture production. The direct, broad economic benefits to a local community, region and province from even one small Hallmark motion picture are clearly demonstrated on the wrap sheet. Film, Tourism, Hospitality, Arts & Culture, and Tech sectors all benefit, as do the local recipients of "Location Fees".

- An important take-away is that from a budget of almost $1.5M CAD, $395,516 was injected directly into the local economy from this production; on location fees, local labour, food, accommodation and travel.

- Thanks to Gregory MacKenzie of Snowfield Productions Inc. for opening-up the books on this project for the purposes of this analysis.

See Appendix D for the Wrap Sheet for *"Love in Glacier National: A National Park Romance"*

On set at Fernie Alpine Resort in 2022. Credit: TreeVor

II. Opportunity

Cross Sector Opportunities

Cross sector opportunities for the regional film sector include tech, arts and culture and tourism sectors.

Tech Sector

- There are many opportunities for tech-related businesses in the region to benefit as vendors to a film production.
- Tech innovation and advancement can fill gaps and problem solve unique applications.
- A film-related hub of tech businesses can act as an incubator and cross-pollinator for business development.
- Education and apprenticeship programs can be developed with partners Selkirk College and College of the Rockies.
- Educational and skills development opportunities for grades 3-12 are currently being offered through Live It Earth, a Film, Tech and Education company based in Nelson, BC.
- There is demand for green innovation to lessen the environmental footprint of film production, supported by Creative BC's Reel Green toolkits and training.
- Regionally, the Kootenay Association for Science & Technology (KAST) and their partners provide mentorship and business advisor programs and services to assist tech entrepreneurs, like the Venture Accelerator Program, in addition to their successful monthly Tech Meet-Ups.

Tech-related Film Job Categories:

- Film and video camera operators (NOC 5222)
- Broadcast technicians (NOC 5224)
- Audio and video recording technicians (NOC 5225)
- Other technical and co-ordinating occupations in motion pictures, broadcasting and the performing arts (NOC 5226)
- Support occupations in motion pictures, broadcasting, photography and the performing arts (NOC 5227)

II. Opportunity

Cross Sector Opportunities

Arts & Culture

- Film production can provide resources and support collaboration to stimulate creativity in a community.

- Most communities have a local arts council that have funding partners and sponsors to help produce creative projects. Local arts council support typically does not include film production activities.

- Grant opportunities from BC Arts Council include:
  1) Individual arts grants; 2) Project assistance grants; and 3) Operating assistance grants.

- Columbia Kootenay Cultural Alliance administers and manages arts and culture granting opportunities on behalf of the Columbia Basin Trust.

- Film productions often showcase local talent, and cross creative genres (eg. a Slocan Valley-based musician was featured performing in a scene in *Love in Glacier National: A National Park Romance*, filmed in Fernie, BC)

- By providing more economic opportunities for Arts & Culture workers, it helps the Kootenays attract and retain the creative people and culture that it is so renowned for.

- Local film production could spark interest in rural and remote youth, inspiring them to see film as a potential occupation.

- Mentorship opportunities could build relationships between rural/remote and urban artists.

Credit: Destination BC/Reuben Krabbe

II. Opportunity

Cross Sector Opportunities

Tourism/Hospitality

- Kootenay Rockies Tourism (KRT) & Nelson Civic Theatre Society (NCTS) have formed a partnership to create and govern the Kootenay Regional Film Commission (KRFC).
- KRT brings knowledge, expertise, and capacity in the fields of tourism and destination management, economic development, film presentation and production, community program and service provision, and respective local, national and international networks in their fields.
- KRFC designs strategies and opportunities for economic development through increased capacity in film service and attraction for the region.
- This collaboration creates economic benefits for both the film and tourism industries.
- Brings knowledge, expertise, and capacity in the fields of tourism and destination management, economic development, film presentation and production, community program and service provision, and respective local, national and international networks in their fields.
- Offers full regional coverage, facilitating cohesive communication and ease of logistics for production across a large, low-density area of British Columbia.

Wikipedia explains the link between Film & Tourism:

"Film tourism, or film induced tourism, is a specialized or niche form of tourism where visitors explore locations and destinations which have become popular due to their appearance in films and television series.

The term also encompasses tours to production studios as well as movies or television-related parks. This is supported by several regression analyses that suggest a high correlation between destinations taking a proactive approach in order to encourage producers/studios to film at their location, and the tourism success in the area after the release of the movie.

A Travelsat Competitive Index study indicated that in 2017 alone, approximately 80 million tourists made the decision to travel to a destination based primarily on its feature in a television series or film. This figure has doubled since 2015.

Film-induced tourism is one of the fastest-growing sectors in tourism currently.

It emerged as a prominent form of tourism in the 1990s.

This increasing popularity of film tourism is due to the rise of international travel, the rapid growth of the entertainment industry, and cult-like celebrity status.

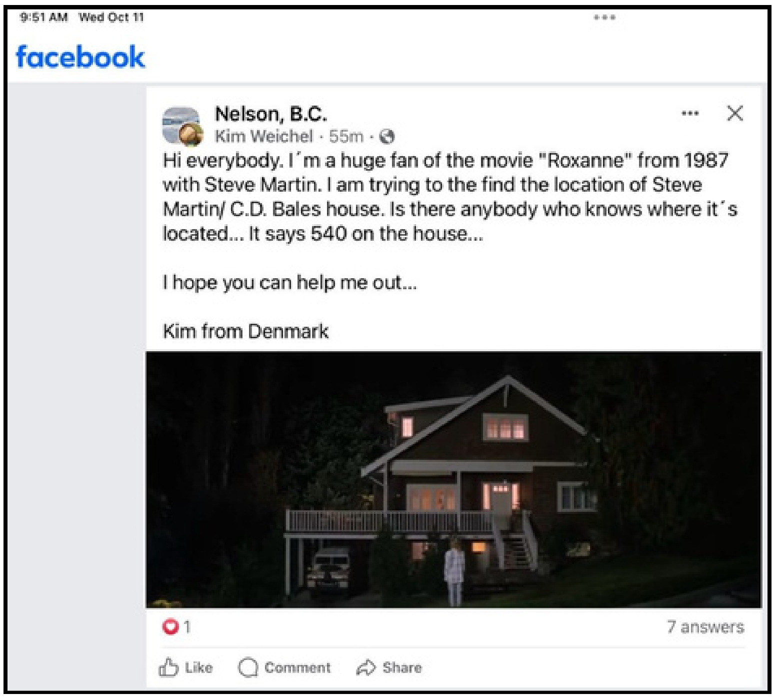
For destinations, films provide long-term tourism revenue. The appearance of a particular area in a film or television can have a huge effect on the number of visitors of an already existing place and create a new kind of tourism to the area and generate a boost for the local economy.

On average, a film can increase tourism and revenue by almost 31%."

II. Opportunity

Cross Sector Opportunities

To demonstrate the long-term tourism value to a film location, here is a post screenshot from the Nelson B.C. community Facebook page taken on October 11, 2023:



II. Opportunity

Workforce Development

Workforce Development includes educational and jobs and training opportunities.

Educational Opportunities

- British Columbia has been successful in offering training and curriculum specifically for employment in film.
- B.C. offers a variety of educational opportunities through educational institutions and training programs. Some of the higher-learning academic institutions and universities offer filmmaking programs and degrees, while many other institutions provide specific technical training.
- A recent trend at some BC educational institutions offers micro-credential courses in film. Both Selkirk College and College of the Rockies have expressed interest in doing the same.
- These courses typically last a few weeks and provide on-set training opportunities, preferably in collaboration with Lower Mainland film studios, Unions, and Guild.
- The BC Government recognizes the value of short-duration, competency-based learning opportunities, that align with labour market or community needs offered through micro-credential courses and offers resources found in the Micro-credential Framework and the Micro-credential Toolkit for BC.
- Micro-credentials are stackable and transferrable and provide opportunities for learners at any stage in their career journey to up-skill and re-skill for in-demand occupations.

On set of *"Love in Glacier National: A National Park Romance"*. Credit: TreeVor

II. Opportunity

Jobs and Training Opportunities

- As North America's third largest film production centre, B.C. must meet a labour shortage of experienced and skilled "below-the-line" film workers.
- Production volume levels in the Lower Mainland has expanded B.C.'s physical production footprint into the distant regions of the province. This has created the need for qualified labour, training incentives, and motion picture production infrastructure in "Distant" regions.
- Working in film requires specific skills to be employed in the highly structured and specialized demands of production, requiring increased training opportunities and job placement.
- Basic training typically begins with minimum requirements to work as a production assistant for entry level positions, before moving up the ranks.
- Creative Pathways ™ at Creative BC outlines over 39 different departments and over 300 positions for those interested in careers in the motion picture industry. Experience beyond entry level positions will often lead to or require membership in one or more of the 6 unions and guilds in BC.
- There are existing programs that provide training such as the B.C. Employer Training Grant through WorkBC, called the Motion Picture Industry Orientation Course (MPIO).
- A training tax credit of 30% is available to domestic productions through the provincial Film Incentive B.C. (FIBC) motion picture tax credit program.
- The BC Motion Picture Industry Below-the-Line Labour Market Study (2019) provides a baseline of data on the workforce with many insights to help industry leaders address workforce development.
- The Government of BC report BC Labour Market Outlook (2022-2032 Forecast) offers some interesting projections regarding workforce trend and, identifies some high opportunity occupations in film.
- BC's recently announced StrongerBC: Future Ready Action Plan is a plan to create jobs, train people to work in high-opportunity fields and support businesses to adapt and grow. The StrongerBC future skills grant covers up to $3,500 for eligible short-term skills training programs.
- Film jobs are typically "gigs"- temporary or casual- rather than permanent, full-time employment.

II. Opportunity

Jobs and Training Opportunities

The following four courses prepares workers to obtain employment in the film industry:

1. MPIO – Motion Picture Industry Orientation (mandatory)
2. WHMIS – Workplace Hazardous Materials Information System (required by many departments)
3. Motion Picture General Safety Awareness (mandatory)
4. BC Traffic Safety Control Certification (applicable for Production Assistants only)
5. Anti-bullying and Harassment Training (applicable for Production Assistants only)

Creative Pathways™ at Creative BC is a platform to champion a dynamic motion picture workforce in B.C. that is equitable, diverse and inclusive. It provides comprehensive information about careers in B.C. motion picture industry and offers specific supports to increase workforce participation of people from systemically excluded groups, with a priority on below-the-line positions. Pathways include:

1. Creative Entrepreneurs (Above-the-Line)
Key creative roles of: Directing, Performing, Producing and Writing.

2. Artists, Craftspeople &Technicians (Below-the-Line)
Departments and job roles range from Accounting to Animal Handlers, from Catering to Costumes and from Security to Stunts.

3. Digital Creatives (Animation, VFX,Post-Production)
The three disciplines include roles in Animation, Post Production Editing, Post Production Audio and Visual Effects.

Kootenay Film Festival 2022

II. Opportunity

Jobs and Training Opportunities

People Facing Barriers

Kootenay Career Development Society provides employment readiness programs and training opportunities for women, visible minorities, Indigenous Peoples, persons with disabilities, persons of diverse sexual orientation, gender identity, or expressions (LGBTQ2S+) and others who may contribute to the diversity of KCDS.

Creative Pathways™ at Creative BC champions an equitable and diverse work force in the film industry, including Indigenous, Black, People of Colour, People living with a disability, LGBTQ2SAI+, and Women.

The Creative Equity Roadmap is a resource developed as an industry-focused support to increase cultural competence and inclusive practices within the motion picture industry's businesses and systems and compliments Creative Pathways™

WorkBC

WorkBC has funding opportunities for employment and career advancement. Individuals must meet specific criteria, including being unemployed, working fewer than 20 hours per week, or having received notice of a layoff within the past six weeks. It offers 12-month training programs that can cover up to $7,500 in tuition fees, provide essential tools, equipment, and clothing, and even offer transportation support.

Kootenay Career Development Services and Kootenay Employment Services are the WorkBC service providers in the Kootenay region.

The Kootenay Screen-Based Initiative

The Kootenay Screen Based Initiative (KSBI) group was created by the Nelson Civic Theatre Society. KSBI has established itself as a leader within the local Kootenay community as a supporter of domestic film projects. They offer training in all aspects of film, video, and TV, through events, professional development opportunities, meetups, and more. KSBI offers an exchange of ideas, resources, rental equipment, and opportunities for filmmakers based in rural areas, and they facilitate workshops, skills upgrading, and on-set learning experience.

III. Challenges

Survey Says...

Logistical challenges in the Kootenays, ranked in order of importance, as identified by a survey of 20 Film Producers & Location Managers from British Columbia and area (September 2023):

1. Driving distance
2. Experienced local talent/crew
3. Affordable accommodation
4. Transportation
5. Winter accessibility

See **Appendix B** for complete survey results.

1. Driving distance

- By far the most common hurdle for film producers is the driving distance from the Lower Mainland or Calgary to the Kootenays.

- There are some challenges that can be mitigated, and some that simply need to be weighed in balance of a region's benefits.

- Promoting the use of regional airports, and local talent, crew, gear and infrastructure can help address concerns about the driving distance challenge.

- Driving times:
  - Vancouver to Nelson – 8 hours.
  - Vancouver to Cranbrook – 9.5 hours.
  - Calgary to Nelson – 7 hours.
  - Calgary to Cranbrook - 4 hours.
  - Spokane to Nelson - 3.5 hours.
  - Spokane to Cranbrook - 3.5 hours.

Credit: Destination BC/Karl Medig

III. Challenges

2. Experienced local talent/crew

- The Kootenay Regional Film Commission has vetted a local crew list of over 130 experienced film crew personnel with varied backgrounds.
- As a priority, this crew database should be maintained, vetted and grown in size to a roster of 200 to meet the expectations of producers.
- Offering a local crew roster to meet production staffing requirements can reduce the cost of transporting and accommodating film crew from outside the region.
- As more experienced film workers move to the region, a more sustainable Kootenay film industry will develop, one that can better recruit and train locals to join it.

3. Available and Affordable Accommodation

- Many producers require some key film crew to travel from Vancouver or Calgary, and finding affordable rates for accommodation is important to keeping costs down and remaining competitive as a film location.
- With limited availability of affordable short-term housing in the Kootenay region, there is an expressed desire by stakeholders to not add pressure or disrupt the market by a rush to accommodate out-of-town film crews.
- Affordable accommodation for locals is important, and as the local crew list approaches critical mass, it is expected that more film industry workers will migrate to the Kootenay region as work becomes available.
- In the past, some Kootenay communities have offered houses, condos, and billeting accommodation, providing direct economic benefits to those residential areas.
- Kootenay Regional Film Commission has negotiated good rates for film crew accommodation packages at some regional hotel chains.
- Arrangements have been made with Selkirk College in Nelson and Castlegar for dorm rooms that can accommodate film crew, as a cheap alternative to hotels.
- Other film crew accommodation can be found more affordably off-season at regional ski resorts and shoulder season at tourism accommodation businesses.
- Filming during the tourist shoulder season could help alleviate pressure on the accommodation market.

III. Challenges

4. Transportation

- Flying times from Vancouver or Calgary to the Kootenay region's three main airports (Castlegar, Trail or Cranbrook) takes 1 to 1.5 hours.
- Airlines and charters include Air Canada, Westjet, Central Mountain Air and Pacific Coastal Airlines.
- Reliability of regional airport service is, however, a concern due to economic viability and hazards such as winter conditions, wildfire smoke or low cloud cover.
- Car rentals, taxi and shuttle services can be inconsistent at regional airports.

5. Winter Accessibility

- Winter driving conditions, airport closures due to weather, and the logistics of local access in adverse conditions all create location challenges in the Kootenay region.
- Having suitable rental vehicles available fitted with winter tires, recovery vehicles on call, heated trailers, backup power and lighting, ample parking and regular snow removal can ease the challenges of winter location filming.
- Building flexibility into the winter filming schedule is prudent, and having access to indoor film studios and production office space for bad weather days can help lessen potential cost overruns.

III. Challenges

Other Challenges

Other challenges includes fllm industry infrastructure, rental equipment availability, and film tax incentives.

Film Industry Infrastructure

- To build a stable and robust environment for a local film industry, a region should have an experienced and trained film crew base, film production offices, and adequate stage/studio space.
- Currently, there is little infrastructure in place to accommodate film production of any magnitude in the Kootenays.
- It should be noted, however, that a homegrown film industry does exist in the region that cobbles together resources as needed to produce some interesting, creative work.
- As film production volume increases, film equipment vendors, equipment storage depots, and rental houses will all find opportunity to fill gaps in the region.
- There will be a need for set dec and props rental houses, catering, and craft service companies. Wardrobe, costumers, and seamstresses will be required, as will facilities for wardrobe storage. Construction coordinators, scenic carpenters, scenic painters, and shop facilities will be necessary for building sets. Art department staff will be required for designing, drafting, computer graphics, signage, and art direction.
- To meet demand, available production offices should range from 2,000 sq feet to 3,000 sq feet in size. Producers prefer a turnkey operation, where phones, internet, and amenities are provided.
- Sound stages can be from 10,000 sq feet to 40,000 sq feet in size with ideally an average ceiling height of 22 feet to 40 feet. For sound stages, a clear span with minimal pillars or obstacles is preferable. Roll-up doors are ideally located at ground level for equipment to be accessed and transported easily. Ceiling trusses that are engineered to hold the weight of a lighting grid and bank of lights is necessary. An HVAC system for heat and cooling is desirable.

III. Challenges

Other Challenges

Rental Equipment Availability

- Filming requires standard equipment packages which include digital cameras and lenses, grip equipment packages, lighting & electrics packages, cables, specialty equipment such as dollies, cranes and jibs, and generators.
- Films that come to the Kootenays will typically have to rent these packages from equipment rental companies based in Vancouver, Burnaby, Langley, and Calgary, load them into 5 or 10-ton trucks, and drive them to the Kootenays.
- It is important to have an equipment depot available where such equipment can be securely stored.
- Other equipment commonly used for films often include trailers, trucks, camera cars and trailers, condor cranes, scissor lifts, and genie lifts.

Film Tax Credits Incentives

- The Production Services Tax Credit (PSTC) and Film Incentive BC (FIBC) for Domestic and Service Productions have proven successful.
- Increasing support and capacity through financial incentives for BC based production companies and international production companies would help increase overall film production volume for the region.
- Film and Television Tax Credits (FTTC) in BC is considered weak compared to incentives found in other provinces, states and countries.
- In neighbouring Alberta, the provincial FTTC offers up to a 30% tax credit rate on eligible production and labour costs. This greatly impedes the ability to attract production from Alberta to neighbouring areas in BC, such as the East Kootenays.

> “For most domestic productions, which are typically low budget productions, filming in the regions where the cast and crew must overnight is cost prohibitive because of the added costs of hotel rooms, per diems, wage premiums in some cases, mileage, airfares, and additional workdays for travel and equipment rental. Domestic productions seldom film in the regions where cast and crew overnight unless the locations required in the script are unique in those regions where overnight stays are required. Likewise, costs to film in those regions increases exponentially with the amount of days filming outside the Vancouver Studio Zone.”
>
> – Joan Miller (Film Commissioner for Vancouver North Island)

IV. Recommendations

Ten recommendations are suggested for local and provincial stakeholders:

1.Adopt community film-friendly measures.

- Sponsor regional film-related contests, events, premieres, and festivals.
- Promote community use and enjoyment of movie theatres.
- Develop the local industry from within by supporting and promoting home-grown film projects.
- Consider a web presence with a schedule of fees like the City of Cranbrook is developing Film and Commercial Project Guide

2. Streamline municipal film location permitting processes.

- Most Kootenay communities do not have a film permit process in place, making it cumbersome and more time consuming for film producers to obtain a permit.
- Develop film location policies and processes for on-location filming in advance to avoid delays, community polling and filming moratoriums.
- Producers and filmmakers are increasingly looking outside the Lower Mainland to film their projects to avoid community push-back, delays and inconvenience there.
- Ensure the process includes meaningful Indigenous acknowledgement and engagement.

3. Expand provincial distant tax film production incentives.

- Reenergize the Regional and Distant Location Tax Credits to attract more domestic and foreign film productions, thus better positioning “distant” regional locations as affordable.
- Increase the tax credits for domestic and service productions to improve competitiveness of remote and rural areas.

4. Increase provincial funding to support Regional Film Commissions.

- The Ministry of Tourism, Arts, Culture and Sport (TACS) is currently conducting a joint review with Creative BC of the regional film commissions.
- This report, The Kootenay Regional Film Sector Study, hopes to provide input to this review.
- The goal of this TACS/Creative BC review is to assess funding needs and determine an equitable and sustainable funding model for regional film commissions in 2024/25 and beyond.
- Through the review, the B.C. government wants to ensure:
    a. A definition of consistent service to the motion picture industry across the province.
    b. Recognition of regional differences, opportunities, and expertise.
    c. Equitable and sustainable support for regional economic development.

IV. Recommendations

5. Advance regional film sector development.

- Through the Kootenay Regional Film Commission, deepen regional partnerships between local government, First Nations, stakeholders and industry to develop and attract more film production activity in the Kootenay region.
- Fund film sector capacity-building and asset development through provincial contribution, stakeholder investment, industry partnerships and funding organizations like Columbia Basin Trust and the Economic Trust of Southern Interior (ETSI-BC).
- Apply to the Ministry of Jobs Economic Development and Innovation (JEDI)'s Rural Economic Diversification and Infrastructure Program (REDIP) program for a grant to advance the film sector through asset development. Specifically apply for a REDIP-ED development project grant (max. funding $100,000) by October 30, 2023. (Funding decision announced Spring 2024.)
- Infrastructure design can include architecture, engineering, assessment costs, and planning; feasibility studies; business plans; program design; and/or service planning.
- Follow with a Project Phase 2 REDIP-ED implementation grant to fund the implementation of programs or services, or the construction of infrastructure resulting in new, upgraded or preserved local asset(s) (max. funding $1,000,000). (Application deadline October 30, 2024, funding decision announced Spring 2025.)

6. Maintain and expand local film crew database.

- Being able to supply a potential film producer with a vetted, up-to-date local film crew database is essential and identified as the highest priority by production decision-makers surveyed for this report.
- The Kootenay Regional Film Commission currently has a crew list of over 130 experienced film crew personnel. Ideally that number would grow to 200 by the year 2025 to meet the expectations of film producers.

7. Pursue investment in regional film industry assets.

- Offering available and affordable infrastructure such as production office space, studio facilities, post-production facilities, film equipment suppliers and rentals, scenic carpentry and paint shops, set decoration and props outlets, and film-related vendor resources.

Survey Says...

Desirable film assets for the Kootenays, ranked in order of priority, as identified by 20 Film Producers & Location Managers from British Columbia and area (September 2023):

a. Green Screen
b. Video Monitor Wall
c. Electric (Green) Generator
d. LED Lighting Grid
e. High Speed Internet
f. Soundstage
g. Parking/winter plowing

See **Appendix B** for complete survey results.

IV. Recommendations

8. Develop film-related educational courses and training programs.

- Micro-credentialled courses could be offered in the Kootenay region, administered by the College of the Rockies and Selkirk College.
- Training programs in collaboration with WorkBC, KAST, Community Futures and other regional stakeholders would help regional workforce development.
- Youth education and training opportunities currently offered by Live It Earth should be supported.
- Workforce training and job placement for film positions should focus on diversity and inclusion, and recruitment for Indigenous, female, and ethnically diverse workers.

9. Expand regional location photo library on Creative BC's online digital location library

- Creative BC maintains and administers an online location library, where digital images of potential filming locations are catalogued.
- The Provincial Film Commission, regional film commissions and film industry professionals - location managers and scouts - use the library to create location packages for producers, based on a production's creative needs.
- KRFC has recently invested resources to upload a broader range of Kootenay locations tothe locations library.
- By continuing to allocate resources towards expanding the regional location library, there is a greater chance of a Kootenay location being selected for a film shoot.

10. Inventory community assets and identify suitability for film production use.

- The Nelson and District Recreation Commission (RDCK) is conducting a consultation, engagement and needs assessment of the Nelson Civic Centre. This would provide valuable input for the suitability of a film studio space at the Nelson Civic Arena.

Credit: Kootenay Rockies Tourism/Mitch Winton

V. Governance, Partnerships & Funding

- The topic of owning or operating regional film assets or infrastructure requires a discussion between stakeholders about governance, partnerships and funding. Many regional stakeholders- local governments, economic development agencies, partners and funders have enthusiastically demonstrated broad-based support for advancing the film sector in the Kootenays.

- With film production spending comes the potential for revenue streams that could offset or pay back stakeholders' investment in regional film industry assets. Potential film revenue streams include; film permit fees, studio space and film equipment rental fees, location fees, multi-use rental of film production space and income from grants to pay for administration and staffing.

- Regional stakeholders connected to the film industry and some potential roles they might play in film asset/infrastructure projects:

- **The Kootenay Regional Film Commission** (KRFC) brings knowledge, expertise and capacity to the regional film sector and is an initial point of contact and conduit between interested film producers and film locations, assets, infrastructure and logistics.

- **Kootenay Screen-Based Initiative** might be the best fit to manage regional film industry assets, such as equipment, or even studio space or production offices. It could be a good match with its current support role in the regional industry and its new equipment lending offering Kootenay Gear Rentals.

- **Nelson Civic Theatre Society** could be a partner in the development and management of film industry assets or infrastructure. There could be daytime theatre rental arrangements to meet the film producer's need to access screening rooms for casting calls or to review their daily film shoots.

- **Kootenay Association for Science and Technology** (KAST) could partner in the development of the film sector in the Kootenays, and should the opportunity arise, could be a fit to manage assets such as studio space or production offices and facilitate/deliver training opportunities with WorkBC, community colleges and art councils.

- **Community Futures Central Kootenay** (CFCK) and **Community Futures East Kootenay** (CFEK) are working together to advance the film sector throughout the Kootenay region. CFCK has partnered with Kootenay Film to deliver this report and develop the REDIP-ED application by the City of Nelson. Both organizations would continue to support economic development and diversification through this work.

- **The B.C. Government** (Ministry of Tourism, Arts, Culture and Sports/Creative BC), at the conclusion of its current review process, will ideally provide a more sustainable funding model to support KRFC's work. Creative BC does provides a wealth of resources and staff support to the regional film commissions.

Appendix A

Feasibility of Film Sector Infrastructure Investment in the Nelson Civic Arena

Executive Summary

Based on input from film producers and location managers (the majority from the BC Lower Mainland), analysis of the Kootenay film sector, and preliminary analysis of costs and revenue, it is recommended that the Nelson Civic Arena be developed for multiple use, incorporating a film sound stage, lighting grid, production offices, and secure storage. If funds allow, then a recommendation is made to include a green screen set-up.

Cost for this film sector infrastructure is roughly estimated at $130,000 for the base studio package; and an additional $25,000 for a small green screen, or $75,000 for a large green screen set-up.

Introduction

This overview provides an example and exploratory feasibility study for film sector asset investment. It looks at the operational and economic feasibility of developing film industry infrastructure at the Nelson Civic Arena.

The proposed Nelson Civic Studios provides an example of of how economic development and diversification capacity may be creatively added without giving up community use of an asset. By managing risk and investment, it has the potential to scale sector development appropriately to evaluate demand using the "walk before you run" approach.

Much of the following information is transferable to other communities in the Kootenays, and helpful in film sector development for the entire region.

1) Transferability to other Communities

- Despite being a feasibility study of film sector infrastructure investment in the Nelson Civic Arena, much of this analysis is applicable or transferable to other communities in the Kootenays and beyond.
- This report may provide the inspiration to look at underutilized community assets creatively, using the model of shared use, to see if there is a fit for a low-cost, low-risk, low-impact film studio, production offices or the like.
- Creating film industry infrastructure in one community does not restrict on-location filming to that community nor does it negate the feasibility of similar assets in another community in the region. The Kootenays could benefit from establishing a critical mass of film-related assets and experienced local crew. The geography of the region is huge and varied, with excellent cinematographic qualities throughout. A rising tide lifts all boats.
- In this study, research was conducted, professionals surveyed, options explored, costs and revenue estimated, considered, and evaluated. As a resource, this can provide the foundation or starting place for exploring the next regional film-related project.
- The KRFC is a truly regional advocate in developing the film sector throughout the Kootenay region. It is well-suited to assist with the development of regional film industry assets, and to help market these assets to foster and attract more film production to the Kootenays.

Appendix A

2) Situation

• The film industry in the Kootenays is still in its infancy, with potential to increase its market share of the BC film industry.

• Interest already exists for film producers to bring their projects to the Kootenay region.

• The goal of this film sector development work is to help address the obstacles that prevent producers from green-lighting projects for the Kootenays.

• Having film industry infrastructure located in the region increases the appeal for film producers.

• It is imperative to make filming in the Kootenays cost-effective for producers, if they are asked to consider the idea.

• The Nelson Civic Arena represents an underutilized community asset that could accommodate a film studio in the hockey off-season and generate some funds for the City to off-set its building maintenance costs.

• The arena represents a low-cost, low risk, low impact opportunity to help grow the film industry in the region.

• It should be noted that there are building issues impacting Nelson Civic Theatre renovations, located adjacent to the arena, that may that may have implications for any improvements planned for the arena.

• Limiting use of the studios to the hockey off-season does also does limit its appeal to film producers looking to shoot indoors on bad weather days during the shoulder seasons.

Credit: Elora Braden

Appendix A

3) A Look at Assets & Activity in Neighbouring Regions

It helps to view the film industry ecosystem from the perspective of the Kootenay region, looking outward at some comparable activity in neighbouring regions.

BC's Lower Mainland has been excluded as a comparison, due to its dominance in the BC film industry and the proliferation of film industry assets there.

a) Okanagan Valley:

- is the fastest growing film industry in BC, capturing 18% of all BC film shoots in 2020 and $70M spent on 46 productions in 2022.
- offered a 22,000 sq ft production studio space at Eagle Creek Studios, located near Kelowna airport, and 2,000 sq ft sound stage at Kelowna Film Studios.
- has two animation studios -Yeti Farm Creative and Bardel Entertainment.

b) Thompson-Nicola Regional District (TNRD):

- did a Motion Picture Studio Business Case analysis study in 2021 and proceeded with a Film Studio Site Servicing Feasibility Report in 2023 to conduct site selection and cost estimates for a purpose-built film studio.
- is home to a 12,000 sq ft studio/office building in Kamloops including a 3,000sq ft sound stage with green screen at Mastermind Studios.

c) Calgary:

- Alberta was expected see overall production volume in 2022 in the $550M range.
- owned a facility called The Film Centre from 2018-2023, during which it was managed by Calgary Economic Development. It is located close to the airport and operational year-round, well-equipped with multiple soundstages, with anchor tenant William F. White International Inc.- Canada's largest provider of film production equipment.
- sold the facility to a private sector company in 2023, it is now doing business as Rocky Mountain Film Studio .
- has a second, massive sound stage studio (95,000 sq ft) listed as Fortress & Fortress + , operated by industry giant William F. White.

"(The Film Centre in Calgary) is a clear example of government's investment in a film facility, managing it until it is well-developed, and then allowing the private sector to run it, in order to achieve sustainability and further growth."

excerpt from: Motion Picture Studio Business Case, 2021
(developed by Nordicity for Thompson-Nicola Regional District Film Commission)

Appendix A

4) Kootenay Regional Film Hub - Evaluating Options for Infrastructure Investment

A) Sound Stage, Lighting Grid, Production Offices, High Speed Internet, Screening Venue & Secure Storage

• Estimated investment required: Sound Stage $30,000; Production Offices/Storage $50,000; Lighting Grid $50,000 (TBC).

• Depreciation: 15 years

• Potential annual (6 month) gross revenue at 100% capacity: $180,000 ($1000/day x 180 days).

• Risk Level: Low-Moderate

Description:

- See preliminary concept drawings for layout.
- Sound Stage: 15,000 sq ft covering arena with 5/8" floating tongue & groove OSB plywood floor; Production Offices: 8 small, 3 large offices plus storage room - metal framed with drywall finish; Lighting Grid: 2" metal pipe square grid suspended from ceiling/trusses for rented lights to be temporarily affixed to.

Considerations:

- Its unobtrusive layout modification easily lends itself to other uses including hockey in winter events and markets - when not in use for film production.
- An expanded version of this option is to increase office space to accommodate a whole production, including crew, talent, and shops - possibly using under-utilized space in the Curling Rink.
- An outdoor, secure vehicle lockup (chain link fence - pending emergency access) and an entry way into the building, via the Zamboni door, big enough for a 5-ton truck would be a helpful add-on.
- High speed internet connectivity is essential for post production. See "Appendix B; Question 6 E)" for survey responses regarding the priority of having high speed internet available.
- A screening room to view "dailies" could be available next door at the Nelson Civic Theatre.
- As a note, the City of Nelson should consider the installation of an adequate HVAC system that will be required with any future use of the facility.
- The facility should have installed a robust security system. Security staff is the responsibility of a film production company to provide when renting the space or storing equipment there.
- Additionally, any underutilized space in the adjacent curling rink could be a shared-use space year round rented out for a carpentry (mill) shop, paint shop and set storage area.
- See "Appendix B, Question 6 F) and C)" for survey responses regarding the priority of having a sound stage available and lighting grid.

• Evaluation:

- This should be considered the bare minimum film studio infrastructure package, offering valuable capacity and providing the greatest potential return on investment.

Appendix A

B) Add-on: Option A plus Greenscreen

• Estimated investment required: $25,000 CAD (size: 10'x 20') OR $75,000 CAD (size: 20'x 40') PLUS Option A) $130,000; TOTAL = $155,000 OR $205,000

• Depreciation: 10 years

• Potential annual (6 month) gross revenue at 100% capacity: $36,000 ($200/day x 180 days) OR $72,00 ($400/day x 180 days)

• Risk Level: Moderate

Description:

- A green screen, or chroma key screen, is a visual effects and post-production technique for layering two or more images or video streams together based on colour hues.
- Green screen straight wall 20'x 40' with floor OR 10'x 20' 4FS system by ProCyc. Shipped from the USA, requires broker.

Considerations:

- Non-permanent, freestanding installation can be easily installed, removed, or relocated. Must be tethered to ceiling or wall.
- Would be rented as an additional charge to the studio base rental rate.
- See Appendix B, Question 6 A) for survey responses regarding the priority of having a green screen available.

Evaluation:

- Having the addition of a green screen in a studio, in addition to Option A, would be an optimal solution for the Nelson Civic Arena, if budget allows. It did, however score low on the priority scale with survey respondents.

Appendix A

C) Add-on: Option A plus Video Wall/LED Digital Virtual Studio

• Estimated investment required: $1.5 Million CAD & Option A) 130,000; TOTAL $1.630,000

• Depreciation: 7 years

• Potential annual (6 month) gross revenue at 100% capacity: $900,000 ($5,000/day x 180 days).

• Risk: Very High

Description:

- A video wall is a special multi-monitor setup that consists of multiple monitors, video projectors, or television sets tiled together contiguously or overlapped in order to form one large screen.
- XR is a type of virtual production technology that integrates virtual reality and extended reality, simulating the effect of a real scene in a virtual 3D space.
- Compared with traditional green screen production, it can reduce complicated post-production work, and at the same time allow actors to interact with the virtual elements of the scene, helping achieve a more realistic and natural production effect.
- Owing to the advantages of self-illumination and simulation of real light and shadow reflection, recent years have seen rapid growth in LED display applications in the virtual production sector.
- Northern Gateway has quoted for a 20′ x 60′ 400 Panel RX 2.6mm video wall including control system, processors, tracking hardware, workstations, installation, freight, project management and training.

Considerations:

- This model is more than a video wall, it is a complete LED Digital Virtual Studio.
- A video wall could be paired with a smaller purpose-built studio. This option requires a significant upfront investment, and a feasibility study would be necessary to develop this idea further.
- See “Appendix B, Question 6 B)” for survey responses regarding the priority of having a sound stage available.

Evaluation:

- A video wall/digital virtual studio is a high-ticket item and would be considered out of reach for the multi-use, start-up studio proposed for Nelson Civic Arena.
- If significant funds could be found, this set up might be appealing a community to provide state-of-the-art technology to develop regional projects, help attract Lower Mainland production to travel the extra mile, or to attract production for its advanced capability combined with other benefits.
- Based on low anticipated demand, and low priority (as identified by survey respondents), this concept is unlikely to reach its potential annual gross revenue (or ROI) from renting this asset in the Kootenays at the present time, and may be explored in the future.

Appendix A

D) Add-on: Portable Electric Generator for rental purposes

• Estimated investment required: $ 25,000 CAD

• Depreciation: 10 years

• Potential annual (6 month) gross revenue at 100% capacity: $13,000 ($500/week x 26 weeks).

• Risk: Moderate

Description:

- Voltstack brand 5K model, 5.6kWh nominal portable electric generator with lithium-Ion battery.
- Eliminates on-set noise from diesel generators.
- Carbon offset equivalent: offsets 20 kg of CO2 for 8 hours operation (assumes ¼ load output and low CO2e charging source).

Considerations:

- There may be a shared use approach by a municipality for an electric generator that might make it economically viable to also rent it out for film productions.
- Once a studio in place, partnering with an equipment rental company such as William F. White or Cinelease to provide on-site equipment rental services or lease arrangements as required, would be recommended.
- See "Appendix B, Question 6 D)" for survey responses regarding the priority of having a portable electric generator available.

Evaluation:

- Due to the upfront cost of asset acquisition and the payback ROI associated with possible underutilization, it is not recommended at this time to purchase equipment such as an electric generator to use as rental equipment.

Appendix A

5) Nelson Civic Studios - Financial Considerations

Viability- Nelson Civic Studios' Pro Forma Income Statement below outlines operational revenue and expenses for the first three years of operating the Nelson Civic Studios, demonstrating potential in the viability of the enterprise.

Price- Rental revenue is calculated using a base rate of $1,000/day; or $2 sq ft/per month equivalent. Additional charges such as utilities would apply, bringing the final cost closer to $3-4 sq ft/per month. If a greenscreen was purchased in addition to Option A, then additional rental rates would apply for its use as well.

Price Comparison- The studio rental rate is competitively priced. By comparison TNRD's Motion Picture Business Case report states: "based on analysis of Nordicity's proprietary soundstage database, $3.60 sq ft/per month will position the studio competitively with other secondary markets and put the space at a significant discount to primary markets which charge closer to $6 sq ft/per month." A revenue comparison with current Nelson Civic Arena user groups might help identify a minimum pricing threshold as well.

Sales- Once the facility is up and running, it is a reasonable expectation to host two small film productions in the first year, and more in the following years. Four to five small productions in a six-month period would be considered running at 100% capacity for this facility. The rise of long-term leases for episodic streaming services increases the likelihood of renting the studio space for longer periods at a time.

Other Income- Other sources of rental income through markets, events etc. are not included in this analysis, yet there would be a high probability of that revenue stream opening-up and adding to the profitability of the venture.

Reciprocity- The financial feasibility of Nelson Civic Studios hinges on a benevolent relationship with landlord, the City of Nelson. Arriving at a mutually beneficial arrangement between parties is critical, balancing risk and encompassing multiple community benefits beyond financial reward.

Funding- Financing the necessary leasehold improvements can be modeled in several ways, including:

1. City of Nelson funds capital improvements and recovers the costs through its lease with tenant.
2. Provincial funding be obtained through REDIP-ED Infrastructure or Creative BC/TACS $19M building capacity and infrastructure fund.
3. Infrastructure funding from regional stakeholders Columbia Basin Trust and ETSI-BC.
4. A blend of the above – municipal, regiona,l and provincial funding.

Appendix A

6) Nelson Civic Studios – Projected Revenue & Expenses – (Option A Only)

Nelson Civic Studios			
Pro Forma Income Statement			
Year Ending *December 31,*	***2025***	***2026***	***2027***
(operational six months/year)	33% Capacity	66% Capacity	100% Capacity
Revenue			
Studio/Production Office rental[1]	$60,000	$120,000	$180,000
Parking revenue	-	-	-
Equipment rental revenue	-	-	-
Set Design/construction revenue[2]	$20,000	$40,000	$60,000
Cleaning services/janitorial revenue[3]	$3,000	$6,000	$6,000
Studio Liaison/General Manager revenue[4]	$30,000	$60,000	$90,000
Anchor Tenant rental	-	-	-
Utilities[5]	N/A	N/A	N/A
Internet[6]	$900	$1,800	$2,700
Gross Revenue	**$113,900**	**$227,800**	**$338,700**
Expenses			
Building Lease[7]	$0	$45,000	$90,000
Leasehold Improvements[8]	-	-	-
Utilities	N/A	N/A	N/A
Internet	$1,000	$1,500	$2,000
Set Design/construction expense	$13,200	$26,400	$39,600
Office equipment/furniture/supplies	$7,500	$5,000	$2,500
Marketing/Promotion/Travel	$5,000	$5,000	$5,000
Professional/Accounting/Legal Fees	$10,000	$5,000	$5,000
Studio Liaison/General Manager expense	$30,000	$60,000	$90,000
General & Administrative office expenses	$2,000	$2,000	$2,000
Business Development	$2,000	$2,000	$2,000
Operating costs	$2,000	$4,000	$6,000
Cleaning services/janitorial	$3,000	$6,000	$6,000
Insurance	$5,000	$5,000	$5,000
Financial Charges	$1,000	$1,000	$1,000
Total Expenses	**$81,700**	**$167,900**	**$256,100**
Net Income Before Tax	**$32,200**	**$59,900**	**$82,600**

Appendix A

Notes (all costs are estimated)**:**

1. Billed at an average base rate of $1,000/day. 100% Capacity = 180 days rented.
2. $100/hour billing rate to production client; 66% cost, 33% markup.
3. Weekly cleaning - $25/hour x 4 hours x 26 weeks cleaned once/week year 1; twice/week year 2.
4. Contractor Studio Liaison/G.M. billed at $500 daily rate.
5. Proposed: base utilities covered by City of Nelson as landlord; production rentals charged additional daily usage rate, billed at cost, flow-through accounting.
6. Internet billed at $15/day; cost estimated at approx. $150/month base + usage x 6 months.
7. Proposed: lease agreement with City of Nelson at $0/year one grace in recognition of leasehold improvements; $45,000/year two at 50%; $90,000 year three at 100%. Lease is for usage six months only per year (April 1–September 30).
8. Leasehold improvement costs of $130,000 would be recorded as an asset (then depreciated) on the Balance Sheet – depending on the lease arrangement.

7) Nelson Civic Studios- Operational Considerations

Management- Kootenay Regional Film Commission (KRFC) would be the most likely candidate to manage operations through its Commissioner role. Second best fit might be Kootenay Association for Science and Technology. KRFC and the City of Nelson should partner on developing the leasehold improvements.

Marketing – the Nelson Civic Studios would be marketed by the Kootenay Regional Film Commission and through Creative BC's website and on KootenayFilm.com and its communication channels. This competitive price allows for the marketing of the facility in this more remote or "Distant" location, with producers more likely to film in the Kootenays and rent the facility if it can offset their added travel and accommodation expenses for cast and crew.

Timing – KRFC is currently fielding inquiries from producers interested in filming in the Kootenays. The sooner the studio is available, the sooner it can be marketed as an asset to attract more film production work. Renovations could take place quickly once plans, funds and approval are all in place. Realistically this could happen as early as Summer 2024.

Appendix A

9) Nelson Civic Studios – Recommendation

Based on input from 20 film producers and location managers (the majority from the BC Lower Mainland), analysis of the Kootenay film sector, and preliminary analysis of costs and revenue, it is recommended that the Nelson Civic Arena be developed for multiple use, incorporating a film sound stage, lighting grid, production offices, and secure storage. If funds allow, then a recommendation is made to include a green screen set-up for educational and job training purposes in addition to occasional use by film producers.

8) Risk

- Financial risks associated with this recommendation gravitate around any financial investment and the recouping of that investment.
- Operational risks include lack of client demand, film industry disruption, economic factors including tax incentives and currency exchange rate.
- If the film studio business model is unsuccessful, then long-lasting value remains in the improvements made to the municipal facility, and its potential for an alternate use.
- There is a risk associated with the Nelson Civic Arena itself, whereby renovations involved in this aging building may uncover some costly remediation work that is required before project advancement.

9) Suggested Next Steps to Develop the Nelson Civic Studios

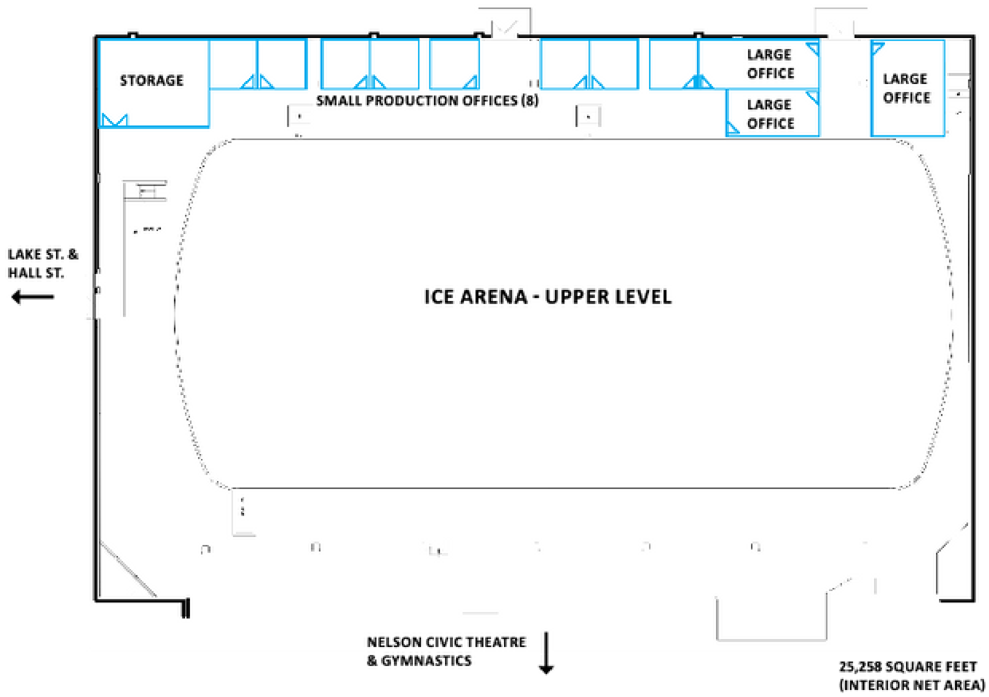
1. It is recommended that further analysis and business planning be done to advance the project.
2. Approval should be sought from the City of Nelson to proceed with developing the concept further, with an MOU drafted, when applicable.
3. City staff should be consulted to iron out infrastructure details about Nelson Civic Arena.
4. UPDATED: A REDIP-ED development grant was submitted by the City of Nelson as applicant with Nelson and Area Economic Development Partnership as partner and financial contributor, with CFCK & CFEK supporting.
5. If successful, a REDIP-ED grant of $80,000 will provide architectural and engineering services and operational planning to move the project along to help get Civic Arena plans shovel-ready.
6. Infrastructure investment for Nelson Civic Studios is estimated in the $130,000-$205,000 range. Funding should first be sought through a second-phase REDIP-ED infrastructure grant application submitted by October 2024 (successful applicants will be notified by Spring 2025).
7. Funding opportunities should be explored with the Creative BC/TACS $19M capacity and infrastructure fund.
8. Columbia Basin Trust and the Economic Trust of the Southern Interior should be approached to explore fit with their funding programs.
9. Depending on results from funding requests by stakeholders, the City of Nelson may need to discuss the ability of the City to provide contributing funding for leasehold improvements.
10. Stakeholders will need to develop capacity and organizational plans to accommodate moving this project forward.

Appendix A

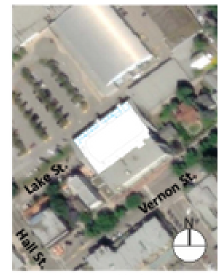
8) Nelson Civic Arena Photos (2023)

Appendix A

9) Nelson Civic Studios – Preliminary Concept Drawings

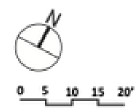


KOOTENAY FILM

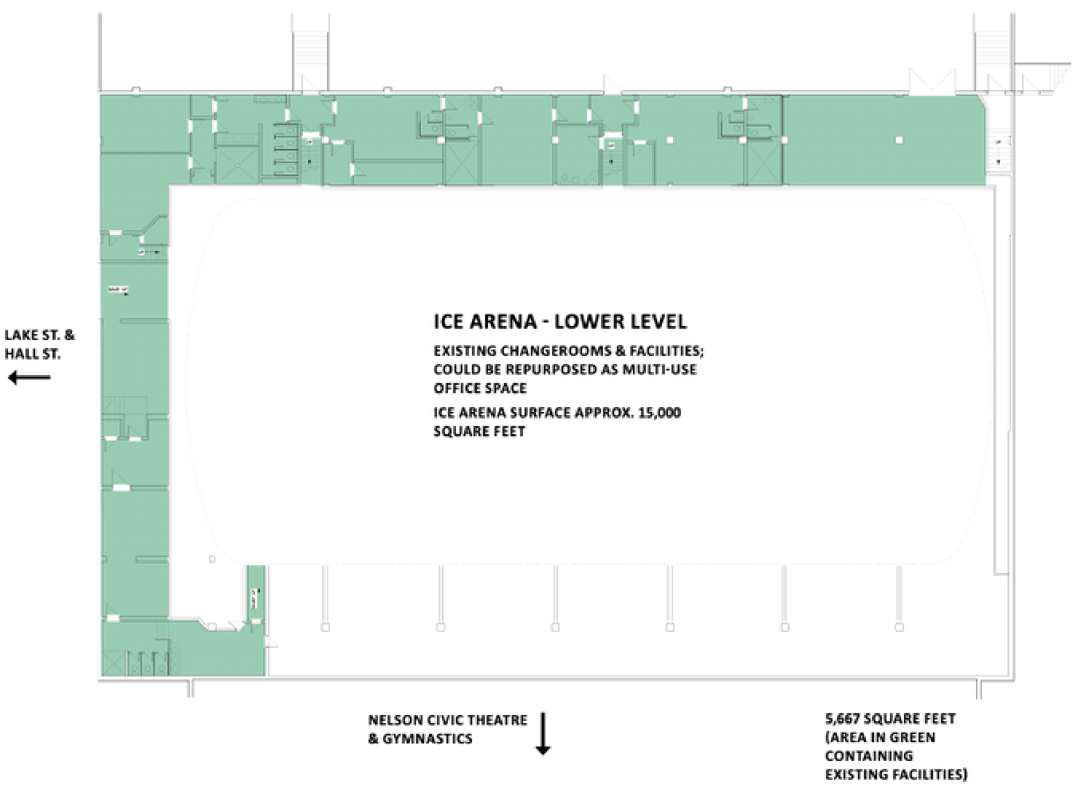


SUPERIMPOSED ON AERIAL (SOURCE GOOGLE EARTH)

Preliminary Concept: Retrofit of Arena Surface



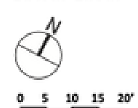
Scale is approximate.
Rink dimensions from Fairbanks Architects Ltd.



KOOTENAY FILM

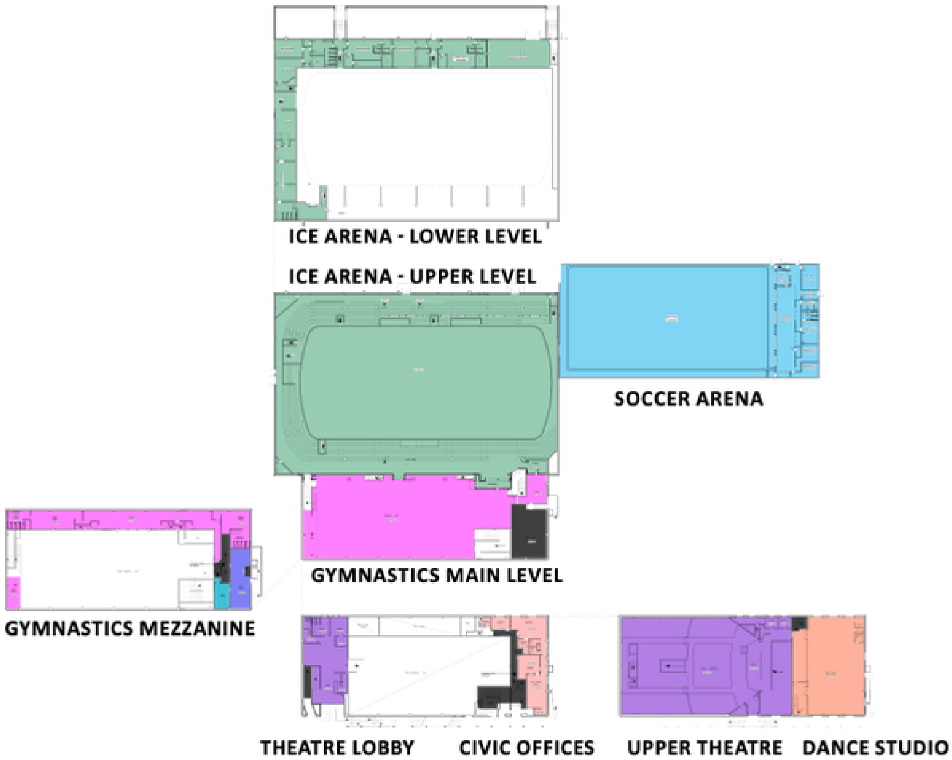
SUPERIMPOSED ON AERIAL (SOURCE GOOGLE EARTH)

Preliminary Concept: Lower Level



Scale is approximate.
Existing drawing from Fairbanks Architects Ltd.

Appendix A



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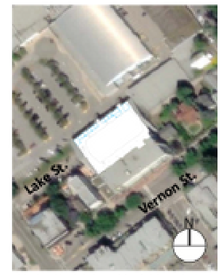
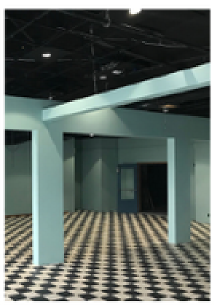
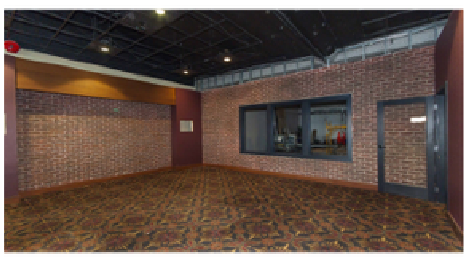


SUPERIMPOSED ON AERIAL
(SOURCE GOOGLE EARTH)

Preliminary Concept: Existing Nelson Civic Centre Arena Connections

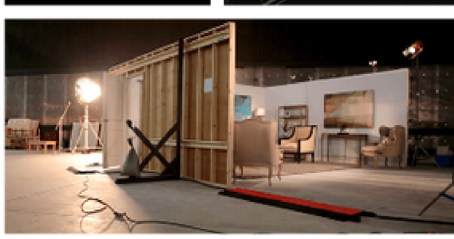
NTS.
Rink base drawings from Fairbanks Architects Ltd.

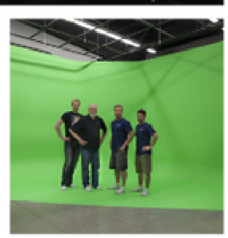




PRECEDENT PHOTOS

KOOTENAY FILM





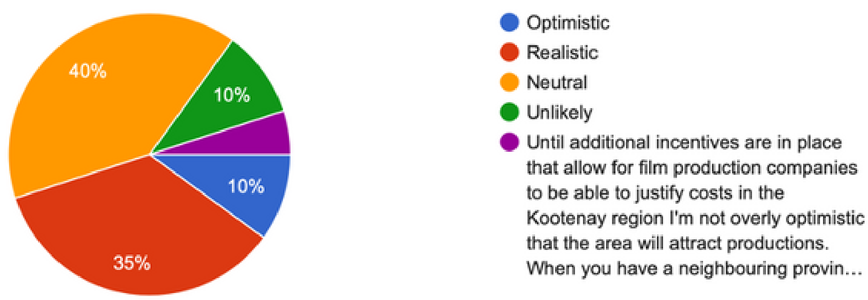
Appendix B

Survey Responses from 20 Film Producers & Location Managers

Survey was sent to 41 Film Producers and Location Managers, mostly in BC's Lower Mainland (2023)

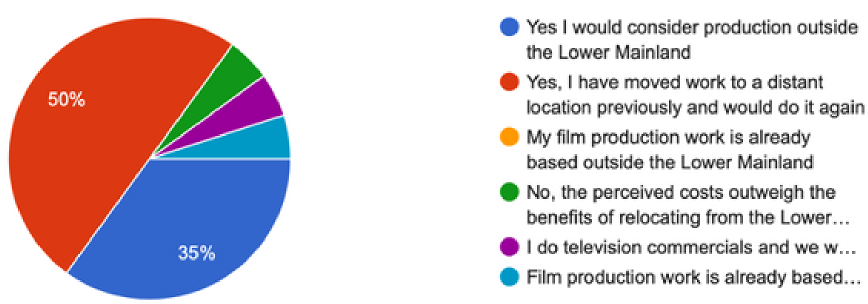
1. How do you view the prospects (post-strike) of attracting more film production to the Kootenay region in BC's Southern Interior?

20 responses



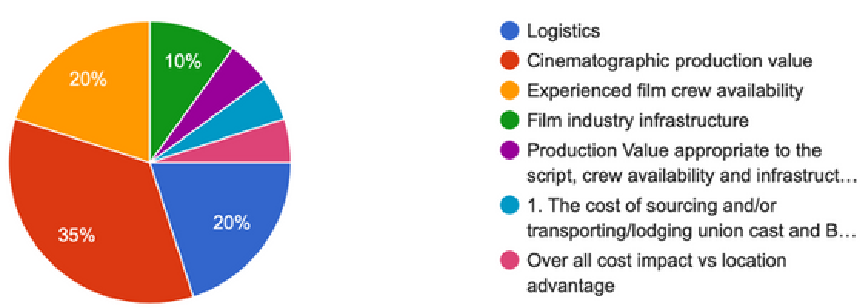
2. Would you consider moving film production out of the Lower Mainland (Vancouver, BC) in favour of a distant location, if the conditions were right?

20 responses



3. When deciding to film in the Kootenay region, what are the most important criteria for decision-making, after production costs/bottom line? Please rank:

20 responses

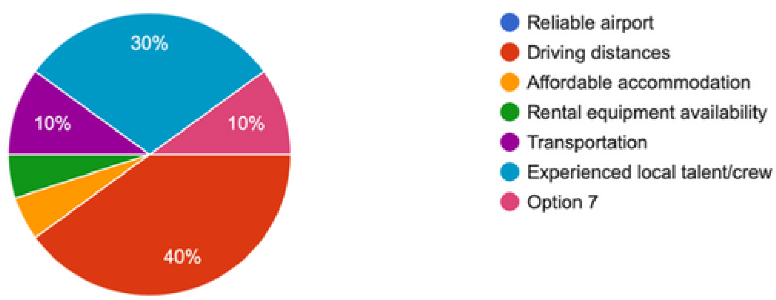


Appendix B

Survey Results from Film Producers & Location Managers

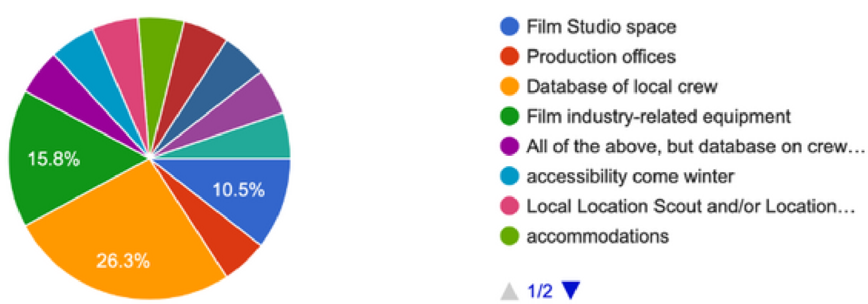
4. What are the main perceived logistical challenges for filming in the Kootenay region? Please rank:

20 responses



5. What film-related assets/infrastructure could be in place to attract more film production to the Kootenay region? Please rank:

19 responses

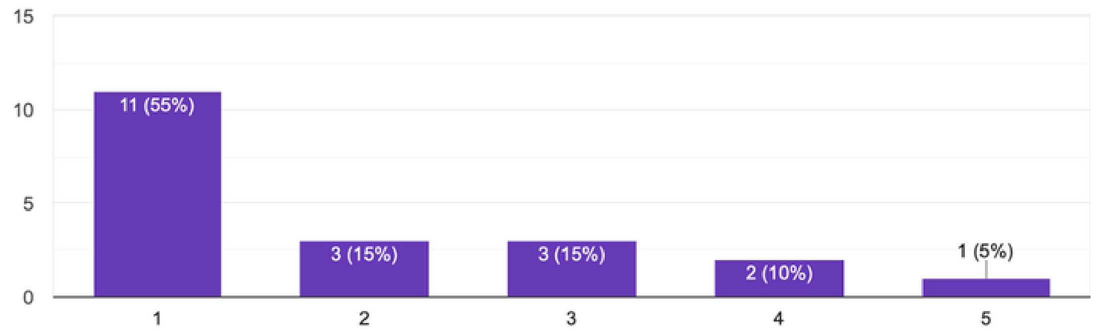


Appendix B

Survey Results from Film Producers & Location Managers

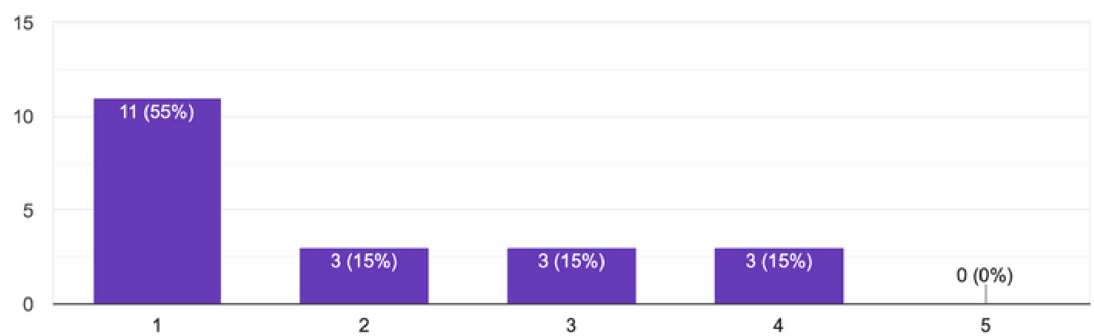
a) Green screen

6. If there were studio space available in the Kootenay region, what piece(s) of equipment would you like to see there to best augment that space?   a) Ple...ith 1 being low priority and 5 being high priority:
20 responses



b) Video monitor wall

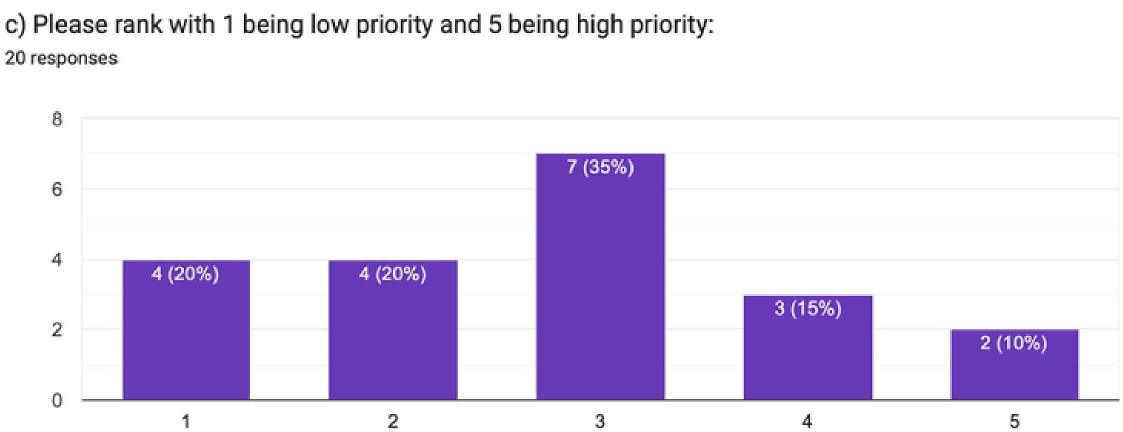
b) Please rank with 1 being low priority and 5 being high priority:
20 responses



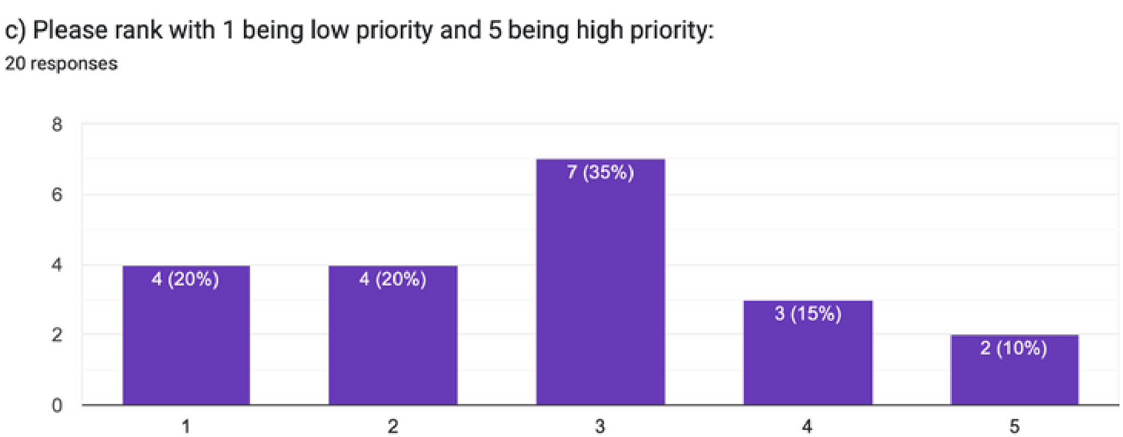
Appendix B

Survey Results from Film Producers & Location Managers

c) LED lighting grid



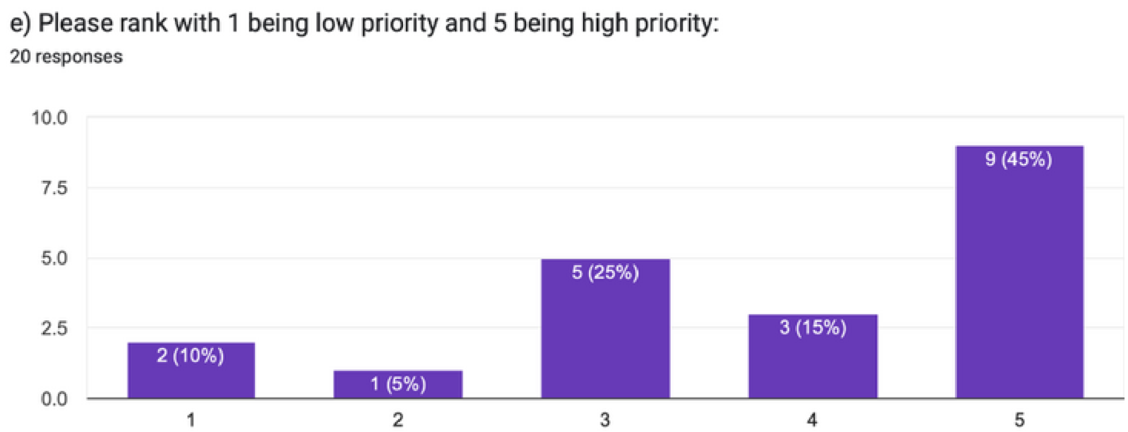
d) Electric (green) generator



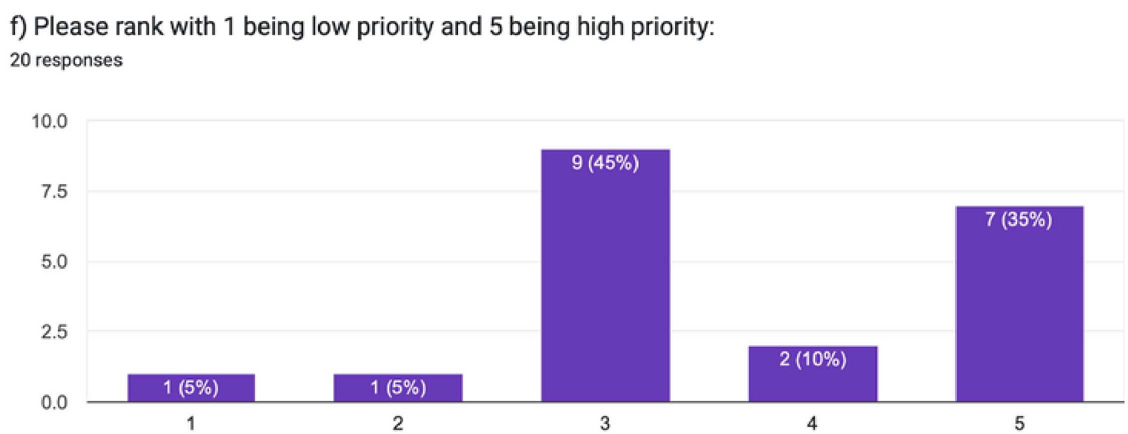
Appendix B

Survey Results from Film Producers & Location Managers

e) Fibre optic (high speed) internet



f) Sound stage



Appendix B

Survey Results from Film Producers & Location Managers

g) Other

- Parking and winter plowing / electricity
- For d) electric generator, I would qualify that knowledge and the ability to tie in is also, equally important - and film-related equipment is broad (trailers, trucks should be a category) as portions of infrastructure are easier than others to access.
- I would not consider a studio being a draw
- Your survey is too general.
- Grip and additional lighting equipment as well as production office space I would rank these as the highest priority..
- Virtual production facilities (*LED* monitor wall + motion tracking + processor - a video wall is not enough)
- All of the above other then soundstage are part of a normal film package so being local does not have an advantage
- Additional tax credit
- Enough budget accommodation
- Grip & Lighting Package Trucks

Additional Survey Comments

1. How do you view the prospects (post-strike) of attracting more film production to the Kootenay region in BC's Southern Interior?
- "Until additional incentives are in place that allow for film production companies to be able to justify costs in the Kootenay region I'm not overly optimistic that the area will attract productions. When you have a neighbouring province offering 30% on all spend it simply makes better financial sense to consider that location over labour and regional incentives that are currently being offered."

2. Would you consider moving film production out of the Lower Mainland (Vancouver, BC) in favour of a distant location, if the conditions were right?
- "Film production work is already based outside of the lower Mainland. Have filmed in Alberta and North Bay. Have actively tried to justify costs in the East Kootenays but the numbers do not work."
- "I do television commercials and we would leave Vancouver if the scripts call for a specific location look."

3. When deciding to film in the Kootenay region, what are the most important criteria for decision-making, after production costs/bottom line? Please rank:
- "1. The cost of sourcing and/or transporting/lodging union cast and BG, especially diverse and experienced cast, 2. The cost of transporting and housing keys, 3. Equipment availability 4. Vendor availability, 5. Cost vs value of locations (vs just doing virtual production in the regional zone with a 12.5% TC bump), 6. Whether the "distant location" tax credit outweighs this."
- "Overall cost impact vs location advantage."
- "Production Value appropriate to the script, crew availability and infrastructure, logistics."

4. What are the main perceived logistical challenges for filming in the Kootenay region? Please rank:
- No comments

5. What film-related assets/infrastructure could be in place to attract more film production to the Kootenay region? Please rank:
- "accessibility come winter"
- "I think a mixture from the above. it all comes down to cost"
- "Accommodations"
- "Local Location Scout and/or Location Manager"
- "An incentive that makes the visual/location not more expensive then lower mainland"
- "All of the above, but database on crew is a must"
- "Streamlined virtual production-adjacent space for plates and..."

Appendix C

List of Films Made in the Kootenays

1921 *The Conflict Film Cranbrook*
1922 *Hearts Aflame* – Cranbrook/Fort Steele
1923 *Unseeing Eyes* – Invermere
1926 *The Flaming Forest* – Fort Steele
1937 *Silent Barriers* – Revelstoke
1979 *In Search of Utopia: The Doukhobors* – Documentary – Grand Forks
1982 *The Grey Fox* – Film – Fort Steele
1986 *Fire with Fire* – Film – Cranbrook
1987 *Roxanne* – Film – Nelson
1987 *Housekeeping* – Film – Nelson/Castlegar
1989 *No Guts No Glory* – Sports Mockumentary – Nelson
1990 *One Last Run* – Film – Kootenays
1991 *Blood River* – TV Movie – Fort Steele
1995 *Magic in the Water* – Film – Kaslo/Kootenay Lake
1995 Gold Diggers – The Secret of Bear Mountain – Film – Nelson
1995 *The War Between Us* – Film – Nelson/Sandon/Silverton/New Denver
1996 *Starlight* – Film – Nelson/Slocan
1997 *Dead Man's Gun* – TV Series – Fort Steele
1999 *Snow Falling on Cedars* – Film – Nelson/Kaslo/Kootenay Lake
2000 *The Spring* – Film – Kaslo
2001 *The Cave* – Film – Nelson
2001 *The Muse* – Chameleon Fire – Short Film – Nelson
2001 *Out Cold* – Film – Salmo
2002 *Snow Queen* – TV Mini Series – Cranbrook/Fort Steele
2005 *Neverwas* – Film – Nelson
2005 *A Simple Curve* – Film – Nelson/Silverton/New Denver
2007 *Bread, Salt & Water* – Short Film – Nelson
2009 *America: Love it Or...* – Short Film – Nelson
2009 *Play With Fire* – Film – Castlegar/Trail
2010 *Cannabiz* – Documentary – Grand Forks/Nelson
2010 *One Big Hapa Family* – Documentary – New Denver
2011 *The Annual* – Film – Nelson/Winlaw/Slocan/Crescent Valley
2011 *Rest In Powder* – Sports Film – Nelson
2012 *The Tall Man* – Film – Salmo/Nelson/Ymir
2012 *Christmas Miracle* – Film – Nelson/Queen's Bay
2013 *Let's Go Get Small* – Docmentary – Kaslo
2013 *Hunt for the Mad Trapper* – Short Film – Cranbrook
2013 *Red Bull – Ultra Natural* – TV Special – Nelson
2013 *Deconstructing Dinner* – TV Mini Series – Nelson
2014 *Of Saints & Outlaws* – Film – Nelson
2016 *Naked Justice* – Documentary – Nelson

Appendix C

List of Films Made in the Kootenays

2017 *Jeep – Uphill* – Commercial – Retallack
2017 *Hollow in the Land* – Film – Castlegar
2019 *Only In Nelson* – Documentary – Nelson
2019 *Cold Pursuit* – Film – Cranbrook/Fernie
2020 *Unfathomable* – Video – Fort Steele
2020 *Absolutely Canadian: Borrowed From Nature* – TV Series – New Denver
2021 *The Amazing Race* – Reality TV Series – Fernie
2022 *Love in Glacier National: A National Park Romance* – Film – Fernie
2023 *Thirty Pieces* – Trailer – Fort Steele

Source:

https://www.imdb.com/search/title/?locations=Nelson%2C+British+Columbia%2C+Canada

http://www.reelingback.com

http://staff.royalbcmuseum.bc.ca/wp-content/uploads/2016/11/Motion-Picture-Production-in-BC-Duffy-1986.pdf

Appendix D

Wrap Sheet for *Love in Glacier National: A National Park Romance*

2 Total Budget:		**$1,483,740**
Provincial Tax Credits (FIBC):		
BC Labour Tax Credit (35%)	$259,809	
Regional Tax Credit (12.5%)	$ 92,789	
Distant Tax Credit (6%)	$ 44,539	
"DAVE" Tax Credit (16%)	$ 22,323	
Total FIBC Tax Credit	$ 419,460	
Federal (CPTC) Rebate	$ 162,160	
Total Estimated Tax Credits/Rebates		**($ 581,620)**
Actual Production Cost after Tax Credit/Rebates:		**$ 902,120**
Cost Breakdown		
Labour Expense:		
BC Labour Expenditure	$742,310	
Other Labour	$190,646	
Total Labour		**$ 932,956**
Local Investment:		
Accommodation	$66,965	
Per Diems (local restaurant spend)	$31,358	
Catering & Craft Services	$49,385	
Local Kootenay Crew (labour)	$60,151	
Local Assistants (PA), Drivers (labour)	$39,649	
Local Background Talent (labour)	$27,000	
Location Fees	$58,800	
Vehicle Rentals	$41,435	
Airfares	$20,773	
Total Local Investment:		**$ 395,516**

Appendix E

Credits for *Developing the Kootenay Regional Film Sector*

The authors of this report wish to thank the following…

***4** financial contributors:*

- *Economic Trust of the Southern Interior (ETSI-BC)*
- *Columbia Basin Trust*
- *Nelson and Area Economic Development Partnership*
- *Slocan Valley Economic Development Partnership*

***15** stakeholders, for providing feedback and perspective:*

- Andrea Wilkey - Executive Director, Community Futures Central Kootenay
- Julie Stangeland – Regional Lead, Creative BC
- Sarah Breen – Regional Innovation Chair in Rural Economic Development, Selkirk College
- Eleanor Stacey – Executive Director, Nelson Civic Theatre Society
- Wendy Van Puymbroeck–Director, Industry Development/Destination Marketing, Kootenay Rockies Tourism
- Lynn Trinh, Program Manager – Kootenay Screen-Based Initiative
- Gregory Mackenzie – Snowfield Productions
- Kevin Cormack – City Manager, City of Nelson
- Paul Kelly – Program Manager- Self Employment, Community Futures Central Kootenay
- Amy Bohigian – Founder/Director/Producer/Writer, Watershed Productions
- James Cowan – Managing Director, Picture Shop
- Melanie Fontaine – Executive Director, Kootenay Association for Science and Technology
- Robyn Peel – Coordinator, Community Futures East Kootenay
- Michael Hoher – Export Advisor, Export Navigator
- Mike Irvine – CEO, Live It Earth

20 *film industry professionals, who responded to the report's survey:*

- *Gilles Laplante – Producer/Production Manager; Kabinet Productions Inc., Vancouver, BC*
- *Justice Green – Producer/Production Manager; Directors Guild of Canada-BC, Vancouver, BC*
- *Hans Dayal - Production Manager; Directors Guild of Canada-BC, Vancouver, BC*
- *Ron McLeod – Executive Producer; Fonzo Productions Inc., Vancouver, BC*
- *Christian Bruyere – Producer; Mystique Films Ltd., Vancouver, BC*
- *Bruce Brownstein – Unit Production Manager; Directors Guild of Canada-BC, Vancouver, BC*
- *David Bouck – Executive Producer; Means of Production Inc., Vancouver, BC*
- *Matt Drake – Executive Producer; Abbott Street Films, Vancouver, BC*
- *Shelly Sivell – Producer; Sivell Creative Inc., Vancouver, BC*
- *Nicole Oguchi - Producer Omnifilm Entertainment Ltd., Vancouver, BC*
- *Warren Carr – Producer/Production Manager; Directors Guild of Canada-BC, Vancouver, BC*
- *Shawn Williamson – Executive Producer; Brightlight Pictures Inc., Burnaby, BC*
- *Chris Rudolph – Producer/Production Manager; Directors Guild of Canada-BC, Vancouver, BC*
- *Rico Mielnicki – Location Manager; Directors Guild of Canada-BC, Vancouver, BC*
- *Margo McMaster – VP Production; HDTV Productions Inc. Calgary, AB*
- *Amy Fox – Producer; Trembling Void Studios, Vancouver, BC*
- *Ingo Lou – Producer; Trembling Void Studios, Vancouver, BC*
- *Kate Green – Executive Producer; Kate Green Productions Inc., Vancouver, BC*
- *Carol Milne – Producer/Production Manager; Front Porch Productions Inc., Vancouver, BC*
- *Sebastien Galina – Executive Producer; Boldly Productions Inc., Vancouver, BC*

...the Kootenay Regional Film Commission, Kootenay Screen-Based Initiative, Nelson Civic Theatre Society and Kootenay Rockies Tourism for their continued work and support for the film industry in the Kootenay region.

...and Karen Kornelsen of Peak to Moon Creative for her help with report layout, design and image sourcing.

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by John Wittmayer & Ron LeBlanc
published October 30, 2023
Contact John Wittmayer for more information at
john@kootenayfilm.com