

MINUTES OF THE ECONOMIC DEVELOPMENT STANDING COMMITTEE MEETING
HELD IN CONFERENCE ROOM 1, CITY HALL ANNEX,
ON MONDAY, 2003-SEP-08, COMMENCING AT 2:00 P.M.

PRESENT: Councillor T. K. Krall, Chair

Members: Councillor M. D. Brennan
Councillor C. S. Manhas
Mayor G. R. Korpan, Ex-Officio

Others: Councillor R. A. Cantelon

Staff:	G. D. Berry	T. McQueen
	A. C. Kenning	J. T. Bowden
	B. N. Mehaffey	K. L. Burley
	B. E. Clemens	C. Hambley

1. ADOPTION OF MINUTES:

- (a) Minutes of the 2003-JUL-11 Meeting of the Economic Development Standing Committee held in the Board Room, City Hall at 11:03 a.m.

Moved by Councillor Brennan, seconded by Councillor Krall that the Minutes be adopted as circulated. The motion carried.

2. RECEIVING OF DELEGATIONS:

- (a) Mr. Jerry Pink, President, Nanaimo Film Society, and Ms. Gwen Harmen, Director, Film Nanaimo, 150 Commercial Street, Nanaimo, B.C., to update Council on their activities and requesting that Council support the "Film Pilot" project.

Moved by Councillor Brennan, seconded by Councillor Krall that the Delegations be permitted to address the Committee. The motion carried.

Councillor Krall requested that Mr. Pink and Ms. Harmen speak to their issues under the City Manager's Report.

3. CITY MANAGER'S REPORT:

DEVELOPMENT SERVICES:

ECONOMIC DEVELOPMENT:

(1) Film Permit Fees

The film production industry can bring positive economic benefits to residents and businesses; at the same time, the industry can disrupt "normal" activities in the community. In order to balance these impacts, many communities require film productions to have a film "permit". Some communities provide this permit free of charge; others charge a nominal fee.

At this time, the City of Nanaimo does not have a "permit" specific to the film industry. A film permit requirement would enable the City to:

1. identify when and where filming activity will take place. This would enable the City to monitor activities that may impact the area where the production activity takes place in order to protect the interests of citizens and ensure that existing regulations and bylaws requirements are met; and,
2. identify City resources that may be required.

The film industry gravitates to locations that provide rapid response and flexibility. City Staff have worked with the staff of Film Nanaimo to review existing City requirements and develop a "one-stop" streamlined permit application process that integrates the requirements of all City departments into one permit. The permit would include a City business licence, any permissions for street closures, use of City property or related requirements.

Because the City is interested in promoting the film industry as a new economic driver, and because most communities on Vancouver Island charge no fee for a film permit, City Staff recommend that the annual fee for a film permit be set at a nominal fee of \$50.

The film permit fee would remain separate from any fees for rental of City facilities or use of City Staff during film production. The City's policy, established in 1996, provides rental of City facilities for film locations at a nominal charge of \$1.; staffing costs for City Staff, RCMP, Fire and other personnel required for the production is based on recovery of costs for salaries and wages.

Recommendation: That the Economic Development Standing Committee recommend that Council set an annual fee of \$50. for film permits in the City of Nanaimo.

Ms. Harmen and Mr. Pink were previously authorized to address the Committee.

Ms. Harmen stated that:

- Film Nanaimo has been working with City Staff to develop a "one-stop" streamlined film permit process.
- they support the nominal fee of \$50. for a film permit and it will provide for recovery of administrative costs.
- the permit will include a business licence, work in city streets permits, traffic control and other related requirements.

Mr. Pink echoed the position of Ms. Harmen.

Moved by Councillor Brennan, seconded by Councillor Manhas that the presentation be received. The motion carried.

Moved by Councillor Brennan, seconded by Councillor Manhas that the Economic Development Standing Committee recommend that Council set an annual fee of \$50. for commercial "one-stop shopping" film permits in the City of Nanaimo and waive all other existing permit fees as a means to promote and assist filmmaking development in Nanaimo. The motion carried.

(2) Request for Special Project Funding from Film Nanaimo

Film Nanaimo has been successful in attracting the attention of the film industry, as demonstrated by the increased number of location inquiries handled by the office in the past year.

The "Film Pilot" project will significantly enhance Film Nanaimo's marketing efforts by providing on-line access to Nanaimo's locations database. This internet-based system will be accessible by film producers, directors and location scouts. The project is consistent with the long-range plans of Film Nanaimo and helps to advance its marketing goals. Furthermore, the project brings in outside resources that will not be accessible at a later time.

In order to take full advantage of this opportunity, Film Nanaimo is requesting funds to support the costs of additional computers, software and digital camera equipment. These tools will enable Film Nanaimo to capitalize on this unique partnering opportunity and will be used when the project is complete to maintain and update the on-line database.

City Staff have reviewed whether any surplus computer equipment is available and determined that the City does not have any equipment available that would meet Film Nanaimo's needs.

Recommendation: That the Economic Development Standing Committee recommend that Council allocate \$8,000. from its 2003 Budget to Film Nanaimo to support equipment purchases for the "Film Pilot" project.

Mr. Pink stated that:

- he is thankful for Council's continued support.
- they have received \$106,000. in cash donations and \$88,000 gifts in-kind from 26 different sponsors so far this year.
- requests for location inquiries have doubled since last year.
- there have been 18 productions filmed in Nanaimo in 2003 with a total budget of \$172,000; these 18 productions have created \$517,000. worth of economic impact so far this year compared to \$624,000 in total last year.
- Films with budgets totaling \$13. Million indicate Nanaimo is on their short list of potential locations.
- On-going activities for 2003 include partnering with Mid Island Science Technology Innovation Council (MISTIC), British Columbia Film Commission, Island North Film Commission, Malaspina University College and Human Resources Development Canada on two locations databases.
- they will be launching a new website and attending the new Vancouver International Film Trade Forum to interface with others in the film industry.
- the feature film "Reflections of Fate" used ten locations in Nanaimo, one location in Parksville and employed ten local actors.

Ms. Harmen stated that:

- they are excited about this opportunity to launch a film locations database in connection with MISTIC, British Columbia Film Commission, Island North Film Commission, Malaspina University College and the City of Nanaimo.
- they will be working with the British Columbia Film Commission's "Film Pilot" software to create a Vancouver Island web-searchable locations database which may have international possibilities.
- three interns from Malaspina University College have begun taking photographs of Nanaimo for the locations database.
- in order to participate in this project, Film Nanaimo requires a new computer, software, digital camera and printer.
- they already have over 1,000 photos, which is 500 photos more than last year.

Moved by Councillor Manhas, seconded by Councillor Brennan that the presentation be received. The motion carried.

Moved by Councillor Brennan, seconded by Councillor Manhas that the Economic Development Standing Committee recommend that Council allocate \$8,000. from its 2003 Budget to Film Nanaimo to support equipment purchases for the "Film Pilot" project on the understanding that this is a one-time grant; and further, that Film Nanaimo establish an appropriate long-term capital plan for infrastructure. The motion carried.

(3) Request for Special Project Funding from Tourism Nanaimo

Tourism Nanaimo is implementing changes within the organization to effectively manage its available human and financial resources. The Board is currently in the process of recruiting a new Executive Director and is working with staff to set clear goals and priorities.

As outlined in the report from Tourism Nanaimo, the organization is requesting special one-time funding to support:

1. the replacement of computer systems. Tourism Nanaimo's computer systems are over seven years old, and are no longer reliable. Frequent breakdowns are affecting the ability of staff to complete their work. Replacement of this equipment was not anticipated in the organization's current budget.

City Staff have reviewed the availability of surplus computer equipment and determined that the City does not have the equipment required by Tourism Nanaimo; and,

2. an extended marketing program. The negative impact of world events on tourism activity in British Columbia, combined with the new tourism opportunities presented by Vancouver's successful Olympic bid, create a need to enhance tourism marketing efforts in Nanaimo. Tourism Nanaimo is planning to redesign its website, carry out new trade sales calls and invest in marketing and product development in order to mitigate the unexpected events impacting the tourism sector.

[Note: As the Committee is aware, Council previously approved \$40,000. to the Economic Development Standing Committee to use as deemed appropriate. If the Committee recommends that Council endorse these funding requirements, then this funding will be depleted, that is if Council adopts the Committee's recommendation.]

Recommendation: That the Economic Development Standing Committee recommend that Council allocate \$32,000. from its 2003 Budget to Tourism Nanaimo to support equipment purchases and enhanced marketing costs.

Mr. Pink stated that:

- he is the current president of Tourism Nanaimo.
- they are requesting \$14,000. to replace and upgrade their computer systems and network and \$18,000. to extend their marketing program.
- they have been working hard to clean up the financial statements and make them current.
- Tourism Nanaimo's computer recently crashed, so he brought an extra computer from his home for the staff to use.
- they have been revising the committee structure and making sure they have a mandate and terms of reference.
- City Staff have done an analysis of their cash flow to the end of this year and they will be monitoring it.

- the change in the management structure has made a difference with staff and the Board.
- Tourism is planning to upgrade their website and revise the Visitor's Guide.
- Tourism has had revenue of \$70,000. which exceeds the total revenue of \$98,000 for 2002.
- they are not able to get software upgrades and they have no firewall or safety guards.
- Tourism will make provisions in their 2004 workplan for future upgrading.

Moved by Councillor Brennan, seconded by Councillor Manhas that the presentation be received. The motion carried.

Moved by Councillor Krall, seconded by Councillor Brennan that the Economic Development Standing Committee recommend that Council allocate \$14,000. from its 2003 Budget to Tourism Nanaimo to support the replacement of computer systems on the understanding that this is a one-time capital grant. The motion carried.

Moved by Councillor Krall, seconded by Councillor Brennan that the Economic Development Standing Committee postpone consideration of allocating \$18,000. from its 2003 Budget to Tourism Nanaimo to support enhanced marketing costs pending a report from Tourism Nanaimo related to their 2004 workplan and the position of Executive Director. The motion carried.

4. ADJOURNMENT:

Moved by Councillor Brennan, seconded by Councillor Manhas at 3:00 p.m. that the meeting terminate. The motion carried.

CHAIR

CERTIFIED CORRECT:

SENIOR MANAGER,
CORPORATE ADMINISTRATION