

Report to Community and Protective Services Committee

To: Chair and Members
Community and Protective Services Committee

From: Scott Stafford, Managing Director, Parks and Recreation

Subject: Film Update – Moving Forward

Date: March 30, 2021

Recommendation

That, on the recommendation of the Managing Director, Parks and Recreation, the attached proposed by-law (Appendix “A”) **BE INTRODUCED** at the Municipal Council meeting to be held on April 13, 2021 to:

- a) AUTHORIZE and APPROVE an amending agreement (substantially in the form attached as Schedule “A” to the by-law) between the City of London and the London Economic Development Corporation for the purpose of adding London’s Film Strategy to London Economic Development Corporation’s (LEDC) Purchase of Service Agreement; and,
- b) AUTHORIZE the Mayor and City Clerk to execute the amending agreement approved in part a) above.

Executive Summary

1.0 Executive Summary

As part of the 2021 Budget Update process, City Council approved Budget Amendment #9, London’s Film Strategy Plan. This approval allocates \$300,000 per year for 2021, 2022, and 2023 from the City of London’s Economic Development Reserve Fund to support: funding and advocacy, marketing and promotion, attraction, growth and retention, and workforce development.

The purpose of this report is to provide City Council with Civic Administration’s recommendations for moving this project forward. This includes amendments to the Purchase of Service (POS) Agreement between the City of London and the London Economic Development Corporation (LEDC). The POS Agreement with LEDC is approved for 2020-2023.

Should City Council approve the recommendations included in this report, the City of London will add the \$300,000 per year allocation to LEDC’s POS Agreement for the implementation of the deliverables.

Linkage to the Corporate Strategic Plan

Growing our Economy:

- London will develop a top-quality workforce
- London is a leader in Ontario for attracting new jobs and investments
- London creates a supportive environment where entrepreneurs, businesses and talent can thrive

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- London's Film and Multi-Media Update, November 2020
- London's Film and Multi-Media Update, August 2019
- Strategic Plan for the City of London 2019 – 2023, April 2019
- Growing London's Film and Multi-Media Industry, May 2017
- The City of London Special Events Manual Annual Review, March 2017
- London's Community Economic Road Map, November 2015
- City of London Strategic Plan 2015- 2019, March 2015
- London's Cultural Prosperity Plan, March 2013

2.0 Discussion and Considerations

Civic Administration has considered different models to implement the deliverables as approved by City Council and has worked with community partners throughout the process. This work included discussions with other jurisdictions focusing on how they model and provide film services to the sector, as well as a local scan of what bodies may be best positioned to provide success for City Council.

Throughout these discussions and scans, it became evident that the City of London's current involvement in the sector, mainly being reactive through the issuance of Film Permits, requires an increased proactive economic development lens and approach to better support growth in the sector and London's attractiveness as a film hub and destination. These discoveries have led to deeper discussions with LEDC and the potential alignment of London's Film Strategy within their scope of expertise and responsibility.

The City of London currently purchases services from LEDC, and that agreement is in place until December 31, 2023. It being noted that this LEDC POS is aligned well with the timelines of the funding for the Film Strategy as approved by City Council, being 2021, 2022, and 2023.

As noted in Section 3 of the [LEDC POS](#):

"The Corporation agrees to purchase from the LEDC and the LEDC agrees to provide to the Corporation the following broadly described economic development services and, in order to provide such services, the LEDC shall:

- a) act as the primary economic development body on behalf of the Corporation
- b) attract new businesses and jobs to the city
- c) support the retention and expansion of existing businesses in London
- d) develop and connect the workforce to meet the needs of businesses and job seekers
- e) continue working relationships with partner community organization
- f) may provide funding with respect to Community Improvement Plans (CIP)

It should also be noted that Section 5 of the [LEDC POS](#) includes the following clause:

"Changes to Services. The Corporation and the LEDC may agree in writing from time to time to add, eliminate, transfer or vary the economic development services purchased by the Corporation from the LEDC and supplied by the LEDC to the Corporation hereunder, recognizing that the annual fee paid by the Corporation to the LEDC may be adjusted to reflect such changes in purchased services."

2.1 Proposed Purchase of Service Amendments

Section 3

- Addition of a new clause, 3.g., support the development and implementation of London's Film Strategy, focused on funding and advocacy, marketing and promotion, attraction, growth and retention, and workforce development.

Section 9

(a) Section 9. is deleted and replaced with the following new section 9. as follows:

"9. **Consideration.** For the services purchased and provided, the Corporation shall pay the LEDC a fee (the "**Fee**") of:

(1) \$2,196,000 plus HST for each twelve-month period ending December 31, 2020, 2021, 2022, and 2023, and, subject to the City of London Budget approval, beginning in 2020 and thereafter annually during the term of this Purchase of Service in the amount of \$2,196,000 shall be adjusted by either the percentage change over calendar 12 months in the Labour Index (Statistics Canada. Table 14-10-0213-01 Fixed weight index of average hourly earnings for all employees by industry, monthly, Industrial aggregate excluding unclassified businesses) or by the percentage change over calendar 12 months (December) in the Consumer Price Index for Canada (Statistics Canada. Table 18-10-0004-01 Consumer Price Index, monthly, not seasonally adjusted, All Items), whichever of the two is lower, but in any event no adjustment shall be made if either or both the percentage changes are less than 0; and,

(2) an additional \$300,000 per year (inclusive of HST, and not adjusted annually), subject to City of London annual budget approval, for the period ending December 31, 2021, and thereafter for each twelve-month period ending December 31, 2022 and 2023 related to the services outlined in subsection 3 g;

and payments are subject to the below and the parameters contained in Sections 3 and 4:

- a. the actual amount paid by the Corporation to the LEDC for services rendered during the period is subject to Municipal Council's approval of the Corporation's budget;
- b. one-twelfth of the amount mentioned thereafter, or such other proportion as may be agreed upon, shall be paid monthly based on an invoice for payment submitted by the LEDC to the Corporation containing such particulars or accompanied by such supporting information as the Corporation may require;
- c. amounts paid by the Corporation shall be for the services specifically purchased by the Corporation consistent with the Corporation's Strategic Plan and/or Multi-Year Budget; and,
- d. the amounts mentioned above shall be adjusted to reflect the addition, elimination, transfer or variance to the economic development services agreed upon from time to time by the Corporation and the LEDC."

3.0 Financial Impact/Considerations

There is no additional financial impact to the City of London as the \$300,000 annual allocation for 2021, 2022, and 2023 to support the further development and implementation of London's Film Strategy was approved as part of the 2021 Budget Update process (Budget Amendment #9).

Conclusion

As part of the 2021 Budget Update process, City Council approved Budget Amendment #9, London's Film Strategy Plan. This approval allocates \$300,000 per year for 2021, 2022, and 2023 from the City of London's Economic Development Reserve Fund to support: funding and advocacy, marketing and promotion, attraction, growth and retention, and workforce development.

The recommendations in this report provide City Council with Civic Administration's preferred course of action to move London's film sector forward, noting that there is alignment between the film deliverables and the services currently purchased from LEDC through its current POS and provides the right economic development expertise to build on work done to date.

Prepared and Submitted by: **Jon-Paul McGonigle, Division Manager,
Culture, Special Events and Sport Services**

Recommended by: **Scott Stafford, Managing Director,
Parks and Recreation**

APPENDIX A

Bill No.
2021

By-law No.

A By-law to approve the Amending Agreement to the January 1st 2020 Purchase of Service Agreement between The Corporation of the City of London and London Economic Development Corporation; and to authorize the Mayor and City Clerk to execute the Amending Agreement.

WHEREAS subsection 5(3) of the *Municipal Act, 2001* S.O. 2001, c.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS The Corporation of the City of London and London Economic Development Corporation (“LEDC”) entered into a Purchase of Service Agreement with effect as of January 1st, 2020 (“2020 Purchase of Service Agreement”) regarding the purchase of economic development services for the City of London;

AND WHEREAS The Corporation of the City of London and LEDC wish to amend the Agreement with respect to growing a film sector in the City of London;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Amending Agreement to the 2020 Purchase of Service Agreement, entered into between The Corporation of the City of London and LEDC, substantially in the form attached as Schedule “A” to this by-law, is authorized and approved.
2. The Mayor and the City Clerk are authorized to execute the Amending Agreement authorized and approved under section 1 of this by-law.
3. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council _____, 2021.

Ed Holder
Mayor

Catharine Saunders
City Clerk

First reading -
Second reading -
Third reading –

SCHEDULE "A"

THIS AMENDING AGREEMENT with effect as of April 15, 2021.

B E T W E E N:

LONDON ECONOMIC DEVELOPMENT CORPORATION
(the "LEDC")

- and -

THE CORPORATON OF THE CITY OF LONDON
(the "City")

WHEREAS the LEDC and the City entered into a Purchase of Service Agreement with effect as of January 1st, 2020, regarding the purchase of economic development services for the City of London (the "Agreement");

AND WHEREAS the LEDC and the City wish to amend the Agreement with respect to growing a film sector in the City of London;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the mutual covenants contained in the Agreement, and subject to the terms and conditions of this Amending Agreement, the parties agree as follows:

1.0 AMENDMENTS

- (a) Section 3. ("Services Being Purchased and Provided") is amended by adding a new subsection 3 g. as follows:

"g. support the development and implementation of London's Film Strategy, focused on funding and advocacy, marketing and promotion, attraction, growth and retention, and workforce development."

- (b) Section 9. is deleted and replaced with the following new section 9. as follows:

"9. **Consideration.** For the services purchased and provided, the Corporation shall pay the LEDC a fee (the "**Fee**") of:

(1) \$2,196,000 plus HST for each twelve-month period ending December 31, 2020, 2021, 2022, and 2023, and, subject to the City of London Budget approval, in the amount of \$2,196,000 shall be adjusted by either the percentage beginning in 2020 and thereafter annually during the term of this Purchase of Service change over calendar 12 months in the Labour Index (Statistics Canada. Table 14-10-0213-01 Fixed weight index of average hourly earnings for all employees by industry, monthly, Industrial aggregate excluding unclassified businesses) or by the percentage change over calendar 12 months (December) in the Consumer Price Index for Canada (Statistics Canada. Table 18-10-0004-01 Consumer Price Index, monthly, not seasonally adjusted, All Items), whichever of the two is lower, but in any event no adjustment shall be made if either or both the percentage changes are less than 0; and

(2) an additional \$300,000 per year (inclusive of HST, and not adjusted annually), subject to City of London annual budget approval, for the period ending December 31, 2021, and thereafter for each twelve-month period ending December 31, 2022 and 2023 related to the services outlined in subsection 3 g;

and payments are subject to the below and the parameters contained in Sections 3 and 4:

- a. the actual amount paid by the Corporation to the LEDC for services rendered during the period is subject to Municipal Council's approval of the Corporation's budget;
- b. one-twelfth of the amount mentioned thereafter, or such other proportion as may be agreed upon, shall be paid monthly based on an invoice for payment submitted by the LEDC to the Corporation containing such particulars or accompanied by such supporting information as the Corporation may require;
- c. amounts paid by the Corporation shall be for the services specifically purchased by the Corporation consistent with the Corporation's Strategic Plan and/or Multi-Year Budget; and,
- d. the amounts mentioned above shall be adjusted to reflect the addition, elimination, transfer or variance to the economic development services agreed upon from time to time by the Corporation and the LEDC."

2.0 AGREEMENT BINDING

- 2.1 Except as amended by this Amending Agreement, the Agreement shall remain binding and in full force and effect.
- 2.2 This Amending Agreement shall be binding on the parties and their respective permitted successors and assigns.

3.0 EXECUTION

- 3.1 The City and the LEDC acknowledge that it has each read this Amending Agreement, understands it and agrees to be bound by its terms and conditions.
- 3.2 This Amending Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.
- 3.3 (a) This Amending Agreement may:
 - (i) be executed and delivered by scanning the manually signed Amending Agreement as a PDF and delivering it by email to the other party; or
 - (ii) subject to the City's prior written consent, be executed and delivered electronically by the other party.
- (b) The respective electronic signature of the parties is the legal equivalent of a manual signature.

IN WITNESS WHEREOF the City and LEDC have signed this Amending Agreement by their authorized representatives.

SIGNED, SEALED AND DELIVERED

THE CORPORATION OF THE CITY OF LONDON

Date:

Ed Holder, Mayor

Catharine Saunders, City Clerk

LONDON ECONOMIC DEVELOPMENT CORPORATION

Date:

*Per:
Name:
Title:

Date:

*Per:
Name:
Title:
*I/We have authority to bind the corporation