

EDMONTON SCREEN INDUSTRIES OFFICE - UPDATES AND REALIGNMENT

RECOMMENDATION

That Executive Committee recommend to City Council:

That the Edmonton Screen Media Fund subsidy agreement between the City of Edmonton and Edmonton Screen Industries Office Society be amended to update the reporting requirements and uses for the Edmonton Screen Media Fund, as outlined in Attachment 1 of the February 15, 2023, Urban Planning and Economy report UPE01524, and that the agreement be in form and content acceptable to the City Manager.

Requested Council Action	Decision Required		
ConnectEdmonton's Guiding Principle	ConnectEdmonton Strategic Goals		
CONNECTED This unifies our work to achieve our strategic goals.	Regional Prosperity		
City Plan Values	THRIVE		
City Plan Big City Move(s)	Catalyze and Converge	Relationship to Council's Strategic Priorities	Arts and Culture Economic Growth
Corporate Business Plan	Transforming for the Future		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none"> Edmonton Economic Action Plan Place Brand Strategy 		
Related Council Discussions	<ul style="list-style-type: none"> CR_5001, Edmonton Screen Industries - Business Case - Options for the Reallocation of Funds Transferred from the Edmonton Economic Development Corporation Edmonton Film Fund, City Council, June 26/27, 2018 		

Executive Summary

- This report is being brought forward by Administration on behalf of the Edmonton Screen Industries Office Society (ESIO) for a decision to amend the existing subsidy agreement

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between the City of Edmonton and ESIO that directs the use of the Edmonton Screen Media Fund (ESMF).

- This decision is specific to the funding provided under the ESMF subsidy agreement, and not the core operating funding subsidy agreement between the City and ESIO (a separate agreement).
- ESIO is a key partner in supporting economic development and Edmonton's Place Brand strategy through growth of the local Edmonton screen and digital media industries. The re-alignment of the ESMF supports the ESIO Strategic Plan - 2022-2026 and goals for Edmonton's screen media industries.
- ESIO has developed a comprehensive business case that outlines a vision for the future state of Edmonton's screen industry, and a plan to realign the ESMF to achieve this vision.
- ESIO is seeking approval to change how the funds in the ESMF can be used and how the ESMF's performance is measured.

REPORT

City Council approved the creation of the Edmonton Screen Media Fund (ESMF) in June 2018. The ESMF was designed to be sustained by financial returns on investments made with the fund, and was approved based on the model outlined in the Commercializing Screen Media Creativity business case outlined in CR_5001 Edmonton Screen Industries - Business Case - Options for the Reallocation of Funds Transferred from the Edmonton Economic Development Corporation Edmonton Film Fund, presented at the June 26/27, 2018, City Council meeting. This model was incorporated in the corresponding Subsidy Agreement between the City of Edmonton and the ESIO regarding the ESMF.

Since 2021, the ESIO has been actively engaging with industry stakeholders and beneficiaries of the ESMF to collect feedback on the performance of the self-sustaining fund and its effectiveness in supporting the current and desired future state of Edmonton's screen and digital media industries. Based on feedback collected, and in alignment with the ESIO Strategic Plan - 2022-2026, the ESIO has recommended changes to the ESMF to realign and expand the uses of the ESMF from what is currently approved by City Council, to include projects and initiatives that will benefit the industry more broadly. In essence, the fund would change from investing in individual productions with a potential but not assured future financial return, to investing in initiatives that provide impact at the industry level with the return being growth and investments made by a number of companies. Administration supports the changes proposed by the ESIO.

ESIO has developed a comprehensive business case that outlines a vision for the future state of Edmonton's screen industry, and a plan to realign the ESMF to achieve this vision, with a proposed new name of "Strategic Initiatives Fund (SIF)". Strategic initiatives that would be prioritized by investments from the ESMF are outlined on pages 6-8 of Attachment 1, which includes the proposed new uses for the ESMF:

- **Foundational Infrastructure Partnerships:** New partnerships to invest in critical industry-level infrastructure and capacity, so investors and productions will choose Edmonton. These investments are required for Edmonton to stand out, to have the

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resources at the ready that companies and productions expect, and to be competitive with other jurisdictions.

- **Strategic Funding Partnerships:** New targeted funding to leverage other financing, enabling the creation of Edmonton-owned intellectual property and projects with a tangible benefit for Edmonton.
- **Education:** Efforts to increase the creation of local intellectual property by equipping local creators with the skills needed to commercialize their products as well as developing the talent resources needed to produce them.

To reflect the proposed new uses of the ESMF, ESIO has also proposed these updated performance measures for the ESMF (page 9 of Attachment 1), that directly tie to outcomes supported by the ESMF:

- Third-party funds leveraged by fund investments and applied to Edmonton projects or initiatives;
- Number of Edmonton creators assisted, either financially or in-kind, by fund investments; and
- Number of individuals with qualifications, credits, or credentials provided through programs or initiatives funded by fund investments.

To enable the above proposed changes, the existing subsidy agreement requires amendments. If the proposed changes are approved, Administration will work with ESIO to amend the current Subsidy Agreement regarding the ESMF to reflect such changes. In addition to supporting ESIO's 2022-2026 Strategic Plan, the realignment of the ESMF will further support a number of actions within the Economic Action Plan, as outlined in pages 14-16 of Attachment 1.

Budget/Financial Implications

The current balance of the ESMF as of December 31, 2022 is \$3,939,176. This total includes cash and current investments. With the changes proposed, investments made using ESMF funds will not provide a direct return to the ESMF, and all remaining ESMF funds are projected to be allocated by the end of 2026. The requested changes to ESMF do not entail any new financial requests to, or obligations of, the City of Edmonton.

Legal Implications

The proposed amendments to the ESMF subsidy agreement between the City of Edmonton and ESIO fall outside of the City Manager's delegated authority and would require direction from Council as the proposed amendments are substantially different to what was approved by Council on June 26 and 27, 2018, especially in regards to how ESIO may use the ESMF.

COMMUNITY INSIGHT

An overview of the stakeholder and community engagement conducted in 2021 is provided on page 10 of Attachment 1. This process included focus groups, interviews, as well as an online survey by members of both the film and television and interactive digital media industries. There

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were a total of 42 participants in the focus groups and 21 participants completed the survey. Of the 63 total participants, nine had previously applied to the ESMF.

GBA+

An overview of GBA+ insights and analysis is included in pages 11-13 of Attachment 1. Specific GBA+ analysis was not conducted for the ESMF realignment proposal, however, as specific programming and initiatives are developed under the proposed changes to the ESMF, further analysis will be completed. The ESIO has built relationships with a number of organizations that support under-represented groups and will continue to consult and build programming with the community. These groups include local 1844 Studio, the Alberta-based Creatives Empowered, and national organizations such as the Black Screen Office and the Indigenous Screen Office. Engagement with these key stakeholder groups and facilitated access to their members would help inform programming decisions.

ATTACHMENT

1. Strategic Initiatives Fund - Realignment of the Edmonton Screen Media Fund