

Animation / Film / Digital Media

Sector Profile



**CENTRAL
OKANAGAN**
ECONOMIC
DEVELOPMENT
COMMISSION

Animation/Film/Digital Media



Photo Credit: Accelerate Okanagan



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It's All Here Now

The Central Okanagan, with a growing population, an international airport, and a competitive housing market, is the largest trading area between Vancouver, BC and Calgary, AB, Canada. The region offers a wide variety of activities, two public post-secondary institutions and seven unique communities to explore or call home. With less traffic and a lower cost of living than major cities – in fact, the Central Okanagan was named the most Cost Competitive Region in the Pacific by KPMG in 2016 – you can spend your spare time and money on a life you enjoy. With a collective attitude and culture that fosters entrepreneurship the possibilities are endless in the Central Okanagan. It's all here, now.

Sector Overview

The Animation/Film/Digital Media sector in the Central Okanagan is thriving. With over 200 animation, film, and digital media firms (including independent contractors) employing 2,450 people, the industry is on track to help the region prosper¹. Local companies in the sector include Club Penguin, a major children's gaming firm that started in the Okanagan and later acquired by Disney Online; state-of-the-art studios such as Bardel Entertainment and Yeti Farm Creative, developing some of the most popular movies and television series currently in production including Puss in Boots, Dinotrux, Sweet Tweets, and the SCHNARGS; and local soundstage and production facility Eagle Creek Studio. With such a concentration of talent in the region, these firms have anchored many other complementary firms with diverse expertise in gaming and animation, motion picture and video production, and research and development. The region is also benefiting from two significant collaborative initiatives that are driving the sector:

- [The Digital Technology Supercluster](#) part of the Government of Canada's Innovation Supercluster Initiative investing up to \$950 million to support business-led innovation superclusters with the greatest potential to energize the economy.
- [Cascadia Innovation Corridor](#) the provincial partnership with the State of Washington to grow cross-border innovation in the technology sector.

Industry Highlights

- The film industry had a direct economic impact of \$30 million in 2017²
- Local soundstage and production facilities
- British Columbia's Out Of Zone Regional + Distance tax credits - combined the tax credits available for shooting in the Central Okanagan rank among the highest in North America
- Local qualified crews and support staff
- The Okanagan Film Commission is a full-service commission offering location scouting, tech surveys and liaison and facilitating services
- The region benefits from funding and collaborative partnerships through initiatives like The Digital Technology Supercluster and the Cascadia Innovation Corridor

1 Statistics Canada, Canadian Business Patterns, December 2017

2 Okanagan Film Commission, 2018



Employment Data

Central Okanagan	Animation/Film/Digital Media
Total Businesses	200
W/O Employees	142
W/Employees	58
1-4	30
5-9	9
10-19	9
20-49	8
50-99	0
100-199	2
200-499	0
500+	0

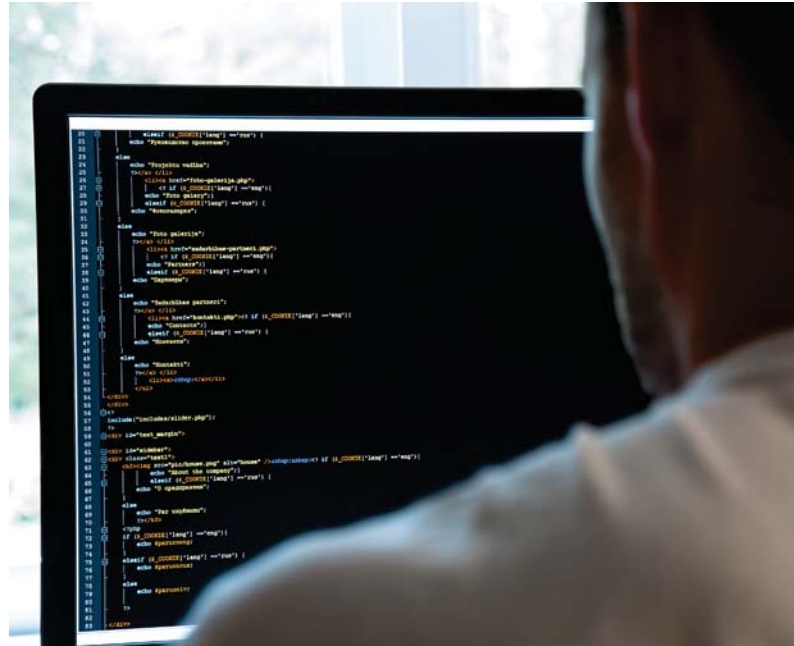
Source: Statistics Canada, Canadian Business Patterns, December 2017



Wage and Salary Information

NOC	Median Wage Central Okanagan	Median Wage British Columbia
15 Senior Managers - Trade, Broadcasting, and Other Services, n.e.c.	\$30.63/HR	\$36.91/HR
2174 Computer Programmers and Interactive Media Developers	\$38.46/HR	\$38.46/HR
5131 Producers, Directors, Choreographers, and Related Occupations	\$25.00/HR	\$25.00/HR

Source: Economic and Social Development Canada, Wage Report, 2018





Animation/Film/Digital Media

Competitive Advantages

- BC's Out of Zone Regional + Distance tax credits - combined the tax credits available for shooting in Central Okanagan rank among the highest in North America
- The region was named the most Cost Competitive Region for business in the Pacific by KPMG in 2016
- Talent pipeline supported by responsive public post-secondary institutions and directed regional attraction and retention initiatives
- Proximity to and ease of travel to Vancouver (1-hour flight from YLW or 4-hour drive)
- The Okanagan Film Commission supports the film industry through infrastructure development, marketing and promotion
- Local production film studio
- Kelowna named the best city to open a small business by the Canadian Federation of Independent Business in 2018
- Dark Fibre network in Kelowna

Post-Secondary Support

[Okanagan College](#) offers an Animation Diploma hosted in the Okanagan Centre for Innovation. Students learn the latest technology in the field of digital animation developing artistic skills, technical dexterity in 2D and 3D animation and creative thinking.

[Centre for Arts and Technology](#) is one of Canada's leading colleges in digital arts and technical training. The Kelowna campus is located in the Landmark Technology Centre - a hub of technology companies that serve the greater Okanagan valley and beyond.

Students in the Central Okanagan Public Schools have the opportunity to earn dual credits in partnership with the Vancouver Film School for animation and digital media courses. Students have access to post-secondary courses that are designed to tap into student passion in the animation genre and develop skills that will enable them to transition into the technology field or pursue post-secondary credentialing.

Supporting Agencies and Groups

[The Digital Technology Supercluster](#), located in BC, is part of the Government of Canada's Innovation Supercluster Initiative investing up to \$950 million to support business-led innovation superclusters with the greatest potential to energize the economy and will support technology industry acceleration. Supported by over 200 partners, including 25 post-secondary institutions, the Digital Technology Supercluster secured over \$500 million in committed private-sector funding. The supercluster is expected to have an economic impact over the next 10 years of more than \$5 billion in GDP and an expected 13,500 jobs.

[Accelerate Okanagan](#), the region's tech accelerator, is a not for profit organization founded in 2010 and funded in partnership with the British Columbia Innovation Council

and Western Economic Diversification. Accelerate Okanagan's mission is to increase the number of technology companies that start and grow in the Okanagan, through a wide range of educational, coaching and mentoring programs in partnership with local businesses, government and educational/research institutions. These programs include:

- [The Startup Basics Program](#): supplies participants with the tools and resources needed to start their venture.
- [The Venture Acceleration Program](#): entrepreneurs are guided through the Venture Growth Model by an Executive-in-Residence and will work to set the right objectives and priorities.
- [RevUp Program](#): connects established companies and their leadership team with experienced Executives-in-Residence to help them grow their businesses.

[Metabridge](#): connects emerging Canadian technology companies to California's Silicon Valley through a series of targeted events since 2008. Metabridge has engaged hundreds of technology stakeholders across Western North America, and in the process is helping local technology companies establish the connections they need to grow their business beyond Canada.

[The Okanagan Centre for Innovation](#): is a 100,000 sq. ft. facility is offering publicly-supported space and services for early-stage companies, non-profits, community groups, and social enterprises. The goal of the Innovation Centre is to help build Canada's most innovative, creative, and entrepreneurial technology community. The Innovation Centre also houses the [University of British Columbia Innovation Hub](#) and [entrepreneurship@ubc](#) programs.

[The Okanagan Film Commission](#) is a full-service commission offering location scouting, tech surveys and liaison and facilitating services. They also offer an extensive locations digital photo library and a crew database of experienced individuals available to work in the Okanagan. Funding for the commission is through the [Regional Districts of the North Okanagan, Central Okanagan, Okanagan-Similkameen](#) and the [Boundary Economic Development Committee](#). Additional funding is provided through the Province of British Columbia.

[The Cascadia Innovation Corridor](#) is a partnership between the Government of British Columbia and the State of Washington to grow cross-border innovation in the technology sector. The objective of the Cascadia Innovation Corridor is bringing business, government and academic leaders together to identify and pursue initiatives that will drive regional growth and foster international collaboration, in the spirit of unity that the Peace Arch symbolized – with the demonstrable progress made by the centennial in 2021.





Photo Credit: Accelerate Okanagan



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Tax Incentives

Residents and businesses enjoy a financial advantage with the Central Okanagan's competitive tax climate. BC has the lowest provincial income taxes for individuals earning up to \$121,000. Canadian federal government corporate taxes are some of the lowest among the G7 countries.

BC provides a suite of provincial tax credits and exemptions to encourage business investment and innovation. A summary of these credits and exemptions is listed below, and may be found [here](#):

Research and Development

- Up to 35% Scientific Research and Experimental Development (SR&ED) tax credits plus 10% Provincial top up

Investment Capital

- 30% refundable tax credit up to 60K per year on Venture Capital Corporation individual investment
- Corporations receive non-refundable credits without limit
- Employee Share Ownership Plan, employees can invest and claim 20% of their investment up to \$2,000 per year

Film and TV production,

- Up to 35% tax credit on labour for movie and TV projects filmed in BC
- Up to 25% federal tax credit available to production companies active in BC
- Up to 12.5% additional regional tax credits apply to labour expenses for movie and TV projects filmed outside the Vancouver area

Interactive Digital Media

- Up to 17.5% tax credit on labour expenses for movie or TV digital animation and visual effects
- Up to 17.5% tax credit for video game developer labour

International Business

- Up to 100% refund of provincial corporate income tax for businesses in international lending, foreign exchange, management of international investments, treasury functions, factoring, administrative services, film distribution, and leasing property and insuring property outside Canada

Registered Specialist Labour

- 100% refund of personal income tax paid by registered specialists recruited from abroad who perform qualifying work for the first two years, followed by partial refunds for the following three years
- Up to a 75% refund of provincial corporate income tax on foreign earnings from eligible patents related to life sciences; power from wind, solar, and tidal sources; wastewater treatment and fuel cell technology



Figure 1: Provincial and Federal Corporate Tax Rates, 2018

Communities	Small Corporate Tax Rate	General Corporate Tax Rate
British Columbia	2.0%	12.0%
Canada	10.0%	15.0%

Sources: TaxTips.ca, 2018

Figure 2: Municipal Mill Rates, 2018

Communities	Mill Rate, Residential	Mill Rate, Business	Mill Rate, Light Industry	Mill Rate, Major Industry
Kelowna	5.9038	14.8087	15.3971	28.5029
West Kelowna	5.8593	14.8301	14.7396	18.1937
Lake Country	5.4848	14.4566	23.1759	23.5347
Peachland	5.7165	13.0383	19.1122	5.2981

Sources: BC Stats, 2017



Examples of Digital/Film/Animation Firms in the Central Okanagan

[Bardel Entertainment Inc.](#) began as a small family business making hand-crafted animation. Acquired in 2015 by Rainbow, they have evolved into a digital studio spanning three state-of-the-art facilities providing animation services throughout North America. Bardel is also the only studio simultaneously working on feature films, prime time series, kids and preschool television, as well as projects for SVOD and VOD platforms with a diverse slate of collaborators including Nickelodeon, Disney, Cartoon Network, DreamWorks and Warner Brothers. Full Time Employees 54

[Hyper Hippo Productions](#) is a Kelowna-based game design studio. The company is unique in its approach to game design, firmly believing that the audience needs to be part of the early game design process. Since 2014, their games have been released to web, mobile, Steam and PlayStation platforms. Full Time Employees 25

[Agents of Discovery](#) is a Move to Play & Learn mobile game that kids can use at participating locations across Canada, the United States, and (soon) the United Kingdom. Their model is simple: harness the diverse skill sets of our team members to create products that gamify the learning experience and engage kids in innovative ways. Full Time Employees 13

[Disney Interactive Media Group](#) is a segment of The Walt Disney Company responsible for the creation and delivery of Disney branded interactive entertainment and informational content across multiple platforms including online, mobile and video game consoles around the globe. Core businesses include Disney Interactive Studios, which self publishes and distributes a broad portfolio of multi-platform video games, mobile games and interactive entertainment worldwide; and Disney Online, which produces the No. 1 Community-Family & Parenting Web site and an industry-leading suite of online virtual worlds for kids and families. Full Time Employees: 350

[Club Penguin](#), a division of Disney Online, provides one of the largest and fastest-growing virtual worlds for children. Club Penguin works to maintain a fun and safe online entertainment experience by using filtering technology and live moderators.

LOCAL SUCCESS STORIES



A Talented Bunch Making Stuff

Founded in 2007 Yeti Farm Creative is an animation studio that services renowned and coveted broadcasters like Corus Media, Netflix, and Amazon while also creating and exploiting original intellectual property. The studio's intellectual property pursuits are fueled by revenues from service-based partnerships. Original IP are then turned into multi-pronged franchises with revenue streams derived from license fees as well as royalties from consumer product, toy, game and literary revenue pursuits. Yeti Farm Creative formed a strategic partnership with Surprise Bag – a Los Angeles and Vancouver-based company dedicated to the creation, development, production, financing, packaging, sales and exploitation of high quality progressive and innovative content – together, the two companies collaborate on existing properties from their development slates and jointly pursue opportunities to acquire, develop, and produce new properties and co-productions. Full Time Employees: 85



Your Private Mid-Sized Studio

It's all here now for the film industry with the addition of Eagle Creek Studios a Private-Production use film studio featuring 21,000 sq ft of production space, including 6,000 sq ft of offices for staff and crew, and a brand new 15,000 sq ft sound stage with high ceilings, a column free interior, and much more. With Eagle Creek Studios clear-span sound stage, productions have the space they need as the stage is purpose-built for filming.