



STAFF REPORT ACTION REQUIRED

Toronto Just For Laughs Comedy Festival – Approval of Tourism Event Development Loan

Date:	January 9, 2007
To:	Budget Committee
From:	Don Eastwood, General Manager, EDCT
Wards:	All
Reference Number:	

SUMMARY

The purpose of this report is provide information to Council on the establishment of the 2007 Just For Laughs Comedy Festival in Toronto and to seek approval for a Tourism Event Development Loan to the event organizers

Just For Laughs is a Montreal based integrated entertainment organization that operates the hugely successful Just For Laughs Comedy Festival in Montreal and is involved in a variety of television production and distribution ventures. As part of the organization's 25th Anniversary celebration, they are planning to expand and establish an annual Comedy Festival in Toronto in July 2007. The City of Toronto has led a consortium of public sector partners in attempting to establish the event in Toronto.

All partners have reviewed the opportunity and deemed it to be of significant potential for tourism in Toronto and all organizations have been formally approached to consider a variety of supports to the organizers in the form of financial assistance and technical support to establish the event. The recommended support from the City of Toronto is the provision of a repayable loan under the Tourism Event Development Loan Program and provision of assistance with necessary City services for the Street Festival components of the event.

RECOMMENDATIONS

The General Manager of Economic Development, Culture and Tourism recommends the following:

1. Budget Committee authorize the approval of a Tourism Event Development Loan to the Toronto Just For Laughs Comedy Festival for \$500,000 to establish an annual Summer Comedy Festival in Toronto and that staff develop a formal agreement for the terms and conditions of the loan in form satisfactory to Treasurer and Chief Financial Office and the City Solicitor; and
2. The General Manager of Economic Development, Culture and Tourism be directed provide the organizers of the Just For Laughs Festival with any technical assistance and operational support and services necessary and work with all other City of Toronto Division's and Agencies who will be providing services to the organizers to establish the event in July 2007; and
3. The appropriate City Officials be authorized and directed to take necessary action to give effect thereto.

FINANCIAL IMPACT

The Tourism Event Development Loan Program was established as financial program to assisting in bringing significant events to Toronto. The Council approved program guidelines are included as Attachment 1. The Toronto Just for Laughs Comedy Festival meets all the criteria of the Tourism Event Development Loan Program.

Major Festivals and Events require start up capital in order to plan and execute a successful event. In the case of the Just For Laughs organization, they will be booking performance venues in central Toronto, contracting appearances for international comedy artists, booking advertising space, producing ads all prior to being able to generate revenue from event ticket sales.

The business model calls for government partners to invest in the project by providing grants, providing services and offering repayable loans in order advance Just For Laughs the necessary working capital needed. The total projected budget for the Toronto Just For Laughs Festival is project to be \$3million.

The following organizations have been approached for financial assistance to the project: Ontario Tourism Marketing Partnership Corporation, Investment Development Office of the Ontario Ministry of Tourism and the Ontario Cultural Attraction Fund. Tourism Toronto has committed to providing financial assistance subject to confirmation of other public sector partners. Private sponsors are being actively sought.

Just For Laughs has established an Ontario not-for-profit corporation and opened an office in Toronto. The parent organization Juste Pour Rire Inc., comprised of three distinct companies, is based in Montreal and has a 24 year track record of staging professional festivals and producing comedy entertainment programming for television and international broadcast distribution.

While the Toronto Just For Laughs Comedy Festival is forecast to incur a deficit in the first years of operation, the parent organization is committed to establishing a market presence in Toronto and is prepared to cover all shortfalls. The Juste Pour Rire Group of Companies has the capacity to repay the Tourism Event Development Loan and has a sound financial record in Quebec.

The Deputy City Manager and Chief Financial Officer has reviewed this report as well as the audited financial statements of the parent organization, Juste Pour Rire Inc., and the preliminary Just for Laughs Toronto event budget and agrees with the financial impact information.

DECISION HISTORY

At its meeting held September 22, 23, 24 and 25, 2003 City Council adopted Clause 8 of Report No. 7 from the Economic Development and Parks Committee entitled “International and National Event Attraction Strategy Supplemental Report” which, among other recommendations, endorsed the mandate of the Tourism Program “to identify opportunities and create alliances with bid proponents to host international and national sports, cultural, social and other events of significance to enhance Toronto’s profile, stimulate the tourism sector and generate legacies for the community.”

In addition, at its meeting held January 31, February 1 and 2, 2006 City Council adopted Clause 8 of Report No. 1 from the Economic Development and Parks Committee entitled “Event Enhancement Strategy” which among many recommendations, endorsed a number of strategies to grow new and existing events, enhance or modify key events produced by Toronto Special Events including the Celebrate Toronto Street Festival and to develop opportunities to work more closely with Tourism Toronto.

In late 2005 Tourism Program staff began meeting with officials of Just For Laughs to discuss the potential of establishing a comedy festival in Toronto. Staff co-ordinated a meeting for Just For Laughs officials with representatives of key public sector stakeholders in May 2006 and arranged a preliminary project briefing for Mayor Miller.

All partners assessed the opportunity and identified appropriate funding programs for consideration. As part of the due diligence assessment, a delegation of Ontario partners visited Montreal in July 2006 to assess the festival and become familiar with the Just For Laughs operation.

Just For Laughs submitted a proposal for a funding partnership to all partners in October 2006 and all partners are considering the proposal via their respective processes.

Just For Laughs has formally submitted an application for the Tourism Event Development Loan Program and as per the guidelines, Council approval must be sought to extend a loan to the organization.

COMMENTS

Just For Laughs is a globally recognized entertainment brand with a 25 year history of providing quality comedic entertainment. The organization is seeking to expand its Canadian operations to Toronto in order to capitalize on Toronto's diverse population and expand their operations in English Canada.

The Toronto Just For Laughs Comedy Festival is proposed to be held in central Toronto from Thursday July 19th to Sunday July 22nd. The Toronto event is positioned as part of the organizations 25th anniversary celebrations. The event will included a series of comedy galas featuring international artists at two or three large venues as well as club based specialized comedy shows at three or four smaller venues. The Gala shows will be produced for international television broadcast distribution. Theatre and Club based shows will be ticketed. A street festival modeled on the City of Toronto's successful Celebrate Toronto Street Festival will be in central Toronto and all ages comedy and street theatrical entertainment will be provided free to the public. The exact location of the street festival components is currently under review.

As part of the City's efforts to evolve new events, the current format of Celebrate Toronto Street Festival (CTSF) will change. The resources and staff support currently allocated to the street festival component of CTSF are proposed to be redirected to other City of Toronto event initiatives. The street festival components of the Just For Laughs Festival would evolve as the legacy of CTSF and be supported with technical assistance and the provision of City services.

The event will be marketing extensively in the border state region, throughout Ontario and on airline flights around North America. Just For Laughs will integrate its marketing efforts with Tourism Toronto, the Ontario Tourism Marketing Partnership Corporation and the Canadian Tourism Commission.

Just For Laughs plans to make a number of major announcements during the 2007 Toronto Event concerning plans for the 2008 Toronto Just For Laughs Festival. These announcements will ensure that future Toronto Festivals will be significantly differentiated from the event in Montreal. It is anticipated that if the 2007 event is successful, future Toronto events will be expanded. The goal is to establish an annual summer comedy festival in Toronto that compliments the Montreal Just For Laughs Festival but creates a very distinct and differentiated image for the Toronto Just For Laughs Festival.

The Montreal Just For Laughs Festival generates 25% of its audience from visitors and according to the Montreal Chamber of Commerce, the event has an economic impact of \$100 million for the 17 day event.

In addition to the significant impact on the tourism sector in Toronto in the form of increases in hotel room nights and attraction visitation, Toronto will benefit from the

international media exposure resulting from the television broadcasts. Just For Laughs plans to do a dedicate “Live in Toronto” presentations.

Just for Laughs plans to work with local charitable organizations in Toronto as they do in Montreal where they have raised millions of dollars for local homeless initiatives and other relief agencies.

CONCLUSION

The Toronto Just For Laughs will be a very positive addition to the Toronto tourism, entertainment and cultural landscape. Toronto will benefit from the worldwide media exposure associated with having a global brand producing a quality event in our City. By approving the Tourism Event Development loan, the City of Toronto is entering into a financial sound strategic partnership with a reputable organization and other key public sector partners. It is the ideal model of strategic partnership for today’s creative Toronto economy.

CONTACT

Duncan H. Ross, Executive Director, Tourism Section, Economic Development, Culture and Tourism Division; (tel) 416-397-5395; (fax) 416 392-2271; dhross@toronto.ca

SIGNATURE

Don Eastwood,
General Manager

ATTACHMENT

Tourism Event Development Loan Guidelines



Development Loan Program

Purpose: To support incorporated not-for profit organizations to create, expand and solicit major exhibitions and events capable of generating incremental tourism to the community, in turn generating economic benefits to the City of Toronto.

Eligible Activity: Loans can be made to support one of a kind "blockbuster" sporting, cultural, entertainment and multi cultural events that can demonstrate increased ability to attract a significant percentage of attendees from outside of the City of Toronto by participating in the local program.

Priorities: Events that have a high probability of attracting overnight visitors to Toronto:
Events that take place throughout Toronto resulting in economic benefits throughout the entire region; and,
Events that allocate at least 35 percent of their marketing budget to out-of-town markets.

Limits: Loans will be made for up to \$1 million CDN. Applicants will be expected to repay the City of Toronto the full amount of the loan plus interest and/or service charges to be negotiated on a case-by-case basis. Disbursements and repayment schedules and use of funds will be negotiated as part of the terms and conditions of the loan agreement. The applicant will be required to enter into a legal agreement/Memorandum of Understanding with the City of Toronto.

Administrative Capability and Financial Management:

The organization must meet the following criteria:

- 1) have proven track record of producing similar events and fundraising through a management team, Board of Directors and/or Advisory Boards
- 2) show the feasibility of the project through budgets and business plans;
- 3) have the financial resources to repay the loan to the City of Toronto; and
- 4) demonstrate commitment of revenues from other public and private sources

Evaluation Criteria: The following criteria will be used to evaluate applications.
The event should:

- a) provide unique programming capable of attracting new and repeat out of town visitors to the region;
- b) help build Toronto's reputation as a leading leisure/pleasure destination in North America and create an urgency to visit;
- c) demonstrate direct economic benefits and support for jobs in accommodation, food and beverage, transportation, retail, travel trade and tourism services;
- d) induce overnight travel in paid accommodation and increase the length of time that a visitor spends in Toronto;
- e) generate positive media exposure - creating greater awareness of Toronto and further enhance the community's image as a leisure destination;
- f) create opportunities for leveraging the event media coverage to assist in marketing Toronto as a good place to live and conduct business;
- g) create awareness of the value of tourism for local residents, businesses and governments, leading to greater long term commitment and support for the industry by the community;
- h) serve not only the visitor market but impact positively on residents enjoyment of, and pride in, their community;
- i) capitalize on opportunities to package the event with other local businesses;
- j) provide opportunities for complementary programming throughout Toronto, thereby enhancing the benefits of tourism across the region;
- k) demonstrate international appeal; and
- l) not be available in nearby markets.

Application: Organizations wishing to apply for funding from the Tourism Event Development Loan Program must supply documentation listed below to:

Laura Elkin, Cultural Program Coordinator
Toronto International, Tourism Division
9th Floor, East Tower, Toronto City Hall
100 Queen Street West, Toronto ON M5H 2N2
FAX: 416-392-5600
PHONE: 416-397-5397
EMAIL: lelkin@toronto.ca

Each proposal will be evaluated by Toronto International, with input from the City Solicitor and Chief Financial Officer and submitted to City Council for consideration.

Deadline:

Applications will be accepted throughout the year and will take from three to six months to evaluate depending upon complexity and City Council's agenda schedule.