

## **Creative City Framework**

<b>Date:</b>	January 31, 2008
<b>To:</b>	Economic Development Committee
<b>From:</b>	Deputy City Manager
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2008\Cluster A\EDCT\ECON DEV\ed0802-007 (AFS #4553)

### **SUMMARY**

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To compete in a growing international and competitive market to attract talent and firms Toronto needs to take strategic new steps to benefit from the competitive advantage healthy cultural and creative industries can generate. “Creative Toronto” one of the four pillars outlined in the *Agenda for Prosperity* argues that Toronto can compete in sectors that add value, increase productivity and grow the economy through research, development and commercialization of ideas. It is well known among economists that cultural and creative industries are not only key economic sectors themselves, they also positively affect the business environment by attracting highly educated workers, revitalizing downtowns, being a magnet for tourists and new firms, and in creating jobs.

The *Creative City Planning Framework* (Attachment 1) is a supporting document to the *Agenda for Prosperity*. In its research it makes important links between the two reports and expands on how Toronto can increase economic competitiveness through adopting a Cultural Planning model to leverage the connections between place, culture and the economy.

The *Culture Plan Progress Report II* (Attachment 2) finds that since the Culture Plan was adopted increased investments by the City have shown positive results in all areas except film, yet overall Toronto has not caught up to its competitors. Toronto must take action to increase place competitiveness, authentic urban environments and cultural and creative industries to realize its full potential as a Creative City and achieve future prosperity.

## RECOMMENDATIONS

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The Deputy City Manager responsible for Economic Development, Culture and Tourism recommends that:

1. City Council endorse the “*Creative City Planning Framework*” (Attachment 1) as a supporting document to the “*Agenda for Prosperity: A Prospectus for a Great City*” to create an environment in which business and culture can thrive;
2. the General Manager, Economic Development, Culture and Tourism, be directed to:
  - a. adopt a cultural planning model to promote a place-based approach to creative sector development;
  - b. increase the city’s economic competitiveness by fostering “Creative Toronto” to leverage the connections between place, culture and the economy;
  - c. report back on the development of cultural services and programs to boost place competitiveness, an authentic urban environment, and cultural and creative industries.
3. City Council receive the “*Culture Plan Progress Report II*” (Attachment 2) for information; and
4. the appropriate officials be authorized to take the necessary action to give affect thereto.

## IMPLEMENTATION POINTS

Subject to City Council endorsing the recommendations of this report, staff will foster partnerships and work with community-based providers, other sections, and divisions to further the Cultural Planning model. The General Manager, Economic Development, Culture and Tourism (EDCT) will report back to the Economic Development Committee and or Budget Advisory Committee on further developments, work plans and financial implications as appropriate.

## FINANCIAL IMPACT

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There are no direct financial implications resulting from the adoption of this report.

## DECISION HISTORY

At its meeting on June 24, 25 and 26, 2003, City Council adopted the *Culture Plan for the Creative City*, a ten-year strategy outlining 63 recommendations to position Toronto as a Creative City and global cultural capital. The Culture Plan communicated a then

growing understanding among economists that in addition to being fundamental to quality of life, arts, culture and heritage are vital to the success of Toronto's expanding economy. Since the adoption of the Culture Plan, progress has been achieved on approximately 60% of the recommendations found in the report.

At its meeting on September 25, 26 and 27, 2006, City Council received "*Imagine a Toronto ... Strategies for a Creative City*" for information. The report was the product of a year-long international comparative study of Toronto authored by Dr. Meric Gertler under the direction of 17 influential and respected leaders working in Toronto's creative sectors, supported by senior staff from the City's Economic Development and Culture Division, and the Ministries of Economic Development and Culture. *Strategies for a Creative City* identified areas for investment (people, enterprise, space and connectivity) and produced new research on Toronto's growing cultural and creative industries.

At its meeting on January 29 and 30, 2008, City Council adopted "*Agenda for Prosperity: a Prospectus for a Great City*". The report will be used to guide major strategic policies impacting Toronto's economic competitiveness and growth. The *Creative City Planning Framework* was developed in conjunction with *The Agenda for Prosperity* and supports its priority actions.

## **ISSUE BACKGROUND**

### **Competition on New Terms**

Successful cities in the 21<sup>st</sup> century are those who increase economic competitiveness by fostering place-based strategies to leverage the connections between place, culture and the economy. Recent academic thinking has supported investments in attracting talented people and quality of place, and has argued that strong cultural and creative industries increase city competitiveness and spur economic growth. Cultural and creative industries are vital to economic policy through their ability to increase value-added activity, innovation, and intellectual property and thriving cultural and creative industries are powerful tools in revitalizing downtowns, attracting tourists and business, and creating jobs.

While Toronto has made strides in positioning itself as a global cultural capital, pressures from gentrification and residential development threaten the unique labour market needs and creative and cultural habitats characteristic of this sector. For Toronto to achieve its goal of economic competitiveness a full implementation of the "Creative Toronto" pillar must be addressed.

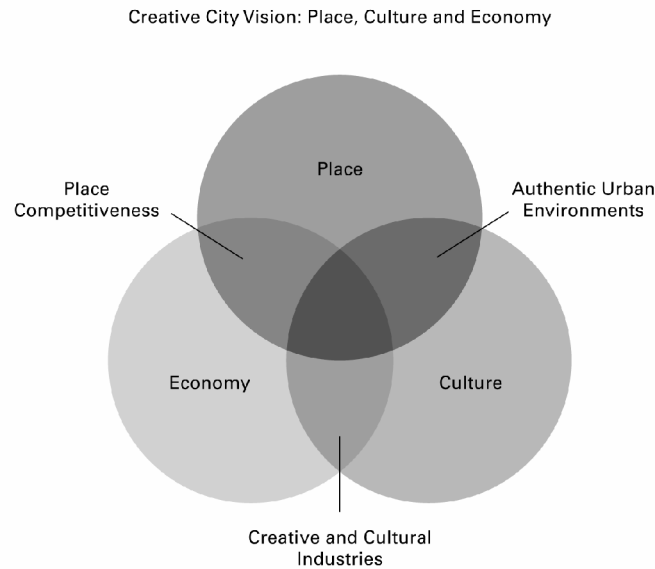
## **COMMENTS**

### **Cultural Planning Model**

Cultural Planning model is a process that leverages the connections where place, culture and the economy meet. It is a powerful vision that, when realized, produces the key

factors in city prosperity: 1) Place Competitiveness; 2) Authentic Urban Environments; and 3) Cultural and Creative Industries.

**Table 1: Creative City Vision**



The Creative City vision is articulated in *The Creative City Planning Framework* (2008) (Attachment 1). The report prepared by Glen Murray and Dr. Greg Baeker reviewed the achievements of the Culture Plan and over 46 policies, strategies, and programs related to culture by the City and community partners in the last decade in Toronto. In constructing this framework the research analysis found that initiatives related to culture are now happening outside traditional silos. A number of areas including waterfront development, public transit, and bio-medical research are using creativity to enhance their activities.

The report shows Toronto’s cultural and creative industries are competitive on the world stage and investing in this area can have a local economic impact. Between 1990-2000 Toronto’s creative industries grew at a compound annual growth rate of 4%. This is faster than other leading cities such as Montreal (2.4%), San Francisco (1.8%) or Chicago (0.5%). During this time the city’s cultural and creative industries also grew faster than other important sectors within the region including financial services (1.8%), information and communication technology (3.9%), and business services (3.8%). Over 133,000 people are employed in cultural and creative industries and about \$9 billion GDP is generated annually in this sector.

Unlike other economic sectors, cultural and creative industries are a diverse mix of occupations and businesses with a unique land-use, labour market, and business strategy ‘check-list’ that foster the conditions that allow them to thrive. Firms can be capital intensive (such as film or television) or be clustered in small and medium enterprises

(such as fashion or design). Higher rates of part-time work, contract work, and work outside of traditional times of day in creative occupations means that geographical clustering in cities and social interaction is an economic imperative. Cultural and creative industries have the unique advantage of attracting firms and increasing trade in other knowledge industries that the City wants to attract such as bio-tech, and research and development.

As more organizations and businesses turn to creativity as their competitive edge, a better engagement of the distinct characteristics of this sector is needed. To support the needs of this highly talented yet mobile labour force Toronto can leverage the connections of place, culture and the economy to retain and intensify employment in the cultural and creative industries.

To achieve the Creative City vision initiatives under consideration include:

- Increase ‘Place Competitiveness’ by adopting a cultural planning model that works across departments to identify and support areas of creative convergence, develop cultural resource mapping and community engagement, as outlined in *The Creative City Planning Framework* (Attachment 1);
- Increase ‘Authentic Urban Environments’ by investing in public spaces through developing a strategy to showcase Toronto’s diverse cultural story to the world, more public art, planned cultural precincts and encouraging community engagement; and
- Increase ‘Cultural and Creative Industries’ by developing new strategies to retain and intensify cultural and creative industries employment in Toronto through programs that support Toronto-based film projects, tourism through blockbuster events organized by Toronto cultural organizations, trade through international exchanges, and new funding levels for Toronto arts and culture organizations.

## **Culture Plan Progress Report II**

The results of the *Culture Plan Progress Report II* (Attachment 2) reveal that improvements have been made in the last four years, but Toronto has not caught up to its competitors.

An achievement of the Culture Plan is that overall expenditures in arts and culture by the City of Toronto have increased by \$10 million (2003-2007) however this has not come close to the \$25 million increase over five-years endorsed by Council that would allow Toronto to catch up to its competitor cities. Meanwhile Toronto’s competitors have increased their spending. An update on per capita spending in Toronto compared to other selected cities found, over a base population, Toronto’s per capita spending increased from \$14.00 in 2003 to \$16.00 in 2005. This increase remains lower than updated per capita expenditures in arts and culture in Vancouver (\$26.00) and Montreal (\$33.00) in 2005.

Culture Plan indicators show that in all areas, except film, Toronto is making progress. Positive results show that since the Culture Plan was adopted investments in Toronto's culture sector have increased. City grants to the Major Cultural Organizations have gone up by 25% and grants to the Toronto Arts Council clients have gone up by 18% (2003-2007). This has resulted in an increase of attendance at all city-funded culture events by 20% in the same time period. In 2006 over 11.5 million people attended over 24,000 arts and cultural events funded by the City.

### Next Steps

As competitors ramp-up their investment and cities internationally become more competitive, Toronto must redouble its efforts. Culture and creative industries are a globally connected sector and the high dollar has affected cultural areas such as the film sector and tourism. These challenges, along with space and labour sector pressures due to gentrification and residential development, mean that more work needs to be done.

The adoption of a cultural planning model and development of new programs and services for this area are needed to ensure that the growth experienced in cultural and creative industries over the last decade continues. Leveraging the connections between place, culture and the economy is the logical next step. Fostering "Creative Toronto" is crucial to achieving Toronto's goal of economic competitiveness and future prosperity.

## CONTACT

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## SIGNATURE

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Sue Corke, Deputy City Manager

## ATTACHMENTS

1. Creative City Planning Framework
2. Culture Plan Progress Report II