

2008 Major Cultural Organizations Allocations - Recommendations

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To:	Economic Development Committee
From:	Rita Davies, Executive Director of Culture Economic Development, Culture and Tourism
Wards:	All
Reference Number:	P:/2008/Cluster A/EDCT/ECON DEV/0806-024

SUMMARY

The recommendations in this report implement the fifth year of a five-year plan to restore funding to the Major Cultural Organizations to the 1990 level, adjusted for inflation. The increase to the 2008 Approved Budget for Major Cultural Organizations through the Community Partnership and Investment Program is nine percent which was the target for 2008.

It is well known among economists that cultural and creative industries (which includes the Major Cultural Organizations) are not only key economic sectors themselves, they also positively affect the business environment by attracting highly educated workers, revitalizing the downtown, being a magnet for tourists and new firms, and in creating jobs.

Investment in Toronto's major cultural organizations is important to compete in a growing international and competitive market to attract talent and firms. "Creative Toronto" is one of the four pillars outlined in the *Agenda for Prosperity*, a document prepared by the Mayor's Economic Competitiveness Advisory Committee.

The *Creative City Planning Framework* 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. Specifically, the *Creative City Planning Framework* recommends new funding levels for Toronto arts and culture organizations. Funding the Major Cultural Organizations therefore helps Toronto realize Toronto's full potential as a Creative City and achieving future prosperity.

The report recommends that eight allocations be approved for the Art Gallery of Ontario; Canadian Opera Company; National Ballet of Canada; National Ballet School; Toronto Symphony Orchestra; George Gardiner Museum of Ceramics; Pride Toronto and Festival Management Committee (Caribana) for a total of \$4,836,700.00.

RECOMMENDATIONS

The Executive Director of Culture recommends that:

1. the cultural investment of \$4,836,700.00 be approved for the following organizations:

Art Gallery of Ontario	\$ 520,000.00
Canadian Opera Company	\$1,266,000.00
National Ballet of Canada	\$1,104,000.00
National Ballet School	\$ 132,000.00
Toronto Symphony Orchestra	\$1,090,000.00
George Gardiner Museum of Ceramics	\$ 130,700.00
Festival Management Committee (Caribana)	\$ 475,000.00
Pride Toronto	\$ 119,000.00;
2. the balance of the 2008 instalment payments to the Art Gallery of Ontario, Canadian Opera Company, National Ballet of Canada and Toronto Symphony Orchestra be made as one payment following allocation adoption by Council, and that monthly instalments to these organizations resume in January 2009; and
3. the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

FINANCIAL IMPACT

This report recommends that the 2008 approved Operating Budget of \$4,836,700 for the Major Cultural Organizations within the Community Partnership and Investment Program (CPIP) be allocated to the eight above-mentioned major cultural organizations.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

Through Clause No. 3 of Report No. 24 of the Strategic Policies and Priorities Committee, adopted by City Council at its meeting held on November 25, 26 and 27,

1998, the City established the roles of the Toronto Arts Council and Culture in the delivery of the Arts and Cultural Grants Program.

ISSUE BACKGROUND

As approved by Council in the Culture Plan, it is the City's intention to restore funding within five years to the Major Cultural Organizations to at least the level of 1990, adjusted for inflation. This is the fifth year of the five-year plan to restore funding. It is the fifth year that the Gardiner Museum of Ceramic Art and the fourth year that Pride Toronto have been included for funding under Major Cultural Organizations.

City Council provides financial support to enhance major cultural organizations that are recognized as essential cultural ambassadors and infrastructure for the City, and for cultural attractions that have a significant impact for the benefit of Torontonians and toward cultural tourism enhancement. These organizations play a major role in enhancing local cultural ecology, and in developing Toronto as a worldwide cultural destination. Funding is provided for not-for-profit cultural organizations that have demonstrated a consistent level of professional standards, artistic excellence, international achievement, a sound financial management system, diverse funding base and board accountability.

COMMENTS

Review Process:

Economic Development, Culture and Tourism staff reviewed the applications received at the March 31, 2008 deadline and requested additional information and/or clarification where necessary. The applications were reviewed and assessed through a peer assessment process. The role of the Advisory Panel was to advise staff on the merits of the applications, provide advice on the cultural programming, and offer professional assessment of the programs. As well, the Advisory Panel was asked to identify long-term issues and trends.

Advisors were selected to represent a broad base of experience and expertise and a general knowledge of the cultural sector. The panel for the Major Cultural Organizations was comprised of Peter Caldwell (Executive Vice President, Administration, Ontario College of Art & Design), June Clark (professional visual artist), Nalini Stewart (Past Chair of the Ontario Arts Council and currently a director on a number of boards including Tourism Toronto) and Charles Pachter (prominent Canadian contemporary artist and designer).

The recommendations for allocations contained in this report are the result of a review of the applications received by staff at the March 31, 2008 deadline. The administration of the review was carried out in accordance with the City of Toronto Grants Policy as adopted by Council on December 16 and 17, 1998.

The Major Cultural Organizations have a significant impact on the cultural life of Toronto by providing employment to 787 FTE of the over 130,000 people employed in the cultural sector in the City. Attendance at Major Cultural Organization events is approximately three million and their combined operating budgets equal approximately \$138 million. The total economic impact of the cultural sector in Toronto is \$9 billion.

Major Cultural Organizations:

1. The Art Gallery of Ontario:

The Art Gallery of Ontario (AGO) was established as the Art Gallery of Toronto in 1900 and has operated as a Provincial agency since 1966. The mission of the Art Gallery of Ontario is to bring art and people together and boldly declare “Art Matters”. The Art Gallery of Ontario’s expansion project – *Transformation AGO* – designed by international celebrated architect Frank Gehry will serve as a legacy for generations to come with its opening in the fall of 2008. The organization is seeking funding for its 2008/2009 activities.

An operating allocation of \$520,000.00 is recommended to the AGO, which represents 2 percent of its revenue.

2. The Canadian Opera Company:

The Canadian Opera Company (COC), founded in 1950, has a mission to produce opera of the highest international standard while attracting growing public support and participation in opera through increased accessibility and education. The COC is enjoying record ticket sales, and expects that the 2007/2008 season, like the season before, will sell out. These triumphs are due in large part to the enormous and tireless efforts of General Director Richard Bradshaw, whose untimely passing shocked and saddened the company. His leadership steered the COC through its most significant transition, and the COC will continue to strive for the artistic and administrative standard that Maestro Bradshaw set for the company. The organization is seeking funding for its 2008/2009 activities and programs.

An operating allocation of \$1,266,000.00 is recommended to the COC, which represents 4 percent of its revenue.

3. The National Ballet of Canada:

The National Ballet of Canada (NBC), founded in 1951, is Canada’s largest dance company and has an international reputation as a renowned classical ballet company. This season the NBC have performed classical romantic ballets as well as difficult and edgy contemporary pieces thereby highlighting the versatility of the dancers. *Glass Pieces*, *In the Night* and *West Side Story* had particular success, exceeding its revenue goal by close to \$140,000 and attracting a much

younger audience. The organization is seeking funding for its 2008/2009 activities and programs.

An operating allocation of \$1,104,000.00 is recommended to the NBC, which represents 4 percent of its revenue.

4. The National Ballet School:

The National Ballet School (NBS), incorporated in 1959, is an internationally recognized professional training institution. Project *Grand Jeté* – a \$100 million capital project has created a state-of-the-art dance training facilities on two heritage blocks in downtown Toronto and opened in September 2005. Stage II of the project, the renovation of the National Ballet School's Maitland Street properties into an expanded National Ballet School residence was completed last spring. The organization is seeking funding for its 2008/2009 season of public performances and community programs.

An operating allocation of \$132,000.00 is recommended to the NBS, which represents 1 percent of its revenue.

5. The Toronto Symphony Orchestra:

The Toronto Symphony Orchestra (TSO), formed in 1921, is considered one of the top 10 best orchestras in North America. Emulating successful models in New York and Chicago and adapting them for the Toronto market, the TSO is addressing changes in its audience and in concert-going generally with structural alterations in some its series. For example, matinees have been moved out of the winter months and will be performed without intermission; one Wednesday Masterworks series has been increased to seven concerts from five concerts to meet increased demand; and another concert series has been changed and marketed as a 'rush hour concert series' that begins at 6:30 p.m. and ends before 8:00 p.m.

The organization is seeking funding for its 2008/2009 activities.

An operating allocation of \$1,090,000.00 is recommended to the TSO, which represents 5 percent of its revenue.

6. The George Gardiner Museum of Ceramic Arts:

The George Gardiner Museum of Ceramic Arts opened in 1984 and is the only specialized ceramics museum in North America. The vision of the Gardiner Museum is to engage a diverse public by telling the rich and dynamic story of clay, its connection to society in the past and the vitality of ceramic art in the present. 2008 is the second year in the renovated and enlarged building with a restaurant and bar run by Jamie Kennedy Kitchens. The appointment of Charles

Mason, Chief Curator in August 2007 has brought new ideas and energy to the Museum which is already reflected in exhibition planning, research priorities and a collection acquisition strategy. The organization is seeking funding for its 2008 activities.

An operating allocation of \$130,700.00 is recommended to the Gardiner Museum, which represents 3 percent of its revenue.

7. Festival Management Committee (Caribana):

The Festival Management Committee is an organization appointed with the approval of the City of Toronto to provide governance and financial oversight to the Caribana Festival. Caribana, one of the premier cultural events in Toronto every summer, is a large cultural celebration and tourist draw.

The 2007 Festival was a resounding success, strategically positioning Caribana as one of the best and largest cultural events across North America. Last year's 40th Anniversary celebration garnered domestic and international media coverage. The Festival Management Committee is seeking funding for the 2008 festival production and to assist in the marketing and promotion of their festival.

An operating grant of \$475,000.00 is recommended which represents 23 percent of its revenue.

8. Pride Toronto:

Pride Toronto was incorporated in 1995 but has been in existence as the organizer of Pride Week in Toronto since 1971. Pride Week is pre-eminent venue for the cultural and artistic expression of Toronto's lesbian, gay, bisexual, transgender, transsexual, intersex, queer, questioning and two-spirited community. Pride Week hosts an annual event in downtown Toronto each year during the last week in June with this year's festival taking place between June 20 and 29, 2008.

Pride Week has become undoubtedly one of the most diverse artistic festivals in Canada. The festival encompasses 10 spectacular days of arts and cultural programming including comedy, theatre, cabaret, literary readings, visual art, etc.. The grand finale, the Pride Week Street Festival, spans more than 12 city blocks in Toronto's Church and Wellesley area. It will feature over 170 performances by over 650 artists on 7 stages running concurrently over 3 days. By presenting a cross-cultural event, Pride intends to help educate the public on the diversity of its community. The organization is seeking funding for its 2008 activities.

An operating allocation of \$119,000.00 is recommended to Pride Toronto, which represents 6 percent of its revenue.

Accelerated Payment Schedule:

The Art Gallery of Ontario, Canadian Opera Company, National Ballet of Canada, and Toronto Symphony Orchestra receive their City grant in monthly instalments. The payments begin January and are based on 1/12 of the previous year's grant. Any adjustments are made to the payments following Council's decision on the grant allocations. In order to assist these organizations on a more rational cash-flow basis, it is recommended that the remaining payments for 2008 to the AGO, COC, NBC and TSO be made as one payment following adoption of the allocations by Council and that monthly instalments to these organizations resume in January 2009.

Impact of Capital Projects:

In recent years the Peer Advisory Panels have continually noted that some of the Major Organizations have large capital projects underway or recently completed. This year's panel again looked at the funds that various levels of government are supplying to support these efforts. While the Advisory Panel acknowledged that these Cultural Renaissance capital project are very exciting, the Panel cautions all levels of government that these capital projects will place increased pressure on the operating budgets of the Major Cultural Organizations. The panel advises that financial support will need to extend beyond the capital projects to ensure the ongoing vitality of this important sector and commended the City for increasing funding again in 2008.

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SIGNATURE

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