

Creative City Framework Implementation

Date:	November 3, 2008
To:	Economic Development Committee
From:	Sue Corke, Deputy City Manager
Wards:	All
Reference Number:	P:/2008/Cluster A/EDCT/ECON DEV/ed0811-005 (AFS# 8007)

SUMMARY

The *Creative City Planning Framework* is a municipal strategy to establish the conditions necessary for local creative and cultural activity to flourish. It is designed to implement Pillar 3 – Creative Toronto, one of the four pillars in the *Agenda for Prosperity: A Prospectus for a Great City*. It is a shift in whole systems of thinking that builds on the recommendations of the *Culture Plan*, and is the next logical step in linking the City’s economic activities, cultural resources and planning process.

Based on consultations with Toronto-based artists, cultural organizations, cultural administrators and community arts practitioners over the summer, and a report by the *Martin Prosperity Institute* on funding to arts and cultural organizations, it is evident that funding by the City of Toronto has not kept pace with the growth of the sector for the period 1990 to 2008. This has constrained the cultural sector’s ability to reach out to new audiences, develop innovative programming and operate in affordable cultural space.

Funding to Arts and Cultural Organizations by the City of Toronto, 1990-2008, Martin Prosperity Institute, September 2008 (Attachment 1) tracks the cultural vibrancy of the city over the past 17 years, and outlines six funding target scenarios for investment in the cultural sector between 2009-2013.

In addition, to implement the *Agenda for Prosperity* and the *Creative City Planning Framework* priority actions for Creative Toronto, Economic Development, Culture and Tourism has established a cultural mapping partnership called 'Placing Creativity'. The partnership will develop a cultural mapping framework as a tool to identify and establish cultural hubs and districts and support the retention and creation of cultural space in the city.

RECOMMENDATIONS

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

1. The General Manager, Economic Development, Culture and Tourism, be directed to work with City Planning to:
 - a. advance cultural mapping by working with the 'Placing Creativity' partnership, and develop cultural resource mapping to identify areas of high cultural industry concentration or potential;
 - b. develop a shared definition for creative and cultural industries for the City of Toronto to better measure and advocate on behalf of the sector; and
 - c. retain and create cultural space in Toronto through targeted programs, increased collaboration between City divisions, development of staff teams, and ongoing engagement with the community.
2. Council receive the report *Funding to Arts and Cultural Organizations by the City of Toronto, 1990-2008* by the Martin Prosperity Institute (Attachment 1) for information.
3. The Economic Development Committee forward this report to the Budget Committee for their consideration during the 2009 Operating Budget process.

Financial Impact

There are no 2008 financial impacts associated with the adoption of this report.

As a key component of the Culture Plan in 2003, Council adopted a target to increase cultural investment by \$25 million within five years. As reported in March of this year, the City has increased investment by approximately \$10 million over the five year period of which \$3.8 million was directed to cultural grants. Any requests for funding connected to the five year investment strategy described in this report would be considered in the context of annual operating budget affordability limits.

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

DECISION HISTORY

At its meeting on March 3 and 4, 2008, City Council adopted the *Creative City Planning Framework* as a supporting document to the *Agenda for Prosperity: A Prospectus for a Great City* and directed the General Manager of Economic Development, Culture and Tourism (EDCT) to report back on the development of cultural services and programs to boost creative and cultural industries, authentic urban environments, and place competitiveness. The *Creative City Planning Framework* specifically responds to Pillar 3 in the *Agenda for Prosperity* to implement the priority actions relating to Creative Toronto.

In addition, at its meeting on June 12, 2008, the Economic Development Committee requested the General Manager of EDCT to report on the funding targets for the Major Cultural Organizations for the period 2009-2013.

ISSUE BACKGROUND

Consultations with Toronto-based artists, cultural organizations, cultural administrators and community arts practitioners were held over the summer. The consultations were designed to highlight actions that could be taken by the City to develop Toronto's reputation as a dynamic centre for cultural activity and support the *Creative City Planning Framework*. Participants in the consultations recommended that the City of Toronto should:

- Increase operating funding to the city's arts and cultural organizations to reach the per capita spending level recommended in the Culture Plan;
- Explore initiatives to address the retention and creation of cultural space needs including performance, rehearsal, workshop, screening and exhibition space;
- Promote itself as a creative city; and
- Continue to work with artists in the development of affordable housing.

COMMENTS

The rise of the creative sector in Toronto reflects a basic shift in the structure of the global economy from one based on the production of goods and services to one focused on the creation, transfer and use of ideas and intellectual property. Creativity drives economies in at least two ways: first as a pervasive force in all economic activity, and second through a more specific range of industry and economic activity. The central activity of the cultural sector is turning a creative idea into a cultural product or experience, and through distribution, bringing the results of cultural production to audiences.

A thriving cultural sector is a powerful tool in revitalizing downtowns, attracting tourists and business, and creating jobs. Toronto's cultural sector generates \$9 billion GDP annually and employs over 130,000 people. Sector employment includes printing and publishing industries, book, periodical and music stores, motion picture and video industries, sound recording industries, radio and television broadcasting, specialized design services, advertising, performing arts companies, independent artists, writers and performers and heritage professionals.

Martin Prosperity Institute Report

Priority Action #1 for Creative Toronto in the *Agenda for Prosperity* directs the City to initiate activities to focus on the development and expansion of emerging clusters such as the cultural industries. In order to formulate program options, City staff compiled complete funding information for the Major Cultural Organizations and the Toronto Arts Council for the period 1990 to 2008. This data has been analyzed in a report prepared by the Martin Prosperity Institute, *Funding to Arts and Cultural Organizations by the City of Toronto, 1990-2008*. The main finding of the report is that over the past 17 years, City funding has not kept pace with the growth of the sector and the rising cost of doing

business. Between 1991 and 2008, inflation in Toronto grew by 43%, population in the city grew by 15% and total revenues/expenditures by the Major Cultural Organizations and the Toronto Arts Council clients grew by 122%. Over the same period, funding by the City of Toronto to these groups grew by only 25%. Although real progress has been made since the adoption of the Culture Plan in 2003, the increases to City funding have not been enough to make up for over a decade of decline.

The report lays out a series of six scenarios for increased investment in these cultural industries by the City that range from matching the impact of inflation over the period to matching the growth in the sector of the 17-year period and the future five years. The six scenarios are:

Name	Coverage/Impact	Total Funding Increase by 2013	Total % Funding Increase between 2008 and 2013
Scenario 1 Minimum Funding	- 1991 to present inflation only - minimal positive impact, covers the erosion in funding that has already occurred	\$2.0 million	14%
Scenario 2 Inflation & Population Growth	- 1991 to present inflation and population changes - provides some allowance to the increased demand from additional residents	\$3.8 million	25%
Scenario 3 Expected Inflation	- 1991 to 2013 forecast inflation changes - provides stability against inflation to 2013	\$3.9 million	26%
Scenario 4 Expected Inflation & Population Growth	- 1991 to 2013 forecast inflation and population changes - invests in the cultural sector as the City population grows	\$6 million	41%
Scenario 5 Matched Growth	- restores the proportion of City funding to match the growth of revenue and expenditures for 1991 to the present - sends strong signal that the City will invest in the sector to spur economic growth	\$11.6 million	77%

Scenario 6 Matched Expected Growth	<ul style="list-style-type: none"> - restores the proportion of City funding to match growth in revenue and expenditures expected to 2013 using inflation forecast - sends a signal that the City will invest in the expansion of the sector and guard against the drag of future inflation 	\$13.5 million	89%
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As the Martin Prosperity Institute report notes, a funding target for the Major Cultural Organizations and the Toronto Arts Council with a 77 per cent increase for the period 2009-2013 is the minimum amount required to match the growth of the sector that has already occurred. This target would represent an increase in investment of \$11.6 million over the period and is within the approved Culture Plan investment target of \$25 million.

The Case for Matched Growth

When discussing the more ambitious target reflected in Scenario 5 the report states, that if Toronto wants to achieve its goal of positioning itself as an international cultural capital, it needs to increase the capacity of the cultural sector to have an impact on the city’s cultural reputation and vibrancy. To reach this objective, the City would need to increase its investment to match the growth that the sector has experienced since 1990. The report demonstrates that this investment would have an immediate impact on the sector and be a signal to the global arts community that the municipality sees strengthening the cultural sector as a priority. Experience has shown that support for cultural organizations starts at the local level and a boost in municipal investment leads to an increase in all other sources of revenue at a ratio of about 10 to 1. Strong municipal support encourages the sector to increase activity and spurs artistic innovation.

As the *Creative City Planning Framework* makes clear, the City-funded cultural organizations are a key component of creative occupations in Toronto. Between 1991 and 2004, creative occupations grew at more than three times the rate of the total Toronto CMA labour force, with a compound annual growth rate of 6 per cent. The impact of this growth was recently recognized in a recent study of Global Cities by the consulting firm of A.T. Kearney published by Foreign Policy magazine. Toronto was ranked 4th among global cities in cultural experience behind London, Paris and New York. Cultural experience includes the number of international travellers coming to a city, performing arts venues and international shows that utilize the venues, international sporting events and the diversity and quality of the culinary scene. In a highly competitive global environment, it will be difficult to maintain this ranking without increased investment from the City. The ranking for cultural experience was Toronto’s highest ranking in the index and is responsible for the City’s 10th place ranking overall.

The *Creative City Planning Framework* expects the cultural community to play a large role in the development of the creative city and during the consultations with the cultural sector, the participants expressed a strong desire to play a lead role. The organizations

pointed out that with City funding lagging behind inflation for the period 1990 to 2008, they had been forced to push up ticket prices, limiting their accessibility. This makes it hard for them to be the driving force in the creative city. The organizations stated that an increase in direct City investment would be the most important action that the City could take to allow them to build the creative city.

Local Arts Service Organizations

Funding data going back to 1990 was not available for the Local Arts Services Organizations (LASOs) and the Martin Prosperity Institute report did not analyze this group of organizations. The LASOs were key participants, however, in the consultation process that has produced the Community Arts Action Plan that is being presented to the Economic Development Committee. The report recommends that the LASOs (Arts Etobicoke; Lakeshore Arts; Scarborough Arts Council; and Urban Arts) take a leadership role in advancing the strategies laid out in the Action Plan to strengthen and grow community arts across the city. The report notes that in recent years these organizations have increased arts programming and outreach, particularly to youth, underserved neighbourhoods, and new residents but that more work remains to be done. In order for the LASOs to continue to respond to the increased programming demands over the coming years and remain stable community arts organizations, the funding targets for this group should match the target for the Major Cultural Organizations and the Toronto Arts Council.

Placing Creativity

The *Creative City Planning Framework* report, adopted by City Council at its meeting on March 3 and 4, 2008, directed the General Manager of EDCT to adopt a cultural planning model to promote a place-based approach to creative sector development and enhance Toronto's place competitiveness. This implements Priority Action #3 for Creative Toronto (Pillar #3) in the *Agenda for Prosperity* to identify and establish creative hubs and districts. Cultural mapping is the foundation and defining feature of cultural planning. It is a tool for identifying creative and cultural assets – broadly defined – and increasing knowledge and understanding of creative economies.

Starting this year, EDCT took the first step in establishing a cultural mapping framework in Toronto called *Placing Creativity*. *Placing Creativity* is a partnership initiative of EDCT with the Martin Prosperity Institute, other City Divisions and community stakeholders including University of Toronto Department of Geography and Planning, the Ontario Ministry of Culture, Toronto Arts Council and Toronto Artscape to develop cultural resource mapping and identify areas of high cultural industry concentration or potential in Toronto. Its mission is to advance the understanding and practice of cultural resource mapping through developing reusable maps that showcase the cultural sector in Toronto and can be shared with other jurisdictions and groups such as the *Municipal Cultural Planning Partnership*.

Placing Creativity provides a forum for dialogue and information sharing in developing best practices in creative sector mapping, and is a community stakeholder sounding board for the City as it addresses issues such as developing a shared definition for creative and

cultural industries and the linkages between city-building, culture and place. *Building the Toolkit to Retain and Create Cultural Space in Toronto* (Attachment 2) is a first step in documenting the emerging successes and developments in the retention and creation of cultural space.

Investing in Toronto's culture sector and retaining and creating affordable cultural space in Toronto are essential for Toronto to compete at an international level. This is critical because success in attracting and retaining a global and mobile class of creative workers is now a critical factor in determining which cities become international cultural capitals.

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SIGNATURE

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ATTACHMENTS

1. Funding to Arts and Cultural Organizations by the City of Toronto, 1990 – 2008
2. Building the Toolkit to Retain and Create Cultural Space in Toronto