



STAFF REPORT ACTION REQUIRED

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

Date:	January 19, 2009
To:	Executive Committee
From:	Sue Corke, Deputy City Manager
Wards:	All
Reference Number:	

SUMMARY

The purpose of this report to seek approval to extend the term of the Tourism Event Development Loan to the organizers of the Toronto Just For Laughs Comedy Festival.

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. The organization established an annual Comedy Festival in Toronto in July 2007 which has been critically successful in its first two years of operation.

It is recommended that the term of the Tourism Event Development Loan be extended for two years to allow the Toronto Just For Laughs Comedy Festival to expand the number of days of operation for the Toronto Festival and to allow the Just For Laughs organization to establish a Toronto office creating year round employment opportunities in television production and distribution, performing arts and in festival and event management.

RECOMMENDATIONS

Deputy City Manager, Citizen Focussed Services recommends the following:

1. City Council authorize the extension of the repayment term of the Tourism Event Development Loan to the Toronto Just For Laughs Comedy Festival for \$500,000 to

December 31, 2010 in form satisfactory to Deputy City Manager and Chief Financial Officer and the City Solicitor; and

2. The General Manager of Economic Development, Culture and Tourism be directed to assist the organizers of the Toronto Just For Laughs Comedy Festival with any technical assistance and operational support and services necessary from other City of Toronto Division's and Agencies who will be providing services to the organizers and to explore opportunities to provide additional financial assistance via new and existing City of Toronto programs.

FINANCIAL IMPACT

Major Festivals and Events require start up capital in order to plan and execute a successful event. Events often take several years to achieve financial sustainability. The Toronto Just for Laughs Comedy Festival is a classic example of the tourism event development business cycle.

The Toronto Just For Laughs Comedy Festival has incurred a deficit in the first two years of operation but the parent organization is committed to establishing a market presence in Toronto and is prepared to cover all shortfalls. They view the deficit as an investment in the future. 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.

Other government partners continue to invest in the project by providing grants, providing services and offering repayable loans in order to advance the Festival. The following organizations have been providing 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 and Tourism Toronto. Private sponsors have been increasing their investment in the project.

The City has financed the loan by using working capital that could have been invested instead of being used for the loan. There are no debt charges associated with the loan but the opportunity cost in forgone interest revenue is \$20,000 per year.

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

The Tourism Event Development Loan Program was established as financial program to assisting in bringing significant events to Toronto. Council approved a \$500,000 Tourism Event Development Loan, repayable December 31, 2009 to the Toronto Just for Laughs Comedy Festival.

<http://www.toronto.ca/legdocs/mmis/2007/ex/comm/communicationfile-523.pdf>

Two major strategic reports approved in 2008 support nurturing major festivals and events.

City Council endorsed *The Agenda for Prosperity*.

<http://www.toronto.ca/legdocs/mmis/2008/cc/decisions/2008-01-29-cc16-dd.pdf>.

The noted Agenda for Prosperity calls for the development of a:

“Major International Event Hosting Policy and Event Attraction/Acquisition Strategy that builds an appropriate mixture of international sporting, cultural, business and societal events that will focus attention on Toronto and its key economic sectors; accelerate development of physical infrastructure; and better connect Toronto to the global citizenry” (Pillar 2, Action 7, Page 39)

Support and planning for major international events by governments can be a very significant factor for urban regional economic development, for internationally led economic development, for the community non-profit economy, for the visitor economy, and for global and local citizenship development.

The Premier Ranked Destination Framework Report,

<http://www.toronto.ca/legdocs/mmis/2008/ed/bgrd/backgroundfile-12804.pdf> indicates that Toronto’s visitor economy is in need of revitalization, and requires new public–public and public-private investment in order to achieve “premier ranked tourism destination status”. Ensuring there are attractive demand generators such as festivals and events is a key recommendation.

COMMENTS

Just For Laughs is a globally recognized entertainment brand with a 27 year history of providing quality comedic entertainment. The organization expanded its Canadian operations to Toronto in order to capitalize on Toronto’s diverse population and expand their operations in English Canada.

Just For Laughs 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 27 year track record of staging professional festivals and producing comedy entertainment programming for television and international broadcast distribution.

The first Toronto Just For Laughs Comedy Festival was held in July 2007. It was a three day event that that attracted over 60,000 the outdoor festival site on Yonge Street and to the main venues, Massey Hall and the Elgin Theatre.

The 2008 event was expanded to four days and five venues and it attracted over 153,000 festival attendees. There were 23 indoor shows, 112 outdoor shows featuring close to 150 performing artists. Artists from seven countries performed. The event was covered by

70 media outlets including key US trade publications, Variety and the Hollywood Reporter and the Tonight Show with Jay Leno.

A visitor survey conducted by Leger Marketing found that of the 153,000 attendees, 30 % were visitors spending at least one night in Toronto. The event generated 4,400 room nights and an average visitor expenditure of \$410 per day.

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

Just For Laughs plans to expand the Toronto Event to an 11 day festival by 2012. The Toronto Festival will be significantly differentiated from the event in Montreal by focusing on English language comedy and ethno-cultural comedy. 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.

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. In 2008, Just For Laughs “The Colour of Funny, Live in Toronto” was recorded for worldwide television broadcast. The episode premiered in January on CBC nationally and will be sold to many international television networks. The episode includes many visuals of Toronto neighbourhoods and attractions.

Just for Laughs has established an office in Toronto and currently employs two full time staff. Over a five year period, Just For Laughs proposes to expand the number of staff in Toronto. New employment will be created in festival management, tour management, film and television production and talent development and management.

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 Comedy Festival is 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 extending the repayment term of the Tourism Event Development loan, the City of Toronto is continuing a financially sound strategic partnership with a reputable

organization and other key public sector partners. This partnership will lead to the creation on new jobs in Toronto and establish presence in Toronto of an organization with a global brand. It is the ideal model of strategic partnership for today's creative Toronto economy.

CONTACT

Duncan H. Ross
Senior Executive Adviser
Major International Events and Special Projects
Tel: 416-397-5395
dhross@toronto.ca

SIGNATURE

Sue Corke
Deputy City Manager