

Clause embodied in Report No. 3 of the Economic Development and Parks Committee, as adopted by the Council of the City of Toronto at its meeting held on April 16, 17 and 18, 2002.

3**Toronto International Festival Caravan
(Various Wards)**

(City Council on April 16, 17 and 18, 2002, adopted this Clause, without amendment.)

The Economic Development and Parks Committee recommends the adoption of the report (March 13, 2002) from the Commissioner of Economic Development, Culture and Tourism, subject to deleting Recommendations Nos. (1) and (6), noting that there are no financial implications to the City relating to the adoption of this report.

The Economic Development and Parks Committee reports, for the information of Council, having thanked the Board of Toronto International Festival Caravan for the years of service they have provided to the citizens of the City of Toronto.

The Economic Development and Parks Committee submits the report (March 13, 2002) from the Commissioner of Economic Development, Culture and Tourism:

Purpose:

To report on the viability of Toronto International Festival Caravan and implications for the City of Toronto in assuming the role of festival facilitator for 2002.

Financial Implications and Impact Statement:

This report outlines options for the governance and management of Toronto International Festival Caravan ("Caravan") that draw on in-kind and financial resources from the City, with a recommended transitional business model that retains management of Caravan 2002 with the Caravan Board and includes a requested Operating Budget of \$105,000.00 gross and revenues of \$105,000.00, resulting in a net budget of \$0 to cover the costs of staff, marketing, production and in-kind support for Caravan 2002 staff and management.

The Chief Financial Officer and Treasurer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) the City provide funding of \$105,000.00 gross, to be offset with revenues of \$105,000.00 for a net budget of \$0 to Toronto International Festival Caravan (“Caravan”) to secure core festival staff and support services necessary to produce the 2002 Festival (Attachment No. 1);
- (2) the Commissioner of Economic Development, Culture and Tourism, through the Tourism Division, provide in-kind festival consultation services to facilitate the production of Caravan 2002;
- (3) the Commissioner of Economic Development, Culture and Tourism, through the Tourism Division, work closely with Caravan staff and Board to develop a business plan and budget for the marketing, sponsorship and management of Caravan 2002;
- (4) the Caravan Board of Directors submit an audited financial statement to the Economic Development and Parks Committee following the production of Caravan 2002;
- (5) a report to the Economic Development and Parks Committee, outlining details for the transfer of intellectual assets of Toronto International Festival Caravan to the City of Toronto (Phase Two), be presented for consideration in the Fall of 2002;
- (6) the report be sent to the Policy and Finance Committee for consideration; and
- (7) the appropriate City officials be authorized and directed to undertake any necessary actions to give effect thereto.

Background:

Toronto International Festival Caravan (“Caravan”) is a non-profit organization that co-ordinates volunteers from cultural communities across Toronto who produce displays of art, culture, food, music and dance representing the great cultural capitals of the world. Historically, Caravan takes place in a series of multi-cultural “Pavilions” throughout Toronto, over nine days in June. In 2002, Toronto International Festival Caravan will be celebrating its 34th anniversary.

Caravan was launched in 1968 by Leon and Zena Kossar as a nine day event to celebrate the cultural diversity and spirit of Toronto. Using community centres as cultural “Pavilions” and managing a site staff comprised largely of volunteers, the Kossars developed a festival where a wide range of cultures co-existed in festival harmony and mirrored the juxtaposition of cultures co-existing in the City of Toronto. The popularity of Caravan has inspired the creation of similar events in the GTA (Attachment No. 2).

In recent years, community participation in Caravan has declined. In 1978, 58 Pavilions participated in Caravan; this number drops to 31 Pavilions in 1997 and further declines to 13 full-time and two part-time Pavilions in 2001 (Attachments No. 3). From 1997 to 2001, attendance also declined by 74 percent (from 99,046 to 25,296 people).

Despite downward community participation and public support, Caravan remains healthy from a fiscal standpoint. Caravan is without debt, but also has no reserves in its current account.

The business model for Caravan is not-for-profit. Pavilions pay a fee of \$500.00 for participation in Caravan; further revenues are generated through passport sales (Attachment No. 4). These monies are then applied to the management, administration, and marketing of the festival.

Pavilions, in turn, retain all revenues generated from concession sales and earn a commission on all passport sales generated through their individual box offices. Pavilions are entirely responsible for their programming and concessions and rely on a largely volunteer-based staff to run the event.

Comments:

Throughout Caravan's history, the Kossars remained the Festival's driving force. Following the death of Mr. Kossar in 2001, Caravan's Chairman and Board approached the City, seeking assistance from the City to provide a new governance and financial model to ensure Caravan's future viability. Discussions with Caravan Board members have led the Department to agree that a phased transitional model will best ensure the integrity and viability of Caravan in years 2002 and beyond. Phase One addresses Caravan's most immediate and critical needs, including financial and facilitative support from the City of Toronto to the Caravan staff and Board. Phase One is confined to Caravan 2002. In Phase Two, the Economic Development, Culture and Tourism Department, Tourism Division, will submit a budget request for an enhanced program for Caravan 2003 and beyond, with full ownership, including all intellectual assets transferred from the Caravan Board to the City of Toronto.

In considering the viability of Caravan as a City-affiliated event, the Department reviewed the following options:

(a) Act As Event Consultant/Facilitator to Caravan Organizers

Under this scenario, the City would act as an event facilitator. Rather than assume ownership of Caravan, the City would provide the Caravan 2002 Board of Directors with funding of \$105,000.00 gross with \$105,000.00 in revenue generation for a net of \$0 to assist in the production of Caravan 2002 following a draft plan already developed by the existing Board. These monies would be applied to core staff, advertising, printing, Web site development, a press launch event, and a closing awards celebration. A City representative would sit on the Caravan Board as an ex-officio member. The City would provide further support in the form of consultation on issues related to marketing, sponsorship, and event production.

The Caravan Board would retain full ownership and fiscal responsibility for Caravan 2002.

(b) Produce Caravan As Stand-Alone Toronto Special Events (TSE) Signature Event

This option would see Caravan treated as a City-owned and operated signature event. Under this scenario, Caravan would initially operate over the course of one weekend, with each Pavilion focussing on one particular world culture. Programming content would be developed by TSE in consultation with community cultural advisory panels. Pavilions would pay a fee to participate, and would be responsible for basic production and all core staffing within their pavilion. Pavilions would retain concession revenues. Any revenue generated through grants, corporate sponsorship, merchandising, pavilion entry fees and passport sales would be retained by the City.

This scenario would have significant impact on City resources, as the City would be fully responsible for all aspects of event management, including marketing, production, sponsorship and staffing.

An evaluation of these options concluded that a phased transitional model was the most suitable option for the following reasons:

- (i) Pre-existing expectations of stakeholder participation: Caravan stakeholders have been active participants in the planning and development of Caravan; there is an expectation that this participation will continue;
- (ii) Community interest essential for success: The success of Caravan is contingent on support from the unique and varied cultural communities found in Toronto; the Caravan Board consists of individuals with deep roots in the participating cultural communities;
- (iii) Available expertise: Given the City's expertise in event marketing, sponsorship and production and the Caravan Board's expertise in working with the varied cultural communities in Toronto to produce Caravan, all the skills needed to produce a successful Caravan are already available; and
- (iv) Fiscal prudence: Caravan will benefit from the expertise and resources offered by the City. The City, with a nominal investment, can help ensure the integrity and viability of Caravan in years 2002 and beyond.

Conclusions:

Ideologically, Caravan is relevant to Toronto, reflecting already-established City mottos "The World Within A City" and "Diversity Is Our Strength". Despite its longevity, the business model for Caravan needs significant revision with a strong emphasis on audience growth and financial self-sufficiency.

It is recommended that an operating budget of \$105,000.00 gross with offsetting revenues of \$105,000.00 resulting in a net budget of \$0 be provided to Toronto International Festival Caravan to execute the 2002 Caravan Festival.

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The following persons appeared before the Economic Development and Parks Committee in connection with the foregoing matter:

- Mr. Dave Taylor, Chair, Toronto International Festival Caravan; and
- Mr. Bert Kivimaki, Member, Toronto International Festival Caravan.

(Copies of Attachment No. 1, entitled "Toronto International Festival Caravan 2002 (Phase One) outline and budget"; Attachment No. 2, entitled "Carassauga Web Site"; Attachment No. 3, entitled "Caravan 2001 and 1978 List of Pavillions"; and Attachment No. 4, entitled "Caravan Passport", referred to in the foregoing report were forwarded to all Members of Council with the March 27, 2002 agenda of the Economic Development and Parks Committee, and copies thereof are on file in the office of the City Clerk.)