



STAFF REPORT ACTION REQUIRED

Music Sector Development: Activities and Goals of the Film and Entertainment Industries Unit

Date:	November 13, 2015
To:	Economic Development Committee
From:	Michael H. Williams, General Manager, Economic Development and Culture
Wards:	All
Reference Number:	AFS: 29131

SUMMARY

This report provides information on the status of Toronto's music scene as 2015 ends and on the music-related activities of the Film and Entertainment Industries unit. The report will also introduce and provide detail on the Music Strategy, currently being developed by the Toronto Music Advisory Council (TMAC) and details on TMAC's structure and role.

The City of Toronto recognizes that music has economic value beyond its cultural importance, and has articulated this position through its support for enhancing Toronto's status as a "music city." To make this support tangible, the Film and Entertainment Industries unit has developed objectives and worked with the following stakeholders to achieve these objectives:

- the members of the Toronto Music Advisory Council
- City staff from other divisions, including Municipal Licensing and Standards, Parks Forestry and Recreation, and Planning
- the broader music community beyond TMAC
- partners in other cities with which Toronto has developed cultural relationships

The Film and Entertainment Industries unit has identified opportunities to enhance and speed development of Toronto's music sector, and several potential threats to this development.

Finally, the Film and Entertainment Industries unit has targeted its own objectives in supporting the growth of the city's music sector and its artists for 2016.

RECOMMENDATIONS

The General Manager, Economic Development and Culture Division, recommends that:

1. Council receive this report for information.

Financial Impact

All current activities described in this Report are part of the Division's approved 2015 budget. Requirement for added resources will be addressed in the 2016 budget process to advance the 2016 strategic goals through the Arts & Culture \$25/per capita Phase-in submission.

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

DECISION HISTORY

Toronto Music Advisory Council Composition and Toronto-Austin Music Cities Alliance

At its meeting on November 22, 2013, the Economic Development Committee considered a report (dated November 18, 2013) from the City Manager and the General Manager of Economic Development and Culture entitled Toronto Music Sector: http://www1.toronto.ca/static_files/economic_development_and_culture/docs/Sector_Reports/ED27.2%20-%20Toronto%20Music%20Sector%20-%20Staff%20Report%20-Final.pdf

The report contained five recommendations for City Council adoption: three pertaining to the formation and composition of the proposed Toronto Music Advisory Council, and two further recommendations pertaining to the Terms of Reference and the business development goals of the Toronto-Austin Music Cities Alliance, also in draft form at that time.

On December 16, 2013, City Council adopted the recommendations contained in the November 18 report, with amendments: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.ED27.2>

Music Strategy Development

At its meeting on October 14, 2015, the Economic Development Committee authorized the Film Commissioner & Director of Entertainment Industries to proceed with public consultation on a draft Music Strategy and report back to the Economic Development Committee at its first meeting in 2016:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.ED7.8>

At the same meeting, the Economic Development Committee received a background information document entitled Music Strategy Report Process and Timelines – Update:

<http://www.toronto.ca/legdocs/mmis/2015/ed/bgrd/backgroundfile-84321.pdf>

ISSUE BACKGROUND

Music-sector development has become important for three reasons:

1. Leading industry stakeholders, including those on the Toronto Music Advisory Council, have expressed willingness to work with the City of Toronto on shared development objectives:
 - a. However, many stakeholders have also urged the City to work in a faster, focused way to create more favourable conditions for music-business growth; and
 - b. The City has pledged to help create a “music city” supportive of industry goals;
2. The Province of Ontario in 2015 renewed the Ontario Music Fund, providing \$15 million annually to the sector – and many Toronto stakeholders have aligned their business growth objectives with this opportunity for public-sector support; and
3. The sector represents a source of economic and cultural benefit to the wider community.

Responding to these exigencies, the City of Toronto’s Economic Development and Culture division in 2014 established the Film and Entertainment Industries unit (FE), comprising Film, Music, Event Support, and Tourism and Visitor Services. The Music Sector Development Officer was hired in October 2014 with a mandate to liaise between Toronto’s music community and City Hall, to support the local music industry as needed, and to explore opportunities to further develop the sector.

One year into its music-related mandate, FE has prepared information and analysis on the following elements:

- the role of music in Toronto – economically as well as culturally
- how the 2015 activities of FE have supported the city’s music sector

- opportunities to further develop the sector, and potential threats to sector development
- music-related 2016 goals for FE

COMMENTS

Sector Impact

Music is a vital cultural element in every society. But beyond its obvious cultural and social influence, music is also a powerful driver of economic activity and related economic impact.

As the de facto hub for Canada's music industry – and one of the world's leading music cities – Toronto claims a range of live venues, festivals, record labels, agencies and management companies, promoters, industry organizations, educational institutions, and working musicians that is equalled by few other cities.

- Toronto has over 450 places to enjoy live music, including 115 venues using music as a core business and another 350 venues presenting music as a secondary or occasional feature.
- In 2014, the Toronto Star estimated the economic impact of the music industry in Toronto at \$700 million.
- According to The Great Musical North (2009), a report done by the Martin Prosperity Institute at the University of Toronto's Rotman School of Management, the Toronto music industry has a larger share of the region's employment than New York City and Austin, Texas.

More generally, Statistics Canada estimates that the Canadian recording industry (including both foreign-owned and independent, Canadian-owned companies) had a total economic output of \$800 million in 2013 and that Toronto generates approximately 80 per cent of this figure.

- The Canadian Independent Music Association (CIMA) reported that the independent, Canadian-owned music industry sector generated approximately \$292 million in revenues in 2011 and contributed more than \$300 million in GDP to the Canadian economy. The CIMA report found that more than 13,400 people are employed by the independent music industry in Canada.
- Canada's live music sector generates an estimated \$455 million in revenues and contributes \$252 million to the Canadian economy.
 - Ontario's live music sector generates 80 per cent of total national revenue, up from 65 per cent in 2005.

- According to a report by PricewaterhouseCoopers, the Canadian live music market has grown at an annual average rate of 6.4 per cent since 2010.

In Toronto, the world’s most multicultural city, music knits together separate threads in the population, bringing together people of distinct backgrounds, ages, and geography while animating public and private venues, streets, and neighbourhoods across the city. 2015’s Panamania concerts exemplified the unique power of music to unite our population. For instance, headline act The Roots drew an audience of more than 20,000 to Nathan Phillips Square. The crowd as culturally diverse as Toronto’s population itself.

Music-related Accomplishments and Activities of the Film and Entertainment Unit in 2015

Streamlining City regulations and enforcement to promote a more music-friendly environment in Toronto.

With a goal of making Toronto a true “music city” where musicians and music businesses thrive, Film and Entertainment Industries has worked with the City’s Municipal Licensing and Standards division (MLS) on two issues of particular importance to the city’s music community:

- *Posting fines for music venues have been eliminated.*
MLS’s previous practice in dealing with illegal posting was to issue infraction notices to music venues associated with the performance – without any proof that the venue itself was directly responsible. In July, MLS and Film and Entertainment Industries jointly announced the immediate cessation of this practice. The announcement was picked up by music and entertainment media and commended widely by the city’s music community; and
- *Noise bylaws are being reviewed and amended.*
In August, Film and Entertainment Industries coordinated meetings between music industry stakeholders and Municipal Licensing and Standards officials to work collaboratively on issues around noise bylaw regulations and enforcement. FE also worked closely with industry members of the Toronto Music Advisory Council (TMAC) on an official music-industry submission to MLS’s noise bylaw review report to Council. This report, originally scheduled for October 19, will now be submitted in January 2016. FE will coordinate a further meeting between TMAC representatives and MLS to review how the recommendations in the report’s final draft will affect the music community.

Film and Entertainment Industries also worked with Parks Forestry and Recreation (PFR) to revamp regulations to provide greater music stakeholder access to park permits. Building on the framework of Toronto Arts Council’s “Arts in the Parks” pilot programs to be launched in 2016, FE helped PFR create a new “Music in the Parks” permit category to allow for-profit music organizations the same access to low-cost permits and

insurance that not-for-profit organizations currently enjoy, along with greater flexibility for sponsor engagement during music activations. The Music in the Parks program was introduced by PFR at the Parks and Environment Committee meeting on October 16, 2015; this program is separate from the Commercial / Private Special Events pilot program currently under discussion between staff and affected Councillors and due to be reported on at the Parks and Environment Committee meeting of February 25, 2016.

Music 311

With a goal of spotlighting Toronto music through featuring tracks by local artists as on-hold music when the public telephones for City information, Film and Entertainment Industries and the 311 Division jointly developed the Music 311 program.

While the 311 Division created a playback system to integrate new on-hold music with 311's other functionalities, FE built an online portal for musicians to apply and submit tracks for consideration, receiving submissions from well over 100 Toronto artists within the first month of the portal going live. Two separate rounds of Music 311 playlists were then curated – the first using tracks from artist members of the Toronto Music Advisory Council, and the next featuring carefully selected tracks from 22 other talented local artists, across multiple genres, who applied to be included in the program.

A new playlist of between 20-25 tracks featuring new local artists will be introduced quarterly throughout 2016 and beyond. Because Toronto's 311 receives approximately 4,000 calls each day, Music 311 will provide significant public exposure for the local artists selected for the program.

Live from City Hall

This project's goal is to further demonstrate City support for local music by featuring Toronto musicians in a regular performance series in the Rotunda at City Hall.

FE secured corporate support to finance year 1 of the program through TD Bank, built an online portal (see Music 311) for musicians to apply to the program – and received applications from over 100 Toronto artists. Working with City Hall Facilities on scheduling and event production, FE launched Live from City Hall with an inaugural performance on October 29, featuring local artists Ferraro and Big Tobacco and the Pickers.

2016 performance dates are projected as twice monthly, beginning with an official launch and associated media event in early January. Each performance will start at 5:00 pm and feature two local bands. The aim is to spotlight artists of diverse musical genres drawn from across the city.

South by Southwest Festival (SXSW), Austin TX

Film and Entertainment Industries planned and executed the City of Toronto's activations at SXSW in March 2015. As the world's biggest and most important music festival, SXSW was a prime forum to showcase Toronto's commitment to supporting its industry and its local artists. FE took the lead in organizing the following:

- Two separate artist showcase events, providing exposure and industry attention for a total of eight Toronto bands.
- Two industry networking events, providing unmatched networking opportunities for Toronto music stakeholders as well as City of Toronto elected officials and staff.
- Meetings for Mayor John Tory, Councillor Michael Thompson, and Councillor Josh Colle with City of Austin Mayor Steve Adler, Austin Chamber of Commerce President Mike Rollins, as well as with key Toronto and Austin music-industry stakeholders.
- The re-vitalizing of the Austin-Toronto Music Cities Alliance between Mayors Tory and Adler.
- Tours and meetings with senior executives for the Mayor and Councillors with Austin technology companies including Google Fiber, IBM, and the Austin Technology Incubator.

Chicago Sister Cities project: "A Tale of Two Cities"

FE supported and co-produced a concert / workshop / networking series with events in Chicago and Toronto. This event was led by the ReMix Project, headquartered in Toronto with offices in Chicago.

FE worked with ReMix on planning and promotion of both Chicago and Toronto events. The Chicago event took place September 24-25, 2015 at the Chop Shop (concert) and ReMix studio (workshop), and the Toronto event followed on October 1-2, 2015 at Tattoo (concert) and ReMix studio (workshop).

Underscoring Toronto and Chicago's "Sister Cities" relationship, the Tale of Two Cities initiative provided unmatched career development opportunities for emerging urban music artists from both cities. For example, Jessie Reyes – one of the Toronto artists featured at the Chicago showcase – was asked to record a track with Chance the Rapper, an internationally renowned Chicago hip hop star, immediately after the Tale of Two Cities event. The workshop component of both city events gave young musicians and urban producers unique access to industry leaders, while the concerts allowed Toronto artists to build profile and audience in Chicago and to host top Chicago talent here at home.

Aligning Toronto's Strategies and Actions with Ontario's Music Initiatives

FE enjoys a strong working relationship with key institutions and individuals working to advance music initiatives within the Government of Ontario's Ministry of Tourism, Culture, and Sport (MTCS), including staff at the Investment and Development Office under Director Michael Langford and Assistant Deputy Minister Kevin Finnerty and his team heading up the Province's Live Music Task Force.

- FE is represented on all three working groups of MTCS's Live Music Task Force (Data / Evidence; Outreach / Collaboration; Capacity Building / Skills Development) and has been working to ensure that municipal objectives align with provincial goals and methodology.
- FE's own music sector research is being undertaken with full cooperation from the Live Music Task Force, and through it, related industry organizations like Music Canada Live and the Ontario Arts Council.

FE maintains close connections with staff at the Ontario Music Office (OMO) and program officers for Celebrate Ontario for updates on funding programs and deadlines in order to be able to provide guidance to stakeholders seeking public-sector funding. In particular, FE will continue to leverage the relationship with the OMO to help make more music projects possible by advising stakeholders of the OMO's program streams and how to access funding, and by endorsing projects that involve or enhance the City's own stake in the music sector.

Client Service

Beginning in late 2014 and continuing throughout 2015, the Music Sector Development Officer and the FE team have assisted all music-industry stakeholders contacting Film and Entertainment Industries by providing general consulting; programming, production, and funding advice; business-to-business connections; and assistance navigating other City departments and services.

Client service work of this kind has grown along with awareness among the music industry and general public of Toronto's "music city" objectives. Email messages, phone calls, and meeting requests are very frequent. All client service work is recorded daily.

Sector Development Opportunities

The following summarizes the City of Toronto's key opportunities to enhance music sector development. These opportunities have been identified through consultation with industry members and elected officials who make up the Toronto Music Advisory Council, and through noting the issues most frequently raised in FE's liaising between Toronto's larger music community and City Hall.

1. Embrace an overarching, cohesive Music Strategy (endorsed by City Council) to guide music sector development short-term and long-term.

- FE is working closely with the Toronto Music Advisory Council (TMAC) as TMAC's Strategic Planning working group develops this Music Strategy. After public consultation, the Music Strategy will be presented to Economic Development Committee early in 2016.
 - The Music Strategy will include recommendations in the following areas:
 - supporting a music-creator friendly environment (e.g. access to affordable housing and rehearsal space; access to health and dental benefits)
 - encouraging the business of music in Toronto (e.g. revamping noise regulations, improving access to civic venues; creating a music business networking database)
 - supporting music education
 - promoting Toronto's music scene locally and internationally and building music tourism
 - building on the Austin-Toronto Music Cities Alliance and extending relationships to other cities
 - conducting sector research and measuring impact

2. Adopt progressive planning and permitting policies introduced in other jurisdictions to address potential conflicts between music industry stakeholders and the wider public interest.

- Work with City colleagues to review the designation and definition of Employment Lands to extend opportunities to the creative sectors (see "Threats" below).

3. Consult with industry and City divisions to develop a Live Music Venue license to eliminate widespread confusion about existing license categories, their requirements and their benefits.

Sector Development Threats

The following summarizes potential threats to the current health and future development of Toronto's music sector. The Music Strategy being developed by TMAC further describes and proposes solutions to many of the concerns listed below:

- Affordability for musicians: cost of living / housing, rehearsal space, lack of fair compensation, lack of health and dental benefits make life precarious for many artists. *(NOTE: Austin is currently facing a similar problem, with musicians being gradually forced out of the city as it has become gentrified and less affordable. This process and its consequences are detailed in 2015's Austin Music Census report <https://www.austintexas.gov/department/austin-music-census-report>.)*

- Slow regulatory reform: if the pace of change is too slow, without meaningful and visible “wins” as longer-term policy review is underway, there is a risk that the industry and the public will become disengaged from the City’s stated “music city” development objectives and processes.
- Zoning and Official Plan: regulations and stipulations are often disadvantageous to music-sector development (especially “permitted use” zoning and current Employment Lands designations).
 - Discussions with music-industry stakeholders and with City of Toronto Planning have highlighted that existing Employment Lands designations and the current definition of "employment" may be potential barriers to business development in the music sector.
- Increasing high-density residential growth: condo development continues to encroach on and threaten culturally thriving downtown locations as residents in new buildings come into conflict with pre-existing music venues.
- Lack of larger venues: Toronto has very few mid-size (1,000 – 5,000 capacity) indoor venues and no large (> 30,000 capacity) outdoor music festival sites – and loses business to other cities as a result; and
- Poor industry infrastructure for certain genres (e.g. hip hop, reggae, world): lack of venues, promoters, and media support means that developing artists in these genres may leave the city for more advantageous locations.

Film and Entertainment Music-related Goals in 2016

Work with TMAC to finalize Music Strategy document

Establish a cohesive, comprehensive music plan to shape and guide the sector’s growth and development. This strategy is being developed in close collaboration with the Toronto Music Advisory Council and will strive to:

- help create more live music opportunities
- review and revise licensing, noise regulations, and event permitting
- build music tourism

Film and Entertainment Industries has sourced the music plan’s key components based on top-line recommendations from industry members of the six working groups (listed on pages 12 and 13) of the Toronto Music Advisory Council (TMAC) combined with FE’s own research and industry engagement. FE has also consulted with City departments (MLS, Planning, Parks Forestry and Recreation) for their input on integrating music into the existing regulatory framework.

November / December 2015 have been set aside for the public to engage with the Music Strategy document through a public consultation process. In the first quarter of 2016, the Music Strategy will be presented to the Economic Development Committee and City Council for adoption.

Conduct sector research

- Establish a benchmark for the music industry in Toronto by conducting an asset inventory of music businesses across Toronto.

Collaborate with other City divisions to review and update policy and regulations

- Review existing City policies and guidelines in relation to recommendations in the Music Strategy document.
- Work with internal stakeholders to adapt existing City policies to better serve the music community's business interests while maintaining respect for the greater public interest.
- Continue to liaise between the music community and City staff in key divisions (especially Municipal Licensing and Standards, Transportation Services, Parks Forestry and Recreation, and Planning) to build stronger working relationships.

Work with City Councillors to build a more music-friendly environment across the city

- Prepare a Film and Entertainment Industries "road show" to present to Councillors and staff. Explain how the FE team (comprising Film, Music, Tourism and Visitor Services, Event Support) can serve Councillors' own ward objectives.
- Continue to liaise between the music community and Councillors to help build opportunities for the music industry to thrive in each ward while respecting other local interests.

Engage the tourism industry to increase the prominence of music in Toronto's brand identity

- Provide music-related information to tourism ambassadors (Tourism and Visitor Services and Tourism Toronto) so more visitors are aware of both grassroots and mainstream music events.

Increase the visibility of music across Toronto

- Build profile and engagement from artists and audiences for Music 311 and Live from City Hall programs.
- Work with Parks Forestry and Recreation to fine-tune details of and publicize the new “Music in the Parks” pilot program, which allows for-profit music stakeholders access to park permits to organize music events.

Enhance Toronto’s music alliances with other cities

- Continue to develop the Sister Cities music relationship with Chicago and explore opportunities for business development work with other “music cities” such as Nashville, New York, and Melbourne AU.
- Plan and execute City of Toronto activities at SXSW 2016.
- Provide support as needed as TMAC and industry members of the Austin-Toronto Music Cities Alliance plan and execute the Austin-Toronto Music Cities Alliance Summit in the spring of 2016.
 - industry leads for the project have identified and contacted leading Austin and Toronto industry as delegates; designed the event timeline and workback schedule for a spring 2016 event

Structure and Activities of the Toronto Music Advisory Council

The Toronto Music Advisory Council (TMAC) comprises 30 industry members representing diverse components of the music business, including record companies, festivals, venues, industry organizations, ticketing, promotion, management, educational institutions, entertainment law, and artists. TMAC also includes 6 City Councillors, including the Chair of the Economic Development Committee.

The complete membership of the Toronto Music Advisory Council is listed here, along with member bios and industry affiliations:

<http://www1.toronto.ca/wps/portal/contentonly?vnextoid=01d6ee71adb13410VgnVCM10000071d60f89RCRD&vnextchannel=401132d0b6d1e310VgnVCM10000071d60f89RCRD>

TMAC’s Chair is Councillor Thompson; the co-chair is industry member Andreas Kalogiannides.

For focus and efficiency, TMAC is sub-divided into the following six working groups:

- Advocacy
- Branding, Marketing, Tourism
- Business Development

- Financing, Funding, Sponsorship
- International Alliances
- Strategic Planning

Each group has a leader and meets monthly at a minimum. All working group meetings are attended by one or more of the Music Sector Development Officer, the Film Commissioner and Director of Entertainment Industries, or the TMAC co-chair.

At meetings during the summer and early fall of 2015, each group identified top recommendations for the Music Strategy document being prepared by the Strategic Planning working group.

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