

Music Rehearsal Spaces in the City of Toronto

Date: January 6, 2022

To: Economic and Community Development Committee

From: Interim General Manager, Economic Development and Culture

Wards: All

SUMMARY

Toronto is the centre of the Canadian music industry and one of the world's premier cities for music. With a thriving music ecosystem that includes a robust complement of iconic live music venues and globally recognized festivals, as well as record companies, recording studios, music publishers, artist management and talent agencies, Toronto also attracts internationally renowned acts while consistently producing some of the world's top musicians across a range of genres.

At the core of Toronto's music scene are its artists. A diverse and thriving grassroots music scene fosters talent development at all stages, enabling career growth for local emerging artists.

Music rehearsal spaces are a vital part of this artist development trajectory. They provide safe, affordable, and accessible places for musicians to hone their craft. Historically, Toronto musicians were able to find commercially available rehearsal space across the city, especially in or near the downtown core. However, over the last two decades, and more markedly within the last five years, the inventory of music rehearsal spaces in Toronto has significantly decreased – and the closure of over 50 percent of remaining rentable rehearsal rooms is expected by early 2022. Local musicians, media, and the music community are gravely concerned, with several community action groups having formed to address the issue.

Toronto's grassroots music scene has faced significant difficulties during the last decade. Rising land values, the effects of gentrification, and increasing commercial and residential rental costs have led to the closure of dozens of live music venues and mounting financial challenges for emerging musicians and the businesses that help sustain the music ecosystem.

Rehearsal spaces occupy a unique place in this ecosystem. Unlike a live music venue, a rehearsal facility's operating model relies on business brought by musicians, rather than the public. Its industry reputation is built on providing musicians with dependable locations, services and equipment and helpful, knowledgeable staff, all at competitive rates. When rehearsal spaces are threatened or go out of business, there is no public

and media outcry like that accompanying the loss of a beloved live music venue.

Nonetheless, music rehearsal facilities are a vital, if underappreciated, part of the city's music scene, and have played a central part in fostering generations of artists in Toronto, both local favourites and global stars. Because of the importance of these facilities, the City of Toronto, with a clearly stated mandate to nurture and support its musicians and music industry, must now explore creative solutions to address the current threats to rehearsal spaces.

In responding to Motion MM35.42, which City Council adopted at its meeting of July 2021, this report presents an inventory of existing music rehearsal space in Toronto, created through research done by the City of Toronto's Music Office – a part of the Economic Development and Culture (EDC) division – and augmented with information contributed by members of the Toronto Music Advisory Committee, commercial rehearsal space owners, and individual musicians. This information is presented in a table, as Attachment 1 to the report, and includes each facility's location and City of Toronto ward.

The report also identifies measures for the City to consider implementing to help protect existing music rehearsal space and encourage the growth of new facilities across the City.

RECOMMENDATIONS

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

1. City Council direct the General Manager, Economic Development and Culture to collaborate with the Chief Planner and Executive Director, City Planning to explore the application of the new Section 37 Community Benefits Charge and its potential capacity to provide limited funding for community facilities that may include for-profit and not-for-profit music rehearsal facilities.
2. City Council direct the General Manager, Economic Development and Culture, in consultation with the Executive Director, Corporate Real Estate Management, the Chief Executive Officer, CreateTO, and other relevant City Divisions, to develop the terms of a pilot program for not-for-profit and/or for-profit cultural rehearsal studio and production space operators, to identify an inventory of City-owned properties suitable for lease, and to develop key terms and conditions of a lease agreement to lease such spaces at below-market rates.
3. City Council direct the General Manager, Economic Development and Culture, the Chief Planner and Executive Director, City Planning, and the Executive Director, Corporate Real Estate Management to report back to the July 6, 2022 meeting of the Economic and Community Development Committee with a summary of work undertaken and tangible results stemming from the recommendations in this report.

FINANCIAL IMPACT

There are no immediate financial implications arising from the actions contained in this report. If adopted by City Council, Recommendation 3 of this report would have a revenue impact in future years through the leasing of City-owned properties at below-market rents. Specific impacts would be outlined in future reports to City Council.

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

DECISION HISTORY

At its meeting on July 14, 15, and 16, 2021, City Council directed the City Manager, the Chief Planner and Executive Director, City Planning and the General Manager, Economic Development and Culture to review the current inventory, availability, cost, and general status of rehearsal space for musicians in the City of Toronto, to consider measures the City can implement with respect to increasing, encouraging and protecting rehearsal space for musicians across the City, and in particular the west end of Toronto, and to report back to Executive Committee with both an assessment and recommendations.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.MM35.42>

At its meeting on March 31 and April 1, 2016, City Council adopted the Toronto Music Strategy, created by the Toronto Music Advisory Committee to guide the short- and long-term growth of Toronto's music sector.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.ED10.7>

COMMENTS

A) Current inventory, availability, cost, and general status of rehearsal space

1. Description and Characteristics

Generally, there are two types of rehearsal facility: small businesses with one or two individual rooms allocated and equipped for rehearsal, and larger facilities with 10 or more individual rehearsal rooms of varying size under one roof.

Some facilities with only one or two rehearsal rooms also offer full sound recording capabilities and employ recording engineers, marketing themselves as recording studios along with status as boutique rehearsal rooms. Larger facilities may offer one or two especially spacious rooms, sometimes with small stages, to allow artists to rehearse for tours or important performances. A rehearsal facility featuring any more than 10 individual practice rooms may require a large footprint from 10,000 to up to 100,000 square feet.

In both small and large facilities, individual practice rooms are normally soundproofed to minimize sound leakage to the outside and/or to other adjacent practice rooms. Typically, each room comes equipped with a full drum kit, guitar and bass amplifiers ("backline"), and public address (PA) systems with vocal microphones, monitors, and associated equipment. Some rehearsal facilities emphasize the particular brands and quality of this gear to help attract and build specific clientele. The onsite backline and PA gear are important features of commercial rehearsal facilities, allowing musicians to bring only their own instruments and minimize setup time for each rehearsal session.

Most rehearsal facilities, small or large, are administered onsite by trained staff who can help artists to operate the equipment if needed.

2. Business Model and Pricing

Music rehearsal rooms are available to rent either by the hour or in longer blocks of time (often monthly). It is also typically in the larger facilities that monthly room rentals are available; small facilities typically offer only hourly rentals.

Hourly rentals (often booked in two to four-hour blocks) are suitable for artists who need (or can afford) only shorter blocks of time, whereas longer blocks are often required by professional bands preparing for tours, recording sessions, or other milestone engagements. Recurring rentals (e.g., the same time every Tuesday night for multiple weeks) are popular with many bands both amateur and professional.

Rehearsal space rates vary. The Rehearsal Factory advertises monthly rates starting at \$300 per month, and solo rooms (suitable for drummers, for example) from \$10 per hour. Rates in many smaller facilities often vary between \$20-\$40 per hour, with some charging more for add-ons and staff support. Sample rates shown online include:

- AMuzikZone: \$20/hr
- Arrayspace: \$35/hr + add-ons for equipment & staff
- Cherry Jam: \$25/hr
- Ratspace: \$30/hr inclusive

Toronto has always attracted artists from outside the city, here either on tour or to record. These artists – including international stars – have also made use of local rehearsal facilities.

Owning and operating a music rehearsal facility presents financial challenges for a business owner. The ceiling on rates for individual rehearsal rooms has not increased substantially in the last decade, especially not for hourly rentals – partly because many Toronto musicians, with stalled or even regressed incomes, have not been positioned to afford higher rates for rehearsal space. At the same time, with the increase in land value in Toronto, fixed costs such as mortgage or commercial rent payments and property taxes have significantly increased.

Small rehearsal facilities, with only one or two individual practice rooms, face limitations on overall facility revenue; as a result, many have developed related services such as audio and video recording to diversify and increase business revenue. Many of these

smaller studios, unsupported by either public-sector grants, sponsorship, or backing from larger industry entities, have found it increasingly difficult to survive in recent years.

By contrast, larger rehearsal facilities with over 10 individual practice rooms, while generating greater overall gross revenue than many smaller facilities, confront significantly higher fixed costs on their much larger premises.

For these reasons, two of this report's recommendations address the cost and sustainability of music rehearsal facilities.

3. Distribution

Music rehearsal spaces in Toronto are found across the city. However, there is some concentration of both facilities and individual rehearsal rooms, as the table below shows:

Ward	Number of rehearsal facilities	Number of individual rooms
9 – Davenport	6	109
3 – Etobicoke-Lakeshore	6	75
11 – University-St Paul's	5	6
14 – Toronto-Danforth	2	7
13 – Toronto Centre	1	60
6 – York Centre	1	21

Outside of these wards, there are a number of small facilities with one or two individual practice rooms found in eight other Toronto wards. A full inventory can be found in Attachment 1 to this report.

Worth noting is the fact that many of Toronto's music rehearsal facilities have typically not been conveniently located near transit. Without a car, or the ability to afford taxis or ride-share vehicles, some musicians – particularly young, emerging artists – have faced challenges in accessing some of the city's facilities.

In Toronto Zoning By-law 569-2013, premises that includes music rehearsal space as its primary use is defined as a "Performing Arts Studio." Under the zoning by-law, performing arts studios may be located in mixed-use zones and in many of the zones in the by-law's Employment-Industrial category. Historically, many of Toronto's larger rehearsal facilities have been located in employment zones (EL, E and EO) or in the commercial-residential-employment (CRE) zones. Smaller facilities have been located in these zones, and also in commercial-residential (CR) zones. Music rehearsal may also be permitted as an ancillary activity to other land uses. As music rehearsal is already allowed in a wide variety of land-use zones, this report is not recommending a review of zoning to broaden permissions.

There are presently only three large music rehearsal facilities (i.e., offering more than 20 individual practice rooms) remaining in Toronto. One is an independent company (Jam Chamber in North York, with 21 individual practice rooms). The other two large facilities are franchises of the Rehearsal Factory business.

4. Current vs. Past Inventory

EDC has conducted extensive research into the current inventory of music rehearsal space in Toronto, through a variety of methods including consultation with members of the Toronto Music Advisory Committee, and gathering information from rehearsal facility owner-operators, independent musicians, and Internet search.

Based on this research, as of December 31, 2021, Toronto has 33 separate music rehearsal facilities, with 334 individual practice rooms available to rent. Detailed information on current and past inventory of music rehearsal space in Toronto can be found in Attachment 1 to this report.

Approximately 45 percent of currently available individual rehearsal rooms are offered by Toronto's two Rehearsal Factory locations. The Rehearsal Factory franchise has been a cornerstone of commercially available music rehearsal space in Toronto since the 1990s. The company once had five Toronto locations – offering a total of approximately 500 individual practice rooms between them – along with one location each in Mississauga, Oshawa, and Hamilton. A Rehearsal Factory location on Yonge Street closed approximately 20 years ago, but of greater concern to local musicians is the company's accelerated decline since mid-2021. In July, the Rehearsal Factory's Richmond Street West location closed, taking 50 individual practice rooms with it; and the Front Street East location shut its doors on December 15, wiping an additional 60 individual practice rooms from Toronto's total inventory.

The two remaining Rehearsal Factory locations (Geary Avenue and Islington Avenue) together offer 151 individual rehearsal rooms. The Rehearsal Factory has confirmed the sale of the Geary Avenue location (92 rooms), with final closing in February 2022. The fate of the Islington Avenue Rehearsal Factory is unclear – but if it, too, closes its doors in 2022, musicians will have lost access to well over 50 percent of rehearsal space rooms in Toronto within less than two years. Another large facility's 2021 closure – Cherry Jam in the Port Lands, with approximately 20 rooms – has added to the present fears of the local music community. Given that these rehearsal facilities have historically been highly utilized, the progressive loss of space has created an accelerating issue for the industry, resulting in insufficient infrastructure for its proper functioning in Toronto.

B) Measures the City can implement to increase, encourage and protect rehearsal space

The City of Toronto can play an important role in helping to preserve and protect existing music rehearsal facilities and in encouraging the development of new rehearsal space. There are a variety of measures the City can consider in this regard; some involve promotion or application of existing policies or programs, while others require expansion of programs or creation of new initiatives.

1. Funding support for soundproofing and structural modifications

In November 2021, the Economic Development and Culture division launched the Commercial Space Rehabilitation Grant Program, offering matching funding of 50 percent (up to a maximum of \$20,000) to commercial business operators and owners of

vacant storefronts to undertake interior improvements. Notably, structural upgrades to premises qualify as eligible expenses, including soundproofing – potentially of interest to owners or tenants of commercial spaces seeking to create music rehearsal space.

EDC's Music Office maintains an extensive database of music industry stakeholders, including owners and operators of commercial rehearsal space facilities. The Music Office will advise appropriate stakeholders of the availability of the Commercial Space Rehabilitation Grant Program so that anyone considering the financial viability of expanding an existing music rehearsal facility or creating a new one will be aware of this City funding support. This measure may be helpful to entrepreneurs exploring the feasibility of developing new rehearsal space facilities located outside Toronto's downtown core, where fixed costs are lower, and the likelihood of sustainability and profit is higher.

2. Application of Section 37 Community Benefits Charge

Section 37 of the Planning Act permits the City to authorize increases in permitted height and/or density through the zoning bylaw in return for community benefits, provided that there are related Official Plan policies in place. These community benefits may include "cash-in-lieu" or in-kind contributions. The Section 37 agreement specifies the expenditure to ensure funds are used to support the purposes identified when the application for development is approved. A protocol for negotiating Section 37 community benefits, adopted by City Council 2007, addresses how community benefits are negotiated by City Planning staff with property developers, with the involvement of the Ward Councillor and with community consultation.

Existing community benefits include the following:

- preserving heritage resources
- constructing and providing affordable housing units
- providing space within a private building for community services or facilities
- contributing to the construction of community recreational facilities

As of June 2021, the former provisions in Section 37 of the Planning Act have been replaced with a new community benefits charge allowing the City to charge of up to 4 percent of land value to fund the capital costs of community facilities. Currently, as part of the Municipal Comprehensive Review (MCR) process, the City is reviewing the list of community benefits that might be negotiated with developers. Including music rehearsal facilities on this list, possibly under a broader category that might also cover performing arts studios and other cultural assets, would support the retention of existing facilities and provide financial assistance for the development of new facilities.

3. City-owned properties for music rehearsal space

The City operates the second-largest real estate portfolio in Canada, after the Government of Canada, with over 2,500 facilities (approximately 9.5 million square metres) under its management. City of Toronto properties are utilized for a wide variety of purposes by a range of stakeholders. For example, there are currently 142 City-owned or -managed spaces that are leased at lower than market value, either under the

Community Space Tenancy policy or through historical or special lease arrangements.

In June 2020, City Council approved a motion directing Economic Development and Culture to work with Corporate Real Estate Management to develop the terms of a pilot program for DIY (Do-It-Yourself) music organizations to use City-owned spaces at lower than market value, and to develop an inventory of City-owned properties suitable for tenancy by DIY music organizations to be used for the pilot. The COVID-19 pandemic has interrupted progress on this work, but the recommendation leading to that motion is similar to what is being proposed now regarding rehearsal space.

In consulting with owners of for-profit, commercial music rehearsal space operators, the Music Office has heard that below market rate space in a City-owned building could create a viable model to address the shrinking supply of rehearsal space in Toronto. Estimates suggest that musician demand in Toronto would easily support 15 hourly rooms in a new facility along with 40-100 monthly rooms. A suitable facility might be 10,000 square feet at the lower end, up to 80,000-100,000 square feet at the upper end.

If this recommendation is approved, staff in Economic Development and Culture will meet with staff in Corporate Real Estate Management to describe particular rehearsal facility needs and give further context for the pilot program. Corporate Real Estate Management will be provided with information about ideal property location, description, and other details from consultations with rehearsal space operators, to enable a process of identifying possible properties for this purpose.

4. Help external organizations in their work to provide rehearsal space

The City can play a convening, advising, and supporting role in assisting cultural entrepreneurs to research and develop innovative models for creating rehearsal space. These options may involve exploring the feasibility of adapting or modifying space in "non-traditional" settings, including churches, public schools, colleges or universities, and leasable commercial or industrial properties.

Through consultation with a variety of cultural entrepreneurs, the Music Office has identified organizations – including Akin Collective and Activate Space – already engaged in re-purposing underutilized space in churches, schools, industrial properties and other assets not primarily considered cultural resources.

These and other similar organizations may wish to initiate or expand work to create music rehearsal facilities in these non-traditional spaces, or to conduct feasibility studies to develop optimal methods and sustainable business models. An organization's expenses might include any of the following:

- minor space modifications (e.g., walls and soundproofing)
- rental or purchase of backline and other audio gear
- development of a database of freelance audio technicians available for hire to assist artists with equipment setup and audio mixing as needed
- administration to oversee booking and management of the space(s), coordination of program staff, billing, promotion, etc.

As a first step in advancing the work proposed by this recommendation, the Music Office will continue to work with external organizations to identify spaces across Toronto that have potential for re-purposing for music rehearsal, to bring together stakeholders to help create feasible business models that increase Toronto's available rehearsal space inventory, and to help external organizations identify sources of funding through private-sector sponsorship or provincial / federal grants to assist in this work.

CONCLUSION

Together, the recommendations outlined in this report provide a framework for the City to begin to play a role in sustaining music rehearsal space in Toronto. As the inventory of current rehearsal space and the projected closing of more facilities show, the situation has become serious for musicians in Toronto, both emerging and established. The pressures of development, the COVID-19 pandemic, challenging business conditions for operators of small rehearsal facilities, and the recent dissolution and disappearance of the Rehearsal Factory franchises have created a scenario that threatens an essential piece of career development for musicians.

The actions described in this report align with specific recommendations in the "Building Back Stronger: Report of the City of Toronto Economic and Culture Recovery Advisory Group."

City support for this element of the industry will help sustain Toronto's music community, which is increasingly threatened by a combination of factors including overall affordability and the gradual erosion of a grassroots ecosystem of live venues, rehearsal and recording studios, and do-it-yourself spaces and events. These trends are collectively contributing to an exodus of musicians out of Toronto to other less expensive cities. A municipal strategy to preserve existing rehearsal space and encourage new facilities to develop is in keeping with Toronto's position as a music- and musician-friendly city, while promoting and supporting the goals of the Toronto Music Strategy.

CONTACT

Mike Tanner, Program Manager, Music, Economic Development and Culture, 416-389-6442, Mike.Tanner@toronto.ca

SIGNATURE

Cheryl Blackman
Interim General Manager, Economic Development and Culture

ATTACHMENTS

Attachment 1: Music Rehearsal Space Inventory as of December 2021