

Toronto Music Advisory Committee: Actions and Accomplishments 2019-2022

Date: June 15, 2022

To: Toronto Music Advisory Committee

Economic and Community Development Committee

From: Interim General Manager, Economic Development and Culture

Wards: All

SUMMARY

The Toronto Music Advisory Committee (TMAC) is a Council Advisory Body established to promote the health, competitiveness and sustainability of the Toronto music sector through advising the City on best practices in supporting music, identifying emerging issues and trends of significance to the music industry and artists, and serving as a liaison between the City and the various elements of Toronto's music community.

TMAC's Terms of Reference stipulate a four-year appointment for its public members, coinciding with the term of City Council, and that the Committee meet until the end of each Council term. TMAC's final meeting of this Council term was held on June 24, 2022; this report highlights key TMAC actions and accomplishments during this term.

RECOMMENDATIONS

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

1. The Economic and Community Development Committee receive this report for information.

FINANCIAL IMPACT

There are no financial implications arising from this report.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact Section.

DECISION HISTORY

At its meeting on March 31, 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>

At its meeting on March 27, 2019, City Council re-established the Toronto Music Advisory Committee for the term ending November 30, 2022.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX3.4>

COMMENTS

Membership

The Toronto Music Advisory Committee (TMAC) is composed of three members of City Council and 22 industry representatives. Staff in Economic Development and Culture, including the Manager of Music Sector Development and the Director, Entertainment Industries, support the work of TMAC and submit names to the Civic Appointments Committee for filling vacant industry member spots.

During the most recent term of Council, TMAC has had two Chairs: Councillor Joe Cressy (2019-2020) and Councillor Brad Bradford (2021-2022). The transition between Chairs was smooth, and both Chairs worked closely with industry members, other members of Council, and City staff in effectively moving ahead TMAC's objectives and decisions in supporting the music community.

TMAC has also benefitted from the contributions of Deputy Mayor Michael Thompson (Chair of Economic and Community Development Committee and Night Economy Ambassador) and Deputy Mayor Ana Bailao (Chair of Planning and Housing Committee). Both Deputy Mayors have ensured that the interests of the music community as raised by TMAC have been represented in other related City discussions and initiatives.

Toronto's music community is extremely diverse across demographics, cultural communities, musical genre, business model, and industry segmentation. TMAC's diverse membership during this term of Council has successfully reflected this broad range of demographics, culture, and role in the city's music ecosystem. TMAC's Terms of Reference list industry categories to be represented on the committee; the current roster effectively meets those basic requirements while also integrating emerging, grassroots music entrepreneurs and artists with more established industry professionals. Additionally, TMAC's membership is 55% female and 41% Indigenous, Black and racialized, and also profits from the perspectives of members who self-identify as Indigenous and 2SLGBTQ+.

Through this diverse membership, TMAC discussions, including public meetings, have included a broad range of insights, opinions, questions, and suggestions. TMAC's Toronto Music Advisory Committee: Actions and Accomplishments 2019-2022

members are connected to every facet of the music industry and to an enormous variety of cultural communities across the city; each of these industry sub-sectors - often made up of Indigenous, Black and/or equity-deserving individuals - has effectively had a champion voicing their interests at the municipal table.

Structure and Meeting Procedures

TMAC's Terms of Reference stipulate a minimum of four (4) public meetings per calendar year. Throughout this term of Council, TMAC held a total of 12 public meetings: 2 in 2019; 4 in 2020; 4 in 2021; and 2 in 2022.

To help focus discussion around key issues in the music industry (including the effects of the COVID-19 pandemic on music), TMAC members were divided into five "task teams" as follows:

1. Venue Health: advising on venue re-opening; insurance; taxation
2. Artist Health: supporting the interests and concerns of local artists; advocating for flexibility re home as workplace; assisting with Music Office work on rehearsal space; allowing more opportunities for DIY music activity.
3. General Industry Health: re-opening guidelines for studios; digital partnerships for streaming / performance
4. Outreach and Engagement: clarification of TMAC role; assisting with updating City of Toronto music materials; creating and sharing TMAC information with the wider industry
5. Music Strategy: working with the Music Office and the City's consultants on updating the Toronto Music Strategy to include new orientation and priorities

Task teams were encouraged to meet between and leading up to each of the pre-set public meetings. The Manager of Music Sector Development met frequently with each task team and/or individual members as needed to address questions, concerns, and suggestions, and to help shape discussions potentially leading to recommendations or motions at upcoming public meetings.

Timeline and Impact of the COVID-19 Pandemic

The current term of Council has been dominated by the COVID-19 pandemic and the City's urgent response to the related needs of residents and businesses in Toronto. Nonetheless, despite limited opportunities for public and task team meetings and a drastically altered set of priorities, TMAC functioned effectively and made significant strides in supporting Toronto's music community.

After the 2018 municipal election, Council did not finalize Chair appointments for standing committees or Council Advisory Bodies until well into 2019. As a result, TMAC's first meeting was not held until October of 2019, approximately one year into the new term of Council. While "returning" TMAC members (approximately fifty per cent of total membership) likely remained aware of the value of the committee and its work despite this delay, new members waiting months for an inaugural meeting may have questioned the timeline. To maximize the impact of TMAC in the 2022-2026 term of Council, it is recommended that the process of reconstituting Council Advisory Committees be accomplished more quickly after the 2022 municipal election.)

TMAC met twice in 2019 and once more in early 2020 before the COVID-19 pandemic began, affecting the scheduling, logistics, process, and focus of future meetings. One notable impact on the membership group was the loss of regular opportunities to meet in person. TMAC meetings held remotely via WebEx created challenges for members who did not know each other before joining TMAC to develop relationships helpful to the functioning of the board as a cohesive whole

Functionality

Like other Council Advisory Bodies (CABs), TMAC functions as a group of industry experts who advise the City on issues, challenges, and opportunities in the sector. TMAC members work closely with the Chair and Co-Chair, and City staff, to shape desired recommendations and motions. Motions approved at TMAC meetings are placed on the agenda at the following meeting of the Economic and Community Development Committee (ECDC); if adopted there and if requiring City Council approval, these motions go onto the agenda for the following Council meeting.

Importantly, this does not mean that TMAC members directly instruct staff - rather, TMAC recommendations at their most helpful enable or empower planned Music Office work in supporting the music sector. The symbiosis is most effective with a high degree of communication and cooperation between the Music Office, the Chair, and TMAC members. During the recent term of Council, this shared understanding was instrumental in achieving several benchmark accomplishments in the City's support of music.

It is also important to note that TMAC itself cannot take on the work of the City. TMAC is a volunteer board with no independent legal or financial standing. Unlike an external not-for-profit organization, TMAC can neither issue media releases, raise or disperse funds, nor take public positions on issues, outside of its advice and recommendations to the City.

Accomplishments

TMAC's activities, accomplishments, and impacts 2019-2022 can be categorized as focused on either (1) live music venue health; (2) expansion of opportunity for grassroots music organizations and local artists; (3) research, consultation, strategy development; and (4) other work. These broad categories correspond to the orientation of TMAC's task teams.

(1) Live Music Venue Health

(a) Live Music Venue Property Tax Reduction

Toronto's live music venues make a vital contribution to Toronto's economic, social and cultural life; employ artists, staff and others in the music industry; contribute property taxes; provide essential gathering spots for Toronto's varied cultural communities; give local musicians a launching pad for their careers; attract and retain creative young people to Toronto, and help shape a civic identity valuing and promoting music and culture. Maintaining live music venues is critical to supporting the cultural vitality of Toronto, which in turn supports the City's ability to attract and retain talent and investment as well as create a more vibrant, liveable city.

Even before the COVID-19 pandemic, however, Toronto's live music venues faced increasing challenges due to several factors:

- The majority of small and medium-sized live music venues are tenants and vulnerable to landlords who are able under the Ontario Commercial Tenancies Act to significantly increase the commercial rental rates once the term of the lease expires.
- Many live music venues are downtown where density is increasing, rents are rising sharply, and property assessment values and therefore property taxes are also rising while revenues for live music venues remain relatively flat.
- Gentrification, often spurred by the arrival of cultural amenities in the local community, creates an incentive for the landlords of live music venues to sell to real estate developers for substantial profits, evicting tenants in the process.

Because of these macroeconomic challenges, many Toronto live music venues were already in a precarious financial position and therefore ill-equipped to handle the extended, enforced closure and uncertain timelines for recovery due to the pandemic.

To address the risk of the permanent closure of many venues, in early 2020 the Music Office expedited discussions with other City divisions and TMAC to craft amendments to the pre-existing Creative Co-location Facilities Tax Subclasses. At an emergency meeting of TMAC called in May 2020 by then-Chair Councillor Joe Cressy, TMAC approved a motion recommending that the City create a third category of the Subclass to include live music venues that met specific criteria drafted by the Music Office in consultation with individual TMAC members and in particular with TMAC's Venue Health task team.

In June 2020, City Council approved the creation of this new stream of the Subclass, through which live music venues meeting program eligibility criteria had their annual property taxes reduced by fifty per cent. In 2020, 48 venues participated in the program, generating a total of \$1.7 million in property tax savings. In September 2020, TMAC passed a motion requesting City Council to make the live music stream of the Subclass permanent; Council did so in October 2020. In 2021, 58 venues participated; it is expected that a similar number of venues will benefit from inclusion in the Subclass in 2022.

The reduction in property taxes provides a direct benefit to the owner of the property (and not to a tenant of the property) - therefore, the owner must apply initially and annually thereafter to continue to be included in the Subclass in order to receive the tax reduction. In practice, music venue tenants often work with their landlords to ensure the application is completed and submitted each year. It is the responsibility of the property owner to pass along to the music venue tenant one hundred per cent of the tax savings realized through inclusion in the Subclass.

Toronto's property tax reduction for live music venues is unprecedented anywhere else in the world. Since the inception of this policy, many Toronto live music venue owners have attested to its importance in keeping them solvent during the pandemic and during the recovery phase (which will continue throughout 2022 and beyond for many venues).

(b) Live Music Venue Insurance

In 2020, it became very challenging for many Toronto live music venues to renew their commercial liability insurance. Although coverage rates had been increasing globally over the past several years, in 2020 some local venues were confronted with steep increases in quoted premium rates and deductibles compared to 2019. Other venues, with no recent claims against their policies, were unable to secure commercial liability coverage at any cost despite contacting a range of underwriting firms. This situation evolved through a combination of several factors including live music venues being viewed by insurers as "high-risk" businesses and insurers limiting their own risk after sustaining pandemic-related losses.

In response to urgent calls for help from local music venues, TMAC took the following steps:

- passed a motion (September 2020) recommending that Council request the Government of Ontario to convene a meeting to discuss insurance concerns from live music venues - in recognition that insurance is a provincially regulated industry
- passed a motion (December 2020) recommending that the Economic and Community Development Committee request the Chief Financial Officer and Treasurer and the General Manager, Economic Development and Culture to continue to explore City of Toronto options for supporting an insurance program for live music venues, and to bring forward a report with potential options directly to the Economic and Community Development Committee in March 2021

These motions resulted in City staff in the Music Office and Finance and Treasury Services exploring options for a City-supported insurance program for live music venues. The final report presented to ECDC in June 2021 noted that the music sector had made progress in developing options for an industry-led insurance program for live music venues and recommended that it was no longer necessary for the City to consider providing a financial backstop for such a program. Instead, the report recommended that the City continue to support Toronto's live music venues by providing advice and encouraging the development of viable programs by the insurance industry.

(c) Zoning and Licensing of Bars, Restaurants, Entertainment Venues

In 2017, TMAC and the Music Office began but did not complete developing a program framework to "certify" live music venues, conferring business opportunities that could include participation in City-supported programs (for example, an official City-sanctioned Music Passport program), occasional late-night extensions for alcohol service, and recognition by the City's regulatory divisions of the importance and unique character of music venues' business operations, irrespective of the type of business license a given live music venue may hold.

The conversations around certification - especially the interest in having the City recognize the unique nature of live music venues as distinct from nightclubs or restaurants - have more recently been superseded by the 2022-2023 review of zoning and licensing for bars, restaurants, and entertainment venues being co-led by the City's Planning and Municipal Licensing and Standards divisions. This work has been brought about in part through the Night Economy Working Groups (with TMAC representation).

TMAC has already provided music industry perspective into the planning phases of the zoning and licensing review, and the Venue Health task team will continue to work closely in 2022 with Planning, Municipal Licensing and Standards, Economic Development and Culture, and the vendor engaged to conduct stakeholder consultations in order to provide direct and in-depth industry advice to help orient a revamped zoning and licensing framework to reflect the business and operational needs of live music venues.

(d) Toronto Live Music Passport

As live music venues have re-opened in 2022, TMAC members are again leading the planning and operation of the “Toronto Live Music Passport” program, an industry-led promotional initiative designed to increase revenue at bricks-&-mortar music venues during slower periods in the calendar. Two TMAC members - both current and former venue owners - initially created this program and ran successful iterations in winter and summer 2017-2019. In 2019, a separate not-for-profit organization was created to be able to further expand operations and impact. The Music Office has committed funding to support administration and marketing should a more fully fleshed-out 2022 program develop.

(e) Public Health Regulations and Re-opening

At its May 2021 meeting, in responding to an item entitled "Concerns Related to Current Trends in COVID-19 Pandemic," TMAC moved a motion recommending that Council advocate with the Province of Ontario to consult with relevant music industry stakeholders on an evidence-based safe reopening plan for live music venues, with particular attention to capacity limits, distancing measures, workplace safety measures, and financial supports for industry. These points were added to a list of items intended for intergovernmental advocacy led by the City Manager's Office. All of TMAC's task teams worked to develop TMAC positions on this issue.

(2) Expansion of Opportunity for Grassroots Music Organizations and Local Artists

(a) City-owned Spaces for DIY Music Organizations

In responding to a June 2020 Council motion, the Music Office began work in mid-2021 with staff in Parks, Forestry and Recreation, Corporate Real Estate Management, and other relevant divisions to develop the terms of a pilot program for a grassroots "DIY" music organization to lease a City-owned space at lower than market value.

TMAC - with particular focus from the Artist Health and General Industry Health task teams - supported this initiative, which culminated in Council's April 2022 approval of the lease of the City-owned property at 468 Queen Street West to It's OK* Community Arts for a nominal rate over a two-year period. It's OK* is planning to use this 10,000-square foot space for a mix of music rehearsal, workshops and talent development activities, co-working, and live performances featuring Indigenous and Black artists.

The below-market-rate lease of 468 Queen Street West for this purpose is the first of its kind in Toronto, realized outside the parameters of the Community Space Tenancy program. The city's grassroots music community has responded enthusiastically and is

hopeful that this project will be seen as a template to be applied elsewhere, activating City-owned space to support music and the arts in a "meanwhile" model.

(b) Amplified Live Music on Patios (AMP) Program

In June 2021, TMAC advocated for a pilot program permitting amplified live performances by musicians on public CaféTO patios in Wards 9, 14, and 19. The program was implemented through the Music Office and BIA Office and ran July – October 2021, with 68 restaurants in 10 BIAs participating, providing paid employment for approximately 900 artists.

Data collected via Music Office surveys in November 2021 point to a highly successful program, with significant, across-the-board increase in restaurant venue business and attraction of new customers aligned with the live music performances. The AMP pilot has been expanded for 2022's patio season across 8 wards and for the full duration of CaféTO, May through October.

(c) Music Rehearsal Space

In 2021, the gradual decline in available music rehearsal space in Toronto sharply accelerated due to the closure of franchises of the Rehearsal Factory, which had dominated this market. Deputy Mayor Ana Bailao raised the issue at TMAC and subsequently brought a motion to City Council in July 2021, seconded by TMAC Chair Councillor Brad Bradford, directing City staff to review the inventory, availability, cost, and general status of rehearsal space for musicians in the City of Toronto.

In drafting a report in response to this motion, the Manager, Music Sector Development, consulted with TMAC members, especially through its General Industry Health task team. TMAC's full membership was kept apprised of this work as it progressed throughout late 2021; comments and connections from TMAC members contributed to the report's development.

The report ("Music Rehearsal Space in the City of Toronto") was presented to the Economic and Community Development Committee in January 2022 and adopted by City Council in February 2022, with a subsequent direction for staff in Economic Development and Culture and City Planning to explore the application of the new Section 37 Community Benefits Charge and its potential capacity to provide funding for music rehearsal facilities. The Council motion also directed Corporate Real Estate Management and CreateTO to identify an inventory of City-owned properties suitable for lease to music rehearsal space operators and to develop terms and conditions of a below-market rate lease for this purpose.

(3) Research, Consultation, Strategy Development

(a) Re:Venues Study on Live Music Venues

Responding to a recommendation made in the City of Toronto's inaugural (2016) Music Strategy, TMAC - led by the Co-chair and the Outreach and Engagement task team - renewed its advocacy for an economic impact study on Toronto's music industry, suggesting further a collaboration between the City and external partners to expedite this process. As a result, the Music Office committed funding in 2018 and 2019 to help Toronto Music Advisory Committee: Actions and Accomplishments 2019-2022

support the study, done in conjunction with Canadian Live Music Association and OntarioCreates. In August 2020, Nordicity's "Re:Venues" report was published and launched, describing and quantifying the impacts of live music venues in Toronto. Highlights include the fact that live music alone generates an annual economic impact of \$850m on Toronto, while creating the equivalent of 10,500 jobs in the sector.

(b) Toronto Music Strategy 2022-2026

In 2021, TMAC recommended the City update the 2016 Toronto Music Strategy. A Music Strategy task team was formed within TMAC, including the Co-chair (who had worked extensively on the 2016 strategy with the Music Office) and members representing a wide range of industry interests, including those of musicians.

Once the City, through the Music Office, had selected Nordicity LLC through an RFP process to conduct industry consultations in developing the new strategy and a preliminary framework had been created, two in-depth strategy sessions were arranged to allow Nordicity the opportunity to share information, impressions, and general directions with TMAC's Music Strategy task team and TMAC Councillors for their feedback. The evolving strategy was shaped through these sessions and presented by Nordicity to the entire TMAC membership at its March 2022 meeting. TMAC approved the new Music Strategy, leading to its adoption by City Council in April 2022.

The 2022-2026 Toronto Music Strategy reflects updated priorities in the City's support of Toronto's music ecosystem, with new emphasis on creating opportunities for diverse grassroots organizations and emerging artists; building connectivity within the music community and between music and other adjacent creative industries; activating City-owned space for cultural use; and collaborating with industry and educational partners to curate professional business skills development training for early-stage music industry and artists. Importantly, the new Music Strategy focuses on actions within City purview, led by the Music Office. Its adoption confers delegated authority for staff to engage in a broad range of work to sustain and grow music in the years ahead.

(4) Other work

(a) Night Economy

In continuing response to item ED16.10, Development of the Night Economy (which originated with a TMAC recommendation in 2016), in 2019 the Economic Development and Culture division created the Nighttime Action Plan, an internal working group (including City reps from involved divisions) and an external working group comprising leading nightlife industry reps to inform, advise, and work with the internal group in creating policies to advance Toronto's nighttime economy. TMAC is represented on the external working group, which meets regularly with City staff and Deputy Mayor Michael Thompson, the Night Economy Ambassador. Key achievements include:

- Work on Emerging Entertainment Areas Outside the Downtown Core (report adopted by Council in September 2021), with associated actions to follow:
 - The Music Office will create a resource guide to assist organizers of pop-up music events in navigating the City's permitting and regulatory requirements, and also gather and present plain-language information for those seeking to establish new music venues. TMAC members will provide insight and advice in both areas.

- Toronto Buildings will hire a building code consultant to explore the feasibility of a temporary change of use permit to allow pop-up events in properties not normally zoned for assembly occupancy.

(b) Export Development

The Music Office initiated and planned the City of Toronto's SXSW 2019 presence and activations in Austin TX, with advice from TMAC members on curation and programming of artist showcase opportunities. Toronto artists Tallies, Kai Exos, and Liza were selected to perform at the Toronto showcase on March 13 as part of the Canada House activation. The capacity audience included music industry representatives from major US and European markets.

CONCLUSION

The 2018-2022 Toronto Music Advisory Committee was composed of the members listed below. These individuals contributed their time, expertise, insights, and advice during a period with unprecedented business challenges due to the COVID-19 pandemic and associated public health restrictions. Throughout this term of Council, TMAC functioned effectively to address both urgent and long-term issues and opportunities in the music sector.

TMAC members are to be thanked for their efforts in helping to sustain the music community and assisting the City in its own efforts in this regard. The work undertaken by the Toronto Music Office would not have been possible without TMAC's partnership and support.

Chair: Councillor Brad Bradford (past Chair former Councillor Joe Cressy)

Co-Chair: Mary An Blom

Council Members

- Deputy Mayor Ana Bailao
- Deputy Mayor Michael Thompson

Industry Members

- Randell Adjei
- Paul Banwatt
- Vivian Barclay
- Shaun Bowring
- Melissa Bubb-Clarke
- Hannah Burgé Luviano
- Jeff Cohen
- Charlotte Cornfield
- Kiana "Rookz" Eastmond
- Aerin Fogel
- Umair Jaffar
- Sarah Jarvis
- Tracy Jenkins
- Jesse Kumagai

- Rob Lanni
- Noah Mintz
- Phoenix Pagliacci
- Kaya Pino
- Spencer Sutherland
- Julian Taylor
- Kim Temple

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SIGNATURE

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ATTACHMENTS

Attachment 1: Toronto Music Strategy