

## **Economic Development and Culture (EDC) Division Strategic Directions 2022-23**

**Date:** June 21, 2022

**To:** Economic and Community Development Committee

**From:** Interim General Manager, Economic Development and Culture

**Wards:** All

### **SUMMARY**

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This report lays out directions to guide the work of the Economic Development and Culture (EDC) division until the end of 2023 while a longer term strategy is developed. Strategic directions for 2022-23 are necessary as EDC's 2018-2022 Divisional Strategy comes to the end of its term, and as the City shifts from a focus on pandemic recovery to re-establish longer term economic and cultural development objectives and work plans. Some of the strategic directions reflect a continuation of EDC's longstanding objectives and programs and of recovery initiatives that remain necessary, while others represent evolving approaches based on Council direction and emerging global trends.

The five strategic directions for 2022-2023 presented in this report are as follows:

1. Recover and Renew - *Advancing Economic and Cultural Recovery and Renewal*
2. Increase Toronto's Global Competitiveness - *Attracting and Supporting Businesses, Entrepreneurship and Sector Development*
3. Combat Economic Inequity - *Developing and Implementing a Coordinated Approach to Inclusive Economic Development*
4. Grow and Promote Toronto's Cultural Vibrancy - *Enhancing Supports for Arts and Culture*
5. Be Ready for the Future - *Embracing Inclusive Data-Driven Decision Making and Planning a 2024-2028 EDC Divisional Strategy*

The strategic directions define EDC's role and capacity to advance City-wide strategies like the Reconciliation Action Plan, the Confronting Anti-Black Racism Action Plan and the Poverty Reduction Strategy. They are informed by the recommendations of the Toronto Office of Recovery and Rebuild (TORR) and the Building Back Stronger report, and are further informed by research provided by the consulting firm PwC. Importantly, while the strategic directions will guide the division, responsibility for economic and cultural development in Toronto extends significantly beyond the resources of the division and of the City of Toronto. Ongoing collaboration with other City divisions, other

orders of government and with community-based organizations will remain vital for impactful economic and cultural outcomes.

## **RECOMMENDATIONS**

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

1. City Council direct the General Manager, Economic Development and Culture, to continue the Economic Development and Culture division's ongoing activities and develop new ones in alignment with the strategic directions presented in this report until the end of 2023.
2. City Council request the General Manager, Economic Development and Culture, the Executive Director, Social Development, Finance and Administration and the Chief Planner and Executive Director, City Planning to continue to collaborate and bring forward a report in 2023 on a coordinated approach to advance inclusive economic development with the objective that economic opportunities and outcomes improve across Toronto's population - including its Indigenous, Black and equity-deserving communities - in parallel to overall growth of the city and regional economy.
3. City Council direct the General Manager, Economic Development and Culture to use the time period until the end of 2023 to conduct research and stakeholder consultation to identify longer-term strategic directions and develop the Economic Development and Culture 2024-2028 Divisional Strategy.

## **FINANCIAL IMPACT**

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If this report is adopted by City Council, the implementation of resources and programming to advance the proposed Economic Development and Culture division strategic directions will be accommodated within the 2022 Council Approved Operating Budget of Economic Development and Culture.

The 2023 Operating Budget submission for Economic Development and Culture will reflect the division's recommended approach to advance each of the proposed strategic directions.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as presented in the Financial Impact section.

## **DECISION HISTORY**

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In May 2011, City Council adopted "Creative Capital Gains: An Action Plan for Toronto". Creative Capital Gains included 33 recommendations to enhance Toronto's place as a leading international cultural centre and increase the role of creativity in the economic and social development of the city.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.ED3.3>

In January 2013, City Council endorsed the recommendations and associated actions contained in the report entitled "Collaborating for Competitiveness: A Strategic Plan to Accelerate Economic Growth and Job Creation in Toronto".

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.ED19.4>

At its meeting on July 4, 2017, City Council adopted Spotlight on Toronto: A Strategic Action Plan for the Toronto Film, Television and Digital Media Industry. The action plan is designed to empower sector stakeholders to succeed in a highly competitive global market.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.ED22.4>

At its meeting on October 29, 2019 City Council adopted item EC8.6 Establishing Strategic Priorities for Cultural Investment (2020-2024), which listed the following strategic priorities to guide the City's investment in culture over the next five years (2020-2024): a. culture for all, to increase opportunities for all Torontonians, no matter where they live in the city, to participate in local, relevant cultural activities throughout the year that reflect Toronto's diversity and creativity; b. space for culture, to maintain and create new accessible, sustainable spaces for Toronto's creative sector in a growing city; and c. developing creative talent to strengthen Toronto's cultural workforce, and increase diversity and representation within the sector.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EC8.6>

At its meeting on November 26, 2019, City Council adopted the 2019-2022 Poverty Reduction Strategy Term Action Plan. Alongside several actions to be led by multiple divisions related to job opportunities and the quality of jobs available in the Toronto economy, the strategy includes action 13.2 to "develop sustainable models of inclusive economic development."

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX10.1>

At its meeting on December 16, 2020 City Council considered item EC18.15 Building Back Stronger: Report of the City of Toronto's Economic and Culture Recovery Advisory Group. The advisory group, convened by Deputy Mayor Michael Thompson was composed of 20 community leaders with subject matter expertise. Their report included 18 recommendations grouped into four key areas: economic recovery, anti-racism and inclusion, workforce and talent, and arts and culture. City Council voted to forward the report to the City Manager "for review and implementation as part of the City of Toronto's ongoing COVID-19 recovery efforts."

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.EC18.15>

At its meeting on April 6, 2022, City Council adopted the Toronto Music Strategy 2022-2026, which aims to enable the Music Office to facilitate industry growth in Toronto's vibrant music industry, ultimately leading to increased economic activity, placemaking, and in-bound tourism.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.EC28.14>

At its meeting on April 6, 2022, City Council adopted item EX31.1 Actions to Advance Truth and Justice for Indigenous People in the City of Toronto: Reconciliation Action

Plan 2022-2032. One of the plan's key action areas is to improve Indigenous economic development.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.EX31.1>

At its meeting on May 11, 2022, City Council adopted item EC29.5 Toronto Action Plan to Confront Anti-Black Racism - Year Three Update, which identified inclusive economic development as a guiding theme for actions regarding anti-Black racism to be developed and implemented over the remainder of the plan's 5 year term.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.EC29.5>

## COMMENTS

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### Background

In the past two years, the Economic Development and Culture (EDC) division has re-directed much of its programming and staff resources as a key part of the City of Toronto's response to the COVID-19 pandemic. Several new initiatives were quickly developed and implemented to help businesses and workers across industries recover from the immediate impacts of closures and restrictions. Among the hardest (and longest) hit sectors were cultural and performing arts industries, along with tourism and hospitality. Programs designed to help mitigate impacts on different sectors have continued to evolve as the impacts of the pandemic have begun to recede.

As venues have reopened and as the local economy recovers, there is an opportunity to consider how to direct efforts to support long-term economic and cultural development. The City has received advice recommending important new strategic directions from several sources, notably the Toronto Office of Recovery and Rebuild (TORR) and the Economic and Culture Recovery Advisory Group through the Building Back Stronger report. The latter noted that the City has "an opportunity to use the recovery period to make meaningful structural change within Toronto's economy and cultural sector."

At the same time, the document that has been guiding EDC's priority setting and program development - the Economic Development and Culture Divisional Strategy 2018-2022 - is at the end of its term. Given the focus on COVID-19 mitigation and recovery efforts in addition to new directions from City Council, the division requires additional time to undertake a full consultation and research process to develop a new Divisional Strategy. This report lays out critical directions to guide EDC's work in the short term while a longer term strategy is developed.

### Global Trends and Sectoral Analysis

In addition to the directions set in the TORR and Building Back Stronger reports, EDC contracted with the consulting firm PwC to help inform how the division can adapt its policy and program approach. PwC identified seven key interlinked global trends that are likely to impact Toronto:

- Digitalization of the economy: the pandemic has accelerated the digital transformation of the economy - many customers have permanently adopted digital technologies (e.g. work collaboration tools, e-commerce platforms) and industries are increasingly relying on digital technologies to prosper.
- Changing demographics: advanced economies are facing aging demographics as people are getting older and living longer, reducing the ratio of working aged to retired people. Throughout the pandemic, many people in the 50-65 age category have exited the workforce and it remains to be seen if they will return.
- Global competition for talent: talent is a scarce resource for economies around the world and many regions are experiencing labour shortages. Cities are increasingly competing with each other to attract and retain talent.
- The rise of remote work: the pandemic forced a large category of workers to transition to remote work. Many businesses appear to be making hybrid work arrangements (combining remote and office-based work) standard.
- Climate change action: as rising CO2 emissions lead to warming of global temperatures, rising sea levels and extreme weather events, governments are increasingly committing to net zero, which will require significant economic shifts.
- Focus on supply chain resilience: the pandemic and rising geopolitical tensions highlighted the vulnerabilities of the global economy, and many countries are now rethinking their supply chain with the objective of avoiding, enduring and quickly recovering from future economic shocks.
- Growing inequalities: during the pandemic, some groups have experienced little economic impact (or benefitted) while others have suffered. This situation exacerbated inequalities across communities, which were already growing due to rising house prices and other trends.

The seven global trends were key considerations through the development of the 2022-23 strategic directions presented in this report.

In addition, PwC identified recommended ways for the City to address these global trends. Those pertaining to EDC's mandate - supporting the start-up ecosystem, improving the city's attractiveness as a tourist destination, supporting small and medium-sized enterprises and providing businesses with space - are aligned with EDC's ongoing work and will continue to help guide future work. PwC also conducted an analysis of key sectors for the city, identifying high-growth sectors (technology, life sciences, clean tech, film, food manufacturing, and tourism) and recommended that these be considered in the next Divisional Strategy. Finally, PwC strongly recommended embedding inclusive economic development in EDC activities, starting with a clear definition.

Attachment 1 provides a summary of the PwC research conducted to support EDC in developing its 2022-23 Strategic Directions.

## EDC Strategic Directions 2022-23

The strategic directions for 2022-23 reflect a continuation of long established EDC division roles, programs and partnerships, alongside some new directions that will require new approaches. Importantly, ensuring successful economic and cultural development in Toronto requires resources that go beyond those available to EDC and to the City of Toronto. The five strategic directions are proposed primarily to guide the division's work but EDC will continue to have a limited set of tools and levers that need to be complemented by partnerships, discussion and actions led by other City divisions, orders of government and community-based organizations.

### **1. Recover and Renew - Advancing Economic and Cultural Recovery and Renewal**

Toronto's cultural community and small businesses were hit hard by the pandemic, particularly when stores, restaurants and live cultural events faced restrictions or closures. In addition to the tax credits and other supports implemented by the federal and provincial governments, the City led or supported multiple initiatives to mitigate challenges and to create a foundation for recovery and renewal. As COVID-19 restrictions have eased, some indicators of economic health have returned to pre-pandemic levels while others continue to lag. In recognition that support for recovery is still needed, the first EDC Strategic Direction for 2022-23 is to continue with initiatives developed to support main streets and small businesses to recover from the impacts of the pandemic and to help restore Toronto's cultural sector and vibrancy.

The need – and in some cases, funding – for key purpose-built economic and cultural recovery initiatives delivered by the City and partners will continue through 2022-2023. Examples of key initiatives to continue include:

- [Toronto Main Street Recovery and Rebuild Initiative \(MRRRI\) programs](#) – To assist small businesses in Toronto to recover from the impacts of the COVID-19 pandemic, the Government of Canada through the Federal Economic Development Agency for Southern Ontario is providing the City with \$18 million for six programs that will be available until March 31, 2024. These programs aim to support small business operators, community business associations, streetscape animation and retail innovation. They include:
  - The Retail Accelerator Program, which provides small retail businesses with access to training and a micro-grant of \$10,000.
  - The Main Street Innovation Fund, which offers funding for organizations to address main street challenges and to animate main streets.
  - The Commercial Space Rehabilitation Grant Program, which offers funding of up to \$20,000 to cover 50% of the cost of eligible interior improvements to vacant commercial properties and storefronts.
  - The CaféTO Property Improvement Program, which offers funding of up to \$7,500 to business operators to cover 50% of the cost of eligible improvements to café spaces on City or private property.
  - PlazaPOPS, which facilitates the development of installations and programming in strip mall parking lots.

- Technical assistance to small businesses in Little Jamaica/Eglinton West.
- Expansion of CaféTO – EDC is supporting the Transportation Services and Municipal Licensing and Standards divisions in delivering the Café TO program and extending the successful live music pilot for 2022, which allows for amplified music at cafés on public property in eight wards (Wards 4 – Parkdale-High Park, 9 - Davenport, 10 - Spadina-Fort York, 11 – University-Rosedale, 13 – Toronto Centre, 14 - Toronto-Danforth, 19 - Beaches-East York, and 21 – Scarborough Centre).
- Enhanced marketing of City supports – To inform small business operators and restaurant owners about pandemic supports available, the City is running a campaign that leverages multiple tactics. This effort includes translated ads for non-English speakers and geo-targeting Neighbourhood Improvement Areas (NIAs) and Indigenous, Black and equity-deserving communities through social media.
- Outreach to restaurants outside of the core – The City has partnered with the University of Toronto Scarborough on the Small Food Enterprises Outreach program, which examines the take up of government support by local food enterprises, and makes restaurant operators more aware of business assistance initiatives provided by Toronto and other orders of government.
- Funding for Digital Main Street (DMS) – This program, initiated by EDC in 2016/17 and significantly enhanced during the pandemic, is delivered by a third-party operator and is now supported by significant funding from the governments of Ontario and Canada. DMS focuses on supporting businesses to expand their online presence through grants, one-on-one assistance, and training and advice. It includes ShopHere, which offers a platform for the creation of online stores for independent small businesses and artists at no cost.
- Enhancement of funding for arts and culture – The City deployed cultural initiatives to aid in pandemic mitigation and recovery. This included various components of ShowLoveTO, such as BigArtTO and StrollTO, the launch of ArtworxTO: Toronto's Year of Public Art 2021-22, and expansion of the Creative Co-Location Facilities Property Tax Subclasses. As a result, the City has increased arts and culture funding, significantly exceeding the \$25 per capita investment target that had been set by Council. New investments included \$500,000 for artists provided through the Toronto Arts Council (TAC) in 2022, for a total of more than \$25 million annually. A partnership with the Metcalf Foundation and Work in Culture has created a new Catalyst and Transformation Fund, providing \$500,000 to help arts organizations make the structural adaptations necessary to thrive as Toronto recovers.

## **2. Increase Toronto's Global Competitiveness - *Attracting and Supporting Businesses, Entrepreneurship and Sector Development***

The Toronto economy has prospered over the past several decades as compared to peer jurisdictions in terms of its overall growth and ability to attract workers and investment in key sectors. In addition, Toronto's success in growing certain industries has been self-reinforcing as 'cluster' dynamics emerge wherein companies and workers benefit from a concentration of transferable skills and underlying technologies, with skills learned in one sector generating opportunities across multiple industries. Although it has become clear that growth alone will not necessarily 'lift all boats' in the local economy, supporting Toronto's position in global supply chains, economic resilience via

a diversity of thriving industries, and the availability of space for businesses of all sizes to grow all continue to be very important. It is therefore a strategic direction for 2022-23 and beyond to support business and sector growth in a variety of ways.

Notwithstanding the impacts on global supply chains of the pandemic, Toronto has become an important hub in the global economy. EDC, alongside its partners, will continue to promote international investment, trade and alliances through several initiatives including:

- Toronto's International Alliance Program (IAP) - The IAP establishes formal relationships across the globe to promote economic development, cultural development, cross-cultural community development, and municipal (government) knowledge sharing. These relationships are based on partner and friendship cities' demographics, similarities with Toronto, and potential for export development. Per Council direction, the IAP program is currently being reviewed while a moratorium on developing agreements with new jurisdictions is in place.
- Hosting global conferences - The City currently provides support to host several international conferences with economic development themes. These include the Collision Conference which is billed as North America's fastest-growing tech conference, and the Toronto Global Forum, an international conference fostering dialogue on national and global issues.
- International trade missions - The City has organized and led several tours of international locations with teams of industry and government representatives to promote local businesses and/or Toronto as a place to establish new business ventures. These include recurring Los Angeles missions that build on the record investment in Toronto by LA-based production companies. While travel restrictions were in place, City staff and industry representatives maintained virtual connections with international partners. As travel resumes, in-person visits are again feasible, including the Los Angeles mission.

In addition to existing initiatives like the ones outlined above, EDC will support Toronto's global competitiveness and investment attraction through new and updated programs. Global supply chains are continually changing, and Toronto faces both new challenges and opportunities for industry growth and cluster development. Similarly, new event hosting opportunities will continually arise. Planned new or updated actions to advance the city's international competitiveness in 2022-23 include:

- Event Hosting Strategy - The City will renew its major event bidding and hosting strategy over 2022, as events make their return to Toronto. Last reviewed in 2016 with the report 'Bringing the World to Toronto', the City, in close collaboration with partners at Toronto Global and Destination Toronto, will update its strategy to ensure it is competitive in attracting the major events that can best drive the city's economic prosperity, global profile and the vitality of local neighbourhoods. Efforts include plans to host the FIFA Men's World Cup in 2026 in a way that secures important short- and longer-term legacies for residents.
- Leveraging Toronto as a tourism destination to advance high-growth industries – There is an opportunity for the City to actively leverage Toronto's draw as a destination for international visitors and its tools to attract conferences, congresses, markets and foreign direct investment (FDI) within specific



industries. International exposure and new relationships will help advance key growth industries and exports. There is also an opportunity for visitors to be encouraged to experience local cultural products in under-explored areas of the city.

- Collaborative export promotion and investment attraction - A retooling of the IAP program provides an opportunity to advance Toronto's export development and FDI efforts, and strengthen collaboration with key Team Toronto (Toronto Global, TRBOT, Destination Toronto) and inter-governmental partners (Trade Commissioner Services, Global Affairs Canada, Invest Ontario, etc.).
- The Film Office will place more emphasis on growing segments of the film and digital media industries going forward, including post-production, VFX, animation and relevant interactive technologies such as virtual production. Global demand in these segments is increasing rapidly and more is being asked of Toronto-based companies and workers by international clients and customers.

Although Toronto's economy is increasingly connected with the rest of the world and can benefit from international investment attraction, the fundamental way to grow the city's key industries, build supply chain resilience and create opportunities for Toronto's workforce is to support entrepreneurship, business development, workforce development, and capacity among Toronto-based companies. Ensuring that the Toronto economy is resilient and adaptable is a constant, but the policy and program mix that municipal government and partners can provide and advocate for needs to be continually updated. It will be important to monitor and support entrepreneurship and business growth across the city as the long-term impacts of the pandemic on the central business district and other areas of employment remain unclear.

Like all of the strategic directions listed in this staff report, desired outcomes cannot be achieved with EDC tools and levers alone. Nonetheless this direction builds on many of the division's established programs, partnerships and advocacy efforts. Among these programs are direct business development, entrepreneurship education and information sharing forums, and supports for workforce development in the creative industries. They include, but are not limited to the following:

- EDC has resumed delivery of Small Business Network Events and training programs, which has included a series of "How to Start a Business" online training modules. Annual networking events will also again be delivered to support growth and expansion, including a Small Business Forum and a Women's Entrepreneur Forum.
- Business development supports have increasingly adopted a focus on Indigenous, Black and equity-deserving communities and entrepreneurs. Examples of initiatives include a partnership with the Black Business and Professional Association and the formation of a Mayor's Roundtable for Black Business.
- Supports for workforce development activities within creative industries have adopted a focus on Indigenous, Black and equity-deserving communities, involving wrap-around training, specific skills training, and job placements, accomplished with partnerships from community groups, unions and employers.

EDC also provides various forms of support for key local industries or sectors. Sectors are supported by helping to establish connections between stakeholders and in some cases with the City leading the development of sector strategies alongside industry partners. As an example of the latter, EDC currently benefits from five-year strategies for both the film and music industries, developed with support from Council mandated Community Advisory Committees. Additionally, EDC is developing strategies for tourism and for the local interactive digital media sector, and coordinating the development of a regional Esports strategy. Complementary to its commitments to reduce greenhouse gas emissions, the City is promoting growth and opportunity in the green technology sector through a review of the Green Market Acceleration Program and potential development of a Climate Impact Accelerator.

This strategic direction also includes a focus on incubation of start-up businesses and commercialization of new innovation. EDC continues to adapt its support for Business Incubation and Commercialization (BIC), and a report approved by City Council in April, 2022, recommended changes to the BIC Grant Program guidelines. Among other changes, the updated guidelines support transparency, increase program access to diverse sectors and communities, and offer more predictable support to non-profit incubators and accelerators through a multi-year grant stream.

In some cases, incubation and entrepreneurship supports are sector specific as with initiatives like the Sustainable Transportation Industry Growth Hub; the Transportation Innovation Zone at Exhibition Place; expansion of a MedTech Hub; Fashion and Food Incubator programming; and the Toronto Clean Energy Partnership. In other cases, incubation has a Reconciliation and/or equity focus, as with the Indigenous Centre for Innovation and Entrepreneurship (ICIE) described in the following section.

Beyond spaces to help incubate start-up companies and commercialize new innovations, it is critical for businesses across the city at all stages of growth to have access to appropriate space. The need to maintain land for employment uses through land use regulation remains necessary. Through 2022-23, this overall strategic direction to support entrepreneurship, innovation and business development will depend on studies and plans, typically led by the City Planning Division with input from EDC, that can support future employment in key districts like Downsview, East Harbour and Scarborough Centre. As Toronto monitors return to work downtown, the City will need to carefully consider and plan for opportunities for future employment across its large employment areas and other large parcel proposals. Further, this planning can focus on the potential of these districts to support business incubation and scaling, foreign direct investment attraction and Toronto's strengths in critical high-growth sectors.

One of the few direct policy levers the division has to support business expansion is the Imagination, Manufacturing, Innovation and Technology (IMIT) property tax rebate program. IMIT provides eligible development with an incentive grant valued at 60% of the increase in municipal taxes attributable to the development over a 10-year period. The program is intended to lead to expansion of employment space that would not otherwise occur. New developments (or substantial renovations of existing buildings) in various high growth / high value sectors are potentially eligible and more than 60 developments have been approved to receive grants since the program's inception.

Moving forward, efforts will involve consideration of how to leverage growth to secure new economic and cultural space. The division will explore the potential to develop a new toolkit and approaches to leveraging growth and land value uplift to secure new space for catalytic business and cultural activity, in view of (a) a current overhaul of growth funding tools; (b) changing provincial roles with regard to land use and development; (c) high and rising land values; and (d) the maturation of CreateTO's portfolio and capacities, among other considerations.

Finally, it is important to note and acknowledge the key megatrend identified for the City by PwC - that Toronto's competitive position will depend on its ability to respond to a 'global competition for talent'. While clearly recognizing that Toronto's economic success depends on its workforce, talent attraction is not listed in this report as an EDC Strategic Direction for 2022-23. This is because the ability to attract talent is based on factors that are largely out of EDC's sphere of influence, including quality of life and housing affordability. Nonetheless, EDC will continue to support Toronto's position in supply chains and local production of goods and services with the tools available.

### **3. Combat Economic Inequity - *Developing and Implementing a Coordinated Approach to Inclusive Economic Development***

As Toronto recovers from the COVID-19 pandemic, there is an opportunity to help 'rebuild' an economy that addresses emerging socio-economic issues. Specifically, it is clear that the benefits of Toronto's overall economic success have not been reaching many of the city's lower-income and Indigenous, Black and racialized residents. Already facing various barriers, communities and workers in different industries and occupations were more vulnerable to the economic shock of the pandemic. Long term economic recovery will therefore involve new strategic approaches to support improved economic opportunities and outcomes across Toronto's population and geography.

This EDC Strategic Direction points to the opportunity to develop and implement a coordinated approach to inclusive economic development, and builds on several City Council approved strategies to advance Reconciliation and equity, like the Confronting Anti-Black Racism Action Plan and the Reconciliation Action Plan. It is also highly aligned with the City's Community Benefits Framework, which focuses on ways to maximize the use of City of Toronto levers (such as procurement, real estate transactions, or financial incentives for specific sectors and uses) to create inclusive and equitable economic opportunities. EDC has supported all of these City strategies and led certain actions to ensure that business development and arts and culture programs serve all communities.

However, the concept of inclusive economic development has not yet been clearly defined in a Council-approved document to guide City divisions working on initiatives with similar objectives. This report proposes the following definition: inclusive economic development occurs when economic opportunities and outcomes improve across Toronto's population in parallel to overall growth of the city and regional economy. Applying this definition, inclusive economic development adds measures of economic opportunity and inclusion to the City's objective of overall GDP and employment growth. The City can intentionally help shape a local economy that, as it grows, supports the

expansion of middle income jobs and neighbourhoods and moves away from an hourglass shape with highly polarized opportunities, incomes, assets, and economic outcomes.

Further, building on the proposed definition, this report recommends that EDC, in partnership with Social Development, Finance and Administration (SDFA) and City Planning, report back to City Council in 2023 to outline a coordinated approach to advance inclusive economic development across Toronto. Current activities associated with that goal include:

- EDC has played a key role in the development of the Indigenous Centre for Innovation and Entrepreneurship (ICIE). The planned 22,000 sq. ft. ICIE facility will be situated in a commercial space located at 200 Dundas Street East and is scheduled to open in late 2023. The ICIE will provide Indigenous entrepreneurs with space, business programming, advisory services, mentorship supports, shared co-workspace, community event space and connections to business networks.
- EDC will continue efforts to develop managerial talent in the creative industries with a focus on Indigenous, Black and equity-deserving creatives. A \$2 million partnership between the City of Toronto, the Slaight Family Foundation and Advance, Canada's Black Music Business Collective, supports the entry, retention, and advancement of Black professionals in Toronto's music industry. The Youth Cultural Incubators Stabilization Initiative supports a network of key organizations driving the development of the next generation of cultural entrepreneurs and creatives in the city.
- City event production continues to support Indigenous, Black and equity-deserving communities. ArtworxTO: Toronto's Year of Public Art 2021-22 will transition from presenting to legacy, looking to institutionalize the gains made in supporting 1,500 artists, 85% being Indigenous, Black and equity-deserving, with many delivering projects that will accelerate their career development. Nuit Blanche in 2022, capping off the Year of Public Art, will feature the vision of Anishnawbe curator, Dr. Julie Nagam, and will be anchored by important, new Indigenous works. The City will also continue to deliver Awakenings, a series of art projects created within Toronto History Museums by Black, Indigenous and racialized artists, operating under the principles of anti-oppression, anti-colonialism, and anti-racism.
- Toronto History Museums support several food sovereignty programs. Dashmaawaah Bemaadzinjin has been using the commercial kitchen at Fort York to prepare meals for elders, homeless and other marginalized members of the Indigenous community. In 2022, Fort York will support Black Food Sovereignty as part of the Hungry for Comfort program, and will provide mentorship to the developing Reggae Lane farmers' market. The Toronto History Museums are working with community to decolonize museum spaces and public programs.

In addition to equity focussed programming, a coordinated approach to inclusive economic development will enable the City and partners to focus on the overall shape of the local economy and the opportunity structures that exist for entrepreneurship and

business development, community access and ownership, and higher quality jobs and career paths across industries.

Among the work to be undertaken over the next two years as part of this EDC Strategic Direction, staff will develop a community economic development 'playbook'. This playbook will be informed by the different divisions and partners working on current initiatives including:

- Several recent area-based studies with economic, social and cultural elements include the Regent Park Social Development Plan, the Jane Finch Initiative, the Inclusive Local Economic Opportunities project in the Greater Golden Mile, and program and partnership development along the Eglinton West corridor known as Little Jamaica. There is an opportunity to improve the coordination of secondary plans with inclusive economic strategies through meaningful engagement with local communities in areas facing growth pressures due to investment in transit infrastructure.
- The upcoming review of the IMIT program will be an important opportunity to assess the Program's effectiveness. Equity and inclusion issues have come into a sharper focus through the Council adoption of the Local Employment Requirement Pilot Program in 2019. The outcomes of this Pilot will be reported as part of the overall Review. This will allow exploration of the degree to which the Program is achieving employment related objectives, and consider whether changes to the implementing By-law should be incorporated.

The area studies listed above have involved different partners relying on varied models and resources. In one sense this is advantageous as projects with different origins and processes but shared goals can act as concurrent 'demonstration projects' and can compare results and share key takeaways. Through a coordinated Council-approved approach, effective mechanisms to share lessons learned and adapt or scale projects in other locations can be developed further. Moving forward, there is an opportunity to strengthen collaborations with partners at the City and in the community to develop a shared community economic development range of options or playbook that can be applied to future projects. Staff will continue to build on and apply recent inter-divisional approaches that consider land use planning alongside social, economic, and cultural development policies and programs.

Other elements of a coordinated approach to inclusive economic development will apply city-wide. For example, EDC can apply an inclusive lens to economic development focussed on particular industries that are active across Toronto. The division has long provided business development support services in sectors considered strategic to the overall city economy. An inclusive approach to sector development would include industries based on the potential to advance equitable employment, provide locally important goods and services, and impact social and environmental sustainability. The City can champion and advocate for provincial and federal taxation, regulation and policy frameworks which support competition, or incent employee ownership and other forms of community and resident wealth building.

Further, all industries can be supported to be inclusive in their hiring and training practices, although this will require workforce development policy levers and funding

that rest with the provincial government. In certain industries the City may be able to lead and shape programs to support career pathways. For example, film and digital media training programs supported (but not directly delivered) by the City's Film Office are based on a labour gap analysis indexed to the projected growth of Toronto's studio space. A recent EDC study showed studio space in the city increasing by 68% over the next four years, requiring 12,000 new workforce entrants to keep these studios operational - a key opportunity for inclusive economic development.

Although the City's Film Office will be a primary convenor, driver and funder of workforce development programs in the film and digital entertainment industries, these programs will be delivered by partners including unions, post-secondary institutions and community groups. Some existing film industry training programs have focused on equity-deserving communities and have included Indigenous, Black and 2SLGBTQ+ cohorts through partnerships with local organizations. It is important to note, however, that in other industries, EDC will continue to have a very limited role in the design and provision of workforce development programs.

In general, the City's limited tools and levers, especially within any one division, further emphasize the need for the coordinated approach to inclusive economic development proposed here. The prosperity of Toronto households is reliant on broader policy decisions at senior orders of government related to topics as varied as housing, child care, public transit, employment insurance, employment standards and minimum wage. The City will continue to rely on commitments from other orders of government to demonstrably expand more inclusive economic opportunities and deliver more inclusive outcomes. A coordinated approach to inclusive economic development will therefore also involve clear messaging and advocacy through the City's intergovernmental relations.

#### **4. Grow and Promote Toronto's Cultural Vibrancy - *Enhancing Supports to Foster Arts and Culture***

Toronto's cultural sector and entertainment industries, especially those that are reliant on live audiences, faced particular pandemic-related challenges. It remains a key ongoing strategic direction for EDC to support the short and long term ability of Toronto residents and visitors to access culture and entertainment products and to support the local artists and skilled workers who produce them. A significant part of EDC's work to support recovery and rebuild of the culture sector will have a focus on equity. Specifically, key goals include ensuring equitable access to resources to scale Indigenous, Black and equity-deserving cultural organizations and spaces, incentives for greater private sector partnership, support for digital adaptation, investment in animation of the public realm, and investments in collaborative research and analysis of key culture sector trends.

In terms of the City's cultural heritage, a new work plan in 2018 evolved into a visionary strategy in 2020 for the Toronto History Museums' ten city-wide historic sites. The Toronto History Museums Strategic Plan: Laying a New Foundation seeks to re-imagine a new future for the historic house museums, with the explicit intention to advance reconciliation, inclusion and equity and counter anti-Black racism. The vision's goals

include working towards decolonization, creating inclusive community spaces, sharing stories from multiple perspectives, providing equitable access, building sustainability, and championing the creation of a Museum of Toronto.

Among the new programming and partnerships to support artists and cultural vibrancy across the city and artists in general are several initiatives that focus on arts and culture opportunities in neighbourhoods outside the core. These include:

- Local Arts Service Organizations (LASOs) provide inclusive opportunities for children and youth and participants from a broad demographic spectrum. There are six LASOs receiving a combined total of \$1.8 million of municipal funding. A Community Cultural Development Review is underway in 2022 to inform changes to City cultural programs and policies to strengthen cultural infrastructure and programming outside the city core so that all Toronto residents can enjoy equitable access to culture.
- The Cultural Hotspot program celebrates Toronto's outside-the-core communities. Delivered in collaboration with local arts and community organizations, the program provides valuable opportunities for youth employment and mentorship through workshops, exhibits, events and more. This year, the Cultural Hotspot program will adopt a new hyperlocal model animating Little Jamaica and the Golden Mile neighbourhoods, in an effort to align the program's resources with underserved areas undergoing change.

Further, several programs and partnerships apply across the city with a focus on ensuring that they extend to neighbourhoods outside the core and to Indigenous, Black, and equity-deserving artists. These include:

- The Toronto Public Art Strategy puts forward a vision to empower creativity and community, everywhere. It provides a vision for a city committed to public art, accessible to all, that reinforces neighbourhood character, embraces excellence in design, and advances the careers of local artists. To be implemented over 2020-30, the Strategy includes activities across the City's three formal public art programs – the City of Toronto Public Art and Monuments Collection, the Percent for Public Art Program, and StreetARToronto (StART) - as well as roles for multiple City divisions in such areas as artist residencies and capital planning for public art.
- As the first phase of the Public Art Strategy, ArtworxTO brings art to public areas across the city and will leave a legacy of publicly engaged artists. Launched in September 2021 and extending through fall 2022, ArtworxTO: Toronto's Year of Public Art is injecting close to \$12 million into the arts sector, supporting 1,500 artists, 85% of whom identify as Indigenous, Black and racialized, delivering more than 350 projects to every corner of the city.
- The new Cultural Festivals Funding Program (CFFP), approved by Council in November 2021, was launched in Q1 2022 to overwhelming demand. The program will provide approximately \$2.0 million in funding to 37 accessible cultural festivals operating in the public realm. The CFFP responds to a number of the City's equity priorities, especially the Confronting Anti-Black Racism Action Plan. Outreach for the CFFP prioritized equity-deserving groups, including a focus on events outside the downtown core. This funding program is part of

EDC's overall development of a festival and events strategy intended to strengthen Toronto's network of cultural festivals, given the importance they play in the prosperity, vitality, and livability of neighbourhoods throughout the city.

- EDC continues to modernize its cultural granting programs, with the goal of greater transparency, accountability and accessibility. The introduction of the CFFP in 2021, following the dismantling of former granting programs including the Major Cultural Organizations Program, will be followed in 2023 by the creation of the Cultural Access and Development Program. Through such efforts, the City will seek to develop investment programs that support sector sustainability, provide more equitable access to resources across generations and cultural communities, and be more transparent and accountable to Council and the public alike.
- To support economic and cultural recovery, in 2022 the City has returned to producing major events in collaboration with partners such as Business Improvement Areas (BIAs), cultural institutions and local businesses. While events maintain the highest levels of public safety planning and artistic excellence, they are also adapted to support key City goals in recovery, including reanimating the downtown core, supporting animation of neighbourhoods across the city, and generating income for artists whose livelihoods have been hit hard by the pandemic. Key events include Doors Open, Nuit Blanche and Cavalcade of Lights, and the Indigenous Arts Festival at Fort York. Efforts will complement those in support of third-party events, through increased funding and in-kind support for festival and event organizers.

In addition, as directed by City Council, EDC is advancing the development of a Cultural Districts Program to support local culture across Toronto's diverse neighbourhoods. The program will respond to years of advocacy from communities across the city, including Little Jamaica, Church-Wellesley and Chinatown Downtown. It will embed culturally responsive tools and will be rooted in priorities identified through extensive engagement, which occurred primarily in spring 2022.

EDC has also responded to threats to the preservation of creative space in the city through a variety of measures. Early in the pandemic, as live music venues faced the threat of closure, EDC expanded the Creative Co-Location Facilities Property Tax Subclasses to encompass music venues. Pop-up creative spaces have been piloted via ArtworxTO, through its network of community hubs and animation of vacant storefronts, and interim uses are being supported at sites such as 468 Queen Street West with community partner, It's OK\*. Work will continue on the development of innovative supports to retain and expand creative space in Toronto through the development and launch of the Office for Creative Space in 2022.

Finally, a key element of this EDC Strategic Direction will be the opportunity provided by embedding cultural placemaking and inclusive economic development in planning and redevelopment initiatives. The City will work to ensure that major infrastructure initiatives (such as Transit-Oriented Development sites, waterfront revitalization and new destination parks) consider the potential to help support cultural placemaking and animation as well as economic opportunity. Such efforts could include the design of multi-use spaces for business and cultural use, public realm amenities to support



cultural uses, and the inclusion of public art. The creation of the Office of Creative Space in 2022 will aid in this objective.

### **5. Be Ready for the Future - Embracing Inclusive Data-Driven Decision Making and Planning a 2024-2028 EDC Divisional Strategy**

As the City's approach to economic and cultural development evolves (i.e. focuses not just on overall growth rates but also on more expanded opportunities and improved outcomes across communities), there will need to be an updated research agenda that tracks various metrics. Having identified the above strategic directions for 2022-23, EDC and partners will need to be able to track progress with key indicators. The division provides updates on economic and cultural trends to City Council and the public in different forms. In addition, the results of the 2021 Census will soon be available and will offer some of the most robust data to track progress. To strengthen its capacity in cultural research and analysis, EDC will build on partnerships to inform cultural policy development with arts organizations, other governments and post-secondary institutions.

Further, this report outlines a short-term approach for the next 2 years to help Toronto fully recover from the impact of COVID-19 while also establishing a foundation for longer term economic development and culture. During the next two years, EDC will conduct consultation to develop its next Divisional Strategy in alignment with the TORR and Building Back Stronger reports, Council directions, the PwC recommendations and ongoing monitoring of post-pandemic trends. Combined, the establishment of key metrics and the development of longer term strategies are a next step and an EDC Strategic Direction proposed for 2022-23, should City Council direct EDC to undertake the work outlined in this report.

## **CONTACT**

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## **SIGNATURE**

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Cheryl Blackman  
Interim General Manager, Economic Development and Culture

## **ATTACHMENTS**

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Attachment 1 - Research to support the Economic Development and Culture Strategic Directions Report - Summary Report (PwC)