

Toronto Significant Events Investment Program Application Assessment for the Just for Laughs Toronto Festival - 2022

Date: May 30, 2022

To: Executive Committee

From: Interim General Manager, Economic Development and Culture

Wards: All

SUMMARY

The City of Toronto's Toronto Significant Events Investment Program (TSEIP), administered by the Economic Development and Culture (EDC) Division, supports major events that have the ability to make a significant contribution to the economic and cultural vitality of the city. Just for Laughs Toronto (JFLTTO) submitted an application to TSEIP, which has been reviewed by EDC staff, followed by a Peer Review Panel evaluation. The application has been determined eligible per the TSEIP [program criteria](#), being recommended for funding in the amount of \$100,000 for costs related to organizing Just for Laughs' inaugural street festival in Toronto in 2022. The anticipated benefits and funding accountability measures are outlined in this report.

This report is being submitted to the Executive Committee as the approval of the allocation is required before July in order for the Festival to proceed.

RECOMMENDATIONS

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

1. City Council approve the allocation of \$100,000 from the Toronto Significant Events Investment Program (TSEIP) to Just for Laughs 2022, pending the execution of a funding agreement between the Economic Development and Culture Division (EDC) and Just For Laughs Toronto, an incorporated not-for-profit art cultural organization, that outlines all terms and conditions for the use of said funds.

FINANCIAL IMPACT

Applications to the program were reviewed for eligibility and completeness by EDC staff and then evaluated by a Peer Review Panel against the Strategic Hosting and Bidding Principles and Funding Priorities, as adopted by City Council in 2016. Special events approved for TSEIP funding are subject to a signed agreement that includes performance expectations and reporting requirements.

The Toronto Significant Event Investment Program has a yearly budget of \$0.750 million gross and \$0.500 million net which is included in the 2022 Approved Operating Budget for Economic Development and Culture. Funding for the TSEIP comes from property taxes as well as the Major Special Events Reserve Fund (MSERF) to provide eligible applicant organizations with financial assistance in order to support significant special events across the city. Funding for all special events approved under the TSEIP program will be drawn from this annual budget for 2022.

This report recommends the allocation of \$100,000 to Just for Laughs 2022 for costs associated with organizing the inaugural street festival in Toronto. Funding is included in the 2022 Approved Operating Budget for Economic Development and Culture as part of the Toronto Significant Events Investment Program (TSEIP).

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

DECISION HISTORY

In July 2013, City Council established the Major Special Events Reserve Fund as a discretionary reserve fund, initially for the purpose of funding components of the Toronto 2015 Pan American/Para Pan American Games Host City Showcase Program, and thereafter to provide funding and budget stabilization for the non-recurring bidding, municipal service delivery and enhanced City programming costs associated with major special events.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX33.13>

On June 7, 2016, City Council adopted the "City of Toronto Bidding and Hosting Strategy for Significant Special Events". The Strategy includes a framework to manage and evaluate event hosting opportunities, including assessment criteria to determine whether City resources should be allocated in support of an event or an event bid.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.ED12.4>

In July 2016, City Council directed the General Manager, Economic Development and Culture, to develop a formal granting process to support significant special events taking place in 2018 and future years. As recommended in the Bidding and Hosting Strategy, a formal grant process would provide a transparent method of intake, evaluation and recommendation for City support and funding to significant events, as defined in the "City of Toronto Bidding and Hosting Strategy for Significant Special Events".

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.ED13.7>

On February 1, 2019, Budget Committee adopted the "Strengthening Toronto's ability to attract and host major events through the Toronto Significant Events Investment Program (TSEIP)" report recommending City Council direct the General Manager, Economic Development and Culture to submit a plan to establish an ongoing tax-supported base budget for the Toronto Significant Events Investment Program to the 2020 Budget process.

On February 19, 2019, City Council adopted the 2020 Capital and Operating Budgets which included the creation of the Tax Base funding to the TSEIP program of \$750,000 to be phased in annually over 2020, 2021 & 2022.

[Agenda Item History - 2020.EX13.2 \(toronto.ca\)](#)

(See page 6 of EDC 2020 Budget Notes [2020 Staff Recommended Capital and Operating Budget Notes – Economic Development and Culture \(toronto.ca\)](#))

COMMENTS

Toronto Significant Events Investment Program (TSEIP)

In July 2016, City Council directed the General Manager, Economic Development and Culture, to develop a formal granting process to support future significant special events. This formal grant process provides a transparent method of intake, evaluation and recommendation for City support and funding to significant special events, as defined in the "City of Toronto Bidding and Hosting Strategy for Significant Special Events". The Toronto Significant Events Investment Program (TSEIP) was created as the formal intake process to access the Major Special Event Reserve Fund, a fund created as a legacy of the 2015 Pan Am/Para Pan Am Games.

Intake Process

The TSEIP was launched in August 2017. The guidelines were posted on [toronto.ca](#), and the program was promoted via Tourism Toronto (now Destination Toronto) and by the Province of Ontario. Please see Attachment 1 for the Application Guidelines.

The program has an ongoing intake process, which allows eligible events to apply at any time. Funding is dependent upon the availability of funds, as well as City Council's schedule for review and approval.

Review and Criteria for Assessment by EDC Staff

Applications are reviewed for eligibility and completeness by EDC staff, being followed by an evaluation by a Peer Review Panel (see below) against the program criteria. A score is given to each application based on these criteria. Based on staff assessment of applications and on the input of the Peer Review Panel, EDC staff provide Council with recommendations for funding. Assessment is based on the following:

| Assessment Category | Weight (percent) |
|--|------------------|
| Start from a position of strength: emphasizing the need for shared commitment by all orders of government and the private sector for an event or bid; | 15 |
| Optimize Toronto as a host city and region: underscoring the importance of ensuring a strong hosting capacity through a responsible financial plan, diverse leadership team, and meaningful engagement with communities and partners across the city; | 15 |
| Advance key City-building priorities: by leveraging an event to further existing Council priorities such as transit, affordable housing, and other civic infrastructure, and Council-endorsed plans such as Creative Capital Gains or Collaborating for Competitiveness; | 25 |
| Responsibly manage hosting costs, resources and risks: by minimizing the City's financial exposure, and mitigate risks related to bidding on and hosting an event; and | 15 |
| Generate benefits and legacies for all Torontonians: to ensure that an event has a wide-ranging, positive impact for communities across the City. | 30 |

Peer Review Panel Assessment

Following the assessment by EDC staff, a volunteer Peer Review Panel advises staff on the merits of the applications, provides advice on the feasibility and quality of the planned event, and offers professional assessments of the governance, financial capacity, community impact and legacy of the organizations and events. Members of the panel must declare conflicts of interest with applicants and represent a broad and diverse base of expertise and a professional knowledge of the events sector.

The JFLTO application was reviewed in 2019 by the TSEIP Peer Review Panel, which included Danny Assaf; Winston Kassim; Chris Rudge; and Karen Tisch. Please see Attachment 2 for biographies of the panelists.

Just for Laughs Toronto Festival Application

JFLTO began 9 years ago in Toronto and has become one of the biggest comedy festivals in North America. The festival introduces new talent to the world and brings local audiences an international line-up that they otherwise would not experience. With the 10-year anniversary of JFLTO in 2022, the event organizers hope to expand, notably with significant new free public programming.

JFLTO plans to animate downtown Toronto over seven to ten days in September 2022, with 3 days (September 23-25) dedicated to a new, free outdoor street festival. The free outdoor festival will operate on a public realm site of approximately 130,000 square feet, located near Meridian Hall and the St. Lawrence Centre, occupying a portion of Front Street, Scott Street, and Berczy Park.

The event will both help animate the city centre and is complementary to other cultural offerings in the city. It is expected that the event will increase foot traffic and attract broader and new audiences to the festival, both local residents and tourists, through inclusive and accessible programming. Locals and tourists will benefit from free access to a variety of professional performances including: comedic presentations by national and local stars; acts reflecting Toronto's diversity; and the animation of local streets, though food vendors and street performers.

JFLTO applied to TSEIP in September 2019, but assessment was delayed as the event deferred its programming dates due to the pandemic. In September 2021, JFLTO re-submitted their application and requested funding for 2022 in the amount of \$200,000 to support the development and execution of the inaugural free street festival in Toronto.

The recommendation is for a \$100,000 investment, in alignment with the benefits noted in the application – which include social and economic inclusion, and broad cultural participation. It is anticipated that this investment will provide the city:

- Tangible direct economic benefits, including 20,000+ overnight stays, more than an estimated \$3 million in tourism spending, and an estimated \$221,964 in tax revenue for the City (See attachment 3 JFL42, 2019 Economic Impact Study). These are in addition to other economic benefits for vendors and local businesses near the festival site.
- Heightened profile as host of one of the important comedy festivals in the world affiliated with the global comedy presenter brand, aligned with City goals to be seen as a host for high profile events.
- Visibility, resources and attention to Toronto's comedy market, arts offerings and local talent driving up anticipation and attendance for other events and contributing to reinvigorating Toronto's cultural sector and local economy.
- Support towards positioning JFLTO as a growing festival.

The economic impact analysis for the 2019 festival demonstrated that the festival had an economic impact of \$2.5 million in Ontario, mainly in Toronto, and created or maintained 25 full-time jobs. Tax revenues generated by the event included \$385,785 for the Government of Ontario, \$391,055 for the Government of Canada and municipal tax revenues of \$193,012.

The TSEIP funding proposed for JFLTO in 2022 will be contingent on the following:

- Appropriate approvals from Toronto City Council on JFLTO's request to close Front Street for 7 days in accordance with provisions outlined in Toronto Municipal Code Chapter 743, Streets and Sidewalk Use.
- The City's TSEIP funding only be used to support the free street festival portion of the event.
- No in-kind supports from City divisions and/or agencies for the execution of the event will be provided.

Should City Council approve staff's recommendation of \$100,000 in TSEIP funding to JFLTO, the following financial controls will be implemented:

- legal funding agreement;
- Event monitoring and evaluation; and,

- Hold-back of 5% of the funding amount and final reporting requirements due 4 months after event completion to include:
 - A report on activities and programs described in the event's Funding Application including: how the event met its objectives; how the event met City priorities; legacies remaining to the community as a result of the event; an audited financial statement that accounts for the Event revenue and expenditures prepared by an accredited accountant external to the recipient; a detailed statement of how City funding was utilized; economic Impact Analysis/Report including Event statistics (attendance, participants, hotel rooms, etc.)
 - Media and Marketing summary including: the media value, gross impressions and reach of the media and marketing campaign; a summary of all City of Toronto acknowledgements made using the City of Toronto logo associated with the event; a sample of marketing materials (e.g. print, radio, television) related to the event.

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SIGNATURE

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ATTACHMENTS

Attachment 1 – Toronto Significant Event Investment Program Guidelines
Attachment 2 - TSEIP Peer Review Panelist Biographies
Attachment 3 - JFL42, 2019 Economic Impact Study Document

