

Economic Development and Culture Grants - 2024 Funding Allocation and Creative Industries Grants

Date: April 22, 2025

To: Economic and Community Development Committee

From: General Manager, Economic Development and Culture

Wards: All

SUMMARY

The City of Toronto has a long history of investing in Toronto's cultural vibrancy and economic prosperity through Economic Development and Culture (EDC) grant programs, directed grants and event sponsorships. These opportunities are aligned with City priorities and help fund programs, projects, operational needs, and events delivered by arts and culture non-profit organizations, the business community and creative industries, and collectively contribute to the City's vibrant culture, liveability and a robust economy.

In alignment with City Council directions, this staff report provides information on EDC's annual funding allocation. This report also speaks to the continuation of the multi-year grant reform in the Economic Development and Culture (EDC) Division, which started in 2018 and aims to make all of its funding opportunities more transparent, equitable and aligned with the 2019 City of Toronto Community Grants Policy. As part of this reform and to provide more predictable and structured funding support for creative industries, this staff report recommends the establishment of the Creative Industries Grants Program. No new funding is being requested and the program will leverage funds currently provided as directed grants, already accounted for within the division's existing budget allocation.

This staff report is one of the final steps in EDC's grant reform, to be completed in 2026. Its completion will be important to advance the vision of sustainable and resilient culture sectors, business community and creative industries in alignment with the Council-approved strategies *Sidewalks to Skylines: An Action Plan for Toronto's Economy* and *Culture Connects: An Action Plan for Culture in Toronto*.

RECOMMENDATIONS

The General Manager, Economic Development and Culture recommends that:

1. City Council authorize the General Manager, Economic Development and Culture to collect personal information, as part of the administration of grant programs.
2. City Council direct the General Manager, Economic Development and Culture to establish the Creative Industries Grants Program as a grant program with two funding streams: Creative Industries Skills Development Grants and Creative Industries Sector Development Grants, in accordance with the City's Community Grants Policy.
3. City Council authorize the General Manager, Economic Development and Culture to allocate, approve, and disburse one-time grants to eligible individuals or not-for-profit organizations, educational organizations and registered charities funded through the Creative Industries Grants Program, with funding allocation to be subject to the necessary budget processes and in accordance with the City's Community Grants Policy.
4. City Council authorize the General Manager, Economic Development and Culture, to negotiate, enter into and execute funding agreements with eligible applicants funded through the Creative Industries Grants program, with funding recipients and grant amounts to be determined annually by the General Manager within the budget allocation for the program, and on such content, terms and conditions deemed necessary by the General Manager and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

There are no current year financial implications resulting from the adoption of the recommendations contained in this report. Funds for grants that would be provided under the proposed Creative Industries Grants program are already included as part of the 2025 Operating Budget for Economic Development and Culture:

Funding Program	Funding Streams	Funding Allocated
Creative Industries Grants	1. Creative Industries Skills Development Grant, and 2. Creative Industries Sector Development Grant	\$ 456,305 per year Note: Amount of funding designated to each stream will vary year-to-year based on applications and demand.

Future financial impacts arising from the proposed grant program (within its current 2-stream structure), if any, will be accommodated by identifying alternative funding sources, offsetting reductions or reallocations within the Economic Development and Culture Division Operating Budget. Should the grant program be expanded or enhanced in future years, future financial impacts will be considered in future year budget processes, subject to the City's financial and resource capacity against other priorities.

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 November 13 and 14, 2024, City Council adopted Culture Connects: An Action Plan for Culture in Toronto (2025-2035), affirming the City's commitment to continue investing in the culture sector, strengthening access and funding opportunities for artists, culture workers and historically underrepresented population groups.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EC16.1>

At its meeting on November 13 and 14, 2024, City Council adopted Sidewalks to Skylines: An Action Plan for Toronto's Economy (2025-2035), committing to create a business-friendly environment. Among others, planned actions include maintaining a competitive mix of taxes, development incentives and grants for commercial and industrial activities, and expanding opportunities for startups.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EC16.2>

At its meeting on May 22 and 23, 2024, City Council approved the 2022 and 2023 Economic Development and Culture (EDC) grants allocation.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EC12.3>

At its meeting on February 7 and 8, 2023, City Council approved the 2020 and 2021 Economic Development and Culture (EDC) grants allocations and EDC's approach to a grant reform to modernize and update its funding structures to improve transparency, accountability, and achieve greater outcomes for the community.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.EC1.4>

COMMENTS

Background

The City of Toronto, through the Economic Development and Culture Division (EDC), invests in Toronto's cultural and economic vitality through program grants, directed grants and event sponsorships. As a key funder to local arts and cultural non-profit groups, artists and small businesses, EDC oversees a diverse portfolio supporting activities that contribute to Toronto's vibrant culture and economic prosperity, including:

- local arts programming, arts and cultural festivals, public art and cultural organizations;
- business retention and expansion activities, business improvement areas activities, sector development and international trade;
- tourism, and the film, music, and interactive digital media sectors; and
- historical sites in Toronto

While some sectors have experienced recovery from the immediate impacts of the COVID-19 pandemic, non-profit art and cultural organizations, small businesses and creative industries continue to face significant instability stemming from the affordability crisis, increased demand for services and increasingly competitive funding landscape. Collectively, these challenges have diminished their purchasing power and limited the organizations and the business community's ability to engage in talent recruitment and retention efforts. Given these ongoing and emerging circumstances, municipal funding remains an essential driver and contributor for Toronto's economy and culture.

In November 2024, City Council adopted two visionary ten-year action plans: [Sidewalks to Skylines: An Action Plan for Toronto's Economy \(2025-2035\)](#) and [Culture Connects: An Action Plan for Culture in Toronto \(2025-2035\)](#). Through their adoption, the City reaffirmed its commitments to continue investing in Toronto's cultural sector and the business community, including through funding, to meet evolving needs and unlock new opportunities for Toronto to lead as Canada's primary economic engine and a global cultural capital. In alignment with the City's strategic priority of investing in neighbourhoods and people, the two action plans also reinforced the importance of equity and reconciliation, which continue to guide EDC's funding priorities.

Since 2018, EDC has been working on its multi-year grant reform efforts, undertaking a series of intentional reviews to ensure that funding is impactful, coherent and accountable to City Council and Toronto taxpayers while remaining responsive to the needs of communities and emerging trends. Using a phased approach, EDC has been reviewing its funding opportunities. Examples include updates made to the Business Incubation and Commercialization (BIC) Grant Program, established the Cultural Organization Operating Partnership (COOP) and formalized the Cultural Hotspot, and Youth Cultural Incubator Stabilization Initiative (YCISI) in alignment with the Community Grants Policy. Once the Creative Industries Grants Program is established, as recommended in this report, the remaining funding to complete EDC's grant reform—Toronto History Museum grants—will be reviewed and brought to City Council for consideration in 2026.

The grant reform work has also allowed EDC to examine its funding opportunities closely and start using the following City Council-approved definitions, which continue to inform the structure of EDC's funding portfolio:

- *Program Grants* – structured funding approved by Council delegated authority that include a formal application, review and allocation process, as required under the City's Community Grants Policy.
- *Directed Grants* – one-off, targeted investments that do not involve an application-process and are not part of a Council-approved program. They are issued in a timely manner to address an urgent need or immediate opportunity that is aligned with City and divisional priorities.
- *Event sponsorships* – financial support to events in exchange of significant value to the City through an arrangement with an external event host/organizer. As an event sponsor, the City receives benefits from the sponsored entity to advance strategic priorities and key communications objectives, such as marketing considerations, visibility at the event and, often, an opportunity to present.

The following sections outline: 1. EDC's funding allocation in 2024, including program grants, directed grants and event sponsorship funding; and 2. the proposed Creative Industries Grants as a grant program.

1. EDC's 2024 Funding Allocation

In 2024, EDC issued a total of \$51,376,370.72 (including \$5,251,719.33 transferred from other orders of government) to 743 funding recipients.

Program Grants

In 2024, EDC issued \$44,944,012.41 to 635 eligible organizations and individuals across 13 grant program areas. EDC's 2024 allocation, with a breakdown of the grant funding allocation by programs, number of grants recipients and the total funding amount was as follows:

EDC Development and Culture Grant Program Allocation 2024		
2024 Grant Programs	Number of Grant Recipients	Funding Amount
Arts and Culture Services (ACS)		
Toronto Arts Council*	1	\$26,569,600
Cultural Organization Operating Partnership (COOP)	7	\$4,426,655
Cultural Festivals Funding Program (CFFP)	47	\$1,920,500
Local Arts Service Organizations (LASO)	6	\$1,897,494
Cultural Hotspot	35	\$334,737.85
Youth Cultural Incubators Stabilization Initiative (YCISI)	16	\$602,000
Special Events Stabilization Initiatives (SESI)	105	\$2,034,827
Toronto Significant Event Investment Program (TSEIP)	1	\$95,000
Business Growth Services (BGS)		
Business Incubation and Commercialization Grant Program	42	\$1,140,206

EDC Development and Culture Grant Program Allocation 2024		
Starter Company Plus and Summer Company Grant**	129	\$557,500
BIA Grants	33	\$702,211.23
Main Street Recovery and Rebuild Initiatives (MRRI)***	213	\$4,663,281.33
TOTAL	635	\$44,944,012.41

*Toronto Arts Council uses this funding to distribute grants to close to 900 artists and organizations on the City's behalf.

** The Starter Company Plus and the Summer Company Grants are funded by the Government of Ontario.

***Toronto's Main Street Recovery and Rebuild Initiatives (MRRI) is federally funded by the Federal Economic Development Agency for Southern Ontario.

The funding recipients of EDC's program grants include not-for-profit organizations, small businesses, and individual artists and cultural workers. Since some of the grant recipients are individuals, this report seeks Council delegated authorities to collect personal information from individual applicants for the administration of grant programs, in alignment with the Data for Equity Strategy and other City policies. This information will be used by EDC staff in aggregate to analyze demographic trends related to the distribution and impact of City funding, and to monitor progress related to improving access to City resources and funding for Indigenous, Black and equity-deserving communities, which is a key objective of *Culture Connects: An Action Plan for Culture in Toronto*.

The administration and allocation of EDC's grant programs are regularly reviewed and assessed to ensure responsive programming and alignment with Council priorities and grant policies. Similarly to the other grant programs, the individual funding allocation to the Local Arts Service Organizations (LASOs) will continue to be internally reviewed to ensure an equitable distribution approach. Details of funding amount and funding recipients of all EDC 2024 program grants can be found in Attachment 1.

Directed Grants

In 2024, targeted investments in the form of directed grants provided EDC with the ability to act quickly in times of need, to make small investment in promising ideas and to leverage those investments by supporting the scaling up of innovative ideas while ensuring accountability and stewardship of public funds. In 2024, examples of directed grants issued include:

- Operated by the Toronto Railway Historical Association (TRHA), the Toronto Railway Museum received a directed grant in 2024 to support its programming and operations. In 2024, it welcomed over 47,000 visitors to its exhibitions and train experience, including events such as Asian Heritage Month celebrations and Doors

Open. The museum also engages an active volunteer base of 50 volunteers and employed eight youth during its summer season.

- xoTO Screen Industry Pathways, which specifically responds to post-pandemic labour gaps in the film industry, received a directed grant to support its programming of providing program design, partnership and funding support for community groups that work with communities of traditionally underrepresented populations (Black, Indigenous and people of colour, 2SLGBTIA) for film jobs.
- Work in Culture received a directed grant to deliver the Catalyst and Transformation Fund (CAT) to support local arts organizations to identify post-pandemic challenges and explore approaches on rebuilding, restructuring, and reforming the way they work and operate. In 2024, the CAT approved 31 arts organizations for funding for initiatives happening between 2025-2026 – including 19 Toronto-based arts organizations. The City's funding for CAT was matched with contributions from the Canada Council for the Arts, the Ontario Arts Council, the Metcalf Foundation, and the Azireli Foundation.
- A directed grant was provided to the Intergovernmental Committee for Economic and Labour Force Development (ICE) to deliver an event on remote work and conduct a research project on strengthening Toronto's technology sector innovation incubation ecosystem, focusing on existing gaps and recommendations for creating a more inclusive and comprehensive incubation ecosystem in Toronto.

The table below provides information on the directed grants funding issued in 2024 by the 5 EDC business areas. Further details, such as funding amount and funding recipients of directed grants can be found in Attachment 2.

Business Area	EDC Directed Grants 2024
Arts and Culture Services	\$1,281,720.77
Business Growth Services	\$3,480,896
Film and Entertainment Industries	\$498,618.93
Museum and Heritage Services	\$242,869.65
Program Support	\$320,438*
Total	\$ 5,824,543.35

*Directed grants noted as part of Program Support include funding for the Intergovernmental Committee for Economic and Labour Force Development (ICE), which was partially funded (\$30,938) by the federal government.

Event Sponsorships

In 2024, EDC sponsored a variety of events that contributed to Toronto's cultural vibrancy, livability and to an increased awareness of Toronto as a diverse cultural and competitive business destination. The sponsored events also facilitated valuable connections between businesses and potential partners and stimulated economic activity and job creation within key sectors. Examples include:

- An event sponsorship was awarded to the Elevate Festival, which connected tech leaders, emerging startups, global investors, policymakers to shine a global spotlight on Canada's tech and innovation ecosystem. In 2024, the three-day festival attracted 9,618 attendees, with 50% of participants belonging to an equity-deserving group. The event's program featured 335 speakers, 10 masterclasses, 9 Women in Tech workshops, and 295 investor-startup meetings which resulted in \$750,000 in startup investments.
- The Future of Film Showcase (FOFS) received an event sponsorship for their annual film festival. FOFS is a Canadian not-for-profit media arts organization presenting works from emerging Canadian filmmakers and elevating work by women, BIPOC, 2SLGBTQIA+, and other emerging creatives from traditionally marginalized communities. It fosters the future of Canadian film by providing burgeoning artists and filmmakers with professional development opportunities, as well as a national platform through its annual film festival.
- Toronto Arts Foundation's Mayor's Arts Lunch is an annual gathering of artists and arts supporters celebrating and spotlighting the impact of artists and arts organizations in Toronto. With the City of Toronto's event sponsorship, this event has created opportunities for artists to build connections to arts supporters and receive cash prize awards in recognition of their impactful artistic contributions. In 2024, the Mayor's Arts Lunch celebrated 24 artists and arts leaders as finalists through 7 awards and a total of \$105,000 in cash prizes, amplifying the vital work of artists in city while promoting community engagement and participation in the arts.

The table below provides information on the event sponsorship funding issued in 2024 by the 5 EDC business areas. Further details, such as funding amount and funding recipients of the event sponsorships can be found in Attachment 3.

Business Area	EDC Event Sponsorships 2024
Arts and Culture Services	\$14,590
Business Growth Services	\$44,710.08
Film and Entertainment Industries	\$399,014.88
Museum and Heritage Services	\$0
Program Support	\$149,500

Business Area	EDC Event Sponsorships 2024
Total	\$607,814.96

2. EDC's Grant Reform: Establishing the Creative Industries Grants Program

This report is part of the final phase of the Division's grant reform efforts, which will be completed in 2026, and seeks authority from City Council to establish the Creative Industries Grant Program.

Toronto's creative industries span a wide spectrum, encompassing music, film and television production, creative technologies etc. Creative industries hold a crucial role in shaping the Toronto's cultural identity and are recognized key driving forces for the local economy. Culturally, they contribute to the city's diverse cultural endeavours, support innovation, build a shared sense of community and foster civic pride. From an economic standpoint, the contributions of creative industries are substantial. According to Toronto Global, sectors like film and TV production contribute a record \$3.15 billion into Ontario's economy, creating 45,891 full-time equivalent direct and spin-off jobs in 2022.¹ With some of the fastest growing sectors, Toronto boasts a creative workforce brimming with emerging and established talent. The vibrancy of the creative industries helps to reinforce Toronto's status as the economic and creative capital of Canada.

Despite its economic, employment, cultural and social value, the environment in which creative industries operate is becoming increasingly challenging and industry leaders have been vocal on the challenges they faced. The below were highlighted during the stakeholder engagement process for Culture Connects: Action Plan for Culture in Toronto:

- Lack of industry training/re-training opportunities, career pathways and growth opportunities leading to loss of talent;
- lack of consistency in job opportunities and job security, and difficulty working in gig-economy jobs;
- broader, city-wide challenges such as affordability, cost of living, transit; and
- increasing pressure on domestic creative producers due to rising production costs and limited support for domestic producers.

Additionally, stakeholders stressed that there is a need to invest in Toronto's creative industries' workforce, partner organizations, and continue to provide training opportunities and career pathways into the creative industry/sector to avoid talent gaps. In alignment with the Council-adopted Culture Connects: An Action Plan for Culture in Toronto and Sidewalks to Skylines: An Action Plan for Toronto's Economy, establishing the Creative Industries Grant Program has the potential to unlock significant long-term

¹ Toronto Global, <https://torontoglobal.ca/business-insights/torontos-creative-industries/#:~:text=Toronto%20is%20recognized%20as%20a,important%20role%20in%20international%20trade.>

benefits, ensuring that Toronto's creative industries continue to be a key contributor to Toronto's culture and its economy.

As indicated in previous funding allocation reports to Council ([2023.EC1.4](#) and [2024.EC12.3](#)), EDC's funding support to the creative industries in the past was primarily distributed through directed grants and event sponsorships, with focus on supporting various workforce development activities and industry growth initiatives. To allow for more predictable and structured funding support for the creative industries and in keeping with policies and best practices for municipal grant funding around transparency and accountability, it is recommended through this staff report that existing funds that were previously allocated via directed grants, now be disbursed through Creative Industries Grants.

No new funding is being requested to establish the Creative Industries Grants Program. The grant program will be funded through a reallocation of current approved Economic Development and Culture Operating Budget. Should the grant program be enhanced and expanded in future years to support a greater number of creative industries grantees, additional funding will be requested as part of the annual budget process.

The Creative Industries Grants Program is recommended to adopt a two-streams funding structure: Creative Industries Skills Development Grants and Creative Industries Sector Development Grants:

- *Stream 1: Creative Industries Skills Development Grants*

The Creative Industries Skills Development Grants will provide funds to organizations advancing workforce development in the film and television production, music or creative technology industries. It will fund activities such as trainings and other capacity building activities that build practical skills in trades, crafts and/or technical skills for which there are existing labour gaps in these industries. Specifically, this grant stream will support employment readiness for individuals, matching skills to high-demand roles in creative sectors. Grants in this stream will support the work of not-for-profit community groups led by and/or serving historically underrepresented groups and the funded activities will support employment in creative industries.

- *Stream 2: Creative Industries Sector Development Grants*

The Creative Industries Sector Development Grants will support projects, services or initiatives that build capacity and create opportunities for creative entrepreneurs, their businesses and the sector. Examples include but are not limited to: events or projects focused on cross-sectoral collaboration, partnership generation, knowledge-building, advancement of business skills for creative entrepreneurs, and international opportunities. These grants also support initiatives that showcase Toronto's creative industries, accelerating routes to commercialization and financial sustainability.

See Attachment 4 for more information on the two grant streams.

The application process will involve applicants completing an online application through an open grant call. Applications will be reviewed against the eligibility and funding

priority criteria available on the website and City staff will assess and provide funding allocation recommendations. Once funding recommendations are made, the recommended grant recipients will be asked to sign a funding agreement, including a detailed budget and a set of accountability criteria. The accountability criteria will be tracked throughout the duration of the funded activities and reported upon project completion. Reports on funded activities will be submitted annually to relevant advisory bodies. Recipients and grants will be reported to Council through EDC's annual grant allocation staff report and made available on the Division's webpages.

Next Steps in EDC's Grant Reform: 2026

As part of the final phase of EDC's grant reform activities, EDC will propose updates on the Closed Museum Grants and Railway Historical Museum Grant in its next annual funding allocation report in 2026, articulating changes to align grant-making activities to the new strategic directions of the Toronto History Museum. Formalizing these grants under a program will be the final step in EDC's grant reform efforts. Completing EDC's grant reform will ensure that EDC's grant-making activities continue to be equitable, transparent and in compliance with the City's Community Grants Policy.

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SIGNATURE

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ATTACHMENTS

Attachment 1 - List of Grant Programs Funding Recipients in 2024

Attachment 2 - List of Directed Grants Funding Recipients in 2024

Attachment 3 - List of Event Sponsorship Funding Recipients in 2024

Attachment 4 - Creative Industries Grant Program