

Re:Venues



 A Case and Path Forward for Toronto's Live Music Industry

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Table of Contents

Foreword	2
Executive Summary	3
1. Introduction	13
1.1 Overview and Mandate	13
1.2 Methodology and Data Sources	14
2. In the Spotlight: Live Music in Toronto	15
2.1 Overview of the Toronto Music Ecosystem	15
2.2 The Impact of Live Music Venues	25
2.3 Issues Facing Venues (before COVID-19)	36
3. Dark Days: The Effect of COVID-19	38
3.1 Impacts of COVID-19 on Toronto’s Live Music Industry	38
3.2 Unique Challenges for Live Music Sector in Light of COVID	41
3.3 Music and Wider City Re-Opening	42
4. Doors Open: Recommendations to Support Live Music in Recovery	43
4.1 Overview	43
4.2 Immediate Actions	45
4.3 Short Term	47
4.4 Medium Term	47
Appendix A. List of Interviewees	49
Appendix B. Economic Impact Methodology and Assumptions	50

Foreword

Every business sector and cultural scene has its own unique ecology - a mix of creators, enterprises and service providers of differing sizes or stages of evolution, tightly-linked in a thriving local economy. The music industry is no exception: a complex web of occupations and organizations has gradually evolved around the fundamental act of a musician performing live onstage for an audience. At the centre of this web is the live music venue.

Live music venues of all sizes are the heart of any local live music ecology. The excitement and energy of a live show, whether given by an emerging artist or a global star, is just one reason people visit, live, work, and play in neighbourhoods where music thrives. Beyond this direct impact, live music indirectly helps sustain a wide range of other businesses and sectors, its effects quantified in research drawn from around the world. Music venues are critical to contemporary city-building as a vital component of any healthy community, contributing in myriad ways to the quality of life we enjoy – no matter where we live.

For musicians who develop their craft, build audiences, and generate income through live performance, the “venue ladder” offers opportunities at every stage of a career. Emerging artists begin in the smallest local venues; if they’re talented, popular and persistent, eventually they may progress to playing larger stages and eventually to concert halls or stadiums. This venue ladder is essential for the development of our artists - without it, their careers would struggle to gain momentum or cease to exist outright. So all venues, of all sizes, must be carefully and thoughtfully nurtured, to ensure cities can leverage the true artistic, economic, cultural and social promise they offer.

Today, the very survival of Toronto’s live music ecosystem is at stake. Venues have been threatened by exponentially rising rents, taxes, and insurance rates; development pressures; and a shifting entertainment landscape. More recently, the COVID-19 pandemic has brought live music activity to a standstill, with no immediate prospect of a return to the way things were. There’s never been a better time to highlight the economic and cultural contributions of Toronto’s live music venues, or to turn our collective attention to how we might help them survive.

That’s why this study and its recommendations must be read and prioritized by policymakers, industry, and advocacy groups. These influencers – along with anyone who lives in these neighbourhoods – will play a key role in protecting and advocating for the value of live music. Artists, audiences, and our cultural economy depend on us. The rebuilding and recovery process needs us.

Many partners contributed generously to make this work possible, including the Canadian Live Music Association, the City of Toronto, Ontario Creates, and the Downtown Yonge Business Improvement Area / Toronto Association of BIAs.

Most importantly we acknowledge and salute the Toronto venue owners, operators, staff, promoters, production crews, technicians, and of course the artists who change our lives with every song and every show. We are grateful to each of you for your passion and determination, now more than ever.



Erin Benjamin
President & CEO
Canadian Live Music Association



Mike Tanner
Music Sector Development Officer
City of Toronto

Executive Summary

Music plays a vital role in creating a vibrant city, driving value in multiple ways, including “job creation, economic growth, tourism development, city brand building and artistic growth.”¹ As such, thriving live music venues create jobs, stimulate tourism, and directly contribute to the development of artists careers. As the city of Toronto continues to evolve, it is important to capture the value of these contributions, for benchmarking, advocacy, and planning purposes. To that end, Nordicity was engaged to measure the contributions and impacts stimulated by Toronto’s live music venues.

Music venues, for the purposes of this report, include any physical space where music is performed (even occasionally) for a public audience. Such venues include everything from **traditional venues** (those that present live music as either the primary purpose of its operations, or at least as a “secondary” complement to its core line(s) of business) such as concert halls, pubs, and restaurants, to DIY performance spaces, or **non-traditional venues** (those that primarily focus on other activities, but also hosts live music performances) such as libraries, parks, bookstores, and art galleries.

To fully assess the impact of the live music industry in Toronto, the value of live music venues is examined from two primary perspective:

- A measure of the **economic impact**, or the contribution of live music venues to the Toronto’s wider economy, in terms of GDP, labour and taxes; and,
- An assessment of the role that music venues play in **the development of a healthy music ecosystem** and a high quality of life in the city.

To demonstrate these impacts, Nordicity collected data through the following sources:

- **An Online Survey:** this survey was distributed to venues in Toronto. The questions were developed in conjunction with Canadian Live Music Association (CLMA) and the City of Toronto. The survey was distributed to a wide sample of Toronto venues, and promoted by CLMA, the City of Toronto’s Music Office, and Nordicity.
- **One-on-one Interviews:** 15 interviews were conducted, with a range of key music stakeholders, including representatives from the City, BIAs, traditional venues, and DIY venues. A full list of interviewees can be found in Appendix A.
- **Other Sources:** data was also collected from the Province of Ontario’s Ministry of Tourism, Culture and Sport (MTCS), Statistics Canada, and Ticketmaster to provide supporting information.

These data sources allowed this assessment to examine both quantitative and qualitative aspects of Toronto’s music venues and music industry to formulate a fuller picture of their impacts.

This report is structured around three components. The first one, ***In the Spotlight***, presents live music in Toronto as before the COVID-19 pandemic. In the second component, ***Dark Days***, Nordicity assesses the effect of COVID-19 on Toronto’s live music sector and the ripple effects on the wider music community. Finally, in ***Doors Open***, Nordicity provides recommendations to support live music in recovery.

¹ <https://www.ifpi.org/downloads/The-Mastering-of-a-Music-City.pdf>

In the Spotlight: Live Music in Toronto

The core of Toronto’s live music ecosystem comprises 588 venues that have collectively hosted countless iconic performances, launched careers, cultivated communities, and helped to establish Toronto as a top-tier music city. This analysis largely focuses on Toronto’s 536 active venues which host musical performances, and in particular, the 236 venues for which music is integral to their business².

Even before COVID-19, **Toronto has seen an alarming number of venues close their doors**. The closures of the storied venues are a reminder of the challenges, such as rising rent and redevelopment, that Toronto music venues face. Additionally, a lack of affordable housing and studio space has forced many musicians to move outside of Toronto, despite the city’s venues, promoters, job opportunities, and other artists.

The continual efforts made by communities, new owners and the City to protect iconic music venues demonstrates that these institutions are significant to Toronto’s cultural heritage; however, without a systematic way to address the loss of venues, efforts such as these will always be at best one-off attempts to preserve the existence of this financially precarious class of businesses.

The **Toronto Music Advisory Committee** (TMAC) was created in 2013 to advise City Council on how to nurture the music industry in Toronto, and to respond to the challenges described above. TMAC has been instrumental in developing Toronto’s Music Strategy (2016) and more recently in advising on the enforcement of major remedies for some of the regulatory and financial burdens faced by Toronto’s live music venues (e.g., re-evaluation of noise bylaw and 2020 introduction of a property tax relief program).

Profile of Toronto Venues

The highlights of the **sector profile** presented below focus on the 536 active venues and are based on the results of the online survey. Note that the following results are based on an online survey and interviews conducted prior to the onset of COVID-19.

The most common type of venues in the city are **concert halls or theatres** (25%) while bars/pubs constitute 23% of the venues.³ Venue types are often just a function of the licensing framework in which such venues operate. While many establishments identify primarily as a music venue, there is no City of Toronto business license directly tailored to venues. As a result, many venues operate in a “grey area”, where they are technically licensed as restaurants, but their activities often reflect that of a nightclub or an entertainment establishment.

42% of venues that participated in the Re:Venues survey reported that they own the space where they operate.⁴ The majority of venues in the city offer permanent sound equipment (93%) and a permanent stage (86%), which indicates that they have **invested in permanent infrastructure** dedicated to hosting live music. Additionally, 67% of respondents have in-house sound technicians or

² The full list of 588 venues includes an additional 52 spaces, largely consisting of city parks and libraries, which offer alternative spaces that can be booked to present music.

³ Note that these results are based on how venues self-identified in the Re:Venues survey. These classifications do not conform to the City of Toronto’s permitting/licensing framework.

⁴ Based on feedback from stakeholders in Toronto’s live music community, we note that the survey may have oversampled music venues which own their property. That said, analysis controlling for ownership does not suggest that this aspect of the sample would have a significant effect on the results beyond the ownership statistic itself.

staff, demonstrating that they are dedicated, professional music venues that require the services of **staff with specialized skills**.

On weekdays, Toronto music venues stage 1.8 acts per day, and on weekend days (Friday to Sunday), venues host an average of **2.3 acts per day**. Effectively, venues feature live music an average of 4 days per week, which works out to **212 days a year**, the largest share of this activity occurring on Fridays and Saturdays. In 2019, there were an estimated **107,000 individual acts staged** at live music venues in Toronto.

Most Toronto venues surveyed have made **efforts to make their spaces more inclusive** and accessible. 73% of venues have made efforts to be more accessible for people with disabilities, and over two-thirds (69%) have established a code of conduct. This result aligns with Province-wide Accessibility for Ontarians with Disabilities (AODA) guidelines, as well as the Province's Vision for Ontario's Live Music Industry report, which outlines a goal of improving access at venues, particularly for touring musicians.⁵

Summary of Impacts

Live music venues are a central part of a thriving **music ecosystem** (supporting artists and music industry careers), contribute to the **economic prosperity** of a city, and enhance the **quality of life** for a city's residents.

As part of the music ecosystem, venues are critical for supporting artists' careers, providing the main connection point for audiences to appreciate and discover musicians; and therefore, venues are **a cornerstone of artists' career development**, with about two thirds (64%) of the acts featured at Toronto venues primarily performing original music.

Venues do not just support musicians. A whole community is built around live performance, including positions at the venues themselves, as well as, in the broader music industry as promoters, recording labels, studios, festivals, and related businesses. By supporting the success of artists, **music venues also support the economic growth of other businesses/sectors in the city**. Respondent venues reported an average staff of 3.6 full-time and 4.9 part-time employees. In general, music performances tend to lead to more staffing, and more consistent reliance on contract and freelance workers.

The impact of venues extends beyond the artists and resulting employment opportunities. Venues also **create spaces, that bring people in a city together**, and provide people a sense of identity and belonging in their city. This effect is particularly true for marginalized communities that may not have other places to gather. As research suggests, while the largest concentration of music venues is in Toronto's downtown core, pockets of venue activity exist across the City, which makes this discussion of music venues a city-wide conversation.

Beyond their vital role in supporting a thriving music community, **the live music industry creates additional economic impacts such as GDP, jobs, and labour income** generated by live music venues in Toronto.⁶ These economic impacts (as summarized in the following table) are driven by the

⁵ http://www.mtc.gov.on.ca/en/culture/ontario_live_music_industry.shtml

⁶ To quantify these impacts, Nordicity collected detailed financial information from venues with the Re:Venues survey. With this information, the project team performed a *gross-up* to estimate the total aggregated revenue and expenditures of live music venues in Toronto, controlling for the type of venue. In other words, responses from venues of each type were assumed to be representative of the performance of all similarly classified venues in the city.

operations of venues (“Ops”) and music tourism.^{7 8 9} In 2019, total spending from out-of-province music tourists was an estimated \$663.6 million.

Impact	GPP			Labour income			Employment (FTEs)		
	Ops	Tourism	Total	Ops	Tourism	Total	Ops	Tourism	Total
Direct	\$105.3M	\$348.2M	\$453.5M	\$80.6M	\$193.8M	\$274.5M	2,090	4,830	6,920
Indirect	\$66.5M	\$133.7M	\$200.2M	\$36.0M	\$85.8M	\$121.8M	720	1,260	1,980
Induced	\$42.2M	\$156.3M	\$198.5M	\$20.2M	\$97.5M	\$117.8M	380	1,230	1,610
Total	\$214.0M	\$638.2M	\$852.2M	\$136.9M	\$377.1M	\$514.0M	3,190	7,320	10,510

Source: Re:Venues Survey 2019, Nordicity MyEIA Model, Statistics Canada, federal and provincial government accounts, TicketMaster, MTCS Tourism Regional Economic Impact Model (TREIM)

Issues Facing Venues Before COVID-19

Nordicity identified several critical pre-COVID issues that confronted Toronto’s live music venues:

- **Increasing property values:** Rising values are directly impacting venues through “highest and best use” property tax assessments. Even when venues do not own their premises (as it most often the case) these costs are typically passed on by property owners or commercial landlords to tenants through higher rents. As it stands, almost twenty cents of every dollar spent by Toronto-based music venue goes towards rent or mortgage payments.
- **Gentrification and changing neighborhood demographic:** As central neighbourhoods have attracted development and families, venues have found that the demographic niche that made up their clientele, is actively disappearing. At the same time, some new neighbourhood entrants may seek to curtail venue operations.
- **Increasing insurance premiums:** Many venues have reported increasing challenges in securing competitive quotes for insurance renewals in recent years. With pressure already mounting due to escalating taxes, insurance renewal and the lack of competition in the insurance marketplace may pose an existential threat to already financially precarious venues.
- **Barriers to entry for the less visible new venues:** When a prospective venue has secured occupancy, the operator must first secure permits before the venue can be opened to the

⁷ The **direct** economic impact refers to the impact (in GDP, employment and labour income) created by the venues (typically via labour spending and profits). The **indirect** economic impact refers to the increase in GDP and employment in the industries that supply inputs to the music venues, as a result of the industry’s activities (e.g., lighting and equipment services). The **induced** economic impact refers to the additional economic activity associated with the re-spending of wages earned in the music venue industry (i.e., the incremental household income) in the Ontario economy. Finally, the **total** economic impact of the supply of live music in Ontario is equal to the sum of the direct, indirect, and induced economic impacts outlined above.

⁸ Note that limitations of the data prevented the analysis from accounting for overlap that may exist between tourist spending and the portion of tourist spending included in venue operations. Tourist spending is, however, predominantly spent on transportation, hospitality, and retail. In light of the probable understatement of tourist spending (since it only includes the spending of formally ticketed events), the estimates presented here are still likely to be conservative.

⁹ The economic impact estimates presented here are calculated at a provincial level for Ontario. The day-to-day **operational impact** solely includes the impact of music venue revenues and expenditures (i.e., this estimate does not add localized “spillover” impacts on adjacent restaurants, retail, and transit). The impact of **music tourism** assesses the impact of all tourist spending from out-of-province visitors who attended a ticketed music event during their visit in Ontario.

public, while carrying the financial burden of rent and renovation costs. At the same time, venues are restricted in terms of where they can locate due to zoning by-laws.

- **Limited ability to foster artist development:** The issues outlined above have necessitated a change in venues' business models. For local music performances, this change has meant shifting more of the financial risk associated with shows to artists (e.g., through rental fees and guarantee deposits), making a career as an artist more tenuous. As a result, venues are less able to support the development of artists in Toronto.

Dark Days: The Effect of COVID-19

Then came COVID-19 – and everything stopped. With restrictions on public gatherings, it has become impossible to operate a live music venue in Toronto.

Impacts of COVID-19 on Toronto's Live Music Sector

In early May 2020, Canadian Live Music Association (CLMA) launched a survey of 70% of its members who indicated that they were not eligible to receive government assistance amid the COVID-19 outbreak. Though not specific to Toronto, the survey's results indicated that **96% of the 177 venues surveyed were at risk of business failure** – with insurance, utilities, and commercial rent listed as key targets for potential relief. Over 70% of respondents had begun to lay off staff by early May.

CLMA, the City of Toronto, and other stakeholders have identified **at least 11 Toronto venues that have permanently closed** since March 2020. In combination, these venues hosted an estimated 5,000 musical acts each year and helped to employ at least 190 individuals.

As venues close their doors, **the ability of Toronto's live music sector to create its economic and social impacts lessen**. Artists' careers will not progress as quickly (if at all), less spill-over benefits will accrue to businesses near venues, and the city will be a less vibrant – and thus a less attractive – place to live. Importantly, this decline is not entirely linear. Rather, once enough venues disappear, Toronto will no longer be a place where artists can hone their craft, nor will its nighttime economy continue to be animated by live music. At that point, the deterioration of key cultural and economic benefits driven by Toronto's music landscape will accelerate.

At the same time, artists have become increasingly reliant on income from live music to sustain their careers. With revenue from live performance now effectively stopped, artists must now face an even more precarious livelihood than ever before. One can note, though, that live music has not entirely stopped during COVID-19 lockdowns. While emerging initiatives such as front-porch performances, drive-in events, and virtual concerts may be laudable, it remains unclear if they have the potential to replace the income lost by the lack of more traditional music venues.

Beyond the impact on the music community, **these closures have a material impact on the city's economy**. Nordicity estimates that **these closures led to the loss of a total of 110 FTEs worth of employment, \$6.3 million in total GDP contribution, and \$2.0 million in (provincial and federal) tax revenue**. These figures should be viewed as early indicators of what could become a much larger issue. As such, it may be helpful to think of venue closures on a more relative basis. To that end, one should consider that **each venue that closes in Toronto costs an average of 10 FTEs, \$575,000 in annual GDP contributions, and \$148,000 in provincial and federal taxes**.

Since March 2020, Nordicity estimates that the shutdown of music venues across the city has cost **Toronto's economy \$99M in Gross Provincial Product (GPP)** and the equivalent of **1,480 full time jobs**. This decline in economic activity means that approximately **\$29 million less provincial and federal tax revenue** was generated over that time.

Tourism has also largely stopped due to government-imposed travel bans. Nordicity estimates that between March 15 and August 31, 2020, **554,000 fewer tourists attended music events in Toronto.**¹⁰ This lack of music tourism sapped Ontario's economy of **an estimated \$369 million in GPP** and cost about **4,220 FTEs of employment.**

Research suggests that a significant number of Canadians are likely to be **uncomfortable returning to live music venues.** This apparent wariness by audiences should not mean that Canadians have stopped caring about the live experience. In fact, 67% of Canadians indicated that digital content will "never replace the feeling [they] get when [they] see live music."¹¹

Unique Challenges for Live Music Sector in Light of COVID

COVID-19 has **deepened some issues that were already posing challenges** to Toronto's live music sector, starting with **increasing property values** – and thus rising rents. When their revenue streams largely disappeared, many venues hoped to use the federal Canada Emergency Commercial Rent Assistance (CERCA) program to provide some relief. However, CLMA's research indicated several challenges in having commercial landlords access that program – mostly involving not knowing whether landlords had actually applied. At the same time, because most live music venues are for-profit entities, they are ineligible for support from some elements of Canada's cultural support bodies (such as the Canada Council for the Arts), which direct their support to non-profit performing arts venues.

Second, **rising insurance premiums** are increasingly causing financial stress on many Toronto-based venues. As a CLMA survey indicated, insurance is now the most common cost area causing problems for the live music sector in Canada with 60% of respondents indicating that they need additional support to pay for insurance premiums. Some venues are recently reporting being unable to secure commercial liability insurance coverage at any cost.

Finally, **COVID-19 has made it more difficult than ever to be a music artist in Toronto.** If these artists cannot sustain themselves as musicians, many will stop creating music. If that happens, the music community, as a whole, will lose its central pillar and reason for being.

Music and Wider City Re-Opening

In response to the decline of public space, the Canadian Urban Institute (CUI) prepared a Pandemic Recovery Toolkit to "help residents, community groups, BIAs, and [cities] revive main streets and core spaces." By including live music as a core near-term element of its toolkit, the CUI reflects the reality that live music is crucial to the vitality of a city's core public spaces.

In addition, a revitalized live music sector will also be instrumental in helping the broader tourism sector to recover. While they are only a part of that puzzle, well-marketed (and safety conscious) live music events can be key parts of Toronto's tourism offering.

¹⁰ In 2019, a total of 960,000 tourists attended ticketed music events in Toronto and spent a grand total of \$664 million in Ontario. The estimate of 544,000 (and associated spending) was calculated by prorating the annual impact of music tourist spending in Ontario in 2019. Based on historical quarterly tourism data from the Ministry of Tourism, Culture and Sport, the period from March 15 to August 31 accounts for an estimated 58% of all annual tourist visits to Ontario.

¹¹ Abacus Data, May 2020.

Doors Open: Recommendations to Support Live Music in Recovery

For Toronto, the overall needs and most critical areas of support are as follows:

- **Immediate priorities:** retaining staff, saving venues, and boosting financial liquidity.
- **Short term priorities:** resuming operations within limited parameters and addressing structural barriers to ensure sustainable businesses.
- **Medium term priorities:** stimulating events, improving consumer confidence to attend live music events

Immediate Actions

Recommendation #1	Reimagine programs to address immediate needs protecting against the loss of cultural infrastructure
<p>Paying rent is a critical need for the sector. A potential solution could be to adjust existing emergency programs to better support live music venues.</p> <p>This program could be more effective for music-related tenants if it were mandatory for property owners. Currently the program is optional. Due to the nature of the current program, property owners are not highly incentivized to apply. The program covers 50% of tenants’ monthly rent, and the tenant must continue to cover 25%. Thus, the landlord is on the hook for the remaining 25%. A mandatory program would ensure that small businesses, and in particular music venues, receive these rent reduction benefits.</p>	
Recommendation #2	Spearhead a group insurance program tailored to live music venues
<p>Cost escalation in insurance was reported to be a significant challenge for venues pre-COVID shutdowns and remains a large expense for venues when money is already tight. Venues that had recently renewed insurance policies reported that they were only able to find one insurance company willing to quote after conducting searches through brokers. The dearth of competitive quotes prevents venues from evaluating multiple vendors and therefore inhibits market-based price discovery. This issue has only become worse since the pandemic began. Several Toronto venues have recently reported that they face serious difficulties, if not impossibilities, of renewing their liability insurance, at any price, under the current circumstances¹². Since insurance is a provincially regulated industry, any intervention would be at the provincial level – and thus open to venues from across the province.</p> <p>To address this market failure, Nordicity proposes that CLMA administrate a group insurance program tailored to the unique needs of live music venues. If the City of Toronto were to underwrite the policy (i.e., take on the risk and guarantee coverage of unpaid fees), it would vastly simplify the process and enable CLMA to expedite implementation of this measure. Nordicity anticipates that this program would be most effective if it were administrated by a third-party organization (like CLMA), rather than offered directly through the City. If executed well, this recommendation would provide a return on the City’s investment as well as improving relations and building trust between venues and the City.</p> <p>Existing troubles with finding insurance and cost escalation are likely going to become more acute as insurers perceive a higher risk with small bricks-and-mortar businesses. This recommendation is a high impact way to support venues through what was already a key concern during pre-COVID times.</p>	

¹² <https://www.fyimusicnews.ca/articles/2020/09/23/liability-insurance-tough-find-live-music-industry>

Recommendation #3	Ensure permanent benefits of tax classification for venues to lessen the burden of escalating property taxes
<p>The City of Toronto’s Creative Co-Location Facilities Property Tax Subclass was recently expanded to include Live Music Venues, in order to provide long term property tax relief.</p> <p>Music venues are under pressure from increasing property values and the corresponding escalations in property tax assessments based on “highest and best use” of a site. Even venues that rent their spaces feel the impact of increasing taxes, as taxes are either passed on to lessees through rents or paid directly by commercial tenants. As such, the City of Toronto should maintain a mechanism through which music venues can be protected from the pressures of increasing property taxes.</p> <p>Note that fewer than half of venues actually own their buildings – the majority are tenants (“lessees”). Spaces in which they operate are not necessarily assessed for property taxes directly. The tax subclass at the City of Toronto goes directly to the property owner. As such, for this intervention to continue to be successful, it will need to (1) clearly define music venues that is inclusive of lessees, (2) ensure that the property tax measure actually flows to venues and (3) incentivize landlords/property owners to cooperate with the administrative process required to certify a venue in their buildings. Fortunately, the first two points are already addressed by the existing program.</p>	

Recommendation #4	Identify funds that could be redirected to support cultural infrastructure
<p>Specific funding to provide more long-term support to both physical venues and other cultural infrastructure, such as established events/festivals, will be increasingly necessary as emergency COVID funding ends. There is an immediate opportunity to capitalize on existing funds that may aligned with the challenges of the music sector and could be specifically promoted to venues (e.g., Investing in Canada Infrastructure Program (ICIP), Celebrate Ontario tourism event funding), and other existing funds that could be adjusted to support music venues. For example, the Department of Canadian Heritage Canada Cultural Spaces Fund (CCSF) program could be expanded to include live music venues.</p> <p>Another speedy avenue for support could be to re-allocate dedicated support funding for music venues from other areas of funding that might not be as needed right now. The identification of such funding could begin immediately, even if it takes bit of time to actually re-allocate. For example, in Liverpool, UK the city has identified their “strategic initiatives” funding and re-directed it to create a Music Industry Support Fund. The administration of such funding should be coordinated by a government department (e.g., Department of Canada Heritage, and administered through the Ontario Music Fund), with direction from an industry association, such as CLMA. In this way, funding could be identified from different levels of government and leveraged from across the provinces.</p>	

Short Term Actions

Recommendation #5	Streamline permitting and amendment processes
<p>While there are many permits and licenses necessary to open a venue (e.g., occupancy code, building permit, liquor license), businesses licenses that are issued by the City of Toronto present some specific challenges for venues. In particular, venue operators reported that changes to the approval processes are not shared/publicized throughout the staff responsible for administrating licensing, which can lead to significant delays in securing approvals. While a delay in permitting may be a nuisance for an established venue, such delays can be accompanied by a fatal cash drain for venues that have yet to open.</p> <p>Ultimately, the outcome most beneficial to venues would be to streamline (ideally through digitizing) the business license application process. As live music venues tend to operate primarily outside of normal business hours – digitization would allow venues (particularly smaller venues with more limited human resources) to perform administrative tasks during their normal operating hours. A digital process would also allow the City to monitor centralized data to track and identify delays in the approval process, and to remediate parts of the process that are principal sources of delays for all types of permit applicants (including venues). Streamlining applications could ease the resource burden on venues as they fight to stay in business.</p>	

Medium Term Actions

Recommendation #6	Develop Canadian Live Music Fund to stimulate event activity and ensure the future viability and success of Canada’s live music sector and drive economic impact
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In order to ensure long term recovery for venues and live music stakeholders, dedicated funding that they can access beyond this “emergency” period is required. Similar to the fund set up recently in Seattle, WA, a permanent program could be established to provide support for live music venues for the foreseeable future. This dedicated funding could be administered as a grant to live music venues for the completion of specific initiatives, to hire staff, and/or to be tied into event funding. There are existing pots of money that could form the basis for a permanent fund. CLMA would be a natural organization to administer such a fund.

Recommendation #7	Develop a Section 37 guide to help councilors prioritize gaps in the City’s music venue ecosystem
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Section 37 permits the City of Toronto to authorize expansions on allowable height and/or density of a development through zoning bylaws in exchange for community benefits, in the form of an in-kind contribution or cash-in-lieu. This section is a key planning tool for the City and ensures that with new developments, there are direct and relevant community benefits which serve the locations where these new developments are located.

The City’s *Protocol for Negotiating Section 37 Community Benefits* provides a framework for implementing Section 37; however, the provisions available for supporting music venues are limited to non-profit sector facility operators. If music venues are to be prioritized in the use of Section 37, councilors need to understand how venues can be accommodated within the framework.

To that end, the following features should be included in the guide (at a minimum):

- A city-level survey to determine gaps in the venue ecosystem – some types of music are adequately provided in several large, distributed venues (e.g., international touring acts, orchestral and choral music), whereas others are best supported with localized spaces that cater to the development of local bands. A broadly circulated survey would help to determine which types of venue are most in demand, and where they are needed.
- A ward-level study culminating in a database that can be used to assess the local availability of, and demand for, venues – specifically addressing venue size (capacity) and genre. The assessment should consider the differing facility requirements specific to various genres of music.
- A list of vetted arts organizations that have the organizational capacity to engage with developers early in the development process and see a project through to completion. This list should consider organizations’ suitability for the eventual operation of spaces built with their involvement. The goal of this list is to match developers with arts organizations and to encourage a collaborative development process that ensures the space requirements of the arts organization are met.

Recommendation #8**Establish opportunities for business education among venue owners**

Many long-running venues in Toronto were founded in very different economic, social, and political times. As the city grows, evolves, and gentrifies, many of the localized niches that venues successfully carved out for themselves are beginning to disappear. As such, it is increasingly important that venues develop new, sustainable business models to ensure not just their survival, but their relevance to the communities/markets that have grown around them. To that end, building on the momentum of newer local industry associations like Love You Live (LYL) and established organizations such as CLMA, venues need to come together to share business skills, their experiments with monetizing new markets, and experiences responding to and engaging with the new communities that are growing around them.

Nordicity proposes that CLMA administer, in partnership with (and with support from) the City of Toronto and others (e.g., Destination Toronto, Ontario Creates,) a bimonthly workshop program for venue operators. These workshops could centre on the provision of business skills training; however, the programming could also extend to talks and meet-and-greets intended to expose venue owners to innovative business models that are achieving success in places beyond Toronto. The secondary purpose of these sessions would be to convene venues in one room to help identify pain points and disseminate strategies that venues are using to ensure the survival of their core purpose – presenting live music.

1. Introduction

This section provides a summary of the research objectives of this study and the methodology and data sources used.

1.1 Overview and Mandate

Music plays a vital role in creating a vibrant city, driving value in multiple ways including “job creation, economic growth, tourism development, city brand building, and artistic growth.”¹³ The physical spaces in which music is created and performed are a critical piece of this impact. More venues allow more jobs and opportunities for musicians, which allow more of the music sector, and thus the overall city economy, to flourish.

Nordicity was engaged to measure the contributions and impacts stimulated by Toronto’s live music venues. Venues in Toronto include traditional venues of all sizes, large arenas, and mid-sized multi-use places, as well as cafes and DIY spaces. All perform a particular role in creating a thriving music ecosystem.

For the purposes of this report, a **traditional venue** utilizes live music performances as either the primary purpose its operations, or at least as a “secondary” complement to its core line(s) of business. A **non-traditional venue** (i.e., Do-it-Yourself (DIY) or “alternative” venue), on the other hand, primarily focuses on other activities, but also hosts live music performances.

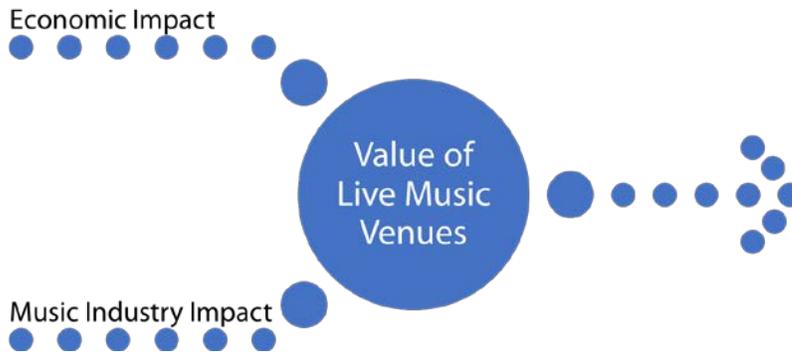
At a time when the city is seeing significant development and change, there is immense value in quantifying and capturing the value of music venues to the larger music ecosystem, for benchmarking, advocacy, and planning. This analysis provides quantitative data to demonstrate the economic value of music venues and to discuss the broader impacts generated by these venues, the lynchpin of a sustainable music community.

Nordicity’s direct outreach to the live music community yielded critical insights into the ripple effects produced by live music venues. For this study, a survey of venues was completed, and interviews were conducted with venue operators, BIAs, and City staff to gain a broad understanding of how the many pieces in Toronto’s thriving music ecosystem fit together. With this information, the research team distilled the strengths, gaps, and areas of opportunity to allow the sector to not only grow but continue to thrive in Toronto. The methodology and data sources used for this report are discussed in more detail below.

¹³ <https://www.ifpi.org/downloads/The-Mastering-of-a-Music-City.pdf>

1.2 Methodology and Data Sources

To fully assess these impacts, the value of live music venues is examined from two angles:



To measure the **Economic Impact**, Nordicity:

- Quantified the contributions of live music venues to the Toronto's wider economy, in terms of GDP, labour and taxes; and,
- Assessed the role that venues play in attracting tourists (and the accompanying spending) to Toronto.

The **Music Industry Impact** was determined by looking at:

- The role music venues play in the development of a healthy music ecosystem in Toronto;
- How venues contribute to artist development; and,
- The role venues play in the city and quality of life for those who live there.

Data for this assessment was collected in several ways:

- **An Online Survey:** this survey was distributed to venues in Toronto. The questions were developed in conjunction with Canadian Live Music Association (CLMA) and the City of Toronto, and included questions on the types of shows, quantity of shows, operational expenses, and challenges venues faced. The survey was distributed to a wide sample of Toronto venues, and promoted by CLMA, the City of Toronto's Music Office, and Nordicity.
- **One-on-one Interviews:** 15 interviews were conducted, with a range of key music stakeholders, including representatives from the City, BIAs, traditional venues and DIY venues. A full list of interviewees can be found in Appendix A.
- **Other Sources:** data was also collected from the Ministry of Tourism, Culture and Sport (MTCS), Statistics Canada, and Ticketmaster to provide supporting information.

These data sources allowed this assessment to examine both quantitative and qualitative aspects of Toronto's music venues and music industry to formulate a fuller picture of these impacts. Our Economic Impact Methodology and Assumptions are further outlined in Appendix B.

2. In the Spotlight: Live Music in Toronto

The city of Toronto has unique dynamics that influence its live music sector. In the largest and fastest growing city in Canada, Toronto-based venues operate in a context different from those elsewhere in the country. This section begins with an overview of Toronto and the specifics of its music ecosystem, including particular dynamics, relevant policies, and various stakeholders.

This overview is then followed by a deeper dive into the specifics of existing Toronto-based live music venues, gathered from a survey administered to venues. These particulars include the types of venues most common in the city, the characteristics of Toronto venues, rates of ownership, and the average age of venues.

This section concludes with an overview of the impacts that these venues have on the City of Toronto. These impacts include (but are not limited to) supporting a thriving urban centre, contributing to a strong quality of life in the city, and being an integral component of a healthy music ecosystem.

2.1 Overview of the Toronto Music Ecosystem

In order to understand the impact of Toronto's live music venues, one must first understand the context in which those venue operate. To that end, this sub-section presents an overview of the city's history as a home for music venues – and then shows the profile of Toronto's music venue ecosystem as it existed in the pre-COVID world.

2.1.1 City of Toronto Context

Toronto, a city of 2,956,024 (July 2018), is Canada's largest city and the country's cultural and economic capital. Like any metropolitan city, Toronto is constantly evolving and has seen significant change over the last two decades. In 2019, Toronto was the fastest growing city in Canada and the United States, with a population increase of 45,742 persons.¹⁴ As a result of its rapid annual population increases, Toronto's greatest challenge has been a lack of available and affordable housing. Property values have increased exponentially, with the average price of a home rising 58% over the past five years to \$823,700,¹⁵ while the average monthly residential rent rose 20% over the past five years¹⁶ to \$2,591.¹⁷ According to recent predictions, the estimated average sale price of property in Toronto is poised to increase by another 6% in 2020.¹⁸

The growing population and increased property values have contributed to numerous secondary effects, including pressures on the arts and creative industries in the city. Although an increase in population means that more people are supporting artistic displays, performances, and venues, it also means that there are less affordable spaces available for artists to work and live. According to the Toronto Foundation, arts, culture, and recreation workers have a higher poverty rate in Toronto than other major cities.¹⁹ Despite these challenges, Toronto is home to a rich and vibrant cultural life, where residents and tourists can find myriad activities and amenities to entertain, engage and

¹⁴ https://www.thestar.com/news/city_hall/2020/06/11/gta-population-growth-topped-canadian-and-american-cities-in-2019.html

¹⁵ <https://creastats.crea.ca/en-CA/>

¹⁶ CMHC Rental Market Report, Greater Toronto Area

¹⁷ <https://rentals.ca/national-rent-report>

¹⁸ <https://blog.remax.ca/toronto-housing-market-outlook/>

¹⁹ <https://torontofoundation.ca/wp-content/uploads/2019/10/VitalSigns2019.pdf>

educate. Toronto is committed to building its cultural infrastructure, as evidenced by the City's average investment of \$25 per capita in arts and culture and Toronto's many cultural events, festivals, galleries, museums, theatres, libraries, sports venues and diverse and lively music ecosystem.²⁰

Toronto has a long and varied live music and performance history. In the mid-nineteenth century, as the population increased, performing groups formed and auditoriums were constructed, while later in the century music education, publishing, and piano building prospered.²¹ By the early twentieth century Toronto was known as "the choral capital of North America" and by the post-war era, the city transitioned into a centre for rock and jazz.²² Today, as Canada's music industry hub, thousands of artists, schools and educators, associations, record labels, managers and agents, promoters, and other music professionals coalesce in Toronto. As a result, thousands have the opportunity to hear and perform live music across all genres and niche subcultures at the city's many live music festivals and venues.

At the core of Toronto's live music ecosystem are 588 venues²³ which have collectively hosted countless iconic performances, launched careers, cultivated communities, and justified Toronto's status as a top-tier music city. Massey Hall, the Horseshoe Tavern, Roy Thomson Hall, the Rex Hotel, the Danforth Music Hall, Lula Lounge, and hundreds of others, have been key in Toronto's development of world-class artists. In addition to 536 active venues, which host musical performances, Nordicity identified an additional 52 spaces, largely consisting of city parks and libraries, which offer alternative spaces where music is presented on a less frequent basis. For 236 of the active venues, music is integral to their business and/or brand identity; of the active venues, these businesses have the most significant contribution to the music ecosystem.

In recent years, Toronto has seen an alarming number of venues close their doors.²⁴ The closures of the Government, the Brunswick House, the Central, the Hoxton, Not My Dog, Holy Oak, and others are a reminder of the challenges, such as rising rent and redevelopment, that Toronto music venues face. Additionally, a lack of affordable housing and studio space has forced many up-and-coming musicians to move outside of Toronto, despite the city's venues, promoters, job opportunities and other artists.²⁵

²⁰ <https://torontofoundation.ca/wp-content/uploads/2019/10/VitalSigns2019.pdf>

²¹ <https://www.thecanadianencyclopedia.ca/en/article/toronto-ont-emc>

²² <https://thecanadianencyclopedia.ca/en/article/toronto-ont-emc>

²³ **Music venues**, for the purposes of this report, refers to any physical space where music is performed (even occasionally) for a public audience. Such venues include everything from traditional venues such as concert halls, pubs, and restaurants to DIY performance spaces such as libraries, parks, bookstores, and art galleries. According to venue classifications used in this study, more than a third (40%) of venues included in this definition rely on music as a significant source of revenue and/or music is an important part of the brand identity of the business.

²⁴ <https://spacing.ca/toronto/2019/05/21/vanishing-venues-new-funding-models-favour-festivals-over-small-music-clubs/>

²⁵ <https://nowtoronto.com/music/features/toronto-musicians-who-moved/>

Section 37 of Ontario's Planning Act

Section 37 permits the City of Toronto to authorize increases to permitted height and/or density of a development through zoning bylaws in exchange for community benefits, in the form of an in-kind contribution or cash-in-lieu.

This section is a key planning tool for the City and ensures that with new developments there are direct and relevant community benefit that serve the locations where these new developments are located.

Section 37 has supported the creation and the maintenance of public art, non-profit facilities, childcare facilities, streetscape improvements, parks, recreation centres, and affordable housing.

Among the litany of closures, efforts have been made to save legendary venues from closing and to preserve Toronto's musical heritage. Venues like El Mocambo, Hugh's Room (now Hugh's Room Live) and The Silver Dollar Room were either closed or were threatened by closure but were preserved and reopened or hope to reopen in the future. In the case of The Silver Dollar Room, the local community and City Council were concerned with protecting the heritage value of the venue when it faced demolition from developers who proposed the construction of a residential complex. The City reached a settlement with developers ensuring that the new development would maintain the existing appearance and will continue to incorporate a live music venue.²⁶ The continual efforts made by communities, new owners and the City to protect these iconic music venues demonstrates that these institutions are significant to Toronto's cultural heritage; however, without a systematic way to address the loss of venues, efforts such as this will depend on one-off attempts to preserve the existence of this financially precarious class of businesses.

In 2013, Toronto City Council created the Toronto Music Advisory Committee (TMAC) to advise City Council on how to nurture the music community in Toronto. TMAC consists of stakeholders from the music community, City Councilors and City staff, and is committed to providing recommendations and identifying issues and opportunities for the sector. The committee focuses its attention on key, timely issues of concern to the sector.²⁷

In 2016, TMAC and the City of Toronto developed the Toronto Music Strategy. The strategy's short-term goals included increasing employment and economic benefits to the music community, as well as fostering more engagement and inclusivity to reflect the musical diversity in the city. Long-term goals for the strategy were to position Toronto as a leading "music city" globally. Through public consultation and advice from music stakeholders, the strategy identified six strategic goals:

1. Support an environment friendly to music creators;
2. Encourage the business of music in Toronto;
3. Support music education;
4. Promote Toronto's music sector locally and internationally;

²⁶ <https://www.thestar.com/entertainment/music/2018/08/15/torontos-silver-dollar-room-has-been-demolished-but-itll-be-back.html>

²⁷ <https://www.toronto.ca/legdocs/mmis/2018/ma/bgrd/backgroundfile-117426.pdf>

5. Foster alliances with other music cities around the world; and
6. Implement a process for monitoring progress and measuring success.²⁸

As of 2019, TMAC has been instrumental in advising on the enforcement of two major remedies for some of the regulatory burdens faced by Toronto’s live music venues. In order to encourage the retention of live music venues, TMAC endorsed the adoption of the “Agent of Change” principle for the Downtown Core to the City of Toronto. In this specific context, the principle was applied to ensure that live music venues could continue to operate without fear of undue censure caused by noise-related impacts on nearby new residential developments.²⁹ As part of that process, new live music venues will be designed and constructed to minimize noise and provide acoustic attenuation measures, in order to protect existing nearby residents.³⁰ At the same time, new residential developments will be designed and constructed to include acoustic attenuation measures, mitigating the noise levels from existing nearby music venues.³¹ This measure is created to protect music venue operators, by reducing noise complaints and the extraneous costs of soundproofing as new residential areas and buildings are constructed near their venues.

During Municipal Licensing & Standards’ (MLS) reevaluation of Toronto’s Noise Bylaw, TMAC members provided music-industry expert opinion to MLS.³² Effective October 1, 2019, Toronto’s new Noise Bylaw differs from its previous version by including specific measures, such as specific decibel limits, a point of reception (i.e., where decibel measurement is taken) located at the complainant’s residence, and time thresholds for both indoor and outdoor scenarios.³³ These clearer definitions and consistent measures have been beneficial to music venue operators and concert promoters. Noise complaint enforcement is no longer dependent on the opinion of the complainant, but can instead be consistently measured by an enforcement officer and sound meters.³⁴ Venue operators are now able to accurately track their sound levels to avoid complaints and fines.³⁵

2.1.2 Profile of Toronto Venues

During this research, Nordicity identified 588 live music venues in Toronto. 536 of those venues are considered to be “active venues” in Toronto. On the other hand, the remaining 52 venues largely comprise parks and libraries, which are passively made available to musical presentations on a limited basis. Live music functions as an important role to the business and/or brand identity of 236 active venues surveyed. Although this study focuses on the 536 active venues, it is important to understand that these 236 venues play the largest role in artist development and the overall availability of live music in Toronto.

The following chart illustrates the breakdown of venues more granularly by type. The classifications in this chart refer to the frequency of live performances and importance music plays in the venue’s business.

²⁸ <https://www.toronto.ca/legdocs/mmis/2018/ma/bgrd/backgroundfile-117426.pdf>

²⁹ <https://www.toronto.ca/legdocs/mmis/2018/ma/bgrd/backgroundfile-117426.pdf>

³⁰ <https://www.toronto.ca/legdocs/mmis/2018/ma/bgrd/backgroundfile-117426.pdf>

³¹ <https://www.toronto.ca/legdocs/mmis/2018/ma/bgrd/backgroundfile-117426.pdf>

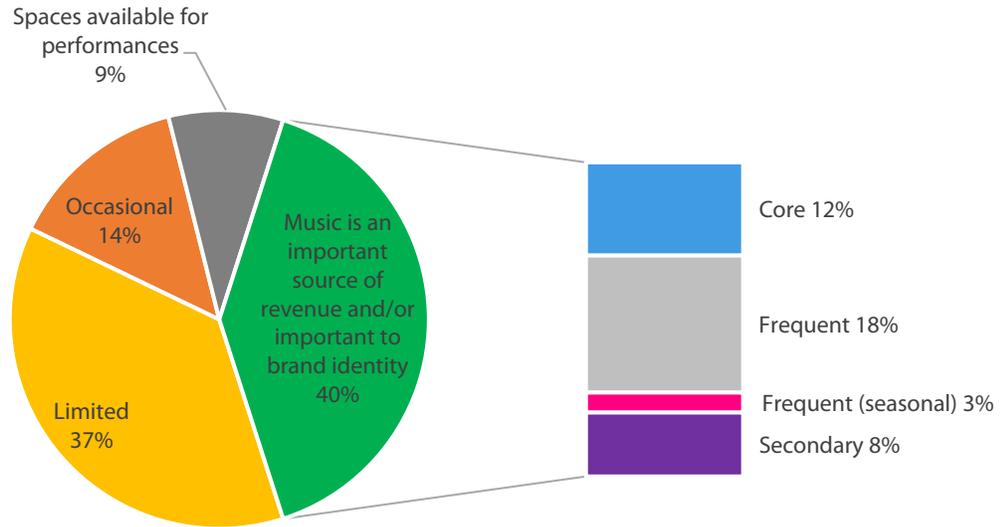
³² <https://www.toronto.ca/legdocs/mmis/2019/ma/bgrd/backgroundfile-138685.pdf>

³³ <https://nowtoronto.com/music/toronto-new-noise-bylaw>

³⁴ <https://nowtoronto.com/music/toronto-new-noise-bylaw>

³⁵ <https://thelocal.to/faith-void-was-a-thriving-diy-venue-then-came-the-noise-complaint/>

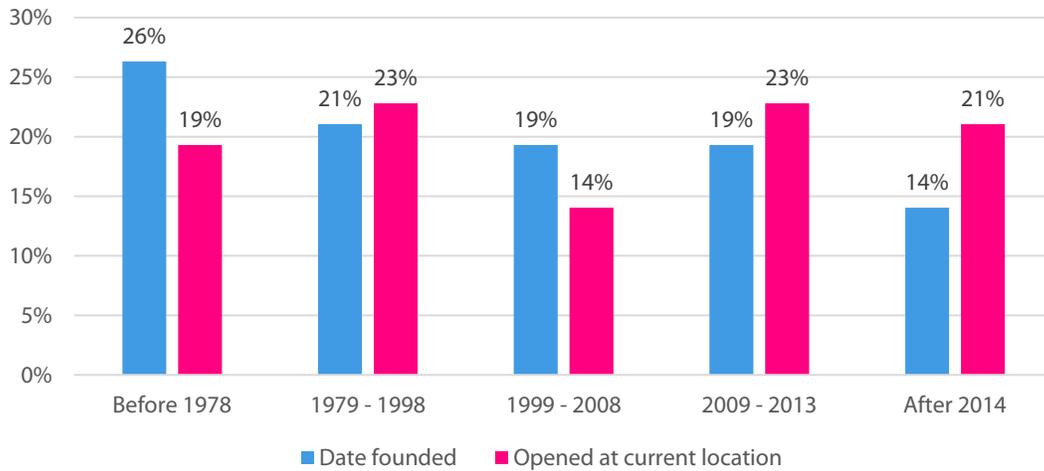
Figure 1: Breakdown of Toronto music venues by type



Source: City of Toronto, Nordicity research³⁶

The average active venue is approximately 30 years old. The following chart shows the distribution of venues by the date they were founded and the date they opened at their current location. Overall, this chart illustrates that Toronto venues have a long legacy of staging music in the city.

Figure 2: Number of Toronto venues grouped by their founding year and the year they opened at their current location



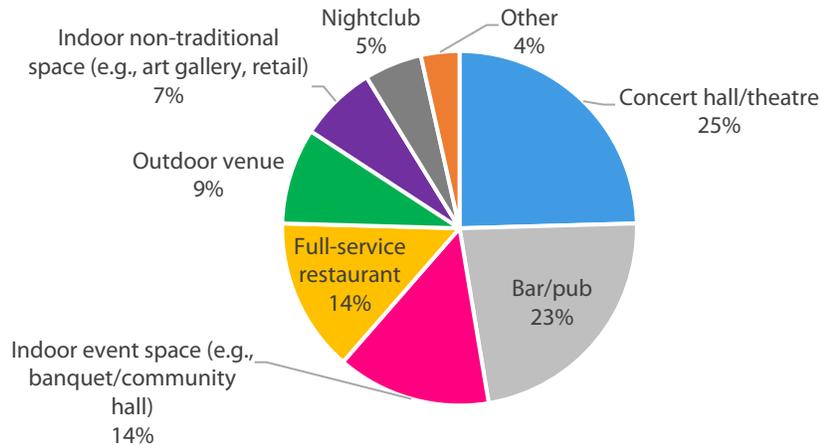
n = 57

Source: Re:Venues survey 2019

³⁶ The City of Toronto commissioned an inventory of live music venues in 2016. For this engagement, Nordicity performed desk research to verify that venues on the list were still operational and scanned live music event listings to ensure that any new venues that had opened since 2016 were represented in this study.

There are a wide range of venues in Toronto including indoor and outdoor venues, nightclubs, restaurants, bars/pubs and non-traditional spaces. The most common type of venues in the city are concert halls or theatres (25%). Bars/pubs constitute 23% of the venues, which is the second most common type of venue in the city.

Figure 3: Types of Toronto venues³⁷



n = 57

Source: Re:Venues survey 2019

A key takeaway from this chart is that venue types, as defined in Figure 3, are often just a function of the licensing framework in which such venues operate – and that the intensity of live music activity in any category varies significantly. While many establishments identify primarily as a music venue, there is no license directly adapted for music venues. As a result, these businesses obtain an eating establishment³⁸ (e.g., restaurants, cafés, bars and pubs), or more rarely, an entertainment establishment/nightclub³⁹ license.⁴⁰ Obtaining a nightclub/entertainment establishment license is incredibly challenging, as a venue must be located in a properly zoned part of the city, and must submit detailed security, noise and crowd control plans.⁴¹ Many venues operate in a “grey area,” in which they are technically licensed as restaurants, but their activities often reflect those of an entertainment establishment or a nightclub.⁴² Interviewees indicated that this gap in the licensing framework represents a challenge for venue operators, as the lack of appropriate zoning and licensing can place a venue at odds with the city’s regulatory framework.

³⁷ Note that these results are based on how venues self-identified in the Re:Venues survey. These classifications do not conform to the City of Toronto’s permitting/licensing framework.

³⁸ <https://www.toronto.ca/services-payments/permits-licences-bylaws/restaurants-cafes-grocery-variety-and-retail-stores-selling-food/restaurants-cafes-bars-and-pubs/>

³⁹ <https://www.toronto.ca/services-payments/permits-licences-bylaws/nightclubentertainment-establishments/>

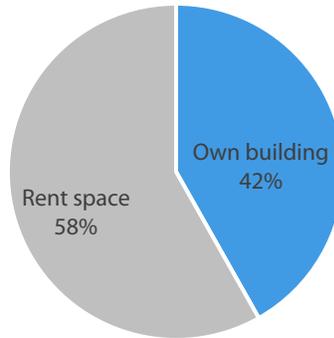
⁴⁰ <https://nowtoronto.com/music/toronto-music-venue-closures-spark-community-concern>

⁴¹ <https://www.cbc.ca/news/canada/toronto/city-looking-to-crack-down-on-nightclubs-masquerading-as-restaurants-1.4027045>

⁴² <https://nowtoronto.com/music/features/toronto-music-venue-the-garrison-turns-10>

As shown in the chart below, 42% of Toronto venues reported that they own the space where they operate.⁴³

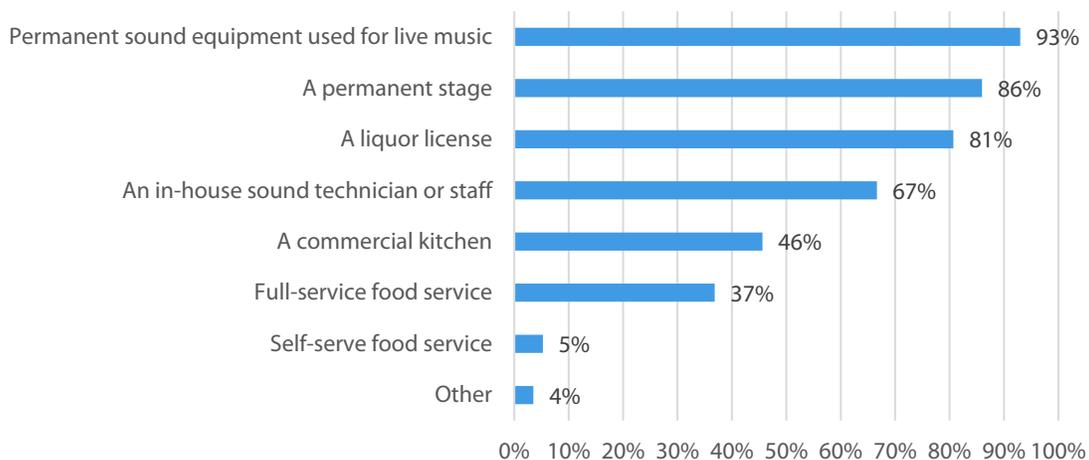
Figure 4: Ownership of Toronto music venues



n = 55
Source: Re:Venues survey 2019

The following chart illustrates the characteristics reported by Toronto venues. Most venues in the city offer permanent sound equipment (93%) and a permanent stage (86%). This finding indicates that venues have invested in permanent infrastructure dedicated to hosting live music – these establishments are often not versatile spaces where stages and equipment can be temporarily removed or stored away. About four-fifths (81%) of venues have a liquor license. About two-thirds (67%) of respondents also have in-house sound technicians or staff, demonstrating that they are dedicated and professional music venues which require services of staff with specialized skills.

Figure 5: Characteristics of Toronto music venues



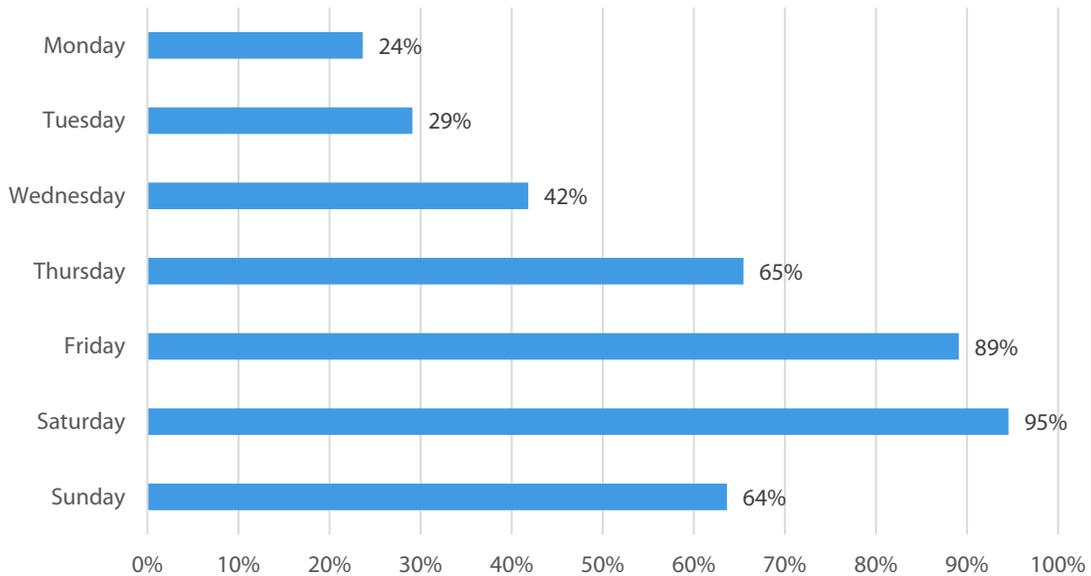
⁴³ Based on feedback from stakeholders in Toronto’s live music community, we note that the survey may have oversampled music venues which own their property. That said, analysis controlling for ownership does not suggest that this aspect of the sample would have a significant effect on the results beyond the ownership statistic itself.

n = 57
Source: Re:Venues survey 2019

Overall, Nordicity estimates that Toronto music venues put on at least 50,000 shows per year, featuring over 107,000 individual acts (i.e., a single performance by a band or solo artist). These estimates break down as follows:

- On weekdays (Monday to Thursday), Toronto music venues stage 1.8 acts per day, and on weekend days (Friday to Sunday), venues host an average of 2.3 acts per day, which averages to 2.1 acts per show overall.
- Effectively, venues feature live music an average of 4 days per week, which works out to 212 days a year. As illustrated below, the largest share of this activity occurs on Fridays and Saturdays.
- Assuming this frequency of bookings is representative of the 236 active venues emphasized in Figure 1, these venues are responsible for staging some 50,000 shows per year featuring 107,000 individual acts.

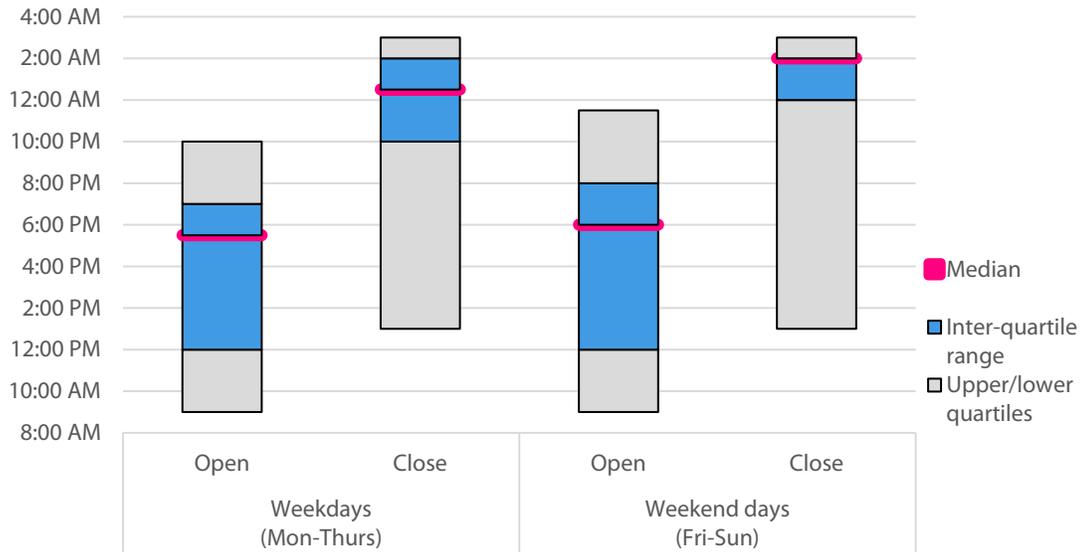
Figure 6: Percent of Toronto venues that have at least one act by day of week



n = 55
Source: Re:Venues survey 2019

The following chart shows the distribution of opening and closing times of venues. On a typical weekday, half of venues open after 5:30pm and slightly later at 6:00pm on weekend days. This finding suggests that half (or slightly more) of the venues in the city focus their opening hours on evening performances. Looking to venues that open earlier than the median, there is a wide range of opening hours, extending as early as 9:00am. For such “early-bird” venues, the business may operate as a restaurant during the day to complement revenue generated by music events. Regarding closing times, the median venue closes at 12:30am on weeknights and 2:00am on weekend days. Overall, the most important takeaway from this chart is that Toronto’s music venues exhibit a diverse range of business models which operate throughout the day.

Figure 7: Distribution of opening/closing times for venues on typical weekdays and weekend days

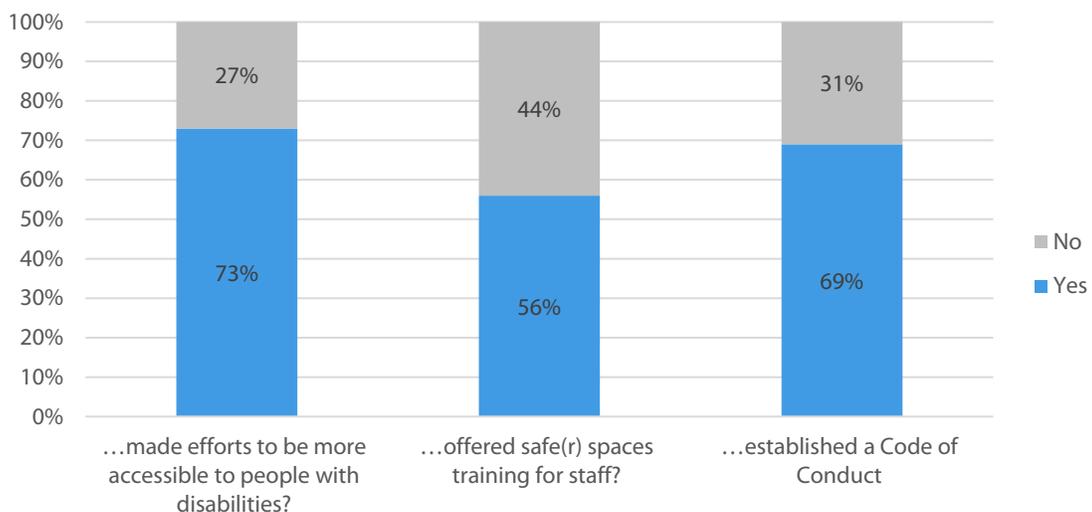


n = 42
Source: Re:Venues survey 2019

Overall, venues reported featuring live music for 56% of their open hours, or about 3 hours per day at each venue, on average.

As illustrated below, most surveyed venues in Toronto have made efforts to make their spaces more inclusive and accessible. 73% of venues have attempted to be more accessible for people with disabilities, and over two-thirds (69%) have established a code of conduct. This aligns with Province-wide *Accessibility for Ontarians with Disabilities* (AODA) guidelines, as well as the Province's *Vision for Ontario's Live Music Industry* report, which outlines a goal of improving access at venues, particularly for touring musicians.

Figure 8: Toronto music venues reported changes to their operations and spaces to become safer and more accessible



n = 48
Source: Re:Venues survey 2019

In the wake of the #MeToo movement and heightened activism against sexual misconduct, harassment, and hate speech towards marginalized communities, the Toronto music community have increasingly prioritized the need to create safe spaces and establish codes of conduct. As Toronto music venues are not mandated to provide safe space training or codes of conduct, the decisions to provide training and enforce protocol is at the discretion of individual venues.⁴⁴ As a result, there are no set definitions, guidelines, or procedures among Toronto venues. As a result, the kind of safe space training provided, and codes of conduct established vary from venue to venue.

There are several safe space training initiatives that cater to Toronto venues, such as the CLMA's Raising the Bar. These programs aim to increase the knowledge and preparedness of staff and owners to prevent and manage episodes of harassment or discrimination.⁴⁵ Additionally, due to budget constraints, the argument is often made that offering additional training to staff or increasing security is another financial burden that is not feasible within a venue's budget.⁴⁶ However, advocates and educators argue that safe space training is a worthwhile investment in preventing incidents from escalating so much that they could lead to negative associations with a venue and incur community backlash.⁴⁷ Additionally, many training programs also offer sliding scale pricing, through which venues can pay what they realistically can. Without formal training or protocols enforced by venues, safety provisions are often informal and are enforced independently by advocacy groups, patrons, promoters, performers, and staff.⁴⁸

Many of Toronto's music venues are inaccessible to those with disabilities. Accessibility advocates assert that there is a misunderstanding among live music venues on what the term "accessibility" means.⁴⁹ One widely recommended practice is to make accessibility features/constraints readily available to prospective visitors on the venue's website. Though venues will often claim that they are accessible, many fail to be transparent in how their space is accessible and provide specifics to patrons who require the details to plan their attendance.⁵⁰ Advocates also state that although some venues claim to be accessible based solely on access to the front door or entrance, in reality, the rest of the venue's layout is not accessible.⁵¹

Unlike performing art and theatre venues in the city, most music venues are not eligible to receive grants to pay for accessibility related renovations that adhere to the Accessibility for Ontarians with Disabilities Act (AODA) standards.⁵²

⁴⁴ <https://nowtoronto.com/music/features/safety-music-scene/>

⁴⁵ <https://nowtoronto.com/music/features/safety-music-scene/>

⁴⁶ <https://nowtoronto.com/music/features/safety-music-scene/>

⁴⁷ <https://nowtoronto.com/music/features/safety-music-scene/>

⁴⁸ <https://nowtoronto.com/music/features/safety-music-scene/>

⁴⁹ <https://www.cbc.ca/arts/the-live-streaming-boom-proves-that-accessibility-in-live-music-can-and-should-be-a-priority-1.5531761>

⁵⁰ <https://www.cbc.ca/arts/the-live-streaming-boom-proves-that-accessibility-in-live-music-can-and-should-be-a-priority-1.5531761>

⁵¹ https://www.vice.com/en_us/article/695e93/a-guide-for-making-your-venue-inclusive

⁵² <https://nowtoronto.com/why-accessibility-should-be-part-of-torontos-music-city-strategy>

2.2 The Impact of Live Music Venues

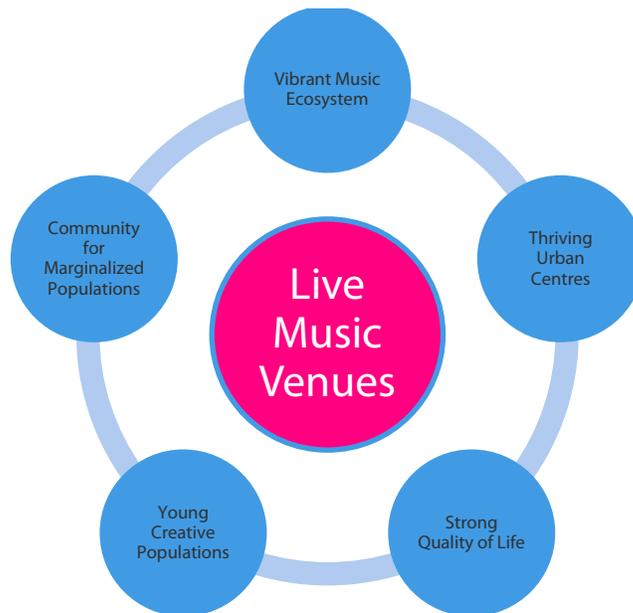
In Toronto, a vibrant local music community is an engine that provides a livelihood to workers, stimulates new business, and underpins economic growth. At the heart of this music community are live music venues, which provide platforms for artists, and attract audiences to business beyond the doors of the music venues that inspired their visit.

In addition to their role in developing artist and grassroots community, venues generate economic impacts that can be expressed in terms of GDP, labour income, employment, and taxes. Venues also support a strong music ecosystem, industry jobs, a strong urban core, and the quality of life in a city. The impacts will be discussed in more detail below.

2.2.1 Music Industry Impact

Live music venues functions as a central part of a thriving music ecosystem (supporting artists and music industry careers), economic stability of a city, and the quality of life it offers. As visualized in the graphic below, these impacts are cyclical, one supporting and leading into another, of which live music venues are at the heart.

Figure 9: Music Venues Impact Cycle



Venues bolster artists’ careers, by providing a platform for discoverability and audience growth. Interviews with artists indicated that performing at small venues early in their careers allowed artists to hone their craft and build a following, which would garner them a chance to perform at larger venues. Subsequently, the success of artists increases the number of jobs in the music industry in Toronto—more artists, more jobs for promoters, sound engineers, recording studios, and other elements of the sector.

Good music, strong marketing, and quality sound bring audiences to shows, who would spend money at restaurants and other shops nearby. These audiences would then indirectly support the development of Toronto neighbourhoods, which in turn contributes to the quality of life for those

who live in the city. A city with a good quality of life attracts population growth (including audiences and artists), which creates a positive feedback loop for the development of a vibrant cultural scene.⁵³

The importance of live music venues to artists' careers, as well as the role they play in building a strong community and civic culture is discussed in more detail below.

Importance to Artists' Careers

Venues are critical for supporting artists' careers, providing the main connection point for audiences to appreciate and discover musicians. Music Canada reports in *Mastering a Music City* report that in order for music to thrive, a city needs several types of spaces: "rehearsal spaces, recording studios, music education institutions and live performance venues".⁵⁴ While recorded music is increasingly consumed online through streaming audio or video, the live music experience remains a critical one in the progression of an artist's career, and a valuable aspect of the fan experience.

There is no lack of talent in Toronto. With over 180 music education programs offered in the city for all ages, from the Harris Institute, the Royal Conservatory of Music and the Trebas Institute, to the University of Toronto, York University, and Humber College, there is a funnel of musicians, technicians and producers to grow the local talent pool with the right platforms for them to advance their careers.

As illustrated in the chart below, Toronto enjoys a wide diversity in the types of music performed in the city. In the Re:Venues Survey 2019, venue operators were asked to identify one or more music genres on which their venue focuses. Of the options presented, Blues/Soul/Motown/Funk and Jazz/Fusion/Contemporary are equally the most common genres of focus for Toronto's music venues (67%), followed by Country/Bluegrass/Folk/Roots (65%) and Rock/Alternative/Grunge/Punk/Metal (60%). World/Global music was reported as a focus for 47% of the music performed in Toronto, which may reflect the city's 1,266,005 immigrants (2016 Census)⁵⁵ and 180 spoken languages and dialects.⁵⁶

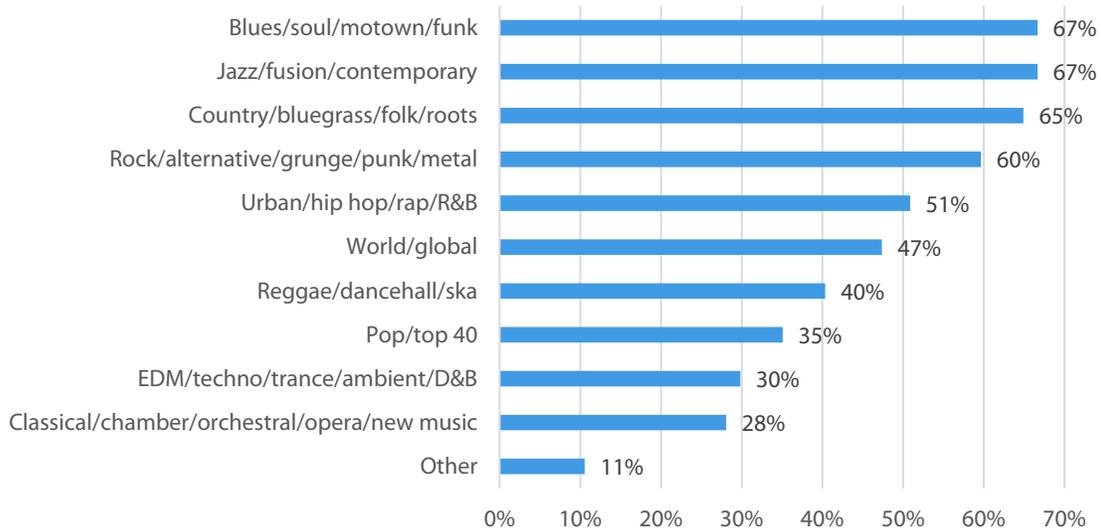
⁵³ Note that the scope of the economic impact assessment in this study is provincial. While vibrant live music venues can boost prosperity at a neighbourhood level, that impact may simply displace spending that would normally occur in other neighbourhoods.

⁵⁴ <https://www.ifpi.org/downloads/The-Mastering-of-a-Music-City.pdf>

⁵⁵ <https://www.toronto.ca/wp-content/uploads/2017/12/8ca4-5.-2016-Census-Backgrounder-Immigration-Ethnicity-Housing-Aboriginal.pdf>

⁵⁶ <https://www.toronto.ca/311/knowledgebase/kb/docs/articles/economic-development-and-culture/program-support/number-of-languages-spoken-in-toronto.html>

Figure 10: Genres of music performed at Toronto’s music venues



n = 57
Source: Re:Venues survey 2019

About two-thirds (64%) of the acts featured at Toronto venues primarily perform original music, which illustrates the role that music venues play in developing artists’ careers. In fact, many venues interviewed in this study asserted that artist development is a core part of their *raison d’être* – for these venues, providing a platform for emerging artists is a public service.

Although Toronto’s diversity and growth are reflected in the city’s live music scene, the city’s rapid population increase and the changing dynamics have also put venues into a challenging position.⁵⁷ Venues need to book acts that will bring in crowds, and often have to make adjustments to their pricing models (e.g., requiring artists to pay to rent out the space) and diversify their focus (e.g., non-music related events). By extension, these business decisions can limit the opportunities for artists to find their audiences and increase their out-of-pocket costs when just starting out.

Venues, in turn, rely on strong talent to bring people through the door. Some venues even act as small incubators, in a way, doing everything from talent discovery, to recording, marketing, to continue to support artists in as many ways as possible.

Importance to Industry/Businesses in the City

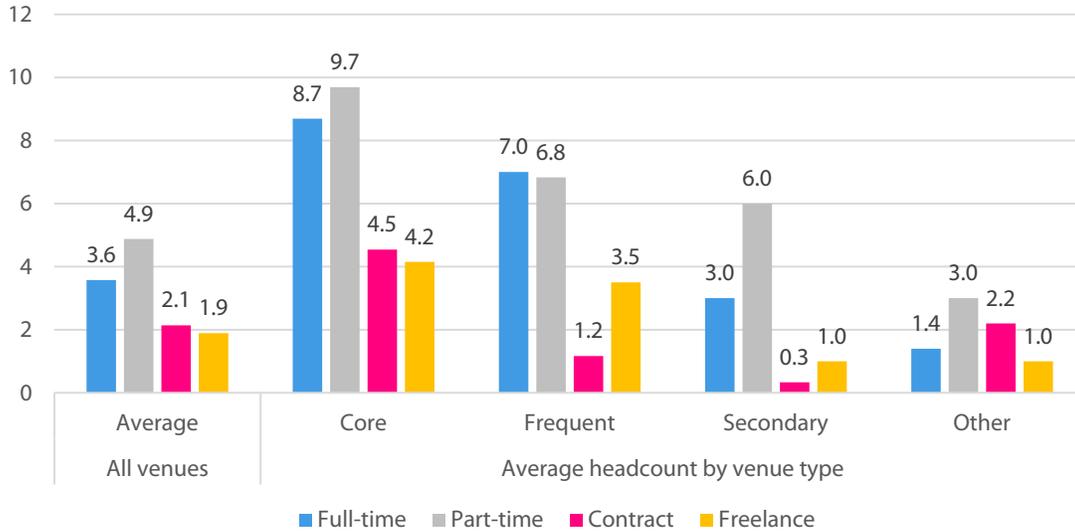
Venues do not just support musicians. Whole communities are built around artists, including positions at the venues themselves and in the broader music industry, such as promoters, recording labels, studios, festivals, and related businesses. By supporting the success of artists, music venues also support the economic growth of other businesses/sectors in the city. A City Lab report found that “the more music venues there are, the more jobs become available, and the more a city’s economy is able to grow.”⁵⁸

⁵⁷ <https://spacing.ca/toronto/2019/05/21/vanishing-venues-new-funding-models-favour-festivals-over-small-music-clubs/>

⁵⁸ <https://www.citylab.com/solutions/2015/10/what-does-it-take-to-make-a-music-city/413011/>

As illustrated in the figure below, venues reported an average staff of 3.6 full-time and 4.9 part-time employees. In general, establishments that host music shows more frequently tend to have a larger overall staff, and more consistent reliance on contract and freelance workers.

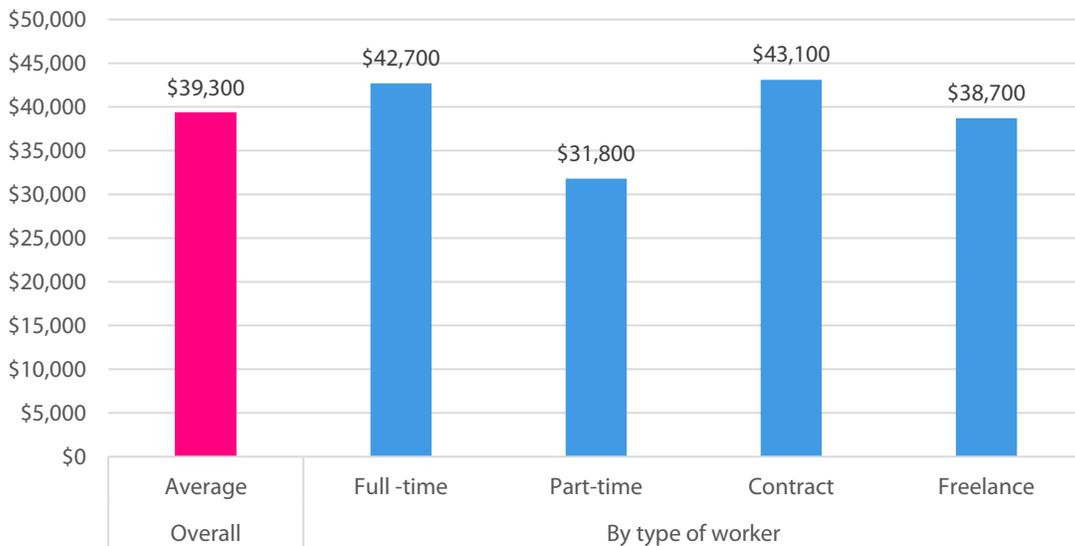
Figure 11: Average number of employees hired by Toronto music venues



n = 35
Source: Re:Venues survey 2019

Overall, the average full-time equivalent at music venues in Toronto earns \$39,300 per year. The following chart illustrates the average annualized income of workers in Toronto music venues by class of employee. Note that these figures do not include the value of tips – only income paid directly by the venue.

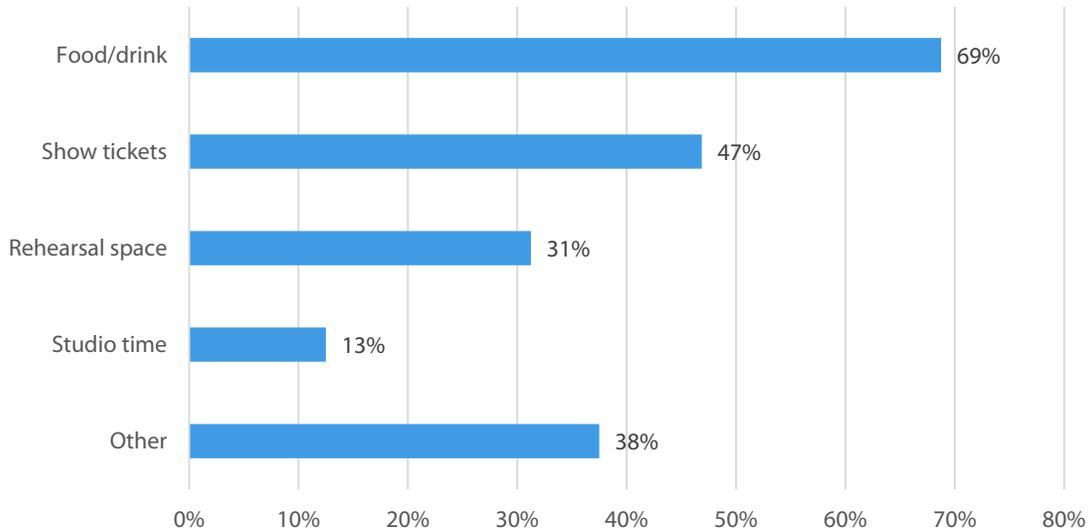
Figure 12: Average annualized income of workers at Toronto music venues, by type of worker



n = 35
Source: Re:Venues survey 2019

Toronto music venue workers’ average full-time salary of \$39,300 a year positions them above the median employment income in Toronto (\$33,602, per the 2016 Census).⁵⁹ Many venues offer in-kind compensation, which can help to offset some costs for employees. Well over half (69%) of venues reported providing food or drink to their workers, and almost half (47%) reported providing show tickets. Rehearsal space (31%) and studio time (13%) are also offered as in-kind compensation, indicating that many venue employees are often themselves musicians and demonstrating the many ways venues contribute to artist development.

Figure 13: In-kind compensation given to workers by Toronto music venues



n = 32
Source: Re:Venues survey 2019

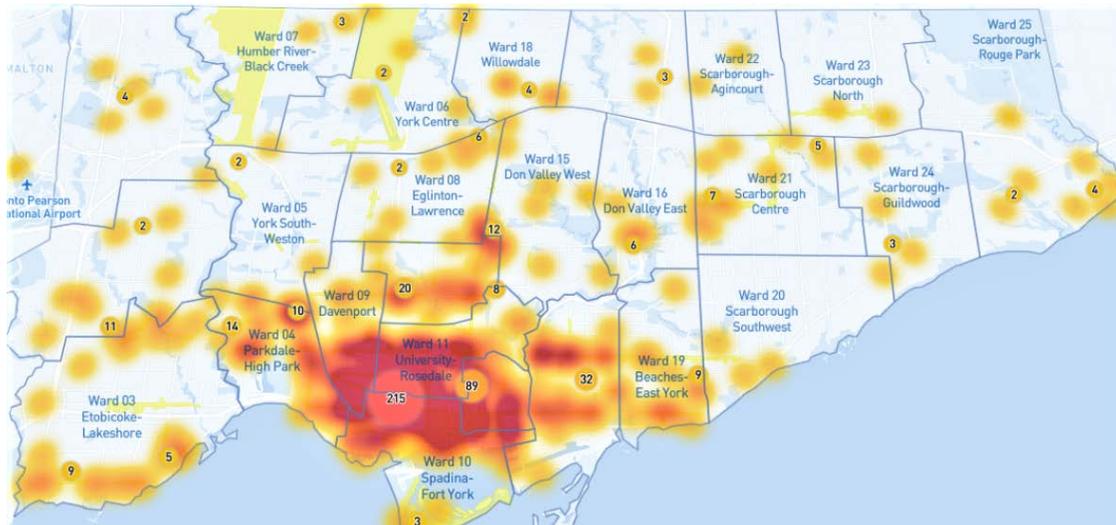
Importance to the City

The impact of venues extends beyond the artists and resulting employment opportunities. It also creates spaces that bring people in a city together, provides rich artistic experiences, and gives people a sense of identity and belonging in their city. According to a Creative Cities report, “the arts ensure a community’s habitat reflects who residents are and how they live.”⁶⁰ Collective artistic experiences such as live music allow people to connect with their community and to see themselves belonging in it.

⁵⁹ <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CSD&Geo2=PR&Code2=01&SearchType=Begins&SearchPR=01&TABID=1&B1=All&ty pe=0&Code1=3520005&SearchText=toronto>

⁶⁰ [https://www.creativecity.ca/database/files/library/urban_renewal_revitalization\(1\).pdf](https://www.creativecity.ca/database/files/library/urban_renewal_revitalization(1).pdf)

Figure 14: Concentration of Toronto Music Venues



As this map illustrates, while the largest concentration of music venues is in Toronto’s downtown core (with the largest number in Ward 10), there are pockets of venue activity across the City. As such, the discussion of music venues is a city-wide issue.

2.2.2 Venue impact

Beyond their vital role in supporting a thriving music industry, there are additional economic impacts of the live music industry. This economic impact refers to the GDP, jobs, and labour income generated by companies operating in the live music venue industry in Toronto. The impact can be articulated in terms of direct, indirect and induced impacts.

The **direct** economic impact refers to the impact (in GDP, employment, and labour income) created by the venues (typically via labour spending and the amassing of profits).

The **indirect** economic impact refers to the increase in GDP and employment in the industries that supply inputs to the music venues, as a result of the industry’s activities. Lighting and equipment services would be one example of an industry that supplies a key input to Toronto’s music venue industry.

The **induced** economic impact refers to the additional economic activity associated with the re-spending of wages earned in the music venue industry (i.e., the incremental household income) in the Ontario economy.

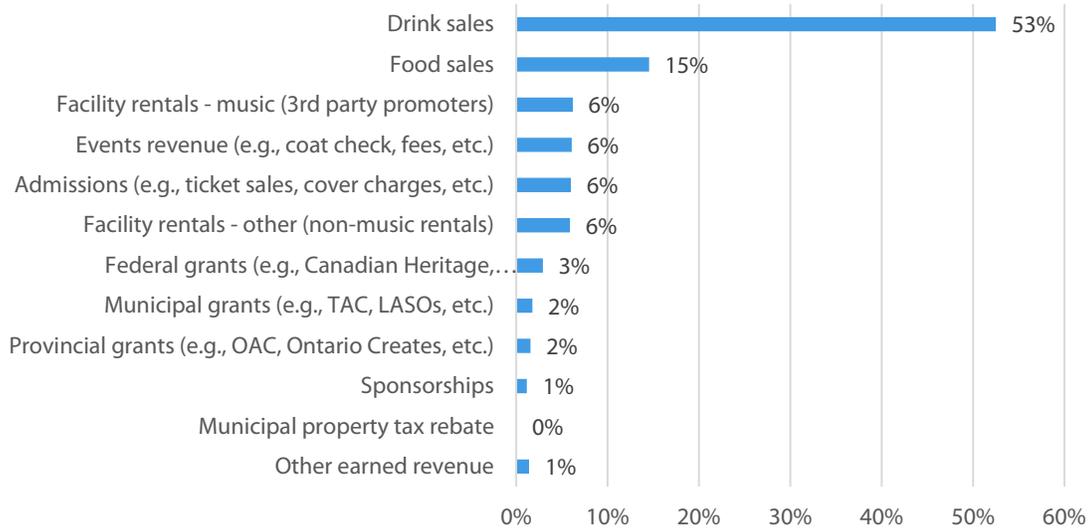
The **total** economic impact of the supply of live music in Ontario is equal to the sum of the direct, indirect and induced economic impacts outlined above. The expenditure and margins that generate the impact are described in the section below, followed by the impacts.

Revenue and Expenditures

Overall, Nordicity estimates that Toronto venues earned \$220M of revenue in their fiscal year ending in 2018.

The following chart illustrates Toronto music venues’ sources of revenue as a percentage of the total. Over two-thirds of revenue are earned through food and drink sales, leading all other sources by a large margin. As illustrated in Figure 5, only 81% of Toronto venues hold a liquor license; therefore, it is worth noting that venues without a liquor license must make up a significant revenue gap with other sources of income such as rental fees, admissions, event revenue, and grants/sponsorships.

Figure 15: Breakdown of revenue earned by Toronto music venues⁶¹



n = 48
Source: Re:Venues survey 2019

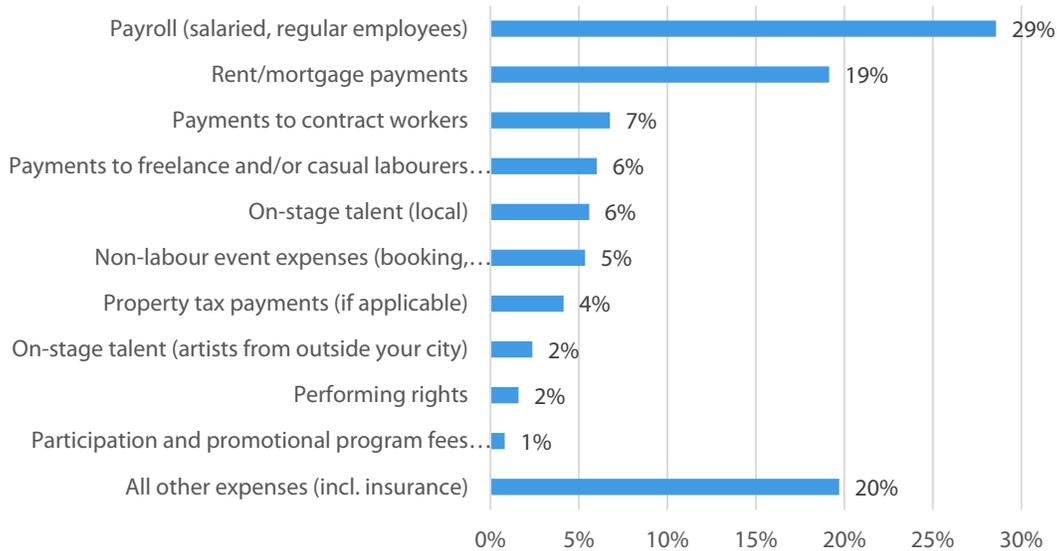
To earn that revenue, Nordicity estimates that music venues incurred expenditures totaling \$195M, which yields an average profit margin of 11% city-wide, although there is considerable variation from venue to venue. For example, venues with a maximum standing capacity above the median of 258 (calculated based on maximum standing capacity) reported an average profit margin of 14%, whereas venues below the median had an average margin of -3% (i.e., a 3% loss relative to their revenue). Overall, it appears that a greater capacity is a boon for profitability, and likewise, smaller venues face a greater challenge in achieving a financially sustainable operating model. Moreover, note that this figure was a snapshot of venue finances in 2019; feedback provided in interviews suggests that venue finances are deteriorating due to escalating costs, particularly from rent and insurance, as discussed later in this report.⁶²

The following figure shows the breakdown of aggregate venue expenditures in Toronto.

⁶¹ Grants are treated as revenue in this context, as venues treat grant money as though it was revenue.

⁶² The results presented here are averages across a diverse group of businesses. The presentation of live music is a highly variable business. These findings should suggest that lower capacity venues are, on average, more vulnerable to financial hardship based on high-level trends observed in the data.

Figure 16: Breakdown of expenditures of Toronto music venues



n = 48

Source: Re:Venues survey 2019

Notes: The share of expenditures for **Property tax** may be low, as this was not a required field for venues that rent their property from a third-party landlord. **All other expenses** includes insurance, venue maintenance, accounting, legal, office supplies, and any other non-labour expenses that a venue may have incurred.

Taken together, employees, contract workers, and freelancers represent 42% of total expenditures. On top of that, on-stage talent represents an additional 8%. In combination, these labour expenditures account for a full 50% of venues' expenditures. Occupancy costs (i.e., rent, mortgage and property tax payments) represent nearly a quarter (23%) of total expenditures, or almost one-half (46%) of venues' non-labour expenditures. As noted previously, escalating rents, property tax, and insurance (far in excess of revenue growth) have been a significant issue for venues in recent years, and these expenditures are a significant portion of venues' total outlays.

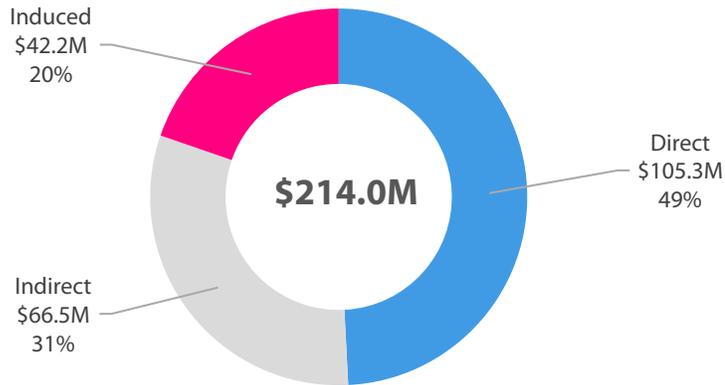
According to Industry Canada data⁶³, the typical rent expenditure for NAICS 7225 - Full-service restaurants and limited-service eating places across Canada represents only 8.9% of total expenses, rising to 9.9% overall in Ontario. This finding stands to reason, as music venues in Toronto (especially the largest facilities) tend to cluster in parts of the city characterized by high-rent and high-property value.

Economic Impact of Venue Operations

The operating margin of the industry and its expenditures generate economic impacts on Ontario's economy. Nordicity estimates that music venues in Toronto generated \$214.0 million in gross provincial product (GPP).

⁶³ Industry Canada, Financial Performance Data Reports

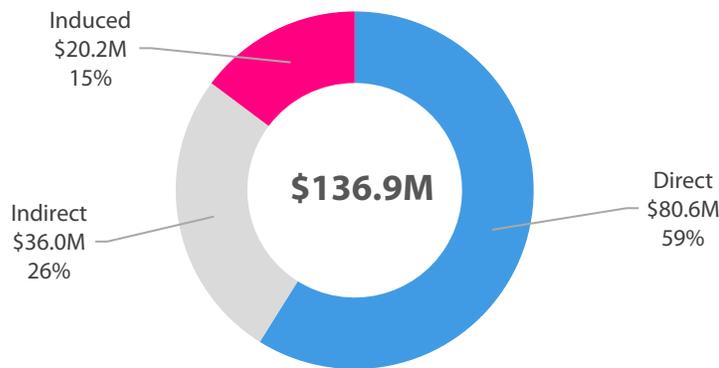
Figure 17: GPP impact of Toronto venue operations



n = 48
 Source: Re:Venues survey 2019, Nordicity MyEIA Model, Statistics Canada, federal and provincial government accounts

In order to support their operations, Nordicity estimates that music venues in Toronto paid a total of \$136.9 million in labour income.

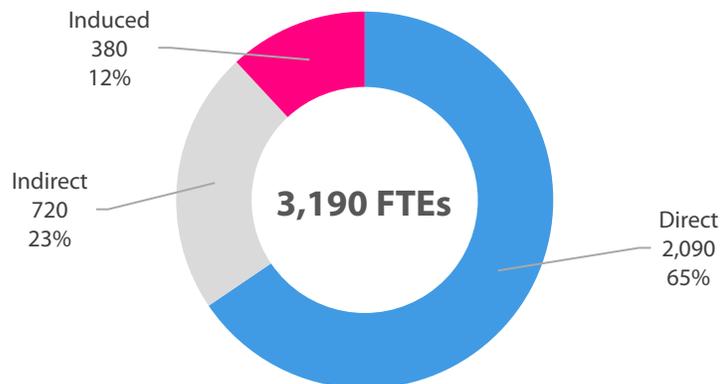
Figure 18: Labour income impact of Toronto venue operations



n = 48
 Source: Re:Venues survey 2019, Nordicity MyEIA Model, Statistics Canada, federal and provincial government accounts

That labour income supported the employment of 3,190 full time equivalents (FTEs) in Ontario in 2018.

Figure 19: Employment impact of Toronto venue operations



n = 48
 Source: Re:Venues survey 2019, Nordicity MyEIA Model, Statistics Canada, federal and provincial government accounts

Altogether, the economic activity illustrated above generated a grand total of \$62 million in taxes to the federal and provincial levels of government. Of that amount, \$31.3 million was contributed to the Ontario treasury.

Figure 20: Tax impact of Toronto venue operations

	Federal	Provincial	Total
Personal income taxes	22,881,000	13,254,000	36,135,000
Corporation income taxes	3,223,000	2,324,000	5,547,000
Consumption taxes	4,672,000	7,667,000	12,339,000
Local property taxes and other fees	0	8,059,000	8,059,000
Total	30,776,000	31,304,000	62,080,000

n = 48

Source: Re:Venues survey 2019, Nordicity MyEIA Model, Statistics Canada, federal and provincial government accounts

2.2.3 Tourism impact

In addition to the economic activity associated with venue operations, music also represents a draw for tourism.

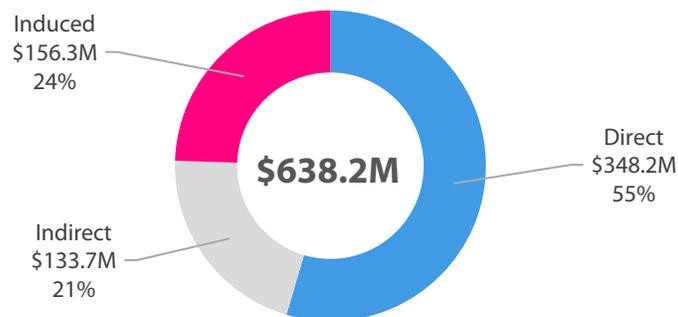
Note that the following estimates cannot address the extent to which visitors' trips were motivated by music. To develop these estimates, Nordicity performed a high-level analysis of the overall tourist spending generated by out-of-province visitors who purchased tickets to Toronto music events (henceforth "music tourists"). As such, these estimates are not *solely* attributable to musical attractions in Toronto. Music may only have been one of many factors that brought these music goers to the city.

Moreover, the ticketing data used to perform this analysis covers a significant portion of ticketed music events in the city. As a result, Nordicity presents this analysis as a conservative estimate because it does not include non-ticketed or informally ticketed performances (e.g., cash cover at local bars/pubs/restaurants).

Overall, Nordicity found that there were 960,000 music tickets purchased using payment methods based in locations outside of Ontario. Using the Ministry of Tourism, Culture and Sport's (MTCS) Tourism Regional Economic Impact Model (TREIM), Nordicity estimates that the total spending of out-of-province music tourists in Toronto was \$663.6 million in 2019.

The following chart shows the GDP impact of music tourist spending in Toronto.

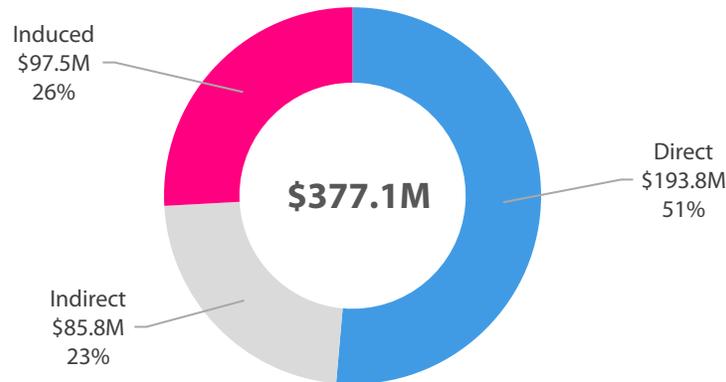
Figure 21: GPP impact of music tourist spending in Toronto



Source: TicketMaster, MTCS Tourism Regional Economic Impact Model (TREIM)

Music tourist spending in Toronto supported \$377.1 million of labour income in the city.

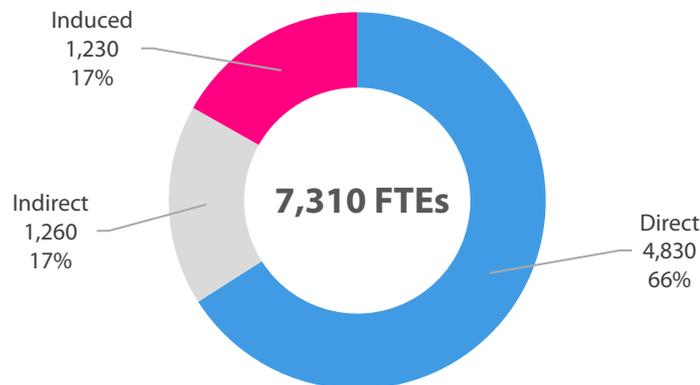
Figure 22: Labour income impact of music tourist spending in Toronto



Source: TicketMaster, MTCS Tourism Regional Economic Impact Model (TREIM)

Economic activity supported by music tourist spending in Toronto supported the employment of 7,310 full-time equivalents (FTEs).

Figure 23: Employment impact of music tourist spending in Toronto



Source: TicketMaster, MTCS Tourism Regional Economic Impact Model (TREIM)

Nordicity estimates that the economic activity outlined above contributed a \$239.3 million fiscal (tax) impact for all levels of government, of which \$134.6 million was paid to the provincial or municipal governments in Ontario.

2.2.4 Summary of impacts

The following table provides a full summary of the economic impact of operations (“ops”) and tourism, as presented in the previous two sections. Note that limitations of the data prevented the analysis from accounting for overlap that may exist between tourist spending and the portion of tourist spending included in venue operations. Tourist spending, however, is predominantly spent on transportation, hospitality, and retail⁶⁴. Considering the probable understatement of tourist spending,

⁶⁴ According to MTCS data, recreation and culture spending comprised only 11% of total visitor spending among tourists that visited festivals and fairs in 2016.

since it does not represent non-ticketed and informally ticketed events, the estimates presented here are still likely to be conservative.

Table 1: Summary of economic impacts from live music⁶⁵

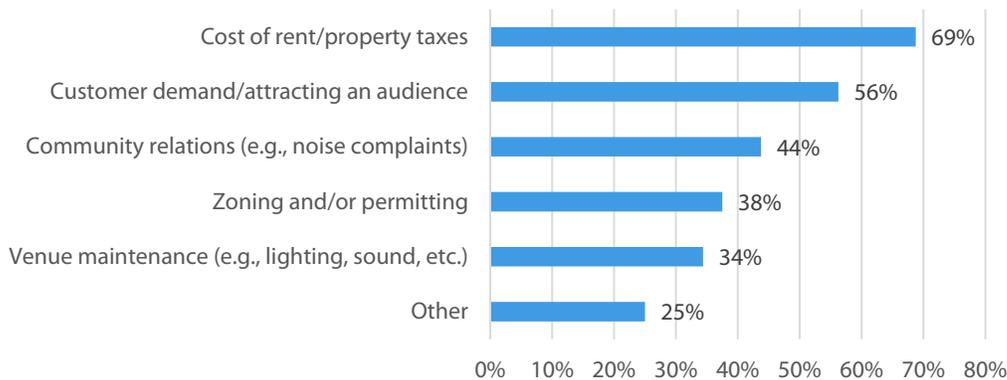
Impact	GPP			Labour income			Employment (FTEs)		
	Ops	Tourism	Total	Ops	Tourism	Total	Ops	Tourism	Total
Direct	\$105.3M	\$348.2M	\$453.5M	\$80.6M	\$193.8M	\$274.5M	2,090	4,830	6,920
Indirect	\$66.5M	\$133.7M	\$200.2M	\$36.0M	\$85.8M	\$121.8M	720	1,260	1,980
Induced	\$42.2M	\$156.3M	\$198.5M	\$20.2M	\$97.5M	\$117.8M	380	1,230	1,610
Total	\$214.0M	\$638.2M	\$852.2M	\$136.9M	\$377.1M	\$514.0M	3,190	7,320	10,510

Source: Re:Venues survey 2019, Nordicity MyEIA Model, Statistics Canada, federal and provincial government accounts, TicketMaster, MTCS Tourism Regional Economic Impact Model (TREIM)

2.3 Issues Facing Venues (before COVID-19)

The preceding sections have articulated the vital role that venues play in a healthy and thriving music ecosystem. In order to ensure the continued advancement of Toronto’s music sector, and to bring these economic impacts to the city, there are several critical issues that need to be highlighted. To that end, the following figure illustrates the top issues selected by survey respondents.

Figure 24: Top issues facing Toronto-based music venues (multiple choice question)



n = 32

Source: Re:Venues survey 2019

As the chart shows above, the cost of rent and property taxes and the age-old challenge of attracting an audience are the most pressing issues facing music venues in Toronto. When combining these issues with observations made by interviewees, one arrives at the following key challenges:

⁶⁵ The economic impact estimates presented here are calculated at a provincial level for Ontario. The day-to-day **operational impact** solely includes the impact of music venue revenues and expenditures (i.e., this estimate does not add localized “spillover” impacts on adjacent restaurants, retail and transit). The impact of **music tourism** assesses the impact of all tourist spending from out-of-province visitors that attended a ticketed music event during their visit in Ontario.

Increasing Property Values

Increasing property values in the city are directly impacting venues through “highest and best use” property tax assessments, passed on to tenants through higher rents. As it stands, almost twenty cents of every dollar spent by Toronto-based music goes towards rent or mortgage payments (see Figure 16). If there are no mechanisms to support venues then, as this report has shown, a critical piece of the value chain is lost. If venues are forced to book more outside events (e.g., weddings), or only touring acts, to cover their costs, then up-and-coming local talent has vastly reduced access to a much-needed platform.

Gentrification and Changing Neighborhood Demographics

Music venues make a critical contribution to the quality of life at the neighbourhood level, often contributing to the vibrancy of an entire area. As central neighbourhoods are attracting more development and families, venues are finding that the demographic niche that made up their clientele is actively disappearing.

Increasing Insurance Premiums

Many venues reported their shock to discover that they could not secure competitive quotes for insurance renewals in recent years. Without competition in the marketplace, venues are at the mercy of any quote that comes along and there is no opportunity for market-based price discovery – which is, by definition, a market failure. With pressure already mounting due to escalating taxes, insurance renewal may pose an existential threat to already financially precarious venues. As explored further in Section 3, this issue has only been exacerbated by the on-going COVID-19 pandemic.

Barriers to Entry

While the recent loss of storied Toronto venues has been the subject of much press coverage, there are significant barriers to entry for the less visible new venues that could rise to fill their shoes. When a prospective venue has secured occupancy in a commercial space, the operator must first secure municipal and provincial permits (e.g., those issued by the Alcohol and Gaming Commission of Ontario) before the venue can be opened to the public. With little transparency about requirements for permit approval, new venues rely on scheduled visits by inspectors to gather practical information to advance their business toward approval. During this period, venue operators must foot the financial burden of rent and renovation costs, which creates a significant financial risk for investors that might otherwise be inclined to fill the gap left by venue closures.

At the same time, venues find it difficult to re-locate to certain culturally appealing areas of Toronto that lie outside of downtown due to zoning restrictions present in some locations. In this way, the zoning requirements may prevent cultural entrepreneurs from making sound business decisions around location.

Financial Strain Limiting Venues’ Ability to Foster Artist Development

In combination, the issues outlined above have necessitated a change in venues’ business models. For local music performances, venues shifted more of the financial risk associated with live performances to the artists (e.g., through rental fees and guarantee deposits). This transfer of risk causes the career of an artist more tenuous, expensive, and less attainable for many. As a result, venues are less able to support the development of world-class artists in Toronto.

3. Dark Days: The Effect of COVID-19

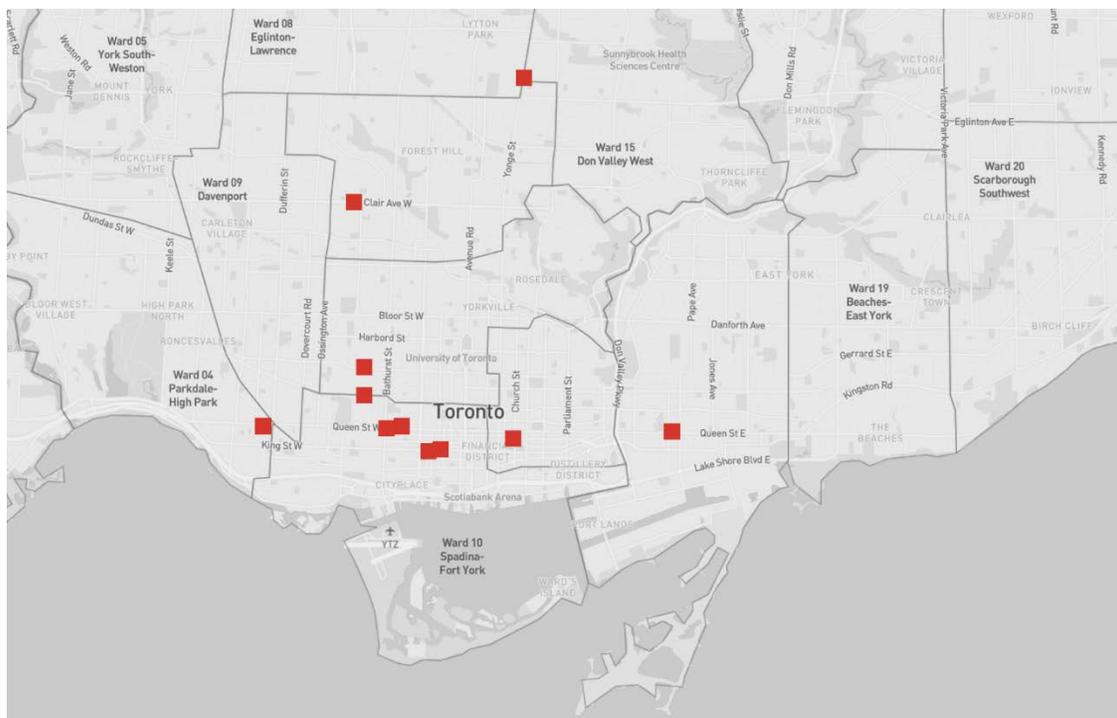
As illustrated in Section 2.3, the live music sector in Toronto was facing a series of challenging issues in 2019. Then came COVID-19 – and everything stopped. With restrictions on public gatherings – both indoor and outdoor – it became nearly impossible to operate a live music venue in Toronto. This section summarizes the observed impact on venues amid the pandemic and expands on how the pandemic has exacerbated several of the live music sector’s pre-existing conditions.

3.1 Impacts of COVID-19 on Toronto’s Live Music Industry

In mid-March 2020, live music venues across Toronto (and beyond) closed their doors. Soon thereafter (in early May), the Canadian Live Music Association (CLMA) launched a survey of the 70% of its members who indicated that they were not eligible to receive government assistance. While the survey was not specific to Toronto its results nonetheless speak to the dire situation faced by Toronto-based venues. Indeed, of the 177 venues surveyed, almost all (96%) indicated that they were at risk of business failure – with insurance, utilities, and commercial rent listed as key targets for potential relief. Similarly, over 70% of respondents had begun to lay off staff by early May. Given that restrictions on indoor music venues have not changed significantly since that point, it is reasonable to expect that the situation has not materially improved.

As of September 3rd, 2020, CLMA, City of Toronto, and other stakeholders have identified (at least) 11 venues in Toronto that have permanently closed since the figures presented in Section 2 were prepared. Most of these venues (9 of the 11) were categorized as “core” or “frequent” music venues (per Figure 1), representing a loss of 13% of all such venues. In combination, these venues hosted an estimated 5,000 musical acts each year – and helped to employ at least 190 individuals. The loss of these venues measurably reduces the size of Toronto’s music industry.

Figure 25: Map of venue closures (as of Sept 3, 2020)



Impact on the Music Community

As venues (permanently or temporarily) close their doors, the ability of the live music sector in Toronto to create the impacts detailed in Section 2.2 lessen. Artists' careers will not progress as quickly (if at all), fewer spill-over benefits will accrue to business near venues, and the city will (in general) be less vibrant, and thus a less attractive, place to live.

Importantly, this decline is not entirely linear. Rather, once enough venues disappear, Toronto will no longer be a place where artists can hone their craft, nor its nighttime economy continue to be animated by live music. At the same time, increased streaming consumption (which largely benefits artists with large existing following and their representatives) had been leading many artists to be increasingly reliant on income from live music. With that revenue stream now effectively stopped, artists must now face an even more precarious livelihood than ever before. There is a real chance that many artists will leave the community altogether. If they leave, the talent that drives Toronto (and Canada's) music community goes with them. While it is difficult to pinpoint exactly where this "step-change" is, should current trends continue, it is fast approaching.

It is also the case the impact of COVID-19 on Toronto's music community will not be symmetrical. Rather, COVID-19 has disproportionately affected Toronto's racialized communities,⁶⁶ and has seen consistently higher caseloads in parts of the city where those racialized communities are concentrated.⁶⁷ As such, it is reasonable to expect that the impact of COVID-related shutdowns will also be disproportionately felt by those communities. The same is likely also true for other marginalized communities (e.g., LGBTQ+) for whom music venues were key gathering places and community hubs.

Although the focus of this report is on music *venues*, one can note that live music has not stopped during COVID-19 lockdowns. Rather, smaller informal concerts (e.g., on porches or in living rooms, VIP concerts, drive-in events, and virtual concerts) have all emerged to help satisfy some of the public's on-going demand for live music. While these initiatives are laudable, it remains unclear if they have the potential to replace the income lost by the lack of more traditional music venues.

Economic Impacts

Beyond the impact on the music community, these closures have a material impact on the city's economy. By cross-referencing these venue closures with survey data (from Nordicity's 2019 survey of live music venues), one can estimate that the city lost a total of 110 FTEs worth of employment, \$6.3 million in total GDP contribution, and \$2.0 million in (provincial and federal) tax revenues.

In addition, it is worth noting that this research very likely missed some closures – and that (absent of public intervention) more closures are inevitable. Indeed, these figures should be viewed as early indicators of what could become a much larger issue. As such, it may be helpful to think of venue closures on a more relative basis. To that end, consider that each venue that closes in Toronto costs an average of 10 FTEs, \$575,000 in annual GDP contributions, and \$148,000 in provincial and federal taxes.

As some venues close, (almost all of) the rest of them are dark – and have been since March. Over that period, Nordicity estimates that Toronto's economy lost \$99M in Gross Provincial Product (GPP), while the equivalent of 1,480 full time jobs have disappeared. This decline in economic activity has led to approximately \$29 million less tax revenue (of which \$14 million would have accrued to the Province).

⁶⁶ See, for example, <https://www.cbc.ca/news/canada/toronto/toronto-covid-19-data-1.5669091>

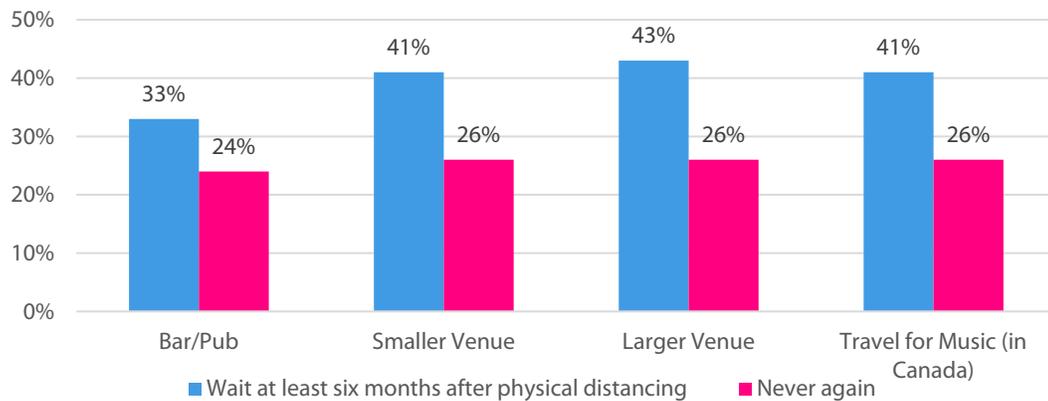
⁶⁷ As seen here: <https://www.toronto.ca/home/covid-19/covid-19-latest-city-of-toronto-news/covid-19-status-of-cases-in-toronto/v c>

Tourism has also largely stopped due to government-imposed travel bans. Nordicity estimates that between March 15 and August 31, 2020, 554,000 fewer tourists attended music events in Toronto. This lack of music tourism sapped Ontario’s economy of an estimated \$369 million in GPP and cost about 4,220 FTEs of employment.⁶⁸

Potential Longer-Term Effects

As part of CLMA’s May 2020 survey, some venue operators express their expectation that music venues would be the “first out and last back” once physical distancing restrictions are (eventually) lifted by public health authorities. However, that perspective may be a somewhat optimistic one, as COVID-19 may well change how music is experienced by audiences for years to come. To that end, research published by Abacus Data in early May 2020 sheds some light on some potential longer-term effects.⁶⁹ Some key results from that study are illustrated below.

Figure 26: Changing live music consumption (% of Canadians)



Source: Abacus Data, May 2020

That research suggested that a significant number of Canadians are likely to be uncomfortable returning to live music venues – with the trend getting marginally worse as the size of venue increases. At the same time, there may be a declining propensity for Canadians to travel for music, with 41% of respondents indicating that they will wait six months after physical distancing restrictions to travel within Canada for music. This reticence will likely mean that economic activity stimulated by tourism is will likely take longer than six months to get back to pre-COVID levels – if it ever recovers.

This apparent (and understandable) wariness by audiences should not be understood to mean that Canadians have stopped caring about the live experience. Indeed, 67% of Canadians indicated that (in their views) digital content will “never replace the feeling [they] get when [they] see live music.” As such, the demand for live experience has not gone away, but it is held in check by prudence related to

⁶⁸ In 2019, a total of 960,000 tourists attended ticketed music events in Toronto and spent a grand total of \$664 million in Ontario. These estimates were calculated by prorating the annual impact of music tourist spending in Ontario in 2019. Based on historical quarterly data, the period from March 15 to August 31 accounts for an estimated 58% of all annual tourist visits to Ontario.

⁶⁹ The Abacus Data survey was conducted with 2,500 Canadian residents between April 24, and April 30, 2020. Its results are deemed accurate to within +/- 1.9%, 19 times out of 20.

COVID-19. The challenge now is ensuring that Toronto's live music venues remain operating for audiences to (eventually) get back to.

3.2 Unique Challenges for Live Music Sector in Light of COVID

As alluded to above, COVID-19 has deepened some issues that were already posing challenges to Toronto's live music sector. In this sub-section, we expand on some of these.

As illustrated in Section 2.3, increasing property values – and thus rising rents – was a key pre-COVID issue for Toronto music venues. When their revenue streams largely disappeared, many venues hoped to use the federal Canada Emergency Commercial Rent Assistance (CERCA) program to provide some relief. However, CLMA's research indicated several challenges in having commercial landlord access that program. More specifically, as the program was geared for landlords and – as most venue operators do not own their premises – most venues were not able to access to the program directly. Instead, venues had attempted to convince their landlords to apply for the program (to which the landlords' eligibility was often unclear) and then provide detailed financial data to those landlords indicating a 70% loss of revenue. In the end, the Canadian Federation of Independent Business estimated that only 10% of landlords applied to the program.⁷⁰ Regardless, in some of those cases where rent *was* reduced, the lack of revenue rendered that support relatively ineffective.

At the same time, as most live music venues are for-profit entities, they are typically ineligible for support from some elements of Canada's cultural support bodies (such as the Canada Council for the Arts), which direct their support to non-profit performing arts venues. In a context where all live performance venues are struggling for existence, the line between for- and non-profit seems somewhat immaterial (as no one is making a profit). Moreover, a venue's business model does not determine the extent to which they contribute to the development of artists' careers – and thus help to create Toronto's (and Canada's) music community.

Another pre-COVID issue, that has worsened amid the pandemic, related to insurance. As suggested in Section 2.2 (and Figure 16), rising insurance premiums were causing financial stress on many Toronto-based venues in 2019. As the CLMA survey indicated, insurance is now the most common cost area causing problems for the live music sector in Canada with 60% of respondents indicating that they need additional support to pay for insurance premiums.

Anecdotal evidence also suggests that not only is insurance more costly than ever, but it is also difficult to obtain at all. From an insurer's perspective, there are no precedents to this pandemic with which to create the actuarial tables needed to set insurance rates. As such, some insurers are not able to assess the potential risks associated with operating a music venue, so they cannot insure venues. In turn, if venues cannot obtain insurance, they cannot operate at all.

Finally, it should be noted (again) that COVID-19 has made it more difficult than ever to be a music artist in Toronto. If these artists cannot sustain themselves with music many will stop creating music (and move to other careers). If that happens, the music industry as a whole will lose its key resource – and the next Drake will not come from Toronto.

⁷⁰ See CFIB, "Half of business owners can't make June rent without further help, 20 per cent fear eviction," May 20, 2020.

3.3 Music and Wider City Re-Opening

This sub-section focuses on the role that live music can play in re-opening a city like Toronto. Specific actions taken by some other jurisdictions to support the live music industry, as it fights to survive COVID-19, will be outlined in the subsequent Section 4.1.

In response to the decline of public space precipitated by the pandemic, the Canadian Urban Institute (CUI) prepared a Pandemic Recovery Toolkit to “help residents, community groups, BIAs, and [cities] revive main streets and core spaces.” As noted in Section 2.2.1, live music is crucial to the vitality of a city’s core public spaces – and the CUI reflects this reality as it includes Live Music as a core near-term element of its toolkit.⁷¹ By “bringing the main street to life” live music can encourage people to (responsibly) return to experience-based businesses (like restaurants and coffee shops) The CUI also notes the importance of including local musicians from an array of cultures, both to foster inclusion and to broaden the appeal of the musical offerings.

In addition, a revitalized live music sector (with thriving venues) will also be instrumental in helping the broader tourism sector recover. While it is only one of several pieces to that puzzle, well-marketed (and safety conscious) live music events can be key parts of Toronto’s tourism offering.

In some ways, using music as a recovery tool is quite natural. From LiveAid in 1985 to 2017’s One Love Manchester, music artists (and the industry that supports them) have raised millions for a wide variety of causes. In addition, these large-scale concerts brought people together to focus collective attention on a particular issue. While the scale of those concerts is unlikely to occur in the near future, the natural role that music can play remains the same. The difference this time is that live music is both the fundraiser and (in part) the party for whom the funds are raised – both the healer and the patient. For this reason, while music will likely play an important part in Toronto’s broader recovery from COVID-19, the city’s music community will need some help in doing so.

⁷¹ See Canadian Urban Institute, *Rapid Placemaking to Bring Back Main Street*, pages 29 – 30.

4. Doors Open: Recommendations to Support Live Music in Recovery

Venues add value to a city that goes beyond being just spaces for artistic enjoyment. Decisive action is needed to ensure the continued existence of venues, and for their positive impacts to continue to be felt in Toronto. This section first outlines what other jurisdictions have done so far to help to support the live music sector, and then concludes with some Toronto-specific recommendations.

4.1 Overview

Live music is significantly impacted due to COVID-related closures. When people are unable to gather, the business is unable to earn revenue. Canadian Heritage recently announced a \$20 million allocation specifically to support presenters of live music – artist managers, booking agents, concert promoters, festivals, and venues.⁷² In addition to grants offered through this fund, there are other strategic places for investment to support the sector.

4.1.1 Insights from other jurisdictions

Other jurisdictions are taking many different approaches to support live music – from dedicated music sector funding, to human resource support, and tourism investment. Examples from around the world are outlined below.

Table 2: Summary of Strategies in Other Countries

Jurisdiction	Actions	How this supports Music Sector	Type of support
Australia	\$345 million plan to restart and rebuild the live music industry	Capital investment for productions and tours and support for service providers as production, crew, video, sound, and lighting specialists Tourism attraction efforts, including tax incentives for venues, a loan scheme, and waiving visa fees for overseas acts	Funding – tourism attraction, production/touring
France	A short-term unemployment scheme for freelancers €220 million dedicated to the live sector	Artists/composers will be entitled to a reduction in their contributions based on their 2019 income Live music sector will receive €200m from this dedicated live sector funding	Funding – Small and Medium-sized Enterprises (SME), freelancers and live music
Germany	€1 billion Restart Culture scheme fund	Funding for small and medium-sized businesses (if turnover declined by at least 60% in April or May 2020 compared to the same period in 2019, or by 50% in June and August 2020.)	Funding - SME
Huntsville, AL	Established the “Creative Professionals Emergency Response Program”	Hosting emergency, one-week virtual programs for artists, musicians, and creatives affected by the COVID-19 outbreak. Daily webinars and one-on-one consultation offered to help artists,	Human resources

⁷² <https://www.canada.ca/en/canadian-heritage/news/2020/07/backgrounder-final-component-of-phase-2-of-the-covid-19-emergency-support-fund-for-culture-heritage-and-sport-organizations.html>

Jurisdiction	Actions	How this supports Music Sector	Type of support
		musicians, and creatives identify understand and help secure resources and funding	
Italy	<p>Ministry of culture has been given control of €210m emergency fund for those who lost money on cancelled live events</p> <p>Increase in financial support for the entertainment and media sectors, from €130m to €245 in 2020</p>	<p>Have written into law that vouchers can be issued for cancelled events (rather than refunds)</p> <p>Emergency funding for cancelled concerts</p> <p>Unclear at this stage how the increased financial support for entertainment will be deployed</p>	Funding – event based
Liverpool, UK	Re-allocating money from a strategic investment fund to form a Music Industry Support Fund	Grants to music-related businesses (The first £5,000 of all agreed awards will be treated as a grant. Any investment over £5,000 will be subject to a 0% interest repayment based on a number of commercial factors over the coming 24 months.)	Funding – music related businesses
London, UK	Dedicated £2.3 million emergency culture funding	Music Venue Trust receives a £450,000 donation towards its #saveourvenues campaign in aid of at-risk grassroots venues	Funding – venue specific
Seattle, WA	Dedicated funding for venues - \$2 million is designated to assist science and arts-education organizations, as well as live music venues.	The music venues portion will be administered by the county Office of Performance, Strategy and Budget. The funding for music venues requires that venues bring back staff.	Funding – venue specific

From these examples, it is clear that the majority of support that is being offered right now is emergency financial assistance. This funding is mostly short term, aimed at loss of income due to planned events or other expected revenue. Some cities, such as Seattle, are looking more long term, establishing a dedicated fund, and one that recognizes the importance of bringing back staff for the long-term health of the sector. Australia is also looking at supporting the larger ecosystem as well, through tourism attraction efforts to help bring back audiences to venues once they are open. But, there is a real opportunity in Toronto to strategically support the venues in a more holistic way – it is clear from this research that areas of needed relief go not just to lost revenue, but also to insurance coverage, utilities and commercial rent. The following section will dig deeper into what can be done in Toronto to help the sector for recovery in the immediate, short, and medium term.

4.1.2 Summary of needs

For Toronto, the overall needs and most critical areas of support are different across the immediate, short, and medium term for venues. Nordicity has not included any “long term” priorities, as the focus is on getting venues to survive to the medium term. These priorities are:

- **Immediate priorities:** retaining staff, saving venues, and boosting financial liquidity;

- **Short term priorities:** resuming operations within limited parameters and addressing structural barriers to ensure sustainable businesses; and,
- **Medium term priorities:** stimulating events, improving consumer confidence to attend live music events once again, and adjusting music tourism strategy for the post-COVID era.

Suggestions for actions across the different timeframes will be discussed in more detail in the following sub-sections.

4.2 Immediate Actions

Immediately, venues need to be able to stay in business. To do so, they need to be able to pay rent, cover cleaning, and employ staff. Actions that could support these objectives in the immediate term are outlined below.

4.2.1 Reimagine programs to address immediate needs protecting against the loss of cultural infrastructure and talent

Paying rent is a critical need for the sector. A potential solution could be to adjust existing emergency programs to better support live music venues.

Currently, CECRA for small businesses offers property owners a forgivable loan worth 50% of the value of a small business' rent each month⁷³. In order for tenants to receive this benefit they must pay no more than \$50,000 in monthly gross rent per location; generate no more than \$20 million in gross annual revenues; and have temporarily ceased operations or seen a 70% decline in revenues.

This program could be more effective for music-related tenants if it were mandatory for property owners. Currently the program is optional, and due to the nature of the current program, property owners are not highly incentivized to apply. The program covers 50% of tenants' monthly rent, and the tenant must continue to cover 25%. Thus, the landlord is on the hook for the remaining 25%. A mandatory program would ensure that small businesses, and in particular music venues, receive these rent reduction benefits. Advocacy for such reimagining could be conducted in partnership with the Hardest Hit initiative⁷⁴, a coalition of businesses from sectors that are most impacted by the COVID-19 pandemic (including hotels, events and weddings, tourism, arts and theatre). This coalition is already advocating the federal government for dedicated support.

4.2.2 Spearhead a group insurance program tailored to live music venues

Cost escalation in insurance was reported to be a significant challenge for venues pre-COVID shutdowns and remains a large expense for venues when money is already tight. Venues that had recently renewed insurance policies reported that they were only able to find one insurance company willing to quote after conducting searches through brokers. The dearth of competitive quotes prevents venues from evaluating multiple vendors and therefore inhibits market-based price discovery. This issue has only got worse since the pandemic began. Several Toronto venues have recently reported facing serious difficulties, if not impossibilities, to renew their liability insurance, at any price, under the current circumstances⁷⁵. As insurance is a provincially regulated industry, any intervention would be at the provincial level (and thus open to venues from across the province).

⁷³ <https://www.cmhc-schl.gc.ca/en/finance-and-investing/covid19-cecra-small-business>

⁷⁴ <https://www.hardesthit.ca/>

⁷⁵ <https://www.fyimusicnews.ca/articles/2020/09/23/liability-insurance-tough-find-live-music-industry>

To address this market failure, Nordicity proposes that CLMA administrate a group insurance program designed to the unique needs of live music venues. If the City of Toronto were to underwrite the policy (i.e., take on the risk and guarantee coverage of unpaid fees), it would vastly simplify the process and enable CLMA to expedite implementation of this measure. Nordicity anticipates that this program would be most effective if it was administrated by a third-party organization (like CLMA), rather than offered directly through the City. If executed well, this recommendation would provide a return on the City's investment as well as improving relations and building trust between venues and the City.

Existing troubles with finding insurance and cost escalation are likely to become more acute as insurers perceive a higher risk in small bricks-and-mortar businesses. This recommendation is a high-impact way to support venues through what was already a serious concern during pre-COVID times.

4.2.3 Ensure permanent benefits of tax classification for venues to lessen the burden of escalating property taxes

The City of Toronto's Creative Co-Location Facilities Property Tax Subclass was recently expanded to permanently include Live Music Venues, in order to provide long term property tax relief.

Music venues are under pressure from increasing property values and the corresponding increases in property tax assessments based on "highest and best use" of a site. Even venues that rent their spaces feel the impact of increasing taxes, as taxes are either passed on to lessees through rents or paid directly by commercial tenants. As such, the City of Toronto should maintain a mechanism through which music venues can be protected from the pressures of increasing property taxes.

As made evident through the research in the report, fewer than half of venues actually own their buildings – the majority of venues in Toronto are tenants ("lessees"). Spaces in which they operate are not necessarily assessed for property taxes directly. The tax subclass at the City of Toronto goes directly to the property owner. As such, for this intervention to continue to be successful, it will need to **(1) clearly define music venues that is inclusive of lessees, (2) ensure that the property tax measure actually flows to venues and (3) incentivize landlords/property owners to cooperate with the administrative process required to certify a venue in their buildings.** Fortunately, the first two points are already addressed by the existing program.

Additional areas for tax relief that provide relief directly to venues, ideally in the form of a tax rebate/reimbursement or tax-linked grant, could also be explored. The amount of the tax relief should require lessors to demonstrate the portion of rent that is allocated toward property taxes and establish that the rent itself is in line with market rates.

4.2.4 Identify funds that could be redirected to support cultural infrastructure

Specific funding to provide more long-term support to both physical venues and other cultural infrastructure such as established events/festivals will be increasingly necessary as emergency COVID funding ends. In the immediate term, there is an opportunity to capitalize on other existing funds that might have alignment with the challenges of the music sector and could be specifically promoted to venues (e.g., Investing in Canada Infrastructure Program (ICIP), Celebrate Ontario tourism event funding) and other existing funds that could be adjusted to support music venues. For example, the Department of Canadian Heritage Canada Cultural Spaces Fund (CCSF) program, and/or the City of Toronto's Culture Build Investment Fund could be expanded to include live music venues.

Another avenue for support could be to allocate dedicated support funding for music venues. France recently announced funding package with €200m specifically to support the recovery of the live music sector. A speedy way to provide funding would be to re-allocate it from other areas that might not be as needed right now. The identification of such funding could begin immediately, even if it

takes bit of time to actually re-allocate. For example, in Liverpool, UK the city has identified their “strategic initiatives” funding and re-directed it to create a Music Industry Support Fund. The administration of such funding should be coordinated by a government department (e.g., Department of Canada Heritage, and administered through the Ontario Music Fund), with direction from an industry association, such as CLMA. In this way, funding could be identified from different levels of government and leveraged from across the provinces.

4.3 Short Term

There are also a series of actions that should be considered after the immediate measures are in place. These actions could continue to support venues in the upcoming months, as venues tentatively begin to re-open. Such short-term actions are outlined below.

4.3.1 Streamline permitting/amendment processes

A common viewpoint in interviews with venues indicates that the permitting process is difficult to navigate and can be a significant barrier to entry for many venues (see Section 2.3). While there are many permits and licenses necessary to open a venue (e.g., occupancy code, building permit, liquor license), businesses licenses that are issued by the City present some specific challenges for venues. In particular, venue operators reported that changes to the approval processes are not shared/publicized throughout the staff responsible for administering licensing. The lack of communication can lead to significant delays in securing approvals. While a delay in permitting may be a nuisance for an established venue, such delays can be accompanied by a fatal cash drain for venues that have yet to open. This financial drain represents a daunting barrier to entry for new businesses seeking to fill the shoes of venues that have been lost in recent years.

Ultimately, the most beneficial outcome to venues would be to streamline (ideally through digitizing) the business license application process. There are two principal benefits to a digitization approach. First, live music venues tend to operate primarily outside of normal business hours – digitization would allow venues (particularly smaller venues with more limited human resources) to perform administrative tasks during their normal operating hours. Second, a digital process would allow the City to monitor centralized data to track and identify delays in the approval process and remediate parts of the process that are main sources of delays for all types of permit applicants (including venues).

Streamlining applications could ease any additional resource burden on venues as they fight to stay in business. In the longer term, the City could also look at modernizing the zoning and licensing categories to reflect the unique nature of live music venues. Currently, only nightclubs and restaurants are offered as separate licensing options, even though many venues occupy both spaces. To that end, licensing still does not accurately reflect the nature of the business.

4.4 Medium Term

Finally, there are more medium-term actions that could be taken to ensure long term investment and support for live music venues in Toronto. These will be outlined in the section below.

4.4.1 Develop Canadian Live Music Fund to stimulate event activity and ensure the future viability and success of Canada’s live music sector and drive economic impact

In order to ensure long term recovery for venues and live music stakeholders, dedicated funding that they can access beyond this “emergency” period is required. Similar to the fund set up recently in

Seattle, WA a permanent program could be established to provide support for live music venues for the foreseeable future. This dedicated funding could be administered as a grant to live music venues for the completion of specific initiatives, to hire staff, and/or be tied into event funding. There are existing pots of money that could form the basis for a permanent fund. CLMA would be a natural organization to develop and/or administer such a funding stream.

4.4.2 Develop a Section 37 guide to help councilors prioritize gaps in the City's music venue ecosystem

The *City's Protocol for Negotiating Section 37 Community Benefits* provides a framework for implementing Section 37; however, the provisions available for supporting music venues are limited to non-profit sector facility operators. If music venues are to be prioritized in the use of Section 37, councilors need to understand how venues can be accommodated within the framework.

To that end, the following features should be included in the guide (at a minimum):

- A city-level survey to determine gaps in the venue ecosystem – some types of music are adequately provided in several large, distributed venues (e.g., international touring acts, orchestral and choral music), whereas others are best supported with localized spaces that cater to the development of local bands. A broadly circulated survey would help to determine which types of venue are most in demand, and where they are needed.
- A ward-level study culminating in a database that can be used to assess the local availability of, and demand for, venues – specifically addressing venue size (capacity) and genre. The assessment should consider the differing facility requirements specific to various genres of music.
- A list of vetted arts organizations that have the organizational capacity to engage with developers early in the development process and see a project through to completion. This list should consider organizations' suitability for the eventual operation of spaces built with their involvement. The goal of this list is to match developers with arts organizations and to encourage a collaborative development process, so that space requirements of the arts organization are met.

4.4.3 Establish opportunities for business education among venue owners

Many long-running venues in Toronto were founded in very different economic, social, and political times. As the city grows, evolves, and gentrifies, many of the localized niches that venues successfully carved out for themselves are beginning to disappear. As such, it is increasingly important that venues develop new sustainable business models to ensure not just their survival, but their relevance to the communities/markets which has grown around them. To that end, building on the momentum of industry association like Love You Live (LYL) and established organizations such as CLMA, venues need to come together to share business skills, their experiments with monetizing new markets, and their experiences responding to and engaging with the new communities that are growing around them.

Nordicity proposes that CLMA administer, in partnership with (and with support from) the City of Toronto and others (e.g., Destination Toronto, Ontario Creates,) a bimonthly workshop program for venue operators. These workshops could centre on the provision of business skills training; however, the programming could also extend to talks and meet-and-greets intended to expose venue owners to innovative business models that are achieving success in places beyond Toronto. The secondary purpose of these sessions would be to convene venue operators into one room to help identify pain points and disseminate strategies that venues are using to ensure the survival of their core purpose – presenting live music.

Appendix A. List of Interviewees

The below chart outlines the stakeholders that were interviewed to inform this report.

Interviewee	Affiliation
Cohen, Jeff	Lee's Palace
Cranis, Vas	BSMT 254
Cressy, Joe	City of Toronto
Dixon, Neill	Canadian Music Week
Ellinas-Towers, Athena	The Opera House
Ferraro, Cosmo	Cameron House
Garner, Mark	Downtown Yonge BIA
Heggum, Lisa	Toronto Public Library
Hollett, Michael	NXNE
Jenkins, Tracy	Lula Lounge and Dundas West/Little Portugal BIA
Mehta, Mervon	Royal Conservatory
Raths, Taylor	Yonge-Dundas Square
Tanner, Mike	City of Toronto
Walker, Adrian	Budweiser Stage (Live Nation)
Weir, Andrew	Tourism Toronto

Appendix B. Economic Impact Methodology and Assumptions

The survey collected responses from 59 venues in Toronto, or 11% of the estimated 536 active music venues in the City between June and December of 2019. Given the dearth of available data on music venues, it is not possible to estimate what portion of industry revenue, expenses, and/or employment is represented in the survey sample. Note that the types of information collected by this survey do not conform to a normal distribution (e.g., company activities and financial results). As a result, margins of error cannot be calculated.

In the process of grossing up the survey sample, Nordicity assumed that any survey data relating to employment and financial performance (e.g., average salaries, revenue, employment growth, seniority of workforce) are representative of the wider population of Toronto music venues.

In preparing the economic impact estimates, Nordicity used its MyEIA™ model, which employs Statistics Canada Input-Output tables to compute economic impacts. The inputs for the model are primarily gross revenue for the industry, gross margin, average FTE salary and gross expenditures, as gathered by the survey. The impact was estimated separately for traditional and alternative venues. For traditional venues, average expenditure, salary, and revenue were derived from survey by taking an average of the responses and grossing up to the total number of traditional venues in Toronto. For alternative venues, Nordicity assumed that live music is not part of their core business, based on which the team decided to estimate the impact only of the live music events that took place at those venues, as opposed to the impact of their entire operation spending. Gross expenditure for those venues was estimated as follows:

- Desk research to find the number of live music events that took place at alternative venues in sample weeks (one in summer, one in winter)
- Estimating the number of total events in the year based on the sample weeks
- Calculating the gross expenditure as expenditure per event multiplied by the number of events

Expenditure per event was estimated for all venues from the survey which ask venues to provide an expenditure breakdown, as well as the number of acts they featured. The gross expenditure was allocated as per the categories in the survey and input into the MyEIA™ model, along with the average salary to estimate the contribution of the industry to the economy.

The contribution of the industry to the provincial economy can be articulated in two ways:

- The **direct** economic impact refers to the income, GDP and jobs generated in the course of the industry's day-to-day operations. This economic impact is largely in the form of wages and salaries paid to employees and contract workers.
- The **spin-off** economic impact includes both indirect and induced impacts:
 - The indirect economic impact refers to the increase in economic activity that occurs when venues purchases goods and services from its suppliers. These purchases increase income and employment at the supplier companies and, in turn, increase demand for other upstream suppliers – i.e., the suppliers' suppliers.; and
 - The induced economic impact refers to the increase in household income, GDP and jobs that can be attributed to the re-spending of income by households that earned income at both the direct and indirect stages described above.

To calculate the economic impact of tourism, Nordicity used ticketing data provided by TicketMaster. Using the billing address of each purchaser as a proxy for visitor provenance, Nordicity used MTCS' Tourism Regional Economic Impact Model (TREIM) to calculate the direct and spin-off impact of visitor spending from out-of-province music tourists.

