

Indirect cultural investments in five large Canadian cities: A preliminary analysis

Prepared for the City of Toronto
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This report summarizes a recent research process into the indirect cultural investments in five large Canadian cities: Vancouver, Calgary, Toronto, Ottawa, and Montréal. The report is based on a survey of cultural staff members in the five cities as well as follow-up interviews.

The respondents in the five cities were:

- Vancouver: Will Pritchard, Planner - Information Management, Cultural Services
- Calgary: Sarah Iley, Manager of Culture
- Toronto: Sally Han, Senior Cultural Affairs Officer and Konrad Skorupa, Cultural Development Officer
- Ottawa: Cathy Shepertycki, Coordinator, Cultural Development and Initiatives
- Montréal: Nicole Brien, conseillère en planification, Direction de la culture et du patrimoine

Hill Strategies Research thanks the respondents for providing their input within a very tight timeframe.

Because of the short timeframe for data collection as well as the lack of a standard methodology for estimating the value of indirect cultural investments, this report should be considered a preliminary analysis of the topic.

Indirect cultural investments

While there is no standard definition of “indirect cultural investments”, the project was based on three reports:

1. *Municipal Cultural Investment in Five Large Canadian Cities*: An appendix to this report on direct cultural investments in the five large cities, prepared by Hill Strategies Research in January 2012, provides a brief overview of policies, plans and non-financial supports for culture in the five cities.
2. City of Toronto briefing note: *2013 Operating Budget Briefing Note: Accounting of Arts and Culture Funding* (BN #39, Jan. 8, 2013).
3. *The Intermunicipal Comparative Framework Project: Phase One Pilot Report*, Creative City Network of Canada, 2006.

The report on direct cultural investments compared the per capita investments in culture in the five cities in 2009. In the five cities combined, net cultural investment amounted to \$35 per resident in 2009 (including operating, grants and capital expenditures, but excluding municipal investments on libraries). Montréal’s cultural investment was \$55 per capita, followed by Vancouver (\$47), Calgary (\$42), Ottawa (\$28), and Toronto (\$19).

Using these documents as a guide, the following nine elements were considered for inclusion as indirect cultural investments:

1. Below-market or nominal rent
2. Property tax rebates / exemptions (whether through local decision-making or provincial statutes)
3. Free or below-market rates for advertising on city structures (e.g., bus shelters, buildings, etc.)
4. In-kind services for festivals, special events, film, etc. (e.g., permits, fire, police, EMS, waste management, transit, etc.)
5. Heritage conservation incentives (indirect / non-monetary)
6. Density bonusing (i.e., allowing higher building density in return for community benefits)
7. Community use agreements / public use of private spaces (e.g., a re-zoning condition allowing for cultural use of private space at a nominal rent)
8. Modified planning regulations to support cultural sector (with no direct financial implications)
9. Loan or line-of-credit guarantees by the city

The table on pages 5 and 6 provides a summary of the responses to these questions. As can be seen in the table, the five cities provide a relatively similar “suite” of indirect supports for the cultural sector. A count of the number of indirect supports available in each city shows that, out of the nine types of indirect supports:

- Vancouver provides eight supports.
- Toronto provides seven supports.
- Ottawa provides six elements.
- Montréal and Calgary each provide five indirect supports.

A count of the cities providing each of the indirect supports shows that three elements are provided by all five cities:

- Below-market or nominal rent
- Property tax rebates / exemptions (whether through local decision-making or provincial statutes)
- In-kind services for festivals, special events, film, etc. (e.g., permits, fire, police, EMS, waste management, transit, etc.)

In addition, all five cities are involved in the approval, development, or planning of formal cultural districts. (Because the staff involved in developing formal cultural districts were included as direct cultural investments in the report on this topic, this item is not also included as an “indirect” cultural investment.)

Three other indirect supports are provided by four of the five cities. It is worth noting that the city responding “no” was different for each of these supports.

- Heritage conservation incentives (indirect / non-monetary)
- Density bonusing (i.e., allowing higher building density in return for community benefits)
- Modified planning regulations to support cultural sector (with no direct financial implications)

The remaining three indirect supports are provided by only one or two cities:

- Free or below-market rates for cultural organizations' advertising on city structures (e.g., bus shelters, buildings, etc.)
- Community use agreements / public use of private spaces (e.g., a re-zoning condition allowing for cultural use of private space at a nominal rent)
- Line of credit / Loan guarantees

Estimates of the value of these indirect supports have not yet been conducted by most of the cities. During the short timeframe for the preparation of this report, it was not possible to develop and implement a common methodology to estimate the value of each of the indirect supports. As such, estimates of the possible value of these services are not provided in this report.

Other indirect supports were mentioned by Montréal and Vancouver. In many cases, these straddle the line between “direct” supports and “indirect” supports. Often, these services are provided by City staff members but do not have a precise value for the local arts, culture and heritage community:

- Montréal's Design Office
- Montréal's Municipal Cultural Presenting Network
- External Cultural Signage in Montréal
- Montréal: Expert Advice for Cultural Organizations

- Vancouver: Artist residencies in 9 Park Board Field Houses in 2013
- Vancouver: Arts Programmers in Community Centres
- Vancouver: Capacity Building workshops provided at no charge for cultural non-profits
- Vancouver: Facilities Maintenance & Operating Support for more than 30 cultural tenants & major exhibiting institutions

Do you currently or have you ever provided the following types of indirect support to arts, culture, and / or heritage organizations?

Type of support	Toronto	Montréal	Calgary	Ottawa	Vancouver	Count
Population (2011 census)	2,615,060	1,649,519	1,096,833	883,391	603,502	
Below-market or nominal rent	Yes: 21 organizations in 23 properties	Yes: 24 organizations benefitted in 2012	Yes, to at least 2 organizations (possibly more). Also indirectly via Civic Partners.	Yes	Yes: 73 non-profits in 41 spaces	5
Property tax rebates / exemptions (whether through local decision-making or provincial statutes)	Rebates: 99 organizations. Exemptions: 22 cultural properties. Another 27 properties do not meet the Culture Division's definition for arts and culture.	Yes: 51 organizations in 2011.	Yes. Also intend to not charge property tax for organizations with municipally-funded capital projects.	Yes	Yes	5
Free or below-market rates for cultural organizations' advertising on city structures (e.g., bus shelters, buildings, etc.)	No	No	No	No	Yes: Transit Shelters and Video Screens	1
In-kind services for festivals, special events, film, etc. (e.g., permits, fire, police, EMS, waste management, transit, etc.)	Yes: In-kind services to 3 major cultural events (Caribbean Carnival, Pride and Nuit Blanche).	Yes, through the Bureau des festivals. Plus other services (no estimate available).	Yes: 195 events in 2012	Yes through the City's Event Central Unit and the Invest Ottawa Film Office.	Yes: Civic Event Support	5

Type of support	Toronto	Montréal	Calgary	Ottawa	Vancouver	Count
Heritage conservation incentives (indirect / non-monetary)	Largely via specific Section 37 agreements.	Yes	No	Yes	Yes	4
Density bonusing (i.e., allowing higher building density in return for community benefits)	Yes. Number and value vary from year to year. 13 projects in 2012.	No, except for borough Ville-Marie (includes downtown), which has a new regulation regarding density bonusing that may not yet have been applied.	Yes. Bonus density fund benefits public art.	Yes	Yes	4
Community use agreements / public use of private spaces (e.g., a re-zoning condition allowing for cultural use of private space at a nominal rent)	No	No	No	No	Yes	1
Modified planning regulations to support cultural sector (with no direct financial implications)	Largely via specific Section 37 agreements.	Yes	Yes	No	Yes	4
Line of credit / Loan guarantees	Yes: capital loan guarantees, operating loan and line of credit guarantees	No	No	Yes: provide loan guarantees and line of credit guarantees. Also have direct short-term loan program.	No	2
Count within cities	7	5	5	6	8	