

Moving Toward a New Economic Development and Culture (EDC) Divisional Strategy for 2018-2022

A Conversation Guide

Purpose of the Conversation Guide

This document was created to begin discussing an EDC Divisional strategy. As a Conversation Guide, it outlines the existing strategic landscape and suggests four proposed lenses through which the Division can establish priorities over the next five years to best serve Toronto's businesses, residents and visitors.

To be clear, this guide is *not* the strategy. The strategy will be released in the fall of 2017 after a targeted consultation process. Instead, this guide is a jumping-off point filled with questions for your consideration and response.

The answers the division receives will help it determine how to address the challenges and opportunities facing the city's economic and cultural sectors.

Questions to consider:

- Does this guide provide an accurate picture of the opportunities and challenges that the EDC Strategy should respond to? What is missing?
- From your perspective, what is the appropriate role of the EDC Division alongside other City Divisions and other orders of government? Based on your experience, what is currently working well?
- Do the proposed lenses capture what is most important to consider as EDC develops a new Divisional strategy? Are there others that should be considered?
- How should the impact of the new EDC strategy be measured? What are the most important indicators of success?

Input can be provided in a number of ways:

1. Complete an [online survey](#).
2. [Send us](#) a submission.
3. Attend one of four public town halls.

EDC Divisional Strategy Town Halls

Thursday, September 14

7 – 9 p.m.

Assembly Hall, Performance Hall

1 Colonel Samuel Smith Park Drive

Tuesday, September 19

9 – 11 a.m.

North York Civic Centre, Burgundy Room

5100 Yonge Street

Saturday, September 23

2 – 4 p.m.

Scarborough Civic Centre, Rotunda

150 Borough Drive

Wednesday, September 27

9 – 11 a.m.

Toronto Reference Library, Bram & Bluma Appel Salon

789 Yonge Street

We look forward to hearing from you.

Introduction

In 2007, the City established the Economic Development and Culture Division (EDC). Now, for the first time, the division will develop a strategic document for itself that will combine all its areas of interest. The City's two related guiding strategies, Collaborating for Competitiveness (2013) and Creative Capital Gains (2011), shaped EDC's work over the last six years and helped advance City Council's goals of economic vitality, quality of place, and opportunities for cultural participation.

A new internal EDC strategy will build on these directions, update the Division's key objectives, and set its priorities and resourcing direction for the next five years.

A new overarching strategy will also reinforce the link between culture and economic development, and nurture the relationships between art, heritage and industry that have shaped Toronto historically. The City, like the division, sees these efforts as essential for a prosperous future.

Now with economic development and culture support melded together, the Division had compelling reasons to develop one integrated EDC strategy:

- Culture and economic development face many of the same issues, including the availability of space and talent and the impact (positive and negative) of technological change.
- Economic development and culture can strengthen each other as culture contributes to growth and growth helps support culture.
- At a fundamental level, economic development and culture are linked by creativity.

The following sections define EDC's current role; summarize its existing strategies; discuss how its role can evolve alongside and in collaboration with other partners; and identify the economic and cultural challenges/opportunities as gleaned from the data.

Based on this context, this Guide proposes four lenses to guide the development of a detailed EDC strategy:

- Creativity and Technology
- Inequality and Inclusion
- Toronto's Global Connections
- Toronto's Local Foundations

Defining the Role of the EDC Division

The City's Economic Development & Culture Division is strategically positioned to support and foster the symbiotic relationships between culture, economy and long-term prosperity.

The work EDC and its partners do help to make Toronto what it is today: a desirable place to live, work and play that attracts skilled workers, businesses, tourists and investment.

Existing Economic Development and Culture Council Approved Strategies

In previous years, the City had developed separate visions and strategies for culture and economic development. The two most recent strategies in these areas, and their recommendations, are summarized below.

1. ***Creative Capital Gains: An Action Plan for Toronto*** was adopted in 2011 and was led by an Advisory Council of cultural and business leaders supported by EDC staff. The process involved consultation with almost 500 members of Toronto's arts, culture and business communities. The report identified the following recommendations to enhance Toronto's standing as a leading global cultural centre and increase culture's role in economic and social development:
 - Ensure a supply of affordable, sustainable cultural space.
 - Ensure access and opportunity for cultural participation for all citizens.
 - Support the development of creative clusters and emerging cultural scenes to generate jobs and economic growth.
 - Promote Toronto's cultural institutions, festivals and other assets.
 - Keep pace with international competitors by making a firm commitment to sustain Toronto's cultural sector and position Toronto as a leading globally competitive creative capital.

This Action Plan led to the establishment of Music and Film Sector Development teams; a reformed Toronto Film, Television & Digital Media Board; major increases in arts grants to the non-profit sector; two new Local Arts Services Organizations; and active promotion of Toronto through cultural events and celebrations such as Nuit Blanche, the Toronto International Film Festival, World Pride in 2014, the Pan Am Games in 2015 and Canada 150 in 2017.

Absent from this plan was focus on the City's Museums and Heritage programs. A new strategy will address this.

2. ***Collaborating for Competitiveness: A Strategic Plan to Accelerate Economic Growth and Job Creation in Toronto*** was endorsed by City Council in 2013. It pledges to create a more attractive climate for business and investment, and to harmonize the policies and activities of the City and its agencies. The report's four primary recommendations are:

- Make Toronto the most competitive big city in North America for businesses.
- Ensure adequate supply and availability of business input essentials.
- Encourage business investment and formation.
- Boost business growth.

A decade ago, employment and business formation in Toronto was relatively flat while the rest of the Greater Toronto Area (GTA) was growing quickly. Today the City has a growing employment base and the fastest expanding downtown in North America, driven by a vibrant cultural scene.

However, new challenges have emerged while others persist, both of which can be addressed in a new strategy.

EDC Responsibilities and Partnerships

Much of EDC's work occurs through industry and community engagement: creating collaborative opportunities for business, education and cultural sectors. EDC, in collaboration with other Divisions, is also involved in several aspects of policy development, including TOcore and the Poverty Reduction Strategy.

The Division also provides local subject matter expertise to other orders of government and their agencies.

Increasingly, the complexity of the issues that EDC is mandated to address can only be achieved through collaboration with others. The Division is already part of multipartite responses to complex issues and has a unique value-add to almost every other Division. A new strategy will provide an opportunity to update EDC's role accordingly, and help to identify:

- Areas of control where EDC is a lead Division and/or deliverer of service. These include the issuance of film permits, programming at City museums and one-stop business advisory services provided by Enterprise Toronto.
- Areas of influence where EDC can and should work with other Divisions. These include City strategies like the Official Plan and the Workforce Development Strategy.

- Areas of concern for the City where EDC has no control but needs to monitor and leverage decisions that are made. An example is when international trade agreements are negotiated and signed by senior orders of government.

The strategy should also help clarify the City's relationship with the federal and provincial governments and their partner agencies. Programs run by other orders of government sometimes involve the City. EDC needs to play a complementary role, especially when these programs' priorities do not fully match City needs.

Assessment of Current Situation

The new EDC strategy must build on what is currently working well, address emerging trends as reflected in consultation and research, and align with or complement recent initiatives undertaken by other orders of government. Below are some key strengths to build on and emerging issues to address.

Strengths

- The Toronto area's economy is thriving with the City at its centre. The region's GDP has grown by an average of 3.1% annually since 2009 compared to average annual GDP growth of 2.3% for Canada overall. In 2016, Toronto CMA GDP grew by approximately 3.5%.
- Much of the employment growth in the region over this time period has occurred within Toronto establishments. Based on the 2016 Toronto Employment Survey, employment at Toronto establishments (City only) grew by 13% between 2009 and 2016 from 1.29 million to 1.46 million. Overall, Canadian employment grew by only 8% over this time period.
- Over 19 million people attended City-funded or City-programmed cultural events in 2015. The City's museums, historic sites, cultural centres and art galleries attract over 500,000 visitors every year.
- The Toronto labour force is highly educated. And the City has been able to attract and advance a variety of technology- and creativity-based sectors.
- The Toronto region continues to be the destination for thousands of immigrants each year. But with an aging workforce, youth and newcomers must be supported to connect to stable employment opportunities and career paths.
- Toronto is home to over 22,000 artists, nearly double any other Canadian city.
- In the recent Toronto Arts Stats survey, 87% of Toronto residents said that the arts provide at least one benefit to their neighbourhood.
- There continues to be strong demand for office space, particularly in the downtown core.

Issues

- Investment, development and employment growth outside the core is uneven. Longstanding trends towards more income inequality have persisted.
- From 2008 to 2016, part-time jobs increased by 12.8%, or twice as fast as full-time jobs. Half of all net new part-time jobs were involuntary part-time.
- As of April 2017, self-employment stood at 18.9%, the highest level in 30 years.
- The development and retention of talent in some sectors can be challenging.
- Too many Toronto jobs pay less than the median income.
- Unemployment is disproportionately high in the youth and recent newcomer populations.
- Housing, child care and education costs are a barrier for many residents.
- Suitable space is becoming unaffordable, and in some areas, space is simply not available for cultural organizations and start-up companies. This is forcing business to either set up in a smaller space that limits growth or move out of the City.

Policy Review

To provide context for the new divisional strategy, the following is a brief review of current initiatives within EDC, relevant City strategies led corporately and by individual Divisions, Federal and Provincial policies, and the strategic visions of peer cities. Listing and links are included in Appendix B.

New EDC Initiatives

Since *Creative Capital Gains and Collaborating for Competitiveness*, EDC staff have continued collaborating and consulting with partners to understand changing needs and opportunities.

- Recent initiatives have aimed to support the City's creative industries including the Toronto Music Strategy and the Strategic Plan for the Film, Television and Digital Media Industry.
- A new Museums and Heritage Services Roadmap has defined some overarching strategic directions for the City's portfolio of historical museums and heritage assets.
- A refocusing of the City's entrepreneurship services, outlined in the Start-up Ecosystem Strategy, has created more support for business formation and growth.
- An increase in the number of international trade missions has further reinforced Toronto's reputation on the world stage.
- EDC is in the process of reviewing the Imagination, Manufacturing, Innovation and Technology (IMIT) Program, the City's primary incentive to spur employment.

Other City of Toronto Strategies

The City's plans clearly acknowledge and seek to address inequality. Examples include the City's Strategic Directions 2013-2018, the Workforce Development Plan, the new 2016 Official Plan, the Toronto Strong Neighbourhoods Strategy and the Poverty Reduction Strategy.

Federal and Provincial Policies

While their work naturally reflects broader emerging issues, programs like the Federal Global Markets Action Plan, the Ontario Culture Strategy, the Ontario Economic Cluster Plan, the Federal Innovation Agenda and recent Federal culture consultations will very much impact the City's strategy development.

In the past, the delivery of some Federal and Provincial programs has focused on lagging regions (not the GTA). We must remind these government orders that an economically and culturally healthier Toronto means a stronger Ontario and Canada.

Peer City Strategies

Several world cities are establishing themselves as creativity-led economies while also promoting equity and inclusion. Los Angeles, for example, has combined its workforce and economic development functions to adapt to industrial change, while Sydney has set a goal to be an environmental leader with green industries driving economic growth in Australia. New York City has recently released its first-ever cultural plan, focusing on building a more inclusive, equitable and resilient cultural ecosystem. While no jurisdiction has combined these two areas in one overarching strategy, the principles and recommendations they have adopted can be instructive. Please see Appendix C for more details.

Discussion Questions:

Does this paper provide an accurate picture of the opportunities and challenges that the EDC Strategy should respond to? What is missing?

From your particular perspective, what is the appropriate role of the EDC Division alongside other City Divisions and other orders of government? Based on your experience, what is currently working well?

Proposed Lenses for an EDC Strategy

The strengths and issues identified above, along with the review of relevant government policies and strategies, suggests some lenses that EDC can apply as it sets priorities and objectives for the next five years.

These lenses, still to be validated by stakeholder feedback, will help the Division build on its successes, update priorities, and lay out clear roles and responsibilities for itself.

The proposed lenses are:

- Creativity and Technology
- Inequality and Inclusion
- Toronto's Global Connections
- Toronto's Local Foundations

Creativity and Technology

As a global innovation hub for the tech, medical, entertainment and financial services industries (to name a few), creativity is fundamental to Toronto's economy. It's the spark that makes the progress possible.

But to support creativity means supporting it in all its forms because brilliance begets brilliance. An art exhibit can absolutely inspire a scientist to see something differently, and have a breakthrough.

Supporting a respect for history and heritage also inspires a greater sense of civic pride. This, in turn, contributes to quality of life and a sense of place, and attracts visitors, workers and businesses.

There is an opportunity to clearly define the public benefit to artistic and cultural events. This lens will help evaluate how artists and cultural leaders can leverage technology to support growth and new firm formation within strategic sectors of the local economy. A focus on creativity can involve the Division thinking through the City's role in funding and/or helping to develop creativity.

This lens will also require an ongoing commitment to sustain opportunities for creative and innovative work. This means a Civic investment in space for creativity to happen, support services for the creators and assurances that the benefits of a creative and innovative economy are broadly distributed.

Inequality and Inclusion

While support for creativity and innovation have helped Toronto thrive as a cultural centre with a dynamic economy, too many residents are not benefiting from its effects. Therefore, a creativity lens should also be accompanied by a focus on reducing inequality and advancing inclusion. Geographic trends are also clear as residents of particular neighbourhoods have fewer economic and cultural opportunities.

Several City strategies including the Toronto Strong Neighbourhoods Strategy 2020 and TO Prosperity: the Toronto Poverty Reduction Strategy have recently brought attention to inequality and ways to address it. The City's Workforce Development Strategy highlights how it is getting harder to get into the labour market and harder to get back in after an absence.

These plans emphasize that Toronto's economic and cultural health depends on paying attention to those who are being left behind, and taking targeted actions to include them. And the City's Equity Lens reflects that they've taken this seriously. It requires that diverse populations be taken into account when developing new policies, programs and services.

EDC Division's role in addressing inequality is evolving.

The state of the City clearly shows that overall growth does not necessarily deliver increased opportunity for all residents. This is supported by a recent policy paper from the Brookings Institution, which describes how "top-line growth doesn't ensure bottom-line prosperity," and how "conventional economic development remains largely misaligned to what matters."

The paper's authors see inclusion as complementary to growth, prosperity and because "continuous productivity improvements can only occur if gains from economic growth reach more firms and people."

Ensuring access and opportunity for cultural participation for all residents regardless of age, ability, sexual orientation, geography or socioeconomic status is key and must be measurable.

It is proposed here that economic and cultural inclusion for all Toronto residents should be adopted as a lens through which EDC's initiatives can be evaluated, and it should consider both the number of contributors and beneficiaries.

This lens will involve very collaborative work and definition of roles alongside other City Divisions. For example, EDC is leading some of the City's Poverty Reduction Strategy actions and will continue to contribute to future work plans.

EDC will also need to define its role and responsibilities with respect to the City's commitments and calls to action for Indigenous people as it relates to Truth and Reconciliation.

Finally, EDC will need to define its role and responsibilities with respect to the retention and development of talent working closely with partners in Toronto's post-secondary sector and the Employment and Social Services Division.

Toronto's Global Connections

As the fourth largest city in North America, and by far the largest city and regional economy in Canada, Toronto has established itself as a global “hub” and the gateway to Canada. It's a destination for many immigrants, and local colleges and universities actively attract many international students. The city's reputation can assist in the recruitment of talent to various sectors while the arts and cultural scene helps to retain talent.

The City is home to many head offices and research centres for companies and institutions involved with international partners and clients in a range of innovative and creative sectors. Particularly in the downtown core, Toronto is thriving based on what the City offers in terms of talent, cluster dynamics and international connections.

Toronto's artists, cultural and entertainment industries also have global reach and are primary shapers of the City's international image. Toronto's global brand continues to grow stronger, driven especially by economic vitality, social sustainability and creative output. This has led to an increase in tourism.

In recent years, the City has established different strategies to maintain and strengthen international connections. A new initiative, Toronto Global, is intended to attract foreign direct investment. The City has also just increased its investment in international trade promotion, helping to organize business missions, partnering with the Toronto Region Board of Trade and offering other support services to grow the number of Toronto-based SMEs that export.

Finally, the City adopted a Bidding and Hosting Strategy for Significant Special Events (2016) to position Toronto as a preferred host city for events with an international profile.

A strategic international lens as a prime engine for economic development and culture will help grow employment, build international audiences for our cultural expressions and enhance Toronto's brand.

Toronto's Local Foundations

None of the above strategic elements can work unless there is a strong foundation. In the same way that a creativity and innovative economy lens needs to be accompanied by an inclusion and equality lens, an effort to strengthen Toronto's global brand should exist alongside a parallel focus on strengthening local foundations.

While Toronto artists and productions may achieve global recognition, an essential role of the arts is contributing to quality of place across neighbourhoods. Free and easy access to diverse cultural experiences, whether through a heritage experience, community arts program, public art or signature event, make Toronto a better place to live.

Furthermore, nurturing community engagement provides a place for young people to develop skills through the arts, expands opportunities for community groups to collaborate and exchange ideas, and helps develop neighbourhoods that reflect the local cultures and people.

Finally, arts at the local level increases understanding between people, bridges differences, and increases civic leadership and community-building.

Most net new office space is being developed in or close to the downtown core. This part of the city is also the location of many highly visible cultural institutions and artistic venues. A local foundations lens would seek to expand economic and cultural opportunities outside the city core. Harnessing digital technologies presents the possibility of extending opportunity.

Discussion Questions:

Do the proposed lenses capture what is most important to consider as EDC develops a new Divisional strategy? Are there others that should be considered?

How should the impact of the new EDC strategy be measured? What are the most important indicators of success?