



ACCELERATING TORONTO'S MUSIC INDUSTRY **GROWTH** LEVERAGING BEST PRACTICES FROM AUSTIN, TEXAS

music 
CANADA

Prepared by Titan Music Group

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Executive Summary

Accelerating Toronto's Music Industry Growth: Leveraging Best Practices from Austin, Texas

Toronto is one of the great music cities in the world. It is the third biggest music market in North America and the headquarters of the vast majority of companies in Canada's commercial music industry. Toronto has consistently produced top international artists for decades.

The purpose of this study is to review what the Toronto-based private industry and the City of Toronto are doing to sustain Toronto's commercial music industry and to recommend some ideas for both entities to increase their support. "Support" is not a euphemism for raising more revenues directed at Toronto's commercial music industry. Our recommendations focus on involving Toronto's music industry with the City government, increasing the profile of the commercial music industry in Toronto's existing tourism efforts, and implementing sustainable cooperative public-private action items.

Austin Experience

We were asked to identify successful industry growth initiatives for the commercial music industry in Austin, Texas and to use those models to identify potential directions for Toronto. Relative to their respective populations, the two cities have many similarities, but Toronto's population is roughly three and one-half times the size of Austin with a much larger industrial base. Both have legendary live music venues and both have a large community of recording and performing artists, musicians and songwriters. Toronto and Austin each have sizeable technology and videogame sectors, as well as motion picture and television productions. Both have large student populations and residents who value culture and support their cities' artists and live music clubs.

The City of Austin has branded itself as the "Live Music Capitol of the World" and has leveraged a number of resources across its departments to promote that brand. These resources include year-round efforts to brand Austin as a music tourism destination by the Austin Convention and Visitors Bureau as well as integrating the commercial music industry into the City government through the Austin Music Commission and the Austin Music Division. Austin's nonprofit music industry organizations such as the Austin Music Foundation and Austin Music People play a key role in supporting the city's music communities in ways that the City of Austin and private industry cannot otherwise sustain. These efforts suggest many potential options for the City of Toronto in supporting its own music industry.

It is also important to note that the City of Austin early on identified the “music tourist” as a potential growth market for the City. “Music tourists” are people who travel—often with their families—to a city beyond their home region for the sole purpose of attending a large music event, often an international music festival.

A Question of Identity

Our findings conclude that the two cities approach their music clusters differently. The core difference between the two is a question of identity. The City of Austin defines itself as home to a commercial music industry that provides exceptional entertainment options for residents and tourists alike. The City of Toronto has historically defined itself as a diverse city with a rich public culture, but has not integrated its commercial music industry into the City as an important economic sector. It is not that Toronto ignores its music industry, but Toronto has not embraced its music identity to drive decisions to allocate attention and resources to industry growth.

Toronto’s public support for local culture is deservedly a source of civic pride. We are not suggesting that this support be diminished. We are drawing a distinction between the fine arts and the commercial music industry. The fine arts often require public support. Our focus is on the commercial music industry, which is a business sector in some ways like any other in Toronto. Changing the perspective to view Toronto’s music industry as an important business sector, possibilities present themselves for the City to utilize existing resources in new ways.

Goals of the Study

Based on our experience in Austin, both the City and the commercial music industry can benefit from close cooperation. Our recommendations focus on two specific goals to promote this cooperation: How to sustain and grow revenue, jobs and salaries in the current Toronto commercial music industry, and how to enable the creation and evolution of commercial music businesses that will sustain future market sector growth and stability.

Scope of the Study

We first review the applicable demographics and economics of the commercial music industries in Toronto and in Austin. While there are similarities, there are also significant differences—Austin, for example, has a greater emphasis on live music than Toronto in large part because Toronto is also the headquarters of most of Canada’s music publishers and record companies in addition to its many live music venues and recording studios. This provides Toronto with many additional assets to leverage than are currently available in Austin.

We were also asked to compare the efforts of each city to integrate the commercial music community into city government. The City of Austin has had a sustained commitment to its commercial music industry and has reaped the rewards of that long-term investment. The City of Toronto has been primarily directed at the film and television industries by comparison, but has significant experience from film that could make for a quick expansion into City of Toronto interaction with music.

Funding is another consideration, and Austin's tightly targeted efforts demonstrate that Toronto can get a lot of value from focusing on specific, strategic actions and from music industry public-private partnerships. We have made some recommendations that would require reallocation of resources by the City of Toronto. However, in keeping with the current spending restraints with which all municipalities currently struggle, we have also recommended how to support cultural programming while leveraging the private sector, as well as capturing more of the existing provincial funding that could be devoted to growing Toronto's commercial music industry.

One significant way that the City of Toronto can benefit from leveraging its commercial music industry is by increasing music tourism, which can have a very substantial economic impact. We recommend minor changes to potentially reallocate existing spending by Tourism Toronto to further that objective.

Also, a large part of Austin's success as a music community is due to its nonprofit organizations that support the professional development of Austin's music community and advocacy for the community with the City of Austin. Austin's music industry nonprofits are the feedback loop that helps sustain the city's music ecosystem, and they are a primary foundation for the artists and industry professionals that will sustain the music industry of the future.

Local Solutions to Local Issues

Most importantly, it is our view that the best results come from organic solutions. Toronto is already well positioned to capitalize on its existing vibrant music scene and create a growing music economy, with just a few minor adjustments. We hope these recommendations will elicit discussion and a basis from which Toronto can translate these ideas into new collaborations and discreet actions to meet those goals.

Part One

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Comparison & Analysis

SECTION I

An Overview of Toronto and Austin Demographics and Music Industry

Toronto Landscape

Toronto has a long and consistent history of attracting and developing Canadian artists in a variety of creative categories and building budding artists into international stars. Both recording artists and the record companies that support them are well represented in Toronto. That talent pool must continually regenerate itself to develop not only musicians, songwriters, engineers and producers, but also capable music industry entrepreneurs, savvy marketers, and the next generation's executives.

Demographic Factors

As the largest music market in Canada¹ and one of the top five in North America², Toronto is home to many major and independent record labels, numerous audio recording studios, over 150 live music venues³, and a thriving live music community balanced between both commercial and not-for-profit music enterprises. As a hub for musical activity, the city attracts artists from across the country and is clearly the music centre of Canada.

Of course, Toronto's music sector is only one of many elements contributing to the City's appeal. Measuring over 30 factors that contribute to a city's livability, *The Economist* ranked Toronto as the world's fourth most livable city in 2011⁴, continuing a trend of international recognition for the quality of life the city provides. Currently home to over 2.6 million people in the City of Toronto and over 6 million in the Greater Toronto Area (GTA), it is this high standard that has attracted new residents from around the world to the GTA. The GTA population now comprises persons from over 200 distinct ethnic origins speaking over 140 languages and dialects.⁵ This diversity is evident in neighbourhoods such as Chinatown, Greektown, Little India and many others throughout the GTA.

¹ *Draft Report* PRICEWATERHOUSECOOPERS, ECONOMIC IMPACT ANALYSIS OF THE SOUND RECORDING INDUSTRY IN CANADA 3 (2011).

² MartinProsperity.com, The Great Musical North, http://martinprosperity.org/insights/insight/The_Great_Musical_North (last visited Mar. 5, 2012).

³ MartinProsperity.com, This is the Place: Cost Location and Music Venues in Toronto, <http://martinprosperity.org/insights/insight/this-is-the-place> (last visited Mar. 5, 2012).

⁴ Economist.com, Liveability Ranking, <http://www.economist.com/blogs/gulliver/2011/08/liveability-ranking> (last visited Mar. 5, 2012).

⁵ City of Toronto Racial Diversity Statistics, http://www.toronto.ca/toronto_facts/diversity.htm (last visited Mar. 5, 2012).

Toronto's five universities and four colleges are representative of the city's highly educated population (55% of Toronto residents over the age of 15 hold post-secondary degrees or certifications⁶), cutting-edge industries, and diverse cultures. With enrollment of nearly 250,000 full-time students, these schools are internationally renowned in a number of fields, including biomedical research, computer science, business, and law, with nearby universities in the Kitchener/Waterloo region, also home to prominent technology and entrepreneurial programs.

Economic Sectors Related to the Commercial Music Industry

When combined with government services and policies that encourage growth and innovation, Toronto's abundant resources attract entrepreneurs growing businesses for a contemporary, knowledge-based economy. Access to skilled talent as well as public and private support services has strengthened many of Toronto's industries, including a thriving Information and communications technology sector.

Toronto plays a vital role in sector-based research and innovation: The GTA is home to 30% of Canada's ICT sector⁷, 11,522 companies that employ over 161,000 people and generate over \$52.2 billion in annual revenues⁸. Yet of those 11,522, only 124 are involved in sectors that may have a direct effect on Toronto's commercial music industry.⁹ There is a gap in investment in digital music initiatives despite Toronto's strong foundation from which to develop a wide variety of online music services. With digital media playing an increasingly important role in the dissemination of music, the continued growth of digital media in the GTA and the Kitchener/Waterloo corridor puts Toronto in a strong position to capitalize on a music industry undergoing seismic shifts in how it reaches its fans.

Toronto's creative sector, comprised of a workforce of nearly 86,000¹⁰, contributes over \$9 billion to its annual GDP¹¹. This significant sum translates into the importance of arts and culture to the lives of city residents. Toronto's diversity coupled with access to higher education, government support, and relevant talent pool has contributed to strong cultural sector expansion (creative industries are growing more than twice as quickly as

⁶ City of Toronto Demographics: Educational Attainment, http://www.toronto.ca/invest-in-toronto/labour_force_education.htm (citing Statistics Canada, 2006 Census Data) (last visited Mar. 5 2012).

⁷ CANADA'S HIGH-TECH HUB, TORONTO 4 (2011), http://www.toronto.ca/business_publications/pdf/ICT-Report_March2011.pdf.

⁸ *Ibid.* at 10.

⁹ *Ibid.* at 11. (stating, "Internet Publishing and Broadcasting" and "Web Search Portals" contributed less than \$1 million to revenues).

¹⁰ 2010 Update to Imagine a Toronto...Strategies for a Creative City, (2006), based on Statistics Canada, Labour Force Survey, 1991-2009 [special tabulations] at 17.

¹¹ Deloitte & Touche LLP, CITY OF TORONTO: ECONOMIC CONTRIBUTION OF TORONTO'S CULTURE SECTOR, (Apr. 2005) at 4.

the overall labour force¹²) that not only encourages residents to stay in Toronto, but also attracts talent from across Canada and internationally.

Indeed, much of what Toronto is doing is working. But the primary question is: Is Toronto's commercial music industry growing and capturing the full capacity of the available resources?

Austin Landscape

By comparison, Austin has long been a vibrant, organic artistic enclave. The City of Austin has most notably associated itself with the commercial music industry, but also attracts filmmakers, illustrators, photographers and other performing artists. Television programs such as *Austin City Limits* (the longest running music performance television show in the US), music festivals like *Austin City Limits Music Festival* and *South by Southwest*, a variety of iconic music venues such as Antone's, the Austin Music Hall, Emo's, and homegrown music legends like Shawn Colvin, Willie Nelson, Spoon, Ghostland Observatory, Los Lonely Boys, the Butthole Surfers, Jack Ingram, the Arcangels (including Charlie Sexton and Doyle Bramhall, Jr.), and Janis Joplin among many others all help to create the City's reputation as the self-proclaimed "Live Music Capitol of the World."

Demographic Factors

Austin is a young and educated town, and is also growing rapidly, adding 50,000 new residents every year. The 8th "Best City for Staying Young" in the U.S.¹³ has a robust university population that helps to drive not only the entire city's economy but the music scene as well. Almost 60,000 students are enrolled in undergraduate or graduate programs at one of the city's four universities with another 45,000 students enrolled in the city's community college. This large student population helps to make Austin the 8th most educated city in the U.S. with 38.2% of Austinites over the age of 25 holding a bachelor's degree or above¹⁴, well above the national average of 30%.¹⁵

Compared to other major music destinations, Austin is modest in size—the United States' 15th largest city with 800,000 City residents and a total of 1.5 million people in the Greater

¹² 2010 Update to *Imagine a Toronto...Strategies for a Creative City* (2006), based on Statistics Canada, Labour Force Survey, 1991-2007 [special tabulations].

¹³ RealAge.com, 25 Best Cities for Staying Young, http://www.realage.com/anti-aging/25-best-cities-to-live-in?click=main_sr#fbIndex10 (last visited Mar. 5, 2012).

¹⁴ Brookings Institute, *STATE OF METROPOLITAN AMERICA 2010*, Table 2 at 108.

¹⁵ MarketWatch.com, *Census Bureau Announces Record Level of Education Attainment in America* (Feb. 27, 2012), <http://www.marketwatch.com/story/census-bureau-announces-record-level-of-education-attainment-in-america-2012-02-27> (last visited Mar. 5).

Austin Area.¹⁶ Yet Austin has over 200 live music venues and 50,000 live music shows played each year.¹⁷ By any measure, this music scene is a thriving business that continues to grow rapidly, and today contributes more than \$1.6 billion in economic activity to the Austin economy, as well as over 18,000 jobs and more than \$38 million in City tax revenue annually.¹⁸

While no one factor can be said to have created Austin's rapid growth and prosperity, Richard Florida's analysis goes to the heart of the matter: "Access to talented and creative people is to modern business what access to coal and iron ore was to steelmaking. It determines where companies will choose to locate and grow, and this in turn changes the ways cities must compete."¹⁹

Economic Sectors Related to the Commercial Music Industry

The largest private employers in Austin are made up almost entirely of technology companies. In addition to Austin's very public identification with the music industry, the City's educated workforce and high quality of life, and the availability of local business tax breaks have helped multinational technology companies build a significant corporate presence in Austin. Dell is Austin's largest private employer, employing approximately 41,670 workers²⁰; but Austin is also home to large workforces for Apple, Advanced Micro Devices, IBM, Samsung, and hundreds of smaller or early stage technology and digital media companies.

The other significant part of Austin's technology-based industry is founded on the entrepreneurial spirit of the city that attracts new entrepreneurs, start-ups, and venture investors. Across both technology and creative business sectors, Austin is known foremost as a city of innovation, and among the entrepreneur and venture capital circles, Austin has long been called "Silicon Hills" - a reference to the hotbed of startup activity and the surrounding Texas Hill Country. Though available venture capital has been in gradual decline since the current recession began, Austin still saw some \$171 million invested in Austin businesses in 2009, and a 101.4% increase in investment in 2010.²¹ With all of the

¹⁶ City of Austin Convention and Visitor's Bureau, Austin Fact Sheet and Rankings, http://www.austintexas.org/media/press_kit/ (last visited Mar. 5, 2012).

¹⁷ Kate Hull, *Study: 2011 SXSW Pumps \$167.8M into Austin Economy; Sees 45 Percent Attendance Boost*, COMMUNITY IMPACT NEWSPAPER, Aug. 24, 2011, <http://printaintdead.com/central-austin/293-recent-news/14467-2011-sxsw-pumps-1678m-into-austin-economy-sees-45-percent-attendance-boost>.

¹⁸ THE ECONOMIC IMPACT OF THE CREATIVE SECTOR IN AUSTIN – 2012 UPDATE 1 (2012).

¹⁹ Richard Florida, *The Rise of the Creative Class: and How it is Transforming Work, Leisure, Community, and Everyday Life*, 6 (New York: Basic Books, 2002).

²⁰ Austin Chamber of Commerce Statistics on Workforce, <http://www.austinchamber.com/do-business/greater-austin/workforce.php> (last visited Mar. 5, 2012).

²¹ Austin Chamber of Commerce Economic Indicators, <http://www.austinchamber.org/DoBusiness/MediaCenter/reports/VCAustin.XLS> (last visited Mar. 5 2012).

talented and experienced technology workers and a steady supply of capital, Austin has every reason to continue as a leader in the creative technology sector.

These statistics do not fully convey the positive effects that a vibrant music community has on Austin's quality of life and ability to attract both new business and a youthful and creative population of potential employees. Austin was recently named the number one best city of the next decade by *Kiplinger Magazine*²², the number one city for young adults²³, the number one city in small business vitality²⁴, and the number one "creative center" in the top 50 "Innovation Nation".²⁵ Richard Florida ranked Austin as the second most creative city in the U.S. after San Francisco.²⁶ At this point, it has become almost indisputable that a vibrant creative class helps to sustain the local quality of life.

For the purposes of our study, we already know that Austin has an out-sized reputation as a major music city, but a primary question is: "How does the City of Austin continue to support and grow its music industry sector to make that reputation a reality?" These positive effects are particularly intriguing because local Austin government does not appropriate disproportionate levels of public funds towards the promotion of the local commercial music industry. This paper will focus on those funding and supportive efforts by the City of Austin to support and grow music both as an industry and as a community in Austin.

²² Bob Frick, *Best Cities: 2010 Austin, Texas*, KIPLINGER.COM, July 2010, <http://www.kiplinger.com/magazine/archives/best-cities-2010-austin-texas.html> (last visited Mar. 5, 2012).

²³ G. Scott Thomas, *Young in the City*, PORTFOLIO.COM, Mar. 2010, <http://www.portfolio.com/business-news/us-uncovered/2010/03/15/austin-washington-raleigh-and-boston-top-2010-rank-of-best-cities-for-young-americans/> (last visited Mar. 5, 2012).

²⁴ G. Scott Thomas, *Austin Leads Nation in Small-Business Vitality Rankings*, BIZJOURNALS.COM, Apr. 2011, <http://www.bizjournals.com/bizjournals/on-numbers/scott-thomas/2011/04/austin-tops-small-business-rankings.html?page=all> (last visited Mar. 5, 2012).

²⁵ Jason Ankeny, *Innovation Nation*, ENTREPRENEUR.COM, July 2010, <http://www.entrepreneur.com/article/207496> (last visited Mar. 5, 2012).

²⁶ Richard Florida, *The Rise of the Creative Class*, WASHINGTON MONTHLY (May 2002), <http://www.washingtonmonthly.com/features/2001/0205.florida.html>

SECTION II

A Comparison of Music Industry City Policies and Structures

Austin: Existing City Policies and Structures

City Council Committees and External Boards

This section describes generally the Austin City Council and its relationship with the commercial music industry in Austin.

The Austin City Council is made up of six members plus the Mayor, with each member elected to a three-year term. Unlike most cities of its size, the Council members in Austin are elected on an at-large basis and not from councilmanic districts.

Austin's music industry interests are largely represented to Council by the Austin Music Commission, which is one of approximately 60 boards and commissions in the City government.²⁷ Members of these commissions are citizen volunteers appointed by the City council to three-year terms (coterminous with the term of their nominating councilmember) and subject to majority vote approval of the council.

While some of these commissions are established by law as sovereign boards with independent authority to make decisions such as the City Planning Commission and the Zoning and Platting Commission, most (including the Austin Music Commission) are advisory boards making policy recommendations to City Council but have no authority to independently create policy or enact ordinances. They serve in an advisory capacity to the City council, helping the council to set priorities and evaluating the extent to which future policies may affect different sectors, the public interest and their potential economic impact.

The City of Austin has long identified itself not only as the Live Music Capital of the World, but also more broadly as a city where "Culture Matters".²⁸

Arts, culture, and creativity are essential keys to Austin's unique and distinctive identity. Creativity is also the engine of the new economy. The creative sector contributes directly and indirectly to community prosperity through

²⁷ City of Austin Boards and Commissions, <http://www.austintexas.gov/department/boards-and-commissions> (last visited Mar. 5, 2012).

²⁸ CREATE AUSTIN CULTURAL MASTER PLAN 11 (2012).

*generating economic activity, providing employment, making Austin attractive to today's mobile knowledge workers, and contributing to Austin's quality of life.*²⁹

Until relatively recently, Austin's music venues and businesses have enjoyed a stable and unhindered existence, serving Austin and visiting music patrons from all over the world.

However, over the last 15 years the city's explosive population growth has put more conflicting interests and competing pressures on Council. This pressure was particularly related to the redevelopment of the downtown urban core, where the desire to have a vibrant central city has led to the development of many condo and residential high-rises. Austin recently lost or had to relocate a number of music venues due to these pressures, but without the diligent activities, hard work and influence of the Austin Music Commission, the damage to the music industry could have been much worse and potentially irreparable.

Austin Music Commission

The seven-member Austin Music Commission (AMC) was created in 1990, and holds monthly public hearings on matters affecting the music community in Austin, studies issues that affect the music industry, and assists in implementing programs and policies to meet the needs and development of the music industry.

The Commission's mandate³⁰ is to "advise the City council on music economic development issues." The Commission's duties include:

Studying the development of the music industry, and assisting in the implementation of programs to meet the needs created by the development of the industry;

Holding public hearing on matters that affect the music community and industry in Austin, and making recommendations of the matters to the City council; and

Reviewing other matters that may affect the music industry in Austin and that may enable Austin's musicians to achieve national status while remaining in Austin, and making appropriate recommendations to city council.

²⁹ *Ibid.*

³⁰ Austin Music Commission Bylaws, <http://www.ci.austin.tx.us/edims/document.cfm?id=134352> (last visited Mar. 5, 2012).

The AMC is a very important component of keeping Austin's music industry priorities front of mind with the City Council. This spotlight on the music industry has been critical to helping keep policies in balance that could otherwise inadvertently have significant negative effect on the ability for music businesses to thrive. For a summary of major issues addressed by the Music Commission in the past twelve months, please see **Appendix 1: Austin Music Commission Recent Issues and Projects.**

Historically, Austin's downtown corridor has been the home of most of the City's live music venues, retail stores, and festival locations. The close physical proximity of music venues and the influx of new residents occupying downtown high-rise condo towers have presented new challenges. Residents complain about late night live music, traffic and parking issues related to venues, and the large volume of foot traffic surrounding live music venues that is present on many nights.

As a result, in the last five years a number of new city ordinances have been passed which have arguably had a negative effect on music establishments: the Sound Ordinance, the No Smoking Ordinance, changes in parking fines, and the establishment of a new required Temporary Event Permit required for hosting events during festivals such as SXSW and Austin City Limits Festival.

During all of these changes and challenges for the music industry, the AMC has been the first line of defense to represent the music industry's voice to Council. They have also proactively worked with other associations such as the Downtown Austin Alliance (a business organization) and the Neighborhood Association (a residents' organization) to attempt to find compromises for policy recommendations that would ameliorate the negative impact on music businesses of ordinances. When such a compromise has not been possible, they have worked to galvanize the music community to create awareness of the situation and determine a course of action for advocacy.

In the course of our research, we conducted an interview with Brad Stein, member of the AMC from 2004-2011 and Chair of the AMC from 2007-2011:

We worked to identify partners and stakeholders with other community bodies whose activities might affect the music industry, and then I assigned individual Commissioners to maintain those relationships and then report back to the AMC. For example we actively engaged with music nonprofits as well as others in the arts community, event production companies that create the big music festivals, neighborhood groups, and we had assigned liaisons to work with both the Austin Police Department and the Austin Fire Department on enforcement issues. We also placed members of the AMC to also serve on the Downtown Austin Alliance and the Arts

Commission, and had an assigned member to audit Planning Commission meetings.³¹

Mr. Stein believes that the success of the AMC's work has largely been due to these outreach efforts, so that pending or upcoming issues may be identified in their early stages, allowing the AMC lead time to discuss, reach a compromise, and/or proactively make policy recommendations to the City Council.

Mr. Stein also adds that most of the Commission's work over the last five years has related to the effects and correct enforcement of the City's Sound Ordinance and Temporary Event Permits, which have been both highly controversial and polarizing amongst the City's music industry stakeholders. While it is clear that these ordinances and policies have had a detrimental effect on music venues, the AMC has lessened those effects considerably through their advocacy work with Council and collaborative efforts with the police and fire departments to reach mutual understanding of correct enforcement of these policies.

Finally, it appears that the AMC's community engagement and advocacy efforts are the primary reason that a particularly threatening moment for the music industry resulted in two very positive outcomes: the formation of the Live Music Task Force and the creation of the Austin Music Division.

The Live Music Task Force Results: Creation of the Austin Music Division

Mr. Stein provides the context for the creation of the Live Music Task Force:

In 2007 the Austin Planning Commission, which is a sovereign board and does have rule-making authority, had come out with recommendations to change the sound ordinance, which was going to go to City Council without a public process. In an official capacity, the Planning Commission is the most powerful board, and these proposed changes would have had even more negative consequences for Austin's live music venues. In a defensive posture the music community spoke up, led by the AMC, which held a public "town hall" meeting, we had where hundreds of attendees and significant and press coverage. So we created successful pushback and stopped the changes to the ordinance.³²

³¹ Interview February 2012 with Brad Stein, Austin Music Commission Member 2004-2011 and AMC Chair 2007-2011 (on file with the authors).

³² *Ibid.*

In an effort to both respond to the community controversy over the sound ordinance and to better understand the needs of the live music industry, the City Council passed a resolution in early 2008 to form a 15 member Live Music Task Force, comprised of 12 music industry representatives and three neighborhood association representatives, to work together for six months to create recommendations to City Council. After the recommendation report was presented, the Task Force work would be concluded and the entity would disband.

The Task Force report made many recommendations, some of which the City has enacted. For a summary of the Live Music Task Force Recommendations, please see **Appendix 2: Live Music Task Force Recommendations Summary**.³³

The most significant of the recommendations was to form a Music Division within the City of Austin government staff offices. City Council agreed with this recommendation, and passed a resolution to create the Music Division, which began operating in 2009.

City Departments and the Austin Music Division

The City's governmental organization has almost forty departments, including the Economic Growth and Redevelopment Services department (EGRSO). EGRSO has an operating budget of approximately \$9.4 million and employs roughly 46 people.³⁴ EGRSO houses six divisions: Cultural Arts, Economic Development, Small Business Development, International Economic Development, Redevelopment, and the Music Division. (In both structure and activities, EGRSO is roughly equivalent to Toronto's Economic Development & Culture Office.)

In its recommendation to City Council, the Live Music Task Force was explicit in its assertion that the Music Division should be a separate unit from the already existing Cultural Arts Division, which primarily administers Cultural Contracts for nonprofit fine arts organizations and assists in other city-based cultural programs:

The Music Division should be independent of the existing Cultural Arts division, in part because of its focus on the

³³ The Authors recommend that it may be useful to read the entire Live Music Task Force Overview and Recommendations document. In addition to Overarching Recommendations, there were also four subcommittees that produced very specific, actionable recommendations for city-related improvement requests in the following areas: Live Music Venues Subcommittee; Musician Services Subcommittee; Sound Enforcement and Control Subcommittee; and Entertainment Districts Subcommittee. A number of these recommendations could also be considered for an improved business operating environment for the Toronto music industry as well, i.e. loading/unloading parking vouchers for musicians in entertainment district, city-based fee incentive programs for live music venues to become more energy efficient and provide sound reinforcement, etc.

³⁴ CITY OF AUSTIN APPROVED BUDGET, VOL. II, 139 (2010-2011).

*'for profit' nature and activity of live music and the role it plays in economic development.*³⁵

City Council agreed with the Task Force, and the Music Division functions as its own department under EGRSO. The Division has three full time staff members and operates on an annual budget of approximately \$374,000,³⁶ which is 4% of the annual EGRSO budget.

There can be no doubt that since the inception of the Music Division, a number of issues have been addressed, resolved, and improved, resulting in more conducive environment for the music industry to do business, grow, and thrive.

The Music Division was given a large and arguably ambitious stated purpose:³⁷

Increasing the profile of the music scene both locally and abroad while attracting music-related businesses to Austin;

Facilitating communication between music industry stakeholders;

Advising city policymakers on relevant live music issues;

Incubating and developing new industry components; and

Managing those live music issues that intersect with city departments like code enforcement, the parks department, and neighbourhood planning and development.³⁸

In order to fulfill its mandate, the Music Division has designed, created, and launched a number of programs for the community, and to date is generally perceived as having had significant success on a number of its mandates.

Current Programs and Activities:

Music in the Parks. Music in the Parks is a year-round concert series for Austin's music-loving community, featuring free, live and diverse concerts in City-owned parks. The Music Division partnered with the City's Parks Department to present an eclectic variety of genres for performances in park settings within Austin neighbourhoods. Most importantly, this initiative cross-promotes the City's open green spaces as well as introduces local music to new neighbourhoods and suburbs in a family-friendly environment to residents who may not travel downtown to live music venues, but nonetheless enjoy hearing great new local talent.

³⁵ CITY OF AUSTIN LIVE MUSIC TASK FORCE OVERVIEW AND RECOMMENDATIONS 2 (2008).

³⁶ CITY OF AUSTIN APPROVED BUDGET, VOL. II, 154 (2010-2011).

³⁷ *Ibid.*

³⁸ CITY OF AUSTIN LIVE MUSIC TASK FORCE OVERVIEW AND RECOMMENDATIONS 2 (2008).

311 Loud Music Request. In order to remove many of the sound ordinance complaints from the City's 911 operators, Austin has designated a special line just for noise ordinance complaints, with a live operator 24/7. This dedicated line will also allow the City to gather data on which venues are playing past their cut-off time or above their allowable decibel level, which offers greater information on the locations and nature of sound violations.

City of Austin Music Newsletter. Each month the Music Division sends out an email newsletter informing subscribers of major events happening in the Austin music community, as well as City music programs or events, music-related policy changes, and other City-related activities that affect the music industry.

Music on Hold. The City of Austin proudly promotes local music in the City's telephone hold music system. The Austin-only music reflects the diversity of the scene with songs spanning all genres including country, rock, Tejano, hip hop, R&B, jazz and blues. With so many Austin artists seeking greater exposure, such a program is cost effective and simple to implement.

Austin Music Now. Austin Music Now is a collaboration with public access Channel 6 to coordinate bookings of artists for new "in studio" 30-minute music showcases of over 50 musical acts per year over multiple media formats that include TV, webcast, podcast, and other forms of social media.

Live Music at City Council Meetings and Music Proclamations. Perhaps in order to stay consistent with its "Live Music Capital of the World" slogan, even the City Council has live music. Weekly regular sessions of council include live music starting at 5:30 p.m. and sometimes are accompanied by a City proclamation for the musician(s) in performance, particularly if those artists have been deemed to make a significant contribution to Austin's culture.

Live Music to the World. In partnership with South by Southwest, the Music Division will send a shipping container full of musical instruments and recording equipment to a country that lacks access to such equipment. Each year a different country will be selected to receive the package.

Urban Artist Development. Urban Artist Development is a Music Division initiative and partnership with various Austin urban artist organizations to support educational programs and opportunities. Last summer, the Music Division partnered with Capitol View Arts to offer business education to Austin's musicians.

Additionally, one of the Music Division staff members is a trained and qualified sound engineer, and the Division regularly assists live music venues with sound ordinance compliance issues, makes recommendations regarding outdoor music venue sound permits, and works closely with SXSW, ACL Festival, and many other festivals on issues

related to temporary event permits and other requested City resources for holding those events.

The Music Division also spends a significant amount of time mediating agreements between neighbourhood groups and outdoor music venues to find equitable solutions and compromises related to noise issues. In that capacity, the Music Division functions as the City's vehicle for addressing the increasing pressures from various stakeholders related to the music industry and Austin's rapid population growth in the downtown corridor, and those incumbent difficulties.

By proactively facilitating those discussions, educating live music venue owners as well as developers and neighbourhood associations about their rights, roles, and responsibilities and engaging community involvement, the Music Department creates something of a "release valve" for otherwise potentially troubling disagreements, and is able to resolve those issues most of the time. The result is that fewer live music venues have to spend precious time and resources navigating sound codes and permits or paying fines, and the neighbourhood associations have a recognized course of action for any complaints.

Finally, the Music Division has organically developed an important role for the Austin music industry by facilitating introductions, communication, and shaping discussions between music business operators who may not otherwise have knowledge of each other, resulting in new business and connections.

It is a testament to the efficacy and impact that the Music Division has continued to receive support from both community and Council, and that this new division has continued to receive funding, despite the current and future budget deficit pressures from the current US recession.³⁹

New Programs for 2012

In accordance with part of its mandate, the office has also become quite active in devising new programs and ways to facilitate the growth of the music industry, then advocating to City Council and staff for the adoption of those programs. Recently the Music Division was able to secure a Council Resolution to re-direct approximately \$200,000 from a defunct City program to one-time launch funding for new music industry initiatives that are tightly focused on economic development, talent export, and job creation.

The Music Division created partnerships with existing music and tech businesses and nonprofit organizations to produce these programs in public-private collaboration. *In so doing, the office has leveraged a relatively small amount of money (\$200,000) into the creation of no less than nine new initiatives, all of which should produce both jobs and direct economic impact for the music industry.*

³⁹ CITY OF AUSTIN APPROVED BUDGET, VOL. II, 143 (2010-2011).

Because these programs are new and represent the general strategic direction in which the Music Division appears to be headed, it is worth describing these programs:⁴⁰

Austin Independent Radio Smartphone App. AIR is an online-based radio station that offers to play “the best independent music that Austin has to offer”.⁴¹ They combine streaming radio from Austin independent artists through a web-based application. In partnership with the Music Division, AIR will be releasing a smartphone mobile app so that users can stream Austin music anywhere anytime, visit artist websites and online stores. The partnership will connect Austin’s music industry by using digital outlets to unify Austin music to the world.

Live Music Venue Guidebook and Smartphone App. Music Division has partnered with First Live, a start-up company that creates live music venue guide books for cities to create an Austin guide for placement in cabs, hotels, restaurants, and music stores. The initiative will also include a smartphone app to enable users to search live music venues in Austin by a number of search criteria. The partnership supports the Music Division’s goal to promote Austin’s live music venues, attract tourism, and expand attendance at venue shows, particularly among newcomers to Austin’s music scene.

Partnership Programs with Austin Music Foundation

Leadership Music Austin. AMF will facilitate the Leadership Music Austin Program. The program will unite the diverse members of the entertainment business while supporting established leaders in performing their essential role in the creative community. The Music Division’s partnership with AMF will support our mission to create new jobs on every income level through expanded opportunities from new business development.

Music Business Accelerator. The MBA is a selection-based program that provides its small business participants with the educational support needed to build and sustain a profitable music-related business.

Creative Ambassadors Program. The Music Division and Cultural Arts Division will partner to coordinate this program that will designate Austin artists (including but not limited to musicians, visual artists, filmmakers, and performing artists) who are traveling overseas either independently or as part of a City-sponsored trip as Creative Ambassadors to the City. This program is consistent with the Music Division’s goal to open new avenues of dialogue and opportunity between Austin’s creative community and untapped markets worldwide.

⁴⁰ City of Austin Music Division, *Proposed Music Programs Using Funds from Dissolved Music Loan Program*, pp1-3.

⁴¹ Austin Independent Radio, About, <http://www.listentoair.com/> (last visited Mar. 5, 2012).

House of Songs. In a partnership with the Danish government, the House of Songs initiative supports the economic viability and musical creativity of Austin musicians through international collaboration. This project has served over 100 Austin artists and has spawned dozens of Top 10 hits abroad and is now expanding to new participating countries, including Canada. House of Songs will help support the goal of developing and strengthening relations with local, national and international music businesses and organizations to help sustain the cultural excellence of Austin’s music community

Austin Creative Collaboration. In partnership with the Austin Creative Alliance. ACA will facilitate a unique online platform that will foster collaboration between the music community and other artistic disciplines. This platform will provide an online home and meeting place for individuals and organizations for cross-discipline communication and collaboration.

ATXport – Austin Music Export. This initiative will study trends in the international music business and identify services available that would be helpful to Austin-based artists and music companies on a global level. The initiative also will attempt to book and pair those artists touring abroad with Austin companies who have branches overseas.

Intern In Austin. In a partnership between the Music Division and capus2careers, to help Austin music companies and organizations find interns for their programs. This service is helpful not only for the organizations themselves, but in training and indoctrinating the next round of music-related entrepreneurs.

Austin Convention Center and Visitor’s Bureau

The final piece to the City’s support of the music industry comes from the Austin Convention Center and Visitor’s Bureau (ACVB). The ACVB is essentially the City’s tourism and marketing arm, responsible for bringing business to Austin and for promoting Austin and its assets abroad. The ACVB does not receive a “line item” in the City budget, but instead functions more or less as a nonprofit entity, employed by the City under a contract and funded by a small percentage of the City’s Hotel and Occupancy Tax. The importance of the ACVB and its various activities are discussed in detail in Section IV.

Future Focus: The City of Austin Music Industry Initiatives

In March of 2012, the City of Austin released an Economic Impact Study of the Creative Sector in Austin that was an update to the last study completed in 2005. Key findings include that “the role of the creative sector in Austin’s economy has grown substantially over the past five years...*this growth rate is more rapid than the local economy as a whole*, and reflects the fact that creativity is increasingly important to the present and future regional economy.”⁴²

⁴² THE ECONOMIC IMPACT OF THE CREATIVE SECTOR IN AUSTIN – 2012 UPDATE 1 (2012).

The study concludes that the Austin music industry now contributes over \$1.6 billion dollars annually in economic activity and over 18,000 jobs to Austin's economy. Both these categories have grown by approximately one third since the 2005 study. The biggest growth sector of the Austin music industry has been tourist-related income.⁴³

Undoubtedly, new ideas and initiatives will be created and implemented as the City begins to digest and assimilate this new information. Initiatives are already under way; a brief examination of some of these initiatives can help illustrate the City's future priorities for music industry economic development:

EGRSO Global Commerce Strategy. "EGRSO will aggressively pursue improvements to the vitality of the local economy by...converging the strengths of the music, cultural, technology and international divisions to grow digital and alternative media investments in Austin....EGRSO will incorporate a new Global Commerce Strategy platform within the department that will integrate economic development, music, cultural arts, and small business development."⁴⁴ EGRSO has already implemented a number of public-private partnerships, which is a key part of this strategy, towards this effort.

Music Division Focus on Economic Development Initiatives. "The Music Division will continue to facilitate the implementation of programs that keep Austin the "Live Music Capital of the World" while pursuing a new focus on economic development for the Austin music community. The Music Division has a unique opportunity to offer new programs that *will directly benefit the building of a music industry infrastructure.*"⁴⁵ The eight programs discussed in this section are part of the Music Division's strategy to build such infrastructure. It also appears likely that the Music Division will continue to evaluate the possibility of implementing more of the Live Music Task Force recommendations and launching those initiatives where appropriate.

Continued Implementation of the Create Austin Cultural Master Plan (Ten Year Horizon). This plan was published in 2009 and is the result of a two-year public-private initiative to "identify Austin's creative assets and challenges, define goals, and establish recommendations to invigorate Austin's "culture of creativity" to the year 2017. [The plan] will define specific strategies for community-wide implementation in order to sustain Austin as a magnet for arts, culture, and creativity."⁴⁶

The Cultural Master Plan includes all arts disciplines in Austin, and has had significant support from both Austin's previous Mayor as well as its current one, and widespread

⁴³ *Ibid.*

⁴⁴ CITY OF AUSTIN APPROVED BUDGET, VOL. II, 142 (2010-2011).

⁴⁵ CITY OF AUSTIN APPROVED BUDGET, VOL. II, 144 (2010-2011).

⁴⁶ CREATE AUSTIN CULTURAL MASTER PLAN 9 (2011).

Council support for implementation. While the plan is intended to promote all arts development in Austin, how, if, and when its recommendations are implemented could have a strong impact on the music industry. Key findings and recommendations were categorized into six areas: Support for Individual Creativity, Built Environment, Communications and Collaborative Ventures, Financial Resources, Creativity and Learning, and Cultural Infrastructure.

Of the importance of this plan, Austin's current Mayor Lee Leffingwell has said, "The creative community is one of the major industrial sectors of our local economy...and through our CreateAustin initiative, we are working to create avenues of prosperity for our arts, culture and creative industries. Investing in the arts and creative industries is a good investment in Austin's future for it builds a creative workforce; attracts visitors, businesses, and tourists; and sustains Austin's character."⁴⁷

Austin has a long tradition of music in its city. It is an industry that arose organically, as an integral part of the culture of the City and its people. Over the years, the music industry has grown, morphed, and evolved into the economic powerhouse that it has become, and is now a Top Ten Industry in Austin. The City clearly understands that it has a unique asset, and in order to continue its growth, it must continue to invest in its economic development. Those efforts have clearly been rewarded both culturally and economically so far, and the City appears well poised to continue its path of music industry growth and vibrancy in the future.

Statewide Office: The Texas Music Office

Although the State of Texas does not have a particularly strong tradition of supporting the arts (especially compared to federal and provincial arts funding in Canada), there is one very important office that makes significant contributions to the music industry in Austin and the people who work in it.

The Texas Music Office (TMO) was launched in 1990 with a legislative mandate "to promote the development of the music industry in the state by informing members of that industry and the public about the resources available in the state for music production,"⁴⁸ The Texas Music Office is a state-funded business development office within the Office of the Governor and operates with three full-time staff members. There are three key areas of activity and programs:

Legislative Activity. During times when the Texas Legislature is in session, the Texas Music Office is available to legislators to discuss and inform them about music-related economic issues and the potential impacts of any proposed music industry-related legislation. From

⁴⁷ CREATE AUSTIN CULTURAL MASTER PLAN 4 (2011).

⁴⁸ Texas Music Office History, <http://governor.state.tx.us/music/about/history/> (last visited Mar. 5, 2012).

time to time, the Texas Music Office sometimes will advocate the Governor's position on relevant proposals and legislation, and will provide House and Senate advisory testimony.

Centralized Source of Industry Contacts, Referral Network, and Data Aggregation. The Texas Music Office operates a centralized source of collected music industry information and contacts, and operates a large business referral network website which provides information about Texas Music Industry businesses and artists, with thousands of listings by city, spanning every sector of the music business: record stores, venues, publishers, attorneys, distributors, managers, agents, musicians, and many more.

The office not only tracks all this data, but also publishes related industry reports from time to time based on changes in industry sectors, jobs, and other relevant economic health indicators.

Texas Music History and Heritage. The TMO also has extensive information on the history and heritage of Texas music, such as information on the state's oldest venues, the pioneers of Texas music, members of the Texas Country Music Hall of Fame, and just about every other Texan who has contributed to music nationally or locally. Also listed are the State's libraries with music archives and relevant resources.

Guides & Publications. The Texas Music Office website also provides more than 15 guides and manuals it has authored or collected to provide assistance in virtually every aspect of the music industry. Some are relevant for artists, managers, music lawyers, and other traditional music industry occupations, while others relate to Texas statutes and how to navigate obtaining permits, i.e. the "Texas Alcoholic Beverage Commission Rules and Regulations for Music Venues." All of these are available free of charge.

The TMO also provides information on music educational programs in the State with profiles on the colleges and universities in Texas that offer programs of interest.

Toronto: Existing City Policies and Structures

City Council Committees and External Boards

Toronto is governed by the Toronto City Council, which is composed of the Mayor and 44 Councillors each representing 44 wards of the City of Toronto. The city government includes Standing Policy Committees that make recommendations to the City Council for action. Community Councils (another type of committee) have some powers to make decisions on specific issues within certain regional areas of the City. Both Standing Policy Committees and Community Councils are comprised solely of Councillors.

Community Councils report to City Council but they also have final decision-making power on certain items, such as sign and fence by-law exemptions and appointments to local boards. Community Councils are made up of Councillors who consider planning and

neighbourhood matters for their part of the City. Of particular interest to the music industry is their jurisdiction over traffic plans, parking regulations and exemptions to certain City bylaws. The Community Councils are divided on geographic lines and represent Etobicoke-York; North York; Scarborough Community Council; and Toronto and East York.

Standing Policy Committees are charged with specific mandates, including monitoring current program delivery, service levels and emerging issues, and recommending policy and program changes. There are seven standing committees, but for our purposes, the most relevant is the Economic Development Committee.

The Economic Development Committee's primary focus is the Toronto economy, with a mandate to monitor and make recommendations to strengthen the City's economy and investment climate.

Standing committees can also have sector-specific boards that operate underneath them and report to the committees. These boards are comprised of individuals in the community with a high level of domain expertise in the relevant area, and volunteer their time to serve on the board and work with policy committees and city staff. For example, the Toronto Film Board operates under the Economic Development Committee. Currently, there is no equivalent board for the commercial music industry. It appears likely that any City of Toronto support for music initiatives will need to be supported at least in part by the Economic Development Committee.

City of Toronto Economic Development & Culture Division

In addition to these committees, the City of Toronto government staff manages and run the Economic Development & Culture Division (EDC), which is responsible for a 2012 Recommended Operating Budget of \$33.436 million.⁴⁹ The EDC mandate is expressed as follows:⁵⁰

Advance the City's prosperity, opportunity and livability by:

- 1) Creating an environment in which business and culture can thrive*
- 2) Engaging partners in the planning and development of the City's economy and cultural resources*
- 3) Delivering targeted programs and services.*

⁴⁹ City of Toronto Staff Contacts, http://www.toronto.ca/business_resources/contact_staff.htm#general (last visited Mar. 5, 2012).

⁵⁰ CITY OF TORONTO BUDGET, ECONOMIC DEVELOPMENT AND CULTURE OPERATING BUDGET ANALYST NOTES 4 (2012), http://www.toronto.ca/budget2012/pdf/op12_an_edc.pdf.

The EDC has three “pillars of services” to fulfill its mandate:⁵¹

Economic Competitive Services. To create jobs and expand the tax base by fostering Toronto’s economic competitiveness and strength in strategic industry sectors.

Cultural Services. To nurture, preserve and promote arts, heritage and culture in order to strengthen and sustain dynamic cultural vitality and quality of life. [Also] to provide arts, heritage and culture programs and events to the community in order to enhance the City’s cultural, economic, and social vitality.

Business Services. To create jobs and expand the tax base by supporting the formation, retention and expansion of Toronto businesses.

Please see **Appendix 3: City of Toronto Economic Development & Culture Current Structure** for an organizational chart and a services chart of the EDC.

The EDC works with a number of both internal and external partners to fulfill its mission, including the Film Board, Invest Toronto, Heritage Toronto, Business Improvement Areas (BIAs), the Toronto Arts Council, and Tourism Toronto. Internally, they are also responsible for providing “economic policy input into various city policies developed by other divisions such as City Planning and Corporate Finance, to ensure the economic impacts of City policies are taken into account in all aspects of policy development.”⁵²

Although it is likely that economic development of the music industry falls under the EDC’s jurisdiction, currently there is no acknowledgement of music as one of its “strategic industry sectors” that provides a recognized economic impact and therefore is an industry that should be considered for recognition and resources parallel to those dedicated to Film and Digital media. There is no City office for music, and no explicit mandate requiring specific actions, development, resource allocation, or advancement of the commercial music industry in Toronto. In fact, the City’s Film, Television, and Digital Media unit is the only specific creative industry that receives a budget line item for marketing and promotion in the City’s 2012 budget priorities as well as a dedicated City staff office.⁵³ The Film and Television Office and all of the EDC Film initiatives fall under its “*Business Services*” service pillar rather than its “*Cultural Services*” pillar, which may signify an implicit recognition by the City of film’s economic importance beyond its cultural contribution.

⁵¹ *Ibid.*

⁵² CITY OF TORONTO, ECONOMIC DEVELOPMENT & CULTURE PARTNERS (2011), http://www.toronto.ca/business_resources/pdf/edc_major_partners.pdf.

⁵³ CITY OF TORONTO BUDGET, ECONOMIC DEVELOPMENT AND CULTURE OPERATING BUDGET ANALYST NOTES 8 (2012), http://www.toronto.ca/budget2012/pdf/op12_an_edc.pdf.

All funding related to music currently seems to be directed through the “Cultural Services” pillar and the Toronto Arts Council, which is the sector of EDC that deals with all fine arts organizations and programming, as well as heritage programming. Merging an industrial commerce engine with an enormous economic impact on the City with Toronto’s fine arts and cultural programming may simply be the result of historical organization practices that haven’t been thoroughly reviewed and updated. The result is not only to at least tacitly overlook the music industry’s importance to the City’s economy, but also to potentially inhibit its future growth by not providing the same level of business services, policy review, and City resources afforded to the film industry. This inconsistency seems potentially capable of causing long-term reductions in revenue from losing jobs and tourism opportunities in the Toronto economy as well as failing to support a growth industry.

As noted in the recently released Toronto Prosperity Initiative, one component of the path to economic expansion is creating a renewed focus on growing current businesses in Toronto rather than solely attending to enticing businesses to relocate to Toronto from other cities:

It is clear that achieving success will require greater financial discipline and an action plan clearly focused on increasing efficiency, making better use of existing assets and leveraging, the capacity of the private sector.⁵⁴

Music Canada recently commissioned Price Waterhouse Coopers (PWC) to conduct an economic impact study for recorded music in Toronto to create a better understanding of the financial contribution of the recording industry. The study includes all components of the recording industry supply chain, which is significant since Toronto is the national headquarters of the entire major and much of the indie label music business and their ancillary components. Toronto accounts for 68% of the economic activity of English Canada’s recording industry. The PWC study determined that in 2010 the recording industry contributed \$260.7 million in economic impact and \$38.9 million in government revenues to Toronto alone.⁵⁵ Live musical performances across Canada contributed another \$455.2 million.⁵⁶

These numbers are significant and begin to give us a sense of the music industry’s economic contribution to the City. This study does not account for all economic impact activity from which the City of Toronto benefits; for example, music-related tourism and digital music media businesses have not yet been benchmarked. Certainly though, it is clear that Toronto is the hub of Canada’s English-language commercial music industry and

⁵⁴ TORONTO PROSPERITY INITIATIVE: ESTABLISHING THE PATH TO GROWTH 33 (2011), http://www.toronto.ca/business_publications/pdf/path_for_growth.pdf.

⁵⁵ PRICEWATERHOUSECOOPERS, ECONOMIC IMPACT ANALYSIS OF THE SOUND RECORDING INDUSTRY IN CANADA 19 (2012).

⁵⁶ PRICEWATERHOUSECOOPERS, ECONOMIC IMPACT ANALYSIS OF THE SOUND RECORDING INDUSTRY IN CANADA 22 (2012).

has a wealth of record companies, music venues, studios, and publishers with which the City can advance its agenda in growing local businesses. We have examined a number of those sectors here, with a particular focus on the commercial music industry in the City of Toronto and how those may affect the city's economic development.

Music Industry: Live Music Venue and Concert Promoter Stakeholder Policy Issues

In the course of our research, we conducted stakeholder interviews with members of Toronto's music industry, with a particular focus on live music venues, concert promoters, and studio owners. We chose these focus areas because unlike major labels, indie labels, and music publishers, neither live music venues nor studios have an advocacy organization or association that represents their membership to the City, and thus are the least likely sectors to have or already have had their concerns represented to the City of Toronto.

Live music venues and promoters in Toronto contribute a significant amount of annual government revenue, and are critical to Toronto's positioning as a music tourism destination. Like most independent retail businesses, live music venues are by nature inherently vulnerable to economic flux, but for the music industry, they also play a highly critical role in creating the market demand that stabilizes and grows the music economy. They are a vital part of the music industry, but they also have to contend with more City-based requirements than other sectors of the industry.

We asked these stakeholders a series of questions focused on City policy-related issues that are either of paramount importance to the operation of their business, or are recurring issues that the City has yet to resolve.

The live music venue operators agreed on several issues at the City level that create not only bureaucratic difficulty for operating and growing their businesses, but also added unnecessary expense.⁵⁷ All of these stakeholders we interviewed also agreed that they have no voice at the City; the environment for getting business done with city government is not particularly easy for them to navigate; and they feel that there is very little recourse for solving these issues. They cited several specific examples:

Entertainment Business License Issues. In 2006, in response to perceived problems with crime and public nuisance issues with non-live music *all-night dance clubs* (by definition, not live music venues), the City created a new type of business operating license called an "Entertainment License". This license must be applied for separately from a general business license, and has different requirements, including security, insurance, and other particulars. *This license is not needed for a live music venue*, but within the last two years, many live music venue owners told us that they have been fined and/or cited by city inspectors for not having the license. City information on the licensing requirements is not clear, even among city staff, and so there is a lot of confusion among the live music venue

⁵⁷ Telephonic Live Music Stakeholder Interviews, Jan. 2012 (on file with the authors).

owners about what they must do to comply with the licensing requirements. If a venue owner is fined for not having an Entertainment License, their only recourse is to hire lawyers to dispute the fines, but not all owners have had the financial resources to hire representation, or simply do not know that they aren't actually required to have this license. At least one live music venue has been fined seven times for not having an Entertainment License the venue's owner does not believe he needs.

Disconnect Between Provincial Liquor License Permits and Toronto Police Service Enforcement. While Ontario officials issue all liquor license permits and set hours of operation for music venues, the Toronto Police Service is responsible for the enforcement of those permits. Not all permits allow for the same serving hours, and so consistent and fair City enforcement has been difficult, costing venue owners additional monies in potentially unnecessary fines. These enforcement inconsistencies become even more pronounced during large special events related to music such as NXNE, when some venues apply for and receive temporary extended hours permits but others do not.

Difficulty Obtaining Business Licenses for New Live Music Venues. If an operator is attempting to open a new live music venue in an area that is not commonly perceived to be an "entertainment zone," the perception is the City will not issue those permits due to opposition from residents associations. Rather than coordinate a discussion or roundtable of area stakeholders to meet with neighbourhood residents, BIA Chairs, and venue owners to come to an equitable solution, the perception is that the City ducks the issue and will not issue the license, even in the face of clear market demand for these venues and the opportunity to build new businesses in Toronto.

Limited Ability to Create New Music Festivals. This issue has several facets, but the consistent sentiment from the venue owner stakeholders that applies to all of these observations is that the largest corporate concert promoters can get concessions they need to do business, but smaller operators are not given the same access to create new music events in outdoor or public spaces. This perception could be ameliorated in several ways.

The Parks Department could work with promoters on one to three strategically chosen City public parks to allow for new annual music festivals to take place in those green spaces, which would generate both revenue and new music tourism destinations for the City.

The City could assist venue owners to make a smoother and more efficient working relationship with provincial officials to ease zoning permits for outdoor festivals, as well as supporting a city-wide music venue liquor license temporary hour extension permit during large tourist events that involve music, including NXNE, the Juno Awards, etc.

An effort could be made to coordinate with concert promoters to provide city concessions that are required to create a large, smooth-running event, such as traffic re-direction and special cooperation from the Toronto Police Service.

Incorrect Enforcement of Poster Ordinance. The poster ordinance restricts show flyers and posters from being posted in certain public spaces. However, rather than citing and fining the bands that are posting the flyers, the venue owner stakeholders told us that it appears the citations are being issued instead to the venues in which the show takes place, even though flyers are posted by the bands and there is no participation from the venues in those activities. This enforcement issue leads to another potentially unnecessary and costly expense for the venues.

Live Music Venue Tax Credit and Concert Production Tax Incentive issue. All focus group participants agreed that even while Toronto is the third largest live music market in North America, the smaller venues, which help to reach fans and break new artists that then matriculate up to the international and corporate-level promoters, have not been acknowledged in their importance to developing the City's music economy. Furthermore, even successful operation of such venues generally produces thin profit margins, making continued viability the foremost concern for all small venue operators. Although the Prosperity Initiative has proposed an increased City use of property tax incentives as a way to stimulate investment,⁵⁸ live music operators rarely own the building housing their venue and rent their spaces. In order to encourage growth of live music venues businesses, the tax incentive must be structured so that the benefit passes to the building tenant rather than or as well as the building owner.

The venue owners told us that one of their consistently high expenses is the monthly utility bill. The City may want to explore a City utility tax credit for live music venues that would offset some of their utilities expense. The City may also want to consider adopting a production tax incentive for the promoters who produce large festival events to further incentivize the creation of new annual music festivals that generate increased economic impact and branding for Toronto.

There are clearly a number of concerns expressed by the venue operators that warrant City attention and response. However, what is encouraging about each of these issues is that 1) they are very specific allowing actionable resolution, and 2) the City generally has direct control over the policies and systems creating these problems and can facilitate change. An effort to streamline permitting processes, remove barriers for these businesses to grow and create jobs, and reduce friction in dealing with the City is also consistent with Toronto's broader Prosperity Initiative, which has identified precisely these types of concerns that should become a priority for City action.⁵⁹

⁵⁸ TORONTO PROSPERITY INITIATIVE: ESTABLISHING THE PATH TO GROWTH 21 (2011), http://www.toronto.ca/business_publications/pdf/path_for_growth.pdf.

⁵⁹ TORONTO PROSPERITY INITIATIVE: ESTABLISHING THE PATH TO GROWTH 22 (2011), http://www.toronto.ca/business_publications/pdf/path_for_growth.pdf.

Music Industry: Major Studio Stakeholder Policy Issues

In addition to live music venue owners and concert promoters, we spoke with a major studio owner who has been in successful operation for more than twenty years, and also researched the general state of recording studio businesses in Toronto.

Certainly, not many cities can claim the musical legacy that Toronto enjoys. That legacy is in no small part due to Toronto's iconic recording studios. World-class studios such as Phase One Studios, Cherry Beach, Nimbus 9, Metalworks Studios and others have a history of producing consistent worldwide hits by Canadian and international artists, such as Joni Mitchell, Celine Dion, Our Lady Peace, Rush, the Rolling Stones, Pink Floyd,⁶⁰ The Black Eyed Peas, Bono, Tori Amos, Sting, Ludacris, Rhianna, Bruce Cockburn, 50 Cent, Rush, Bob Dylan, Pink, and the Tragically Hip among many others.⁶¹

Over the past four years alone, the work flow to smaller recording studios has risen substantially, which is a result mainly of the rise of less expensive, second-tier "project" studios for younger developing artists, offering recording services at prices lower than Toronto's world-class institutions. Across Canada, studio operating revenues have increased approximately 19% since 2006.⁶²

Yet in Ontario – home to most of Canada's world-class studios - operating revenues in the sound recording industry fell to \$39.5 million in 2009 (compared to \$48.1 million in 2008).⁶³ The profit margin rose about 3% for the project studios due to lower operating expenses,⁶⁴ but this has had little effect on the larger institutions.

It is noteworthy and commendable that the studios have accomplished all of this sustainable growth with no city-supported programs or benefits. Also, while the smaller project studios may well benefit from artists who receive FACTOR grants for recording, our interview subject stated that these younger artists frequently receive funding from FACTOR but do not receive sufficient funds to record in the higher end studios. In fact, his studio has not had a single FACTOR-sponsored project in at least 15 years.⁶⁵ The major studio fee structure is related to the investments they continually make in very expensive state of the art technology, maintenance and professional training for engineers to remain competitive with international professional standards for audio engineers. Given these

⁶⁰ Number 9 Studios, Clientele, <http://www.number9.ca/clientele/> (last visited Mar. 5, 2012).

⁶¹ Phase One Studios, Clients, <http://www.phaseonestudios.com/index.php?page=clients#indie> (last visited Mar. 5, 2012).

⁶² Statistics Canada, Sound Recording and Music Publishing, 2009, Catalogue no. 87F0008X, Table 3.

⁶³ ONTARIO MEDIA DEVELOPMENT CORPORATION, INDUSTRY PROFILE, MUSIC 3 (2011), <http://www.omdc.on.ca/AssetFactory.aspx?did=6566>.

⁶⁴ *Ibid.*

⁶⁵ Interview with a major recording studio owner, Feb. 2012 (on file with the authors).

constraints, major studios must therefore consistently attract large recording projects from Canada and internationally to stay in business.

The state of the global music industry is at the point that only a handful of these world class recording studios have survived the industry's general economic decline over the last ten years, and each of them – no matter in which country they are located – competes for the same large-scale projects. Currently, these Canadian studios compete against other North American and European studios, but they have few competitive incentives to offer, which puts them at a disadvantage for attracting international business.

Support for a Provincial Music Production Tax Credit. Although the City of Toronto is not directly involved in creating and implementing tax incentives for the music industry, there are efforts currently underway to advocate for an Ontario Music Production Tax Credit for foreign-owned record labels that would be modeled after the Ontario Production Services Tax Credit for foreign-owned film and television production companies. Because Toronto is the home of the vast majority of these iconic recording studios, the City would certainly enjoy a direct economic benefit from such an incentive, as well as have a mechanism for sustaining the growth of these studios. The City may want to consider how it can assist in efforts with Ontario provincial government to get a production tax credit proposal successfully implemented.

Raise Visibility and Promote Tourism of Toronto's World Class Studios to Leverage its Branding and Cultural Heritage Assets. Toronto's iconic recording studios increase the City's identity as a music tourist destination. There is an exceptional opportunity to leverage that asset by raising the public profile of these institutions. Music fans everywhere are interested in that history (a major component of the Hard Rock Café branding, for example). One simple step is for Tourism Toronto to assist in raising the profile of these studios as destinations to visit, marketing online and in tourist information centres.

Leveraging Existing Assets

The City of Toronto should create a proactive approach to leveraging the City's commercial music industry by reviewing its current initiatives in which music should be included, whether as a part of current EDC activities or elsewhere. We will review some examples. The overarching point though, is that if the City wants to capitalize on its unique assets and achieve a significant, long-term increase in the music economy's impact, a shift in thinking and corresponding new actions will be required that reduce barriers to music business growth.

Leveraging Existing Assets: eCity Initiative. One such example is Toronto's ongoing e-City initiative, which could have at least two important music industry components: 1) streamlining and creating online information and access to procedures, permits, and regulatory requirements for music-related businesses; and 2) creating a centralized

information source and online portal for all government-sponsored available funds for music business and artists.

Leveraging Existing Assets: Record Label and Music Publishing Sectors. Because Toronto is the headquarters of all the major record labels and national distributors, as well as the great majority of Canada's independent labels, this industry infrastructure creates a centre of gravity in Toronto unlike the City of Austin and also unlike other Canadian cities. There is little evidence to date of consistent and sustained public-private commercial music industry partnerships that could help the City leverage the industry knowledge that exists in Toronto to create more targeted policies and grow the sector. Both the industry and the City could benefit from deeper relationships with the organizations that represent these industries and utilize their knowledge and relationships including the initiatives and recommendations in this study.

Leveraging Existing Assets: BIAs. The current BIA network might benefit from a review to identify neighbourhoods that have a strong music presence, either through music venues, retail shops, or other entities. An emphasis by the City on the commercial music businesses might assist the BIA presidents with making sure their music businesses are – at a minimum - located and linked on the BIA website and are leveraging music assets as a draw to the area. We have prepared a list of music businesses and their associated BIAs attached in **Appendix 4: Toronto Music Businesses by BIA.**

The creation of a Music Office, similar to Austin's Music Division, might well be an efficient and effective solution to a number of the issues raised here, and would create a valuable alignment between the City and the commercial music industry in Toronto. A Music Office could make a significant impact in "re-engineering the business/government interface to stimulate job creation and investment attraction."⁶⁶

Yet another example is identifying working groups and advisory committees in which a music industry representative should have a seat, such as the proposed Open for Business Advisory Committee⁶⁷ perhaps, so that greater integration of music as an industrial sector can be integrated with ongoing City business development efforts.

Leveraging Existing Models

In this study, we have spent a considerable amount of time exploring the Austin Music Commission, Austin Music Office, and the Texas Music Office to better understand the role and importance of those entities to Austin's music economy and how they might offer relevant lessons learned for the further development of Toronto's music industry. However, to take advantage of Toronto's leadership role in the Canadian music industry, the City of Toronto has many success stories of its own from its long-time support of the

⁶⁶ TORONTO PROSPERITY INITIATIVE: ESTABLISHING THE PATH TO GROWTH 20 (2011), http://www.toronto.ca/business_publications/pdf/path_for_growth.pdf.

⁶⁷ TORONTO PROSPERITY INITIATIVE: ESTABLISHING THE PATH TO GROWTH 34 (2011), http://www.toronto.ca/business_publications/pdf/path_for_growth.pdf.

film industry. As the City considers a focus on Toronto's commercial music industry, it would be well to examine these experiences in detail to better leverage lessons learned from existing models of Toronto's film industry public-private partnerships.

While Austin can provide some interesting music industry examples of public-private partnerships, some of Toronto's existing film industry support agencies and boards have very similar functions to Austin's approach and may be analogs for application to the music industry in Toronto with modification or duplication.

Leveraging Existing Models: The Toronto Film Board, the Film, Television and Digital Media Unit, and the Toronto Film and Television Office

These organizations provide a City forum for the needs and concerns of local production studios, producers and trade organizations, and assist national and international productions with permits and compliance with City ordinances. Toronto attracts large productions and strong talent to its screen-based industries, due in part to its ability to access *both* provincial and City government, influence their respective regulatory systems, and create smooth and efficient permitting processes.

Toronto's investment in supporting film has had very positive results for Canada: over roughly 40 years, Toronto's film and television industry has continued its rapid growth and also established a worldwide brand as a "film city". This year, film and television will contribute nearly \$1 billion to the local economy.⁶⁸

Toronto Film Board (Reports to Economic Development Committee)

Structure.⁶⁹ The Toronto Film Board is comprised of 20 members in total, including 14 citizens who represent a diverse cross-section of the film industry (i - Production, Postproduction, Digital Media & Labour; ii – Support Services; iii – Partners; iv – Content deliverers). These 14 are appointed by the Economic Development Committee with the remaining six, members of Council appointed by City Council on the recommendation of the Striking Committee. Industry members are appointed for the term of Council or until successors are found. Councilors are appointed for half a term of Council; they can be reappointed. Members can serve a maximum of two consecutive terms.

Co-Chairs, comprised of one citizen and one Council member, are selected by the Board. To be appointed co-chair, the member of Council must also be a member of the Economic Development Committee. An Executive may be created at the Board's discretion. Comprised of one Councilor and three to four industry members, the Executive offers

⁶⁸ CITY OF TORONTO BUDGET, ECONOMIC DEVELOPMENT AND CULTURE OPERATING BUDGET ANALYST NOTES 21 (2012), http://www.toronto.ca/budget2012/pdf/op12_an_edc.pdf.

⁶⁹ City of Toronto, Toronto Film Board Terms of Reference, <http://www.toronto.ca/legdocs/mmis/2011/ed/bgrd/backgroundfile-41253.pdf>

leadership at times when the Board is not in meeting. Certain Non-Committee members, such as the Film Commissioner, also attend Toronto Film Board meetings and provide input. The roles and responsibilities of the Film Board are:⁷⁰

Strategic Planning: Provide guidance on both short and long-term Economic Development Committee and industry plans; create strategies to attract and retain domestic and foreign projects; market and promote the advantages of basing projects in Toronto.

Industry Voice: Act as a conduit for the industry to voice its ideas and concerns to the EDC and City Council; maintain and develop relationships with various industry stakeholders.

Advocacy: Give counsel to the Economic Development Committee and City Council on various legislative and policy items introduced by other levels of government, their agencies, and NGOs that impact Toronto's competitiveness within the industry; advocate City positions.

Policy and Community Relations: Provide guidance to the Economic Development Committee and City Council on municipal policies and practices that affect the industry; track the progress of industry initiatives and developments within the City; respond to Council and community concerns.

*Budget and Economic Impact.*⁷¹ The Toronto Film Board is run on a strictly volunteer basis. Any costs accrued as a result of quarterly meetings are paid by the Film, Television and Digital Media Services unit of the Economic Development & Culture Division. Remuneration for Board members is available for reasonable and predicted costs.

Film, Television and Digital Media Unit (& the Office of the Film Commissioner)

The Film, Television and Digital Media unit of the EDC's General Manager's office develops strategies and policies related to the screen-based industries, builds intergovernmental and industry relationships, networks and partnerships, coordinates location filming through issuance of permits by the Toronto Film and Television Office (TFTO), and solves any problems that may arise with the permits. The unit also supports the domestic and international promotion of Toronto as a film location, production and post-production centre of excellence, and provides support to the Toronto Film Board.⁷²

⁷⁰ City of Toronto, Toronto Film Board Terms of Reference, <http://www.toronto.ca/legdocs/mmis/2011/ed/bgrd/backgroundfile-41253.pdf>.

⁷¹ City of Toronto, Toronto Film Board Terms of Reference, <http://www.toronto.ca/legdocs/mmis/2011/ed/bgrd/backgroundfile-41253.pdf>.

⁷² City of Toronto Staff Contacts, http://www.toronto.ca/business_resources/contact_staff.htm#general (last visited Mar. 5, 2012).

Toronto Film and Television Office

The TFTO is comprised of the Film Commissioner and one other manager, as well as approximately eight other administrative employees. Its roles and responsibilities are:

Film Permitting: Issue location, parking and other permits in 48 hours or an agreed upon time using both a computerized and online permitting system.

Promotion: Create strategy and policy promoting Toronto as a destination for film productions. Act as a liaison between the industry and City Council.

Provide Incentives: Discount Dollar to \$0.78 for all City of Toronto charges (will change to \$0.95 in 2012),⁷³ waive all site rental fees on City of Toronto owned facilities and properties, provide a City of Toronto concierge service dedicated to supporting each production, provide discounted hotel and service packages for Toronto.

Budget & Economic Impact. The 2012 gross budget for film services is \$1,265,400; the net budget is \$1,008,400. This is a slight decline from the previous year.⁷⁴ City revenue directly attributed to film and television productions totals \$125,000 for the last fiscal year and is expected to rise to \$200,000 for the 2012 fiscal year.⁷⁵ The majority of this revenue comes from the issuing of permits.

Ontario Film Commission

All tax incentive programs for film and television productions are provincially mandated and run by the Ontario Film Commission. The TFTO and the Toronto Film Board work in cooperation with the Ontario Film Commission.

Summary

After reviewing Austin's music industry support structure and existing bodies in the City of Toronto, we have developed the following recommendations with an aim towards meeting the goals of this study through capitalizing on the City's capabilities and leveraging Toronto's music industry heritage, expertise and resources.

⁷³ CITY OF TORONTO BUDGET, ECONOMIC DEVELOPMENT AND CULTURE OPERATING BUDGET ANALYST NOTES 21 (2012), http://www.toronto.ca/budget2012/pdf/op12_an_edc.pdf.

⁷⁴ *Ibid.*

⁷⁵ *Ibid.*

GOVERNMENT INITIATIVE RECOMMENDATIONS SUMMARY

GOVERNMENT INITIATIVE RECOMMENDATION 1

Create a Music Industry Board to Report to the Economic Development Committee

Create a Music Industry Board to operate under the Economic Development Standing Policy Committee, utilizing the Toronto Film Board as a model, that will serve as a conduit for music industry operators who have difficulty or suggestions for City policy issues that require further exploration or action. At a minimum, its defined activities would include working with a new City-staffed Music Industry Office (see Recommendation IIB below) to coordinate efforts on behalf of the music industry, strategic planning and advocacy with the Economic Development Committee for recommended Council action, proactively maintaining community relations with music industry sub-sectors on behalf of the City, and assisting the City with marketing and promotion of Toronto's commercial music industry.

GOVERNMENT INITIATIVE RECOMMENDATION 2

Create a Music Industry Office Under the Economic Development & Culture Division's Business Services Umbrella

This office can refer to the Austin Music Division as a potential model, but adjust its activities to Toronto's particular needs. Defined activities would include but not be limited to serving as an Ombudsman and clearing house for music business operators; assisting live music venues with the coordination across multiple City departments for the permitting process; assisting both live music venues and City departments to understand correct business license and permit requirements; working with the Toronto Police Service to assure consistent and correct enforcement of both provincial and City regulations; serve as the City's community clearinghouse and resolution centre for any conflicts with neighbourhood associations and music venues and BIAs; work with the Music Industry Board to develop policy recommendations and strategic plans for city involvement in the advancement of GTA commercial music industry.

GOVERNMENT INITIATIVE RECOMMENDATION 3

Create a Provincial Ontario Music Office

Consider creating a provincial or city office to mirror the activities of the Texas Music Office, which educates legislators about music-related economic issues and advocates for relevant legislation in the state legislature; creates and maintains a public directory of all music-related businesses in a geographic area, as well as tracks important data, such as statistical changes to those aggregate numbers over time. This office would also coordinate with the Toronto Music Industry Office in any Toronto-related music efforts, such as provincial liquor licenses, and festival zoning and permits.

GOVERNMENT INITIATIVE RECOMMENDATION 4

Work to Support a Provincial Music Production Tax Credit

Consider supporting a provincial tax credit for foreign-owned music labels that would resemble the Ontario Production Services Tax Credit currently in place for film and television.

SECTION III

A Comparison of City Government Funding Support for Commercial Music Industry Development

City Of Austin Financial Investment

There are four separate components of funding that comprise the City of Austin's financial investment to music industry growth. We will briefly review each.

Cultural Contracts

The City of Austin provides funding for cultural arts programs for the Austin community by contracting with nonprofit arts organizations for specific services. These contracts are referred to as Cultural Services Agreements, or Cultural Contracts, and are comparable in funding intent and scope to Toronto's Toronto Arts Council. Funding is awarded on a two-year application cycle, with distributions made in each year of the two-year period.

These Cultural Contracts are administered by city staff in the Cultural Arts Division of the City's Economic Growth and Redevelopment Services Division. EGRSO is very similar to Toronto's Economic Development & Culture Division. The Cultural Arts Division budget falls within the EGRSO budget, with just over \$1 million allocated in 2012 for all division activities.

However, a *separate pot of money* pays for the Cultural Contracts. The City collects 9¢ per dollar of hotel room occupancy fees, the "Hotel Occupancy Tax (HOT Tax)" collected by the City.⁷⁶ HOT Tax funds support 100% of the annual Cultural Contracts budget. The total annual HOT Tax is distributed to a number of programs and entities; Cultural Contracts receive a designated 11.7% (1.05¢ of every 9¢ collected) on an annual basis. Annual HOT Tax revenues vary slightly from year to year, depending on economic conditions and other factors, and so the Cultural Contract yearly distributions also vary. Total HOT Tax funds have declined over the last few years, and so have allocations for Cultural Contracts. The years 2010 and 2011 saw decreases of 13% and 17% respectively, but recovered some of that loss for 2012 distributions.

The Cultural Arts Division has awarded just over \$5.2 million in 2012 contracts.⁷⁷ Funds are distributed to the arts community on a project and/or organizational support basis,

⁷⁶ CITY OF AUSTIN APPROVED BUDGET, VOL. II, 337 (2010-2011).

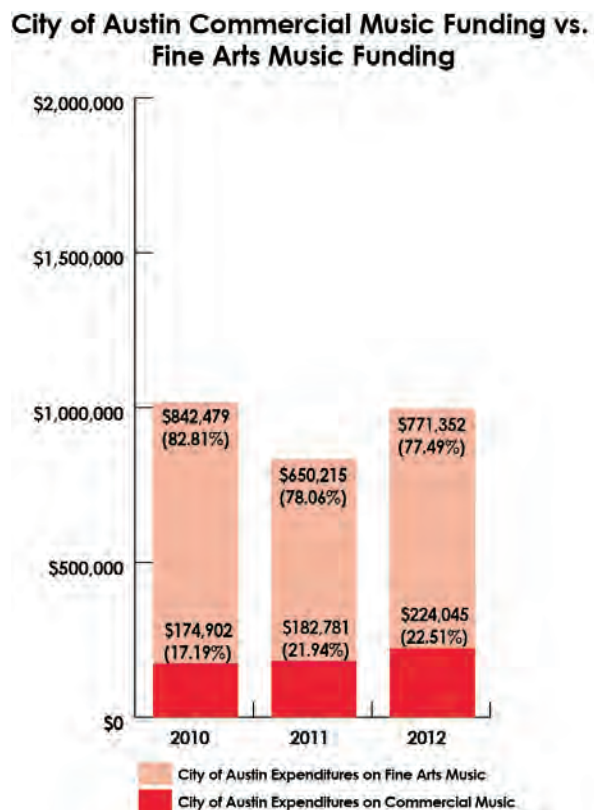
⁷⁷ CITY OF AUSTIN APPROVED BUDGET, VOL. II, 216 (2011-2012).

but unlike the Toronto Arts Council, Cultural Contracts are not awarded to individual artists although an artist may receive funds indirectly through a nonprofit umbrella.

A total of 39 music-related organizations received funding in 2012, and 10 of those have a primary mission of music industry development, either through professional education, seminars, workshops, artist tool and skills development, digital media development, and other initiatives.⁷⁸ Funding for each organization can be significant, particularly if the applicant has a historical record of proper use of past funding and appropriate infrastructure to support the execution of program funding requests; the average grant for a music organization in 2012 is \$25,523.⁷⁹

Figure 1 below shows the Cultural Contract music funding for the last three years, and the monies allocated on a percentage basis to commercial music industry development nonprofits compared to music fine arts organizations.

Figure 1



Note that a significant portion of the music funding invested in organizations that work towards music industry economic development and growth – is roughly between 20% and 25% of all music funds. *Even more interesting is that even in times of HOT Tax revenue*

⁷⁸ See CITY OF AUSTIN APPROVED BUDGET, VOL. II, 213-16 (2011-2012).

⁷⁹ See CITY OF AUSTIN APPROVED BUDGET, VOL. II, 213-16 (2011-2012).

contraction due to economic recession, those investment dollars, both in absolute numbers and in percentage of overall dollars have increased year over year. Given the roughly 33% increase in music industry economic impact between 2005-2010, it would seem this investment has been both well-conceived and financially rewarding for Austin.⁸⁰ This continued investment clearly demonstrates that the City's rhetoric of "music as industry" in Austin is backed by City programs and financial commitment.

City of Austin Music Division

The Music Division falls under the Economic Growth and Redevelopment Services department (EGRSO), which operates with a budget of approximately \$9.4 million and employs roughly 46 people.⁸¹ In both structure and activities, EGRSO is conceptually similar to Toronto's Economic Development & Culture Office, and houses six divisions: Cultural Arts, Economic Development, Small Business Development, International Economic Development, Redevelopment - and the Music Division, which was funded and created under the EGRSO umbrella in 2009. The entire annual EGRSO budget is funded by the Austin Energy Fund.⁸²

The Music Division activities and its role in the City structure are discussed at length in Section II. The annual budget for the Music Division for 2011 was approximately \$374,000, which is approximately 4% of the annual EGRSO budget – the smallest financial recipient of all the EGRSO departments. The Music Division employs three full-time staff members who execute all division activities.⁸³

An important fact about the Music Division is the efficiency with which they accomplish their mandate. In two years of operation, they have successfully launched and operated eight official City-based music programs as well as other significant duties not defined within a "program" structure, and have now begun launching nine new public-private partnership programs with music organizations in the community. Without question, the service delivery model is both highly efficient and to date, also highly effective in accomplishment of its directive.

This success appears to be attributable to at least two identifiable factors: the department was created with strong City support and a clear mission from the work of the Live Music Task Force; and the division director was hired from within the music industry, and had an industry "veteran's" working knowledge of the industry, the key people, and was quickly able to put key pieces in place to create maximum impact of the division's efforts.

⁸⁰ THE ECONOMIC IMPACT OF THE CREATIVE SECTOR IN AUSTIN – 2012 UPDATE 1 (2012).

⁸¹ CITY OF AUSTIN APPROVED BUDGET, VOL. II, 139 (2010-2011).

⁸² CITY OF AUSTIN APPROVED BUDGET, VOL. II, 154 (2010-2011).

⁸³ CITY OF AUSTIN APPROVED BUDGET, VOL. II, 154 (2010-2011).

One-Time Fund Re-Allocation to Music Initiatives

Recently the Music Division was able to secure a Council Resolution to redirect approximately \$200,000 from an expired City-sponsored music business loan guarantee program to one-time launch funding for new music industry initiatives that are tightly focused on economic development, talent export, and job creation.

The Music Division created partnerships with existing music and tech businesses and nonprofit organizations to produce these programs in public-private collaboration.

In so doing, the Music Division has leveraged a relatively small amount of one-time, “found” money (\$200,000) into the creation of no fewer than nine new initiatives, all of which should produce both jobs and direct economic impact for the music industry.

The ability for the Music Division to heavily leverage each of those dollars by its public-private collaboration and the clear, narrow focus on jobs and industry growth may be the reason that, even in difficult economic times in which those dollars would have been welcome in any City department, the City Council chose to allow the Music Division to use them.

A detailed discussion of those programs can be found in Section II.

Austin Convention and Visitor’s Bureau Music Office

All of the City’s tourism and promotion activities are carried out by the Austin Convention and Visitors Bureau (ACVB) through a contract with the City.⁸⁴ ACVB’s role in Austin’s music industry growth is critical, and as such an entire section of this study is devoted to an examination of the role of music-related tourism. Please see Section IV for a detailed discussion of the activities of the Austin Convention and Visitor’s Bureau.

The City of Austin has set up a special fund, called the Tourism and Promotion Fund, which receives roughly 16% (1.45¢ of every 9¢) of the HOT Tax annual revenues.⁸⁵ That fund exists solely to provide annual contract revenue to ACVB, and Council approves the ACVB budget and the distribution of Tourism and Promotion fund revenues annually.

HOT Tax Revenue Distribution:¹

The City collects 9¢ per dollar of room occupancy fees, distributed to:

- 4.5¢ to Austin Convention Center and Convention Center operations
- 2¢ to the Venue Project Fund, which is debt service on bonds issued to pay for the expansion of the Convention Center and for Waller Creek Tunnel Project.
- 1.45¢ to the Tourism and Promotion Fund
- 1.05¢ to Cultural Contracts

⁸⁴ CITY OF AUSTIN APPROVED BUDGET, VOL. II, 225 (2010-2011).

⁸⁵ CITY OF AUSTIN APPROVED BUDGET, VOL. II, 225 (2010-2011).

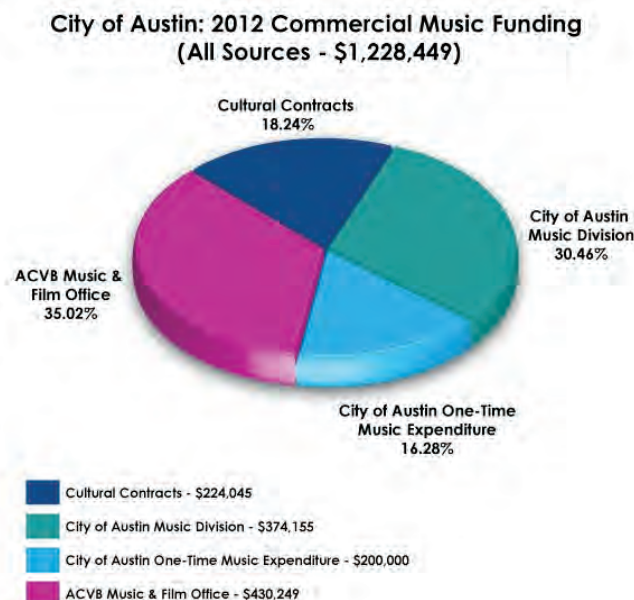
In fiscal year 2012, the Tourism and Promotion Fund will provide \$7,215,597 from the HOT Tax⁸⁶, towards the ACVB fiscal year 2012 budget.⁸⁷ ACVB's annual 2012 budget is approximately \$9.8 million: the Tourism and Promotion fund covers roughly 80% of their budget, and the remaining \$1.8 million is generated by ACVB themselves, from a variety of earned revenue initiatives and sponsorship dollars.⁸⁸

There is a Music & Film department within ACVB, whose responsibilities are specifically related to increasing music and film tourism to Austin. In fiscal year 2012 that department received a funding allocation of approximately \$430,000, which is 4% of the total annual ACVB budget.⁸⁹ A thorough discussion of how those funds are deployed and ACVB contributions toward music industry growth is contained in Section V.

Music as Commerce: Austin Per Capita Music Industry Funds

The four of these programs together – Cultural Arts Division commercial music-based Cultural Contracts, the City of Austin Music Division, the ACVB, and one-time re-allocation of unused music program money – comprise the total City 2012 financial investment in music industry economic development, which is a total of \$1,228,449.

Figure 2 below shows each sector and its portion of the City's music industry investment.



⁸⁶ CITY OF AUSTIN APPROVED BUDGET, VOL. II, 399 (2011-2012).

⁸⁷ AUSTIN CONVENTION AND VISITOR'S BUREAU PROPOSED BUDGET (2011-2012), <http://www.ci.austin.tx.us/edims/document.cfm?id=157586>.

⁸⁸ AUSTIN CONVENTION AND VISITOR'S BUREAU PROPOSED BUDGET (2011-2012), <http://www.ci.austin.tx.us/edims/document.cfm?id=157586>.

⁸⁹ AUSTIN CONVENTION AND VISITOR'S BUREAU PROPOSED BUDGET (2011-2012), <http://www.ci.austin.tx.us/edims/document.cfm?id=157586>.

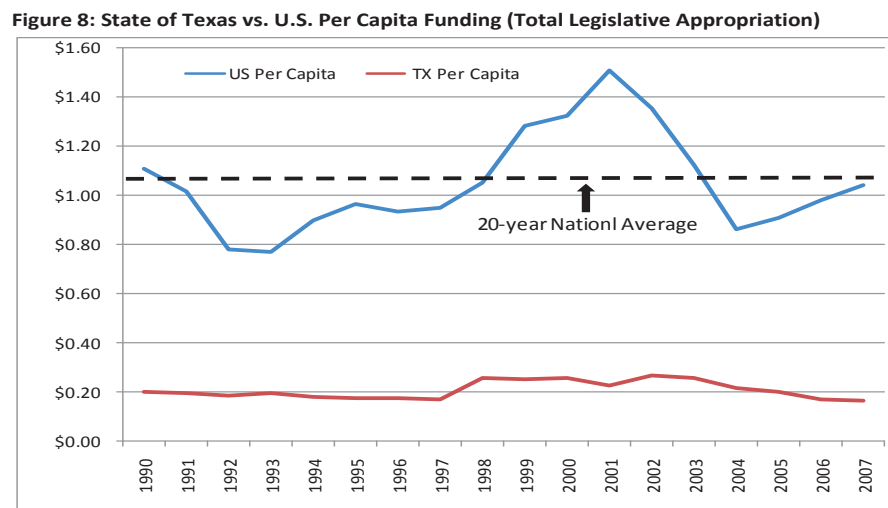
The City of Austin has a total population of approximately 800,000⁹⁰, and these programs serve the City's residents. (The programs likely serve the residents in outlying areas of Austin as well, but for purpose of clarity, we will only rely on the Census city-based population number.)

We can then conclude that the 2012 annual music economic development investment from the City of Austin is \$1.53 per capita. However, this figure includes the one-time music fund allocation of \$200,000, so for an annualized comparison, we will exclude that amount. Thus the "normalized" 2012 City of Austin investment is \$1.28 per capita.

State of Texas Funding to the Arts

The only State-sponsored music development initiative is the Texas Music Office, discussed in Section II.

The State of Texas primarily funds and supports the cultural arts via the Texas Commission on the Arts (TCA).⁹¹ Over the past seven years, Texas legislative appropriations for TCA have averaged approximately 22¢ per capita, well below the national average of \$1.14 per capita. Compared to its peer states, Texas legislative appropriations for the cultural arts are dramatically below the majority of its peer regions. In fact, state funding has dropped steadily over the past seven years: Texas spent more per capita on the cultural arts in 1990 than in 2008.⁹² The figures below show Texas compared to the national average arts investment and to other US states:



Source: TXP, US Bureau Census Bureau, and National Assembly of State Art Agencies

⁹⁰ U.S. Census Bureau QuickFacts for Austin, Texas, <http://quickfacts.census.gov/qfd/states/48/4805000.html> (last visited Mar. 5, 2012).

⁹¹ THE ROLE OF THE INNOVATION WORKFORCE & CREATIVE SECTOR IN THE TEXAS ECONOMY 24 (2009).

⁹² *Ibid.*

Table 6: Per Capita Funding (Total Legislative Appropriation)

	2000	2001	2002	2003	2004	2005	2006	2007
California	\$1.44	\$1.97	\$1.24	\$0.57	\$0.05	\$0.06	\$0.06	\$0.11
Florida	\$1.75	\$2.26	\$1.97	\$1.77	\$0.39	\$0.85	\$1.63	\$2.24
Massachusetts	\$2.76	\$2.77	\$2.98	\$1.13	\$1.18	\$1.30	\$1.51	\$1.88
New York	\$2.64	\$2.97	\$2.69	\$2.68	\$2.32	\$2.31	\$2.35	\$2.34
North Carolina	\$0.93	\$0.95	\$0.72	\$0.67	\$0.66	\$0.68	\$0.90	\$0.94
Pennsylvania	\$0.98	\$1.14	\$1.14	\$1.11	\$1.13	\$1.17	\$1.17	\$1.22
Texas	\$0.25	\$0.22	\$0.26	\$0.25	\$0.21	\$0.20	\$0.17	\$0.16
US Total	\$1.32	\$1.50	\$1.35	\$1.12	\$0.86	\$0.91	\$0.98	\$1.04

Source: TXP, National Assembly of State Art Agencies

Information regarding how much of this 22¢ per capita was invested in music industry economic development in Austin is not readily available, but we do know that only \$35,000 of TCA funding was appropriated to Austin's Cultural Contracts fund, which covers all arts sectors and many organizations. Texas Music Office activities aside, we can comfortably conclude that any State-sponsored financial investment in music industry growth in Austin is minimal at best, and not a significant source of financial support.

City Of Toronto Financial Investment

Toronto Arts Council

Toronto has a long history of valuing its creators and their cultural contribution to civic life. The city is rich with resources for musicians and performers to put on cultural events and express its cultural diversity through music.

The City of Toronto created the Toronto Arts Council (TAC) to assess applications and distribute City grants for the sustainment of arts and culture. This organization and its relationship to the City are roughly parallel to the City of Austin and its Cultural Contracts grant process for arts organizations. One distinct difference however, is that TAC also provides funding to individual artists and their projects; in the music arena, those funds appear to be primarily distributed to classical and experimental composers.

Complete recipient information for the last two quarters of 2011 has not yet been made public, so we will examine the prior year for analysis.

In 2010, the Toronto Arts Council awarded over \$10 million dollars in total. The "Theatre" category was the largest recipient of TAC funds, with a total of \$2.5 million, while "Music" (\$1.9M) and "Visual Arts/Media Arts" (\$1.8M) sectors came in second and third,

respectively.⁹³ “Music” received \$1,909,000, which equates to 18% of the total annual funding.

Of those funds, \$1,727,000 was distributed to 100 music organizations or projects, and another \$181,650 was granted to 50 individual music creators and composers.⁹⁴ The average grant for a music organization in 2010 was \$17,000.

A close examination of the music recipient list reveals that most of these grants are awarded to relatively small musical organizations with a deep niche cultural focus (i.e. “Muhtadi International Drumming Festival” and “Organization of Calypso Performing Artistes”) or organizations that are focused on the fine arts (i.e. “Scarborough Philharmonic Orchestra” and “Korean Canadian Symphony Orchestra”).⁹⁵

While these artistic niche organizations are certainly important to maintaining Toronto’s cultural diversity, *the vast majority of them are not created or intended to create commercial industry growth or have an economic impact.*

In fact, only 6 out of the 100 TAC-funded music organizations have a mission that involves supporting the development of any facet of the commercial music industry. Those six organizations are:

Toronto Blues Society;
Songwriters Expo;
Wavelength Music Arts Projects;
Toronto Downtown Jazz;
Toronto Urban Music Festival/Urban Week; and
Association of Artists for a Better World.

Additionally, there is an active Toronto Songwriter’s Association, which does not receive TAC funding. Most of these groups are also each focused on a specific genre, and most – but not all – are primarily focused on putting on live performances rather than on professional education or industry development.

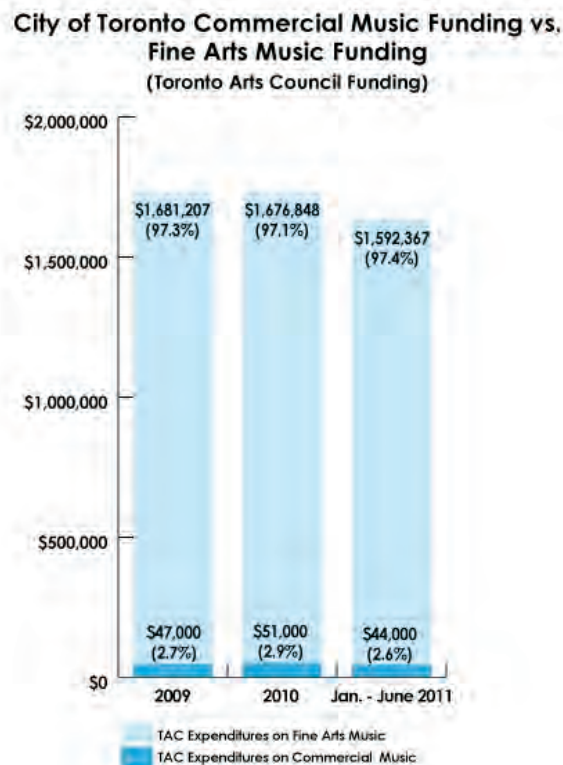
Figure 3 shows the TAC funding for the past three years, and delineates the percent of dollars to music cultural arts versus music commercial industry development organizations.

⁹³ TORONTO ARTS COUNCIL ALLOCATIONS 1 (2010),
<http://www.torontoartscouncil.org/content/download/2001/10379/file/2010%20allocations%20list.pdf>.

⁹⁴ TORONTO ARTS COUNCIL ALLOCATIONS 7 (2010),
<http://www.torontoartscouncil.org/content/download/2001/10379/file/2010%20allocations%20list.pdf>.

⁹⁵ TORONTO ARTS COUNCIL ALLOCATIONS 8 (2010),
<http://www.torontoartscouncil.org/content/download/2001/10379/file/2010%20allocations%20list.pdf>.

Figure 3



It is interesting to note that of the total amount funded by the Toronto Arts Council to music organizations over the past three years, no more than 2.9% (\$51,000 in 2010) is invested in organizations that support programming for music industry economic development.⁹⁶

These figures are rather telling. TAC funding is the primary investment tool that the City employs to fund arts organizations, and is the only one identified in our research that contributes *any* funding to commercial music nonprofits. Yet is clear from Figure 3 above that the City's conception of the value of music has been heavily focused on music as a fine arts cultural entity rather than as a major commercial industry that generates jobs, salaries, and city revenue.

In terms of total dollars invested in music via TAC, in 2010 Toronto actually spent 44% more than Austin did via Cultural Contracts. Yet in absolute numbers, of those funds distributed, Austin invested almost 350% more than Toronto in music industry development (approximately \$175,000 in Austin vs. \$51,000 in Toronto).

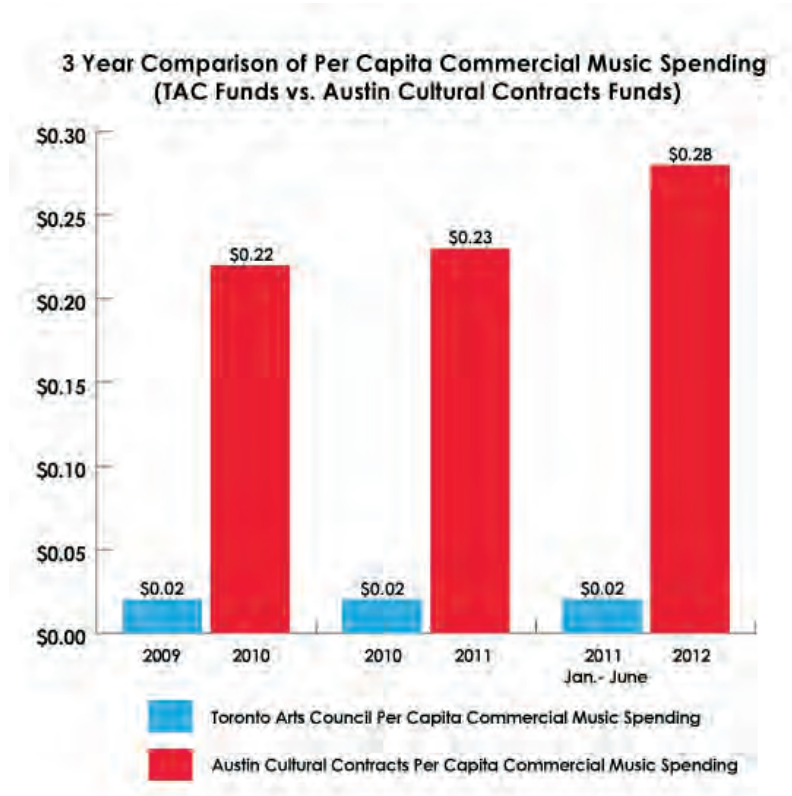
⁹⁶ See TORONTO ARTS COUNCIL ALLOCATIONS 7-9 (2010), <http://www.torontoartscouncil.org/content/download/2001/10379/file/2010%20allocations%20list.pdf>.

When the difference in size of the two cities populations⁹⁷ is taken into account, the gap in per capita investment is striking.⁹⁸

Figure 4 illustrates per capita TAC vs. Cultural Contracts investment over a three year time period.

*Note: Figure 4 **does not** take into account other components of Austin's music industry investment, such as the Music Division and the ACVB Music & Film Office. This figure represents only TAC vs. Cultural Contracts funding.*

Figure 4



In this regard, Toronto is unique among North American cities with a major commercial music industry component. Over time, this lack of focus and investment could hinder Toronto's ability to sustain its competitive edge for industry development that leads to jobs, tax revenues, and long-term economic impact.

Is Music Art or Commerce? Toronto Per Capita Music Industry Funds

Aside from the minimal TAC support, there does not appear to be any other City financial investment in music industry economic development in Toronto. The TAC investment

⁹⁷ U.S. Census Bureau QuickFacts for Austin, Texas,
<http://quickfacts.census.gov/qfd/states/48/4805000.html> (last visited Mar. 5, 2012).

⁹⁸ Statistics Canada, <http://www12.statcan.ca/2011census/dataproducts/populationanddwellingcounts>

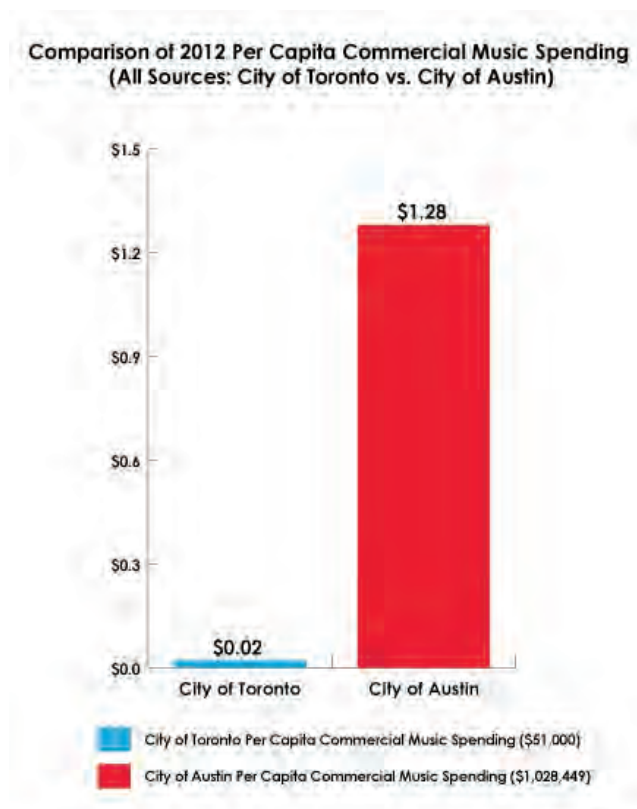
appears to be the only funding available to calculate the total Toronto Per Capita City Music Industry Funds.

The City of Toronto has a total population of about 2.6 million people,⁹⁹ not including outlying areas, which we have excluded for the purpose of calculating per capita spending.

We can then conclude based on the most recent data available that the annual music economic development investment from the City of Toronto is 2¢ per capita.

Figure 5 illustrates the per capita annual music industry development investment from both Austin and Toronto.

Figure 5



The chart shows that Austin's per capita annual music economic development investment is 64 times higher than Toronto. Such a disparity may evoke a kneejerk – but incorrect – conclusion that Austin spends an inordinately high amount of money to achieve its successes in economic impact. The annual dollars that Austin invests in music economic development is actually quite modest compared to the return in economic benefit, hovering around \$1 million dollars. But by carefully planning strategic goals, focused

⁹⁹ Statistics Canada, <http://www12.statcan.ca/2011census/dataproducts/populationanddwellingcounts>

investment, and leveraging dollars through public-private partnerships, Austin has been able to create significant impact with a relatively small sum of money.

Based on the most recent Austin Economic Impact Study, those City dollars (and the accompanying programs and activities) have been a major component in creating an annual, year-over-year economic impact growth of \$72 million dollars in every year from 2005 -2010.¹⁰⁰ When viewed as an ROI benchmark, that is an achievement of more than 70x return on investment, every year for the last five consecutive years.

Since 2003, the City of Toronto has pushed for increased investment in the cultural sector apparently on the assumption that the arts and the industries that utilize them to create dynamic, livable cities with robust and adaptive economies. The City's 10-year goal has been to raise the level of funding from approximately \$14 per capita¹⁰¹ to \$25¹⁰² with the knowledge that each dollar spent on arts grants yields nearly \$14 in funding from other public and private sources¹⁰³ – a sizeable sum injected into the City economy. Given a willingness to look at smart investment strategies, there is no reason that Toronto cannot achieve results similar to Austin's, with even a modest new financial commitment and/or reallocation of current spending.

The City may want to consider integrating a new set of priorities focusing on supporting an environment for the music industry to grow, innovate, and continue to increase its global competitiveness. This shift would align with the priorities already put forth in the Toronto Prosperity Initiative, which seeks to “improve Toronto's business and cultural climate, and accelerate sustainable jobs and investment growth through expanded internal and external collaboration, focusing on quality jobs, re-engineering the business/government interface, and emphasizing measurement.”¹⁰⁴

Interestingly, the Toronto Prosperity Initiative does not expressly include the commercial music industry, although it already exists both in the form of staff support and line item budget allocation for the screen industries, such as film and television. Currently, the screen initiatives housed under the Economic Development & Culture Division will receive \$1.2 million this year.¹⁰⁵ The music industry in Toronto is already poised for growth; given

¹⁰⁰ THE ECONOMIC IMPACT OF THE CREATIVE SECTOR IN AUSTIN – 2012 UPDATE 6 (2012).

¹⁰¹ CITY OF TORONTO, CULTURE PLAN FOR THE CREATIVE CITY 36 (2003), <http://www.toronto.ca/culture/pdf/creativecity-2003.pdf>.

¹⁰² CITY OF TORONTO BUDGET, COMMUNITY PARTNERSHIP & INVESTMENT PROGRAM OPERATING BUDGET ANALYST NOTES 10 (2011), http://www.toronto.ca/budget2011/pdf/op11_an_cpip.pdf.

¹⁰³ Toronto Arts Council Impact of TAC Funding, <http://www.torontoartscouncil.org/ARTS-FACTS/Impact> (last visited Mar. 5, 2012).

¹⁰⁴ TORONTO PROSPERITY INITIATIVE: ESTABLISHING THE PATH TO GROWTH 9 (2011), http://www.toronto.ca/business_publications/pdf/path_for_growth.pdf.

¹⁰⁵ CITY OF TORONTO BUDGET, ECONOMIC DEVELOPMENT AND CULTURE OPERATING BUDGET ANALYST NOTES 3 (2012), http://www.toronto.ca/budget2012/pdf/op12_an_edc.pdf.

a similar treatment from the City as the screen industries, the speed and size of expansion could be mutually beneficial.

Provincial Support for Commercial Music Industry

There are a number of funding options for artists and art organizations at the provincial level. The Ontario Arts Council (OAC) offers a few funding options for song creators and producers, providing a relatively small number of yearly grants. The OAC also offers grants for touring acts, but these too are limited in number.

We have, however, identified several sources of funding that appear to offer some amount of uncaptured capacity for music industry development. It may be advisable to explore each of these further, with a focus on procuring dollars to accelerate current industry efforts; building new components of industry infrastructure recommended in this study; and increasing the leverage of City dollars in a provincial partnership.

Support for existing or new commercial industry nonprofit capacity building organizations. The Ontario Arts Council has funds available for commercial artist development as well as for arts service organizations. In 2011, \$2.8 million dollars were distributed to music projects and organizations – nearly 90% of which went to “fine arts” music.

Private Sector Industry Development, Entrepreneurs, Startup Ventures, and New Collaborations. The Ontario Media Development Corporation (OMDC) invests in creating economic impact from a number of creative industries, and has an active OMDC Music Fund, Export Fund, and Sound Recording Tax Credit that already are leveraged by the music industry. However, there are also programs for Industry Development, Interactive Digital Media, and Intellectual Property Development – none of which appear to have funded commercial music industry projects or companies in the most recent allocation year. In the OMDC’s Entertainment and Creative Cluster Partnerships Fund, only 2 of 17 projects funded were music related.

Support for Music Festival/Event Development, Support for Music Industry Nonprofit Capacity Building Organizations. The Ministry of Tourism, Culture, and Sport is well-funded and has a number of funding programs available to music industry. Both the Cultural Strategic Initiatives Fund and the International Cultural Initiatives Fund provide support for nonprofit music organizations. The Celebrate Ontario and the Tourism Development Fund could be available for new music festival and/or other tourism-related initiatives.

The city, the Province of Ontario and the Canadian federal government have long recognized the importance of supporting the creative class, and have instituted well-performing mechanisms to do so.

The City of Toronto, Ontario and the Canadian federal government have very complex funding application and distribution systems for the arts. These systems for the most part have been in place for quite some time and are well-institutionalized, crossing the spectrum from federal, provincial, and city governments as well as government/private foundations, private music industry foundations, music industry business investments, and venture capital funds.

We were unable to locate any document that aggregated public music funding data into one source for easy reference. Nor were we able to locate aggregated information that classified music funding into separate buckets for “fine arts and cultural” compared to “commercial industry development.” Our research included an effort to better understand each of these sources of capital, along with specific program offerings for each industry sector. The results of our research have been compiled and are presented in **Appendix 5: Annual Funding for Music Industry in Toronto and Ontario.**

FUNDING INITIATIVE RECOMMENDATIONS SUMMARY

FUNDING RECOMMENDATION 1

Set a Three Year Music Industry Economic Impact Growth Goal

Consider setting an economic impact growth goal for Toronto's commercial music industry with a relatively short time horizon to encourage quick action and the adoption of a material, step-by-step growth plan. Also consider adopting a corresponding commitment to dollars per capita on industry development and programs. Setting a growth goal will stimulate incentive for action, and also provide a benchmark for measuring program success and investment ROI.

FUNDING RECOMMENDATION 2

Create An Economic Development Committee-Sponsored Mandate To Recognize Music Industry's Economic Impact And Include Budgetary Line Item Funding

Create an explicit mandate to create music industry development activities under the economic Development and Culture Division, and move any commercial music industry development activity out of the Cultural Services unit and place it under the umbrella of Business Services or as its own division. Either reallocate existing resources or provide a modest increase in funding to create the Music Office and staff it with 3-4 music industry personnel. Regardless of whether the Music Office is its own division or is placed under Business Services for reporting structure, ensure that the mandate includes a provision that provides the Music Industry with an explicit line item in each year's budget under the EDC alongside Film. Focus on specific needs of industry sectors that can be addressed if provided appropriate resources.

FUNDING RECOMMENDATION 3

Identify Key Private Industry Partners To Help Create Public-private Partnership Initiatives

Toronto already has a strong tradition of utilizing public-private collaborations with great success. Consider making a deliberate policy decision to maximize the leverage of each City dollar spent for the commercial music industry by working in partnership with the private sector to create programs and initiatives with private sector resources, time, guidance, and knowledge.

FUNDING RECOMMENDATION 4

Increase the Dollar Average Provided to Music Industry- Organizations through TAC or Other Funding

The average grant amount for TAC music organizations in the most recent year of available data was \$17,000; the average Austin Cultural Contract amount in 2012 is just over \$25,000. Providing some of the financial stability for new organizations focused on building economic industry capacity and expansion will allow those organizations to accelerate their growth and program offerings. This acceleration will increase their efficacy in the early years, which out of necessity are usually spent focused on fundraising and financial support to create a base of operations.

FUNDING RECOMMENDATION 5

Pursue Uncaptured Capacity Of Provincial Funds to Further Leverage City Dollars

Assign the new Toronto Music Office to work with the newly created Toronto Music Industry Council to focus on and pursue sources of Ontario government funding to support City efforts where possible.

SECTION IV

A Comparison of City Tourism Programs and Impact on Music Industry

Austin Tourism

Music as a Revenue Generator

Austin's total tourism sector is a \$1.4 billion dollar industry, contributing 18,200 jobs and over \$50 million in tax revenue to the local economy.¹⁰⁶ For the creative sector specifically, tourism is by far the largest economic impact generator, with high profile events accounting for much of the industry's success and growth. Between 2005 and 2010 the cultural tourism sector as a whole expanded by nearly \$30 million a year.¹⁰⁷

Austin's two largest music events, the South by Southwest Film, Interactive and Music Conference (SXSW) and Austin City Limits Music Festival (ACL Fest), have grown rapidly over the 2005-2010 period. The economic impacts of SXSW¹⁰⁸ and of ACL Fest have *each* increased around \$25 million a year for the past five consecutive years.¹⁰⁹ Both festivals grow by attracting music tourists from outside the Austin area. Music tourists are so important to Austin's economic growth that music tourism is calculated separately from other forms of cultural tourism in Austin's economic impact studies.

The total contribution of the commercial music industry to Austin's economy increased by nearly \$80 million dollars a year between 2005 and 2010, jumping from approximately \$1.2 billion to \$1.6 billion in economic output during that time.¹¹⁰ It is telling that the whole of the city's music sector has seen strong growth, even in the midst of the most recent recessed economy. *Of this \$1.6 billion, music tourism accounts for nearly half the total, growing from almost \$730 million to just over \$806 million over the same time period.*¹¹¹

¹⁰⁶ THE ECONOMIC IMPACT OF THE CREATIVE SECTOR IN AUSTIN – 2012 UPDATE 11 (2012).

¹⁰⁷ THE ECONOMIC IMPACT OF THE CREATIVE SECTOR IN AUSTIN – 2012 UPDATE 6 (2012).

¹⁰⁸ *Compare* SXSW, 2011 SOUTH BY SOUTHWEST CITY OF AUSTIN ECONOMIC IMPACT ANALYSIS 2 (2011), http://sxsw.com/files/2011_sxsw_economic_analysis.pdf; *with* Austin Business Journal, ACL Fest to Rival SXSW, <http://www.bizjournals.com/austin/stories/2006/10/23/daily19.html> (last visited Mar. 5, 2012).

¹⁰⁹ <http://www.bizjournals.com/austin/stories/2006/10/23/daily19.html>; Interview with Lisa Hickey, Marketing Director at C3 Presents (on file with authors).

¹¹⁰ THE ECONOMIC IMPACT OF THE CREATIVE SECTOR IN AUSTIN – 2012 UPDATE 6 (2012).

¹¹¹ *Ibid.*

This tourism growth has in turn fueled even greater development in other areas of the music industry, including music and event production, a sector that has seen nearly a \$300 million rise in output over the same six years¹¹² and an increase in employment to over 2,500 jobs.¹¹³ This tourism growth has occurred during a period in which Austin has been recognized in the press as one of the most innovative and creative cities to build and grow business in the United States¹¹⁴ – a characteristic also often ascribed to Toronto.

Much of this development has been fueled by the success of several of Austin's major event production companies – C3, SXSW, and Transmission Entertainment – who are respectively responsible for producing ACL Fest, SXSW Conference, and Fun Fun Fun Fest. However, a major contributing factor to the success of these festivals is the sustained commitment of the City's Austin Convention and Visitor's Bureau. ACVB has worked for over the last twenty years to promote the talent of its local musicians and music entrepreneurs in the U.S. and internationally.

The Austin Convention & Visitors Bureau: Marketing Austin's Brand to the World

The Austin Convention & Visitors Bureau (ACVB) is a significant promoter of Austin's brand as "Live Music Capital of the World." ACVB is an arms-length organization of the City, with headquarters in Austin and small but active satellite offices in New York and Chicago. Their budget is derived from a City-mandated appropriation of 16 % of the Hotel Occupancy Tax, or HOT Tax, and so does not appear on the City operating budget. The impact of the HOT Tax is described in more detail in Section V below.

ACVB's annual budget fluctuates slightly year-to-year depending on tax revenue collections; in 2012 the ACVB budget is \$9,897,787 for 2012.¹¹⁵ ACVB's mandate is to market Austin as a business and leisure destination, and, similar to Tourism Toronto, is tasked with increasing the demand for hotel rooms, attraction visits, Austin Convention Center usage and sales, and activities that positively impact tourism. The past five years of tourism growth has led to greater HOT tax revenue and thus a slightly larger budget for the ACVB to market Austin.

The ACVB has a unit dedicated solely to increasing tourism related to music and film called the Austin Music & Film Office. Receiving about 4% of the ACVB budget (\$430,249 for 2012),¹¹⁶ it promotes local music (along with film) through traditional media exposure as well as through a number of highly creative initiatives that market homegrown musical

¹¹² *Ibid.*

¹¹³ *Ibid.*

¹¹⁴ Joshua Zumbrun, *The Best and Worst Cities for Recession Recovery*, FORBES.COM, June 10, 2009, <http://www.forbes.com/2009/06/09/recession-economy-cities-business-beltway-recovery-cities.html>.

¹¹⁵ AUSTIN CONVENTION AND VISITOR'S BUREAU PROPOSED BUDGET (2011-2012), <http://www.ci.austin.tx.us/edims/document.cfm?id=157586>.

¹¹⁶ *Ibid.*

acts and events within the U.S. and internationally. Many of these initiatives are low-cost, yet high-value, demonstrating the remarkable efforts of the ACVB to create and implement unique, proactive techniques to attract new visitors and conventions, and to strengthen the Austin cultural brand.

The Importance of Visibility and Access: Commercial Music and Cultural Branding

While ACVB does a significant amount of work in cooperation with the major festivals to market those events, the Music & Film Office initiatives discussed here are targeted at promoting Austin's unique reputation as a mecca for a wide array of music experiences available to locals and tourists alike, not only during the big festivals, but any day of the week.

Music in the Air. Provides free daily live music at Austin-Bergstrom International Airport. With approximately 15 shows a week at five locations in the Airport, this highly effective program exposes thousands of travelers to many of Austin's talented musicians. Music in the Air is a perfect example of a simple step that municipalities can take to create early positive impressions on visitors from around the world. Because *Music in the Air* performances take place within the secure section of the terminal, they can even affect travelers simply changing planes to connecting flights, potentially fostering positive associations between music and Austin. With larger airports like Pearson International Airport, the potential benefit of a program like this huge.

The *Austin Music CD*. Now in its 11th year, the *Austin Music CD* is another successful initiative of the ACVB. The compilation CD includes a new set of hand-selected recordings from Austin musical acts each year and compiles them into an attractive package that acts as a calling card for Austin and ACVB, while offering increased visibility to the included artists. Thousands of copies are distributed each year via trade shows nation-wide, media and PR events, travel and leisure industry, and marquee music events such as the Grammy Awards. The publicity this CD provides has also led to significant increased exposure for the artists' music, resulting in more gigs and increased licensing revenue for included artists.

Austin Music Guide. The ACVB offers an *Austin Music Guide* that introduces visitors to the wide array of musical activities available throughout the city. It provides a history of Austin music and a handy map of venues developed by music fans, for music fans. Available in hard copy and online as an interactive document, it is a well-designed marketing tool that promotes Austin as the hip destination it is – less straight-laced and corporate, more laid-back and creative. Both this and the *Austin Music CD* demonstrate the importance Austin places on actively creating positive first impressions with visitors.

Live Music Experiential Marketing. The Music & Film Office actively works to provide incoming conventions with plenty of live music as a part of their events, providing both great cultural "authentic Austin" experiences for visitors, even in the Austin Convention

Center. The ACVB Music & Film Office also works cooperatively with Austin area musicians to land new convention business for the city through live performances. ACVB brings musicians to other cities where ACVB staffs are working to build new sales for Austin and hosts live shows and performance events as a part of their pitch and “welcome to Austin” presentation. This “experiential marketing” has been a highly effective method for attracting new business while enhancing the perception of Austin as a fun and creative city.

Creative people attract other creators. The effects of these performance programs are huge for local artists, providing them with valuable exposure, additional sources of income, and the sense they are valued by the City of Austin. At a time when many musicians are finding it hard to find things as basic as affordable practice space, these kinds of programs encourage them to remain in Austin because the city acknowledges their value and importance to Austin. These artists help to attract other creative people. Essentially, Austin government is creating a symbiotic relationship between a city and its musicians. As unofficial ambassadors for the city, they reinforce brand recognition and foster positive relationships among themselves, the city and the public.

Leveraging Digital Media for Expanded Brand Recognition

Austin’s sense of identity as a technology town is deeply entrenched, and those ideas carry into the ACVB Music & Film Office, who take an active, media-savvy approach to their web presence and brand development. Many of the ACVB’s services are available through its website, an impressive one-stop shop that links visitors to comprehensive musical event listings, music attractions, interactive video presentations that feature local musicians, and everything else Austin has to offer as a tourism and convention destination. The following are some of the notable web-based and low-cost initiatives created by the ACVB Music & Film Office. Remarkably, these are extremely low-cost ideas to execute, since they leverage the power of the web to carry forward.

Austin Music Juke Box. At the heart of the ACVB’s website is the *Austin Music Juke Box*. A site within a site, it provides genre-specific listings of local musicians with embedded YouTube music videos, an artist-specific streaming music player, a music merchandise store where users can purchase the artist’s music and merchandise, and a captivating interactive venue map.

Hire a Musician. The website also provides event organizers with a great way to hire entertainers for events. Through the *Hire a Musician* program, they can choose from a variety of musicians listed on the website and, using an online form, hire them right on the spot. Since its debut, this active campaign has helped create over 2000 artist shows.

Margaritas for Christmas. A great example of the ACVB’s innovative web approach can be found at the website, margaritasforchristmas.com. Encouraging visitors to spend Christmas in Austin, the site, a direct, one-page promotion, presents them with a fun

music video featuring local artist Shelley King performing an original song that highlights Austin attractions during the holiday season. The site also links to a range of Christmastime incentives and packages offered by Austin's hospitality industry. The song demonstrates the simple yet clever types of promotion the ACVB undertakes to attract visitors and to separate Austin from cities competing for tourist dollars.

All of these features speak to the clarity with which ACVB understands its mandate to do proactive things to leverage Austin's unique assets. With over twenty years of activity, they have also demonstrated a sustained commitment to doing truly innovative work on small budgets. Perhaps most importantly, the ACVB Music & Film office has also done a remarkable job of capturing what is truly unique about Austin, and creating marketing and promotional tools that capture that authenticity without feeling forced or bureaucratic. Culture IS the brand of Austin, which is an organic and evolving set of character traits larger than any one particular sector, but it is ACVB who is primarily responsible for figuring out ways to put the lightning in the bottle in ways that the City can capitalize on its assets.

Financial and Cultural Impact of Large-Scale Music Festivals

Austin City Limits Music Festival and C3 Presents. C3 Presents is an Austin-grown and headquartered music business that has recently risen to #33 on Billboard magazine's Power 100 in just over 10 years, and is fast becoming one of the most powerful event production companies in North America.¹¹⁷ They have a number of active divisions including talent buying and artist management, but they are best known as the producers of Austin City Limits Music Festival (ACL Fest), Lollapalooza, Wanderlust, The Austin Food and Wine Festival, and many other growing international festival properties.

The Austin City Limits Music Festival had its 10-year anniversary in 2011, and has developed into one of the largest outdoor festivals in the US, bringing in close to 250,000 people over a three-day period, *60% of who are music tourists from outside Austin*. Last year ACL Fest generated over \$100 million in visitor spending and total economic impact, and that number is growing every year.¹¹⁸ On an annual basis, the festival also contributes \$20 million in free advertising to the City of Austin, and accounts for 2 billion media impressions for keyword "Austin."¹¹⁹

C3 Presents' success is not only great for their bottom line, but for all of Austin. Over the past five years, the company has hired hundreds of new employees, generating new property tax revenues for the city and attracting a young and creative workforce that

¹¹⁷ Mitchell Peters, *Billboard Power 100*, BILLBOARDBIZ.COM, Jan 27, 2012, <http://www.billboard.biz/bbbiz/features/billboard-power-100-charles-attal-charlie-1005999552.story> (last visited Mar. 5, 2012).

¹¹⁸ Interview with Lisa Hickey, Marketing Director at C3 Presents (on file with the authors).

¹¹⁹ *Ibid.*

want to put down roots in the city. There can be no doubt that the creation and explosive growth of ACL Fest has had a very large effect on music's economic impact to the City as well as enhancing its ability to consistently draw tourists.

C3 Presents is a privately held company and its detailed business practices are not available, but there are a few particulars of its strategy that can be identified that bear further examination. The company long ago adopted a foundational strategy as a part of its business model for ACL Fest: give attendees a festival experience that embodies the "authentic Austin" and builds on the cultural identity of the city and its people.

As Lisa Hickey, Marketing Director at C3 Presents explains:

Integrating the [ACL Fest] brand with the city and connecting to the community is what makes it work. We've seen the same effect over time with Lollapalooza in Chicago, which is a very "Chicago" festival and embraced by the local community.

We have worked really hard to infuse Austin City Limits Music Festival with the culture and brand of the city, and to involve local organizations and community members to participate, which extends far beyond the music. For instance, we exclusively employ great local restaurants for our food vendors; the festival takes place in one of our most iconic green spaces, Zilker Park; and we represent Austin's values on the environment by providing water for sale in cardboard packaging rather than plastic bottles and making the transportation options very green as well. We also incorporate dozens of after-shows into the local venues, which benefits the clubs and also gives local Austinites other lower-cost options besides the day festival to see some of these amazing bands.¹²⁰

Essentially, C3 is utilizing the same strategy that ACVB does with its music marketing efforts: make the festival a meaningful experience of what it means to live and play in Austin, and then provide that experience to anyone in the world who wants to take part in it.

It is also commendable that C3 Presents makes an effort to include the local clubs in the tourism benefit from ACL Fest by creating so many after-shows, parties, and events during the festival. Clubs benefit financially, tourists are exposed to the "real Austin," and ACL Fest provides even more credibility as an authentic experience.

¹²⁰ Interview with Lisa Hickey, Marketing Director at C3 Presents (on file with authors).

Another factor in the festival's success is C3 Presents and ACVB's mutual cooperation to help grow the ACL Fest brand:

*Festival marketing and advertising can provide a multiplier effect to the tourism office efforts, especially if the festival represents a part of the city brand. We work closely with ACVB to get the word out to national travel partners and travel media. I think it's a good example of public-private partnership working well to better leverage everyone's efforts.*¹²¹

Such collaboration efforts were actively pursued even in the very early years of the festival, and the results have benefitted all parties involved.

South by Southwest. Austin's other major festival and conference utilizes similar integration of the city's culture and brand. SXSW is a collection of conferences and festivals that has branched out from its initial music division to now include a film division, an education division and, leveraging the city's strong technology industry, an interactive digital media division. SXSW has been in Austin for over 25 years and is still one of the nation's fastest growing festivals. In 2011, it generated \$167 million in economic impact¹²² – \$111 million of which was in direct impact¹²³. "These figures have steadily increased over the last few years, and to put that in context, that's about half of the revenue of a Super Bowl," says Hugh Forrest, SXSW Interactive Director. "I think these revenues will increase in 2012 as we grow across the board."¹²⁴

While SXSW used to be housed primarily in the Austin Convention Center and downtown music venues, in the past five years the conference has grown so much that it utilizes nearly every available event space in the city. SXSW encourages convergence between its various divisions in an effort to stimulate interaction between local and visiting professionals from diverse creative industries and to generate spending amongst festival vendors and local businesses. Virtually every consumer-facing business in Austin and the surrounding area benefits economically from this two-week influx of tourists. The local clubs can generate a significant portion of their annual revenues just in the 2 weeks of SXSW,¹²⁵ which helps them stay afloat the rest of the year. Running at full capacity in

¹²¹ *Ibid.*

¹²² SXSW, 2011 SOUTH BY SOUTHWEST CITY OF AUSTIN ECONOMIC IMPACT ANALYSIS 2 (2011), http://sxsw.com/files/2011_sxsw_economic_analysis.pdf.

¹²³ *Ibid.*, at 3.

¹²⁴ Andrea Leptinsky, *SXSW Catches on to Austin's 'Growth' Trend*, COMMUNITY IMPACT NEWSPAPER, Feb. 29, 2012, <http://impactnews.com/articles/sxsw-catches-on-to-austin-s-'growth'-trend> (last visited Mar. 5, 2012).

¹²⁵ *Ibid.*

March, the festival brings in close to 300,000 attendees and accounts for 10,500 individual room reservations, totaling just over 47,500 room nights.¹²⁶

Perhaps even more importantly, this convergence of multiple-sector events brings in both general and industry-specific media, providing many weeks of diverse media coverage, a good percentage of which is focused on Austin and promoting its image as a creative and innovative city. While statistics about free media advertisements and ad impressions from SXSW activity that benefit the City of Austin have not been made available, we can easily assume that there is at least as much benefit as that provided by ACL Fest.

Hosting 2100 international artists from 55 countries performing on more than 80 stages around the city,¹²⁷ the five-day music festival takes a massive amount of organization and requires a good working relationship with the City of Austin to ensure its smooth execution. SXSW and the City have nurtured their relationship for years, developing comprehensive transportation plans that account for street closures and increased traffic, and partnering on a number of ventures. These include an annual roundtable discussion that shares new eco-friendly operational procedures and technologies with the Austin Convention Center and area hotels, and a meet and greet that allows festival registrants to interact with members of municipal government and local tech and creative sector businesses.

SXSW represents the importance of Austin's creativity, innovation and diverse culture in a clearly defined brand. Its model, while used in Toronto (NXNE) and other locations, has yet to be implemented as successfully anywhere else – an issue that bears further examination but is outside the scope of this study.

Impact of Small Events

While these large festivals are essential to Austin's tourism economy and to its identity, the character and history of numerous smaller festivals contribute a great deal to how Austinites self-identify and participate in the city's culture. Events like the Old Pecan Street Festival and Fun Fun Fun Fest generate far less revenue for the city, but are every bit as valuable to its quality of life and as a workforce development tool that attracts the young, highly educated workers that technology companies are seeking. These smaller festivals also provide employment opportunities and support for local business, but more importantly they reinforce the city's image as a creative, culture-friendly home.

Cumulative Effect of Festivals for City Identity and Growth

C3 Presents, SXSW, Transmission Entertainment, and other stellar event producers recognize that people who are interested in music are also interested in other creative

¹²⁶ *Ibid.*

¹²⁷ *Ibid.*

activities. By strengthening the environment in which they do business, and enabling Austin businesses and government to buy-in to their ventures, they can create innovative and vibrant partnerships that unify message, diversify services and foster an entertainment-focused community that excites locals and tourists alike. Overall brand awareness for the city increases and with it comes an increase in tourism dollars. The success of these ventures leads to quality-of-life benefits as well as financial, employment and industry growth for the region. By including local business and government to help grow their brand and business, these companies have made enormous contributions to integrating culture into the city.

C3 Presents & Austin City Limits Television Show – Integration Promoting Local Industry Growth

Another example of the positive effects of industry integration for the City of Austin can be seen in the television show from which ACL Fest gained its name, Austin City Limits, which is hosted on PBS and airs every Saturday evening. Austin City Limits is now into its 38th season, and has the distinction of being the longest running music television show in the United States, preceding MTV, VH1, MuchMusic, and many others. In its early days, ACL was a platform for celebrating Texas music, focusing on genres like country, blues, Tejano and rock and roll. As the program developed into the new millennium, the show expanded its musical scope and maintained a small but devoted viewership – the ACL brand was known, but primarily limited to the late night PBS viewer. Aside from the obvious brand name integration, Austin City Limits Music Festival has worked with the television show to raise the prestige of artists it attracts and increase its North American viewership.

Over the past 10 years, C3 Presents has helped to reinvigorate the program, creating extended brand recognition and the development of new, younger viewers through funneling headlining festival artists to the ACL television studio stage. The show now boasts artists like Coldplay, Bjork, and Montreal's own Arcade Fire and many other world renowned artists and with them, attracts new viewers from around the world, thus providing Austin with invaluable free publicity and a continuation of Austin's cultural reputation to the younger generations. The show's resurgence has also led to the development of a new state-of-the-art concert facility, the ACL Live Theatre, in downtown Austin and now the City's premiere high quality musical venue.

In fact ACL Live was recently awarded "Best New Major Concert Venue" by the Pollstar Concert Industry Awards and "now is considered the best concert venue in the world as voted by the music industry."¹²⁸ The venue not only houses the show, but is used to attract premier touring artists year-round. Whereas once Austin might have passed over by these acts in favor of other larger regional markets such as San Antonio or Dallas, it is

¹²⁸ Pollstar.com, Best of the Best – Concert Industry Awards Winners 2011, <http://www.pollstar.com/blogs/news/archive/2012/02/04/795474.aspx> (last visited Mar. 5, 2012).

now a “can’t-miss” destination, their arrival bringing music fans from across the country and valuable new sources of direct and indirect revenue to the local economy and brand recognition to the city. And, in the spirit of continued public-private collaboration, its development was a collaborative effort with the City, KLRU public television, private development companies, and several other stakeholders. The venue is located in the new W Hotel, a luxury tower - directly across the street from City Hall.

Utilizing New Technology to Drive Brand Recognition

Certainly, there are hundreds of regional festivals that take place every year across North America, and some of those have been around a lot longer than ACL Fest. Yet in reputation, attendance, and acquisition of marquee talent, ACL Fest now finds itself in the rarified stratosphere of just a handful of uber-successful events. Many people have attempted to understand this catapult to success. At least one of the strategies leveraged by C3 can be identified: harnessing technology.

A core part of the business model in building Austin City Limits Music Festival is the aggressive adoption of technology. Lisa Hickey explains this importance in attracting new festival-goers and enriching their experience within the festival grounds and throughout the city:

Some events haven't made the leap from large regional events to become bona fide internationally renowned events. The game-changer is the intersection of fantastic entertainment options and what technology can do. Networking technology is fabulous if you have something people are interested in. Part of our business model early on was to be very aggressive in incorporating all available technology and social media tools to spread the word for the festival, which has been successful for us. A festival is not just three days out of the year. For us, we are actively pumping out content about eight to nine months, from right before our “launch” each year, through to our review process. We utilize social media year-round to cultivate interest and build community.

For C3 Presents, social media is considered not only as a simple promotional tool, used for events like an on-site scavenger hunt for festival-goers, but as an integral part of its brand. They consider themselves as much a tech company as they do an entertainment company, constantly testing and utilizing cutting-edge media technologies to both attract new customers and maintain relationships with loyal customers.

This approach is also used by SXSW. They identified early on that there was a need for an Interactive fest and conference. Having grown steadily each year, Interactive has become

the de facto venue for the launch of new social media platforms. In 2007, Twitter, then a fledgling company, truly launched at SXSW, quickly growing to become the household name it is today. This year, Pinterest is rolling out its platform in Austin with the hope of achieving similar press coverage and growth. Foursquare, BizaareVoice, and other Austin-based social media companies have made their industry impact during SXSW, along with many others, such that SXSW Interactive is now the largest component of all of the SXSW activities.

With this media coverage comes exposure for both SXSW and Austin and the reinforcement of its brand. That is, successes like Twitter and Foursquare develop an environment of self-regeneration, annually attracting similar services looking to make an impact and garner international press coverage. In very little time both SXSW and Austin have become branded as innovative, creative and an environment in which young businesses can start to thrive – a Hollywood for social media companies and others within the tech industry. All of these characteristics are attractive qualities for a young and educated workforce.

Toronto Tourism

Tourism in Toronto contributes significantly to the GTA economy. In 2010 the GTA attracted 25.3 million visitors of which 9.9 million were overnight visitors who counted for 8.9 million room nights.¹²⁹ Tourism generates \$4.3 million in city taxes on \$4.4 billion in revenue (\$3.4 million for overnight visitors) and \$514.8 million in provincial taxes. Tourism and hospitality in the GTA employs 224,000 workers. Ranked 6th in occupancy percentage in North America, Toronto received the 3rd strongest level of growth in average daily rates in 2010 with visitors from outside Canada accounting for more than half of all overnight visitor expenditure – a contribution of \$1.86 billion to the GTA economy.¹³⁰

However, the contribution of music tourism to the city economy has yet to be benchmarked. By comparison, Austin's detailed analysis of tourism spending, including music tourism, is better able to leverage its commercial music industry assets and translate those assets into tourism marketing and ultimately expenditures in the city. Despite the lack of an empirical benchmark for the economic contribution of music tourism to Toronto's economy, we will assume that it must be significant given the size of the city's commercial music industry and its economic contribution as measured by the Price Waterhouse Coopers 2011 Recording Industry study.

¹²⁹ TOURISM TORONTO, 2010 – THE YEAR IN REVIEW 2 (2011), [http://www.seetorontonow.com/getattachment/b80507f1-d994-40ce-bea9-34cd1a392e17/Market-report-2010-final-\(1\).pdf.aspx](http://www.seetorontonow.com/getattachment/b80507f1-d994-40ce-bea9-34cd1a392e17/Market-report-2010-final-(1).pdf.aspx).

¹³⁰ *Ibid.*

Tourism Toronto is the organization devoted to developing tourism in the GTA, so we will focus on Tourism Toronto and how it could include music tourism in its mission.

Tourism Toronto

Tourism Toronto controls the City's marketing and sales activities dedicated to developing tourism. A nonprofit organization and industry association composed of 1200 members, it acts as a steward for investments made by both private and public sectors to promote tourism. Unlike the City of Austin's ACVB, Tourism Toronto is a separate entity from the City of Toronto operating in partnership with the City and the Greater Toronto Hotel Association, the Ontario Ministry of Tourism, Culture and Sport, the Canadian Tourism Commission, the City of Mississauga, the City of Brampton, Air Canada and VIA Rail.

Tourism Toronto reports to an independent board of directors made up of 19 local industry leaders. A Memorandum of Understanding establishes Tourism Toronto's relationship with the City, specifying that they will each "invest energy and resources in mutually approved projects intended to optimize the economic activity generated by the tourism industry for the benefit of the City and the membership of Tourism Toronto."¹³¹

Until 2010, Tourism Toronto had been funded by a combination of membership fees and a voluntary destination-marketing fee collected from local participating hotels. In this system hotel guests were charged a fee of 3% of the room charges, the entirety of which was used for destination marketing and convention sales purposes.

After 2010, the Province of Ontario primarily funded Tourism Toronto. Ontario provides operating grants to 13 Regional Tourism Organizations (RTO). These are created using funds gathered from a province-wide increase to the sales tax levied on room charges. Tourism Toronto is the RTO for an area that includes the City of Toronto, Mississauga and Brampton. Tourism Toronto's 2011 budget was approximately \$27 million.¹³² The budget includes provincial funding (87% of total revenues or \$23,490,000¹³³) combined with membership fees, program buy-ins, and partnerships with the cities of Toronto, Mississauga and Brampton, as well as a variety of local, provincial and national organizations. It is worth noting that Tourism Toronto's organization composition includes municipalities other than the City of Toronto. Given the concentration of commercial music industry assets in the City of Toronto, it will be important to know how flexible this funding structure can be in allowing one of the Tourism Toronto cities (the City of Toronto) to repurpose tourism funding to benefit mostly one city.

¹³¹ CITY OF TORONTO, ECONOMIC DEVELOPMENT & CULTURE PARTNERS 5 (2011), http://www.toronto.ca/business_resources/pdf/edc_major_partners.pdf.

¹³² TOURISM TORONTO BUSINESS PLAN & ANNUAL BUDGET (2011) http://www.seetorontonow.com/App_Themes/tourismtoronto/pdf/TT_BusinessPlan_2011.pdf

¹³³ *Ibid.*

Organizational Divisions: Tourism Toronto's promotional efforts seem to react to industry to develop appealing consumer campaigns, tourist itineraries, incentives, discounts, and package deals in an effort to attract new visitors. It appears to function more as a visitor liaison for the tourist and hospitality industry. Its structure is as follows:

Member Care and Growth. Members of Tourism Toronto have access to a variety of workshops and are provided opportunities to network with local industry leaders at a number of exclusive events. Members are also incorporated into Tourism Toronto promotional materials and have access to the organization's industry-specific research.

Leisure Sales. The Leisure Sales Division of Tourism Toronto helps tour operators plan group tours. Staff assists in developing lead services, accurate destination information, and event-specific tours and itineraries.

Business Sales. Tourism Toronto's Sales Division staff help identify the products, services and facilities that meet the needs of meeting/convention planners and their events. Planners can also take advantage of Tourism Toronto's Booking Notice Service.

Marketing and Communications. The Marketing and Communications division of Tourism Toronto promotes the city as a leisure destination using integrated consumer campaigns, and strategic media and public relations. The Media Relations team offers journalists help with story development and are available to provide resource materials and background information on Toronto.

This model seems more reactive to the plans of existing industries that have been members of Tourism Toronto rather than taking a strategic approach to developing specific sectors of Toronto that may be underserved. Austin's ACVB provides similar services but also proactively develops and administers promotional programs from the ground up to clearly market and brand Austin and its artists.

Toronto on the Web

Similar to the ACVB, Tourism Toronto maintains a contemporary website that offers visitors a variety of ways to explore Toronto online. It contains an extensive list of activities, hotels, restaurants and resources for potential visitors to look over as well as a detailed PDF guide to the city. Visitors can also check out recent "#torontotrending" tweets to find out what is going on around the city in real-time or create customizable trip packages. Event planners have even more services available to them, including event marketing services and tools, and an online Request For Proposal service.

Yet within all of these useful services, there is little that clearly brands Toronto and little that stimulates web visibility and online community. Visitors to the site can come away with an idea of the various attractions, events and restaurants the city has to offer, but nothing tells the city's stories. The narrative nature of Austin's branding – music, its makers and their stories – has been a very big part of Austin's branding success.

Tourism Toronto's site seems to be a catchall for *everything* Toronto has to offer, and makes branding difficult. There appears to be limited original creative content with the weight of a unified, media-rich message intended to promote the city

The 2011 Toronto Prosperity Initiative study found that:

*To those of us who live or work in Toronto, and most visitors, our city has many unique, interesting and attractive attributes. However, there is a low level of awareness and considerable misinformation about Toronto around the world. Toronto has a generally good reputation, but its global brand is weak and its outstanding features are not top-of-mind for most non- residents. People recognize the name, but know very little about our city. As a first step in establishing and creating a greater awareness of the Toronto brand, the value of the current brand in the global context should be assessed including the cost and benefits of a proactive set of initiatives in this area. The global brand should be developed in a regional context and reflect the integrated strengths of the Toronto area.*¹³⁴

One of the “integrated strengths of the Toronto area” is its large commercial music industry. Based on Austin's success with branding itself as a music destination, Toronto can use that industry to help clarify an attractive and international part of the Toronto brand.

Using Commercial Music to Create and Sell an Image

Given the lack of music destination branding by Tourism Toronto to date, Toronto's commercial music industry offers a significant opportunity for the City of Toronto to illustrate the importance of music to the character of the city. Tourism Toronto is well-positioned to tell the story of Toronto's rich musical history for venues like Massey Hall and The Horseshoe Tavern, as well as Toronto artists including Leslie Feist, Drake and Bruce Cockburn.

The beauty of using commercial music as a cultural brand is that there is a pre-existing and passionate audience. There is great potential for Tourism Toronto to harness the visibility of the city's most successful musicians and use it to inject Toronto's image with a newfound cultural cachet. Initiatives like creating a series of web videos that present

¹³⁴ TORONTO PROSPERITY INITIATIVE: ESTABLISHING THE PATH TO GROWTH 30 (2011), http://www.toronto.ca/business_publications/pdf/path_for_growth.pdf.

recognized musical artists introducing tourists to the artist's favorite clubs or neighbourhoods are simple steps that can have a positive effect on a city's attractiveness to visitors.

Another benefit is that by actively supporting its musicians through music tourism programs that provide both branding and direct economic benefit to its artists, Toronto may create a stronger incentive for its musicians to stay in the city rather than migrate to other places. There is some evidence that this migration has already started¹³⁵, and the City's efforts to demonstrate to its artists that it values them may help mitigate the desire to live in other cities where they can find decreased cost of living and working.

Austin's *Music in the Air* program also introduces visitors to local artists and does not rely on star branding—instead, it relies on local Austin branding. Initiatives similar to *Music in the Air* could provide similar benefits to those seen in Austin.

Toronto's musical history, filled with names like Neil Young, Joni Mitchell, The Rolling Stones, Elvis Costello and Dizzy Gillespie, can be leveraged to generate interest in the neighbourhoods and venues they performed in. Something as simple as a music-themed walking tour or podcast on the Tourism Toronto website could add an attractive musical element to neighbourhoods otherwise not considered appealing to tourists.

One of the most essential tools for developing music tourism in Toronto and helping to develop its brand as a cultural city is the creation of a premier music festival that highlights the city's unique character, such as Austin's SXSW and Austin City Limits Festival do for Austin.

Bringing Back Popular Music Festivals

The last of the big multi-day international superstar festivals in Toronto was the Virgin Music Festival which was abandoned after 2009. With its demise, Toronto lost an important generator for local and international tourism as well as the visibility benefits of festival media coverage.

One of the primary advantages of SXSW and ACL Fest is the influx of music tourists to the show itself, but it is very important to realize that these festivals also involve weeks-long sideshows in the local live music venues. It is the combined effect of the festival and these additional shows that multiplies the positive effects to the local economy.

Very often, the same artists that are performing on the big festival stages will also perform club shows—which do not typically cannibalize the festival because festival

¹³⁵ Brian J. Hracs et al, *A Tale of Two Scenes: Civic Capital and Retaining Musical Talent in Toronto and Halifax*, THE CANADIAN GEOGRAPHER, 2011 55(3), at 367.

tickets are sold out, often months in advance. Fans that cannot get a festival ticket will often come to Austin anyway because their favorite artists are also playing in clubs around Austin.

In terms of citywide music events, Toronto currently has NXNE, a festival and conference that has been in operation for almost twenty years, and Canadian Music Week (CMW), which has been building for thirty years. Both of these are valuable tools for breaking new bands and integrating shows into the local music venues. However both of these appear to be perceived primarily as music industry conferences rather than large festivals for fans. Neither has yet achieved the financial impact or music tourism appeal sufficient to create a true, worldwide cultural brand for Toronto. The now-defunct Virgin Music Fest that operated in Toronto until 2009 is actually more analogous to Austin's ACL Fest: a festival explicitly for music fans, without an industry conference. Yet none of these – Virgin Music Fest, NXNE, or CMW – has branded their event to embrace and promote specific cultural Toronto assets that music fans should celebrate. For example, ACL Fest's brand name is very specific, and the event promoters work very strategically to understand their brand and carry it throughout the entire festival experience, which is largely responsible for that event's success.

The potential economic benefit to the City of Toronto of large multi-day festivals held on an annual basis is substantial. With its large population, strong, supportive music industry and large parks system, Toronto is a perfect location for a premier music festival.

While these festivals should be produced by private industry, the City of Toronto can play a supportive role in fostering an environment in which a festival can succeed and in helping Tourism Toronto to target tourism expenditures to attract music destination tourism.

Toronto Music Industry Council Recommendation and the City of Toronto

In creating the Toronto Music Industry Council (TMIC), Toronto would gain strong and informed representation from the private sector to help realize the development of new large festivals as well as other noteworthy musical events. While attracting the necessary capital, sponsors and talent is the burden of private industry stakeholders, support from the City of Toronto and the Toronto City Council can help attract the audience that can make a festival into an international event.

City Council has seen similar success with the creation of the Toronto Film Board, the Film, Television and Digital Media unit, and the Toronto Film and Television Office (TFTO). These three entities work with private industry to attract major productions to the city and, in turn, to provide those productions with the necessary services needed to succeed. The creation of the TMIC and a small support office could well produce similar results for a large multi-day music festival, especially with the assistance City of Toronto's Special Events Office.

The City may also consider a further step of allocating staff for a music office in Los Angeles as part of the existing government film offices to promote Toronto music to American film and television productions

Elements of the City government already have significant expertise in working with large audience events. These include the Toronto Special Events Office, the Event Support Unit & the Strategic Growth & Sector Development Unit.

Special Events, a unit within the City of Toronto's Economic Development & Culture division, offers production, marketing, sponsorship, and event consulting services via the Event Support Unit for the City of Toronto. The unit also develops and helps to promote more than 30 events and festivals each year, including Nuit Blanche, Summerlicious, and Canada Day celebrations.

The City's Event Support Unit (ESU) is part of the Cultural Services, Economic Development and Culture Division. While not directly responsible for marketing Toronto, it works with partners such as Tourism Toronto, assisting them with a variety of events that help to promote the city. The ESU facilitates requests for information on event and conference management, transportation, communications, health, fire services, the Toronto Police Service, Emergency Medical Services, City Parks, municipal licensing, solid waste management and City of Toronto protocol matters. The Event Support Unit works alongside a City of Toronto Event Support Team to provide services to event producers that help facilitate their events within Toronto.

The Strategic Growth and Sector Development Unit has a number of responsibilities. It provides custom tourism impact research and analysis, tourism policy planning and advice to Council, strategy development, monitoring and evaluation, sector development, and investment promotion. It also acts as a liaison to the tourism industry and, in general, stimulates growth by fostering partnerships with industry agencies. This unit is responsible for similar activities within economic and cultural sectors.

Because Toronto has already established the support services necessary for a large multi-day international music festival, the City is well-positioned to support a festival opportunity.

Welcome to Toronto... We've Been Expecting You. One of the key partnerships among the City of Toronto, the Province of Ontario and Tourism Toronto is their We've Been Expecting You (WBEY) campaign. Recently developed to promote the city's hospitality to visitors, the training curriculum and program for industry workers is available free-of-charge to businesses from the service, hospitality and tourism sectors. The program aims to create a unified, citywide approach to visitor hospitality that encourages return trips.

WBEY offers a variety of training sessions using customer service training methodology and Toronto-specific content to teach participants how to approach and welcome new

visitors to their business and to the city. WBEY is another existing Tourism Toronto program that could be purposed to leverage Toronto's commercial music industry.

City Tourism Funding

Due to structural changes at the provincial level, much of the City's tourism responsibilities have been transferred over to Tourism Toronto, thus, the City of Toronto will receive \$400,000 in 2012 from Tourism Toronto to maintain visitor service levels at a reduced cost to taxpayers.¹³⁶ This is a \$100,000 increase from 2011. In addition, the City will receive a yet-to-be determined amount from Tourism Toronto to underwrite the cost of tourist-oriented services that the City would be unlikely to undertake. (In 2011, this amount totaled \$775,000.¹³⁷)

The City of Toronto, Music Tourism and the 2015 Pan American Games

The upcoming 2015 Pan American Games offer a perfect opportunity for both Tourism Toronto and the City of Toronto to leverage Toronto's commercial music industry to promote music destination tourism. During the Games, festivals and other important cultural events will be taking place around Toronto, creating a chance to attract not only sports fans from around the Americas, but also educate visitors about Toronto's musical heritage and commercial music industry. If marketed strategically, music has the potential to be a major attraction. Both the City and private industry via the proposed TMIC could actively work together to leverage this unique upcoming opportunity.

The Province of Ontario

Tourism in Ontario is divided into 13 regions, including Toronto, and is administered by the Ministry of Tourism, Culture and Sport. Regional Tourism Organizations are independent organizations led by a broad spectrum of industry stakeholders.

The Ministry itself undertakes a variety of tasks. It conducts market research, stimulates private sector investment and product development, assists in the development of attractive destinations, markets Ontario, invests in tourism agencies, and generally works with the tourism industry to promote the growth in the province.

As the Ministry's role in Tourism has recently changed, a long-term funding model is still being developed. For 2012-2013, it will give \$40 million to the 13 Regional Tourism Organizations.¹³⁸ This funding develops the regional tourism organizations their efforts in

¹³⁶ CITY OF TORONTO BUDGET, ECONOMIC DEVELOPMENT AND CULTURE OPERATING BUDGET ANALYST NOTES 12 (2012), http://www.toronto.ca/budget2012/pdf/op12_an_edc.pdf.

¹³⁷ *Ibid.*

¹³⁸ Ontario Ministry of Tourism, Culture, and Sport Frequently Asked Questions, http://www.mtc.gov.on.ca/en/regions/regions_q_a.shtml#funding (last visited Mar. 5, 2012).

destination marketing and management and is in addition to municipal and other sources of tourism funding.

Regional Tourism Organizations are still being developed; therefore, a transition team comprised of regional tourism partners determine how divide some of the funding amongst priority projects. Once Regional Tourism Organizations are incorporated, the Regional Tourism Organization's board will determine how to use the region's funding.

Funding to replace destination marketing fees will go to the appropriate destination marketing organization. Destination marketing organizations can use this funding to increase marketing and development efforts during the current economic recovery period. This will help tourism partners continue with the plans and partnerships they have in place.

Accordingly, at this point it seems that any effort at promoting Toronto as a music destination using provincial resources will require the support of the board of the Regional Tourism Organizations.

Ontario Tourism Marketing Partnership Corporation

The OTMPC, a not-for-profit organization, partners with both local and international tourism sectors to create and integrate research-driven marketing programs that promote Ontario tourism. Depending on the partnership, the OTMPC can play either a leadership or support role.

The OTMPC provides a variety of services. These include strategic planning, marketing research, media promotion, advertising opportunities, consumer information services, and travel trade promotions. The City of Toronto (perhaps through the proposed Toronto Music Industry Council) could potentially partner with the OTMPC to create a similar music-focused entity.

Structure. Both the Standing and Marketing Committees of the OTMPC report to a Board of Directors. The board is accountable to Ontario's Ministry of Tourism and Culture, reporting directly to the Minister of Tourism.

Funding. Through operating grants, the Province of Ontario primarily funds the OTMPC. Other sources of revenue come from interest income, advertising sales, and Travel Information Centres. In 2010, The OTMPC's revenues totaled \$54,299,000.¹³⁹ \$50,798,000

¹³⁹ ONTARIO TOURISM MARKETING PARTNERSHIP CORPORATION, ANNUAL REPORT 2009-2010 21 (2010), http://www.tourismpartners.com/publications/About/OTMPC_AnnualReport_09-10.pdf.

came from the Province of Ontario.¹⁴⁰ Of that, they spent \$52,911,000 on their services excluding administrative costs and the amortization of capital assets.¹⁴¹

Summary

The City of Toronto has access to significant funds to promote tourism. By leveraging its existing commercial music industry assets and reallocating some existing tourism funding, Toronto could maximize the returns on its current levels of spending. If the City took a leadership role by signaling its support of a major international festival, that too might help form the capital necessary to launch the festival. The private industry assets are clearly in place as is the City's expertise in handling large-scale events.

¹⁴⁰ *Ibid.*

¹⁴¹ *Ibid.*

TOURISM INITIATIVE RECOMMENDATIONS SUMMARY

TOURISM RECOMMENDATION 1

Create A Benchmark To Measure The Impact Of Music Related Tourism

Order an economic impact analysis that measures the direct and indirect contributions of music tourism to the overall tourism industry and to the Toronto economy as a whole. Use the results to develop initiatives that enhance current industry strengths and aid weaknesses, with a focus on developing Toronto's brand as a creative, culture-friendly city.

TOURISM RECOMMENDATION 2

Proactively Pursue City-Sponsored Music Tourism Programs Under Tourism Toronto

Request a small re-allocation of current funding to dedicate staff hours or staff positions to the development of proactive cultural branding programs to operate under Tourism Toronto. These programs will focus on expanding Toronto's visibility using a variety low-cost, high-benefit tools, including web media and live performance, in an effort to create a unified and recognizable brand.

TOURISM RECOMMENDATION 3

Examine Current City Infrastructure For Existing Avenues To Effectively Promote Music And Utilize Them

Study how the City's existing tourism infrastructure can aid in the promotion of music and the development of Toronto-branded music events, focusing on Special Events, the Event Support Unit, the Strategic Growth and Sector Development Unit, and the We've Been Expecting You program. Identify ways to deliver music tourism support by integrating new initiatives into these existing units. Also, capitalize on existing large Toronto-based events that have some government involvement, such as the upcoming Pan Am Games, and strategically plan for strong Toronto music integration into these events. Such integration furthers the expansion of music branding through large-scale visibility, while simultaneously conserving financial resources by integrating with existing events.

TOURISM RECOMMENDATION 4

Support Music Industry Efforts To Launch A Premier Toronto-Branded Music Festival

Aid private industry in the creation of a premiere music festival that attracts top international artists and provides exposure for local performers. As an example of services rendered, The City would facilitate the festival's creation through lowering the costs for permits and licenses, expediting the issuing of permits and licenses, providing tax exemptions, assisting in the development of advertisements designed for city-owned promotional platforms, and developing transportation plans to account for festival schedules and the needs of attendees.

TOURISM RECOMMENDATION 5

Add a music staff member to the Los Angeles Film Office

With the endorsement of Film Ontario and the OMDC, the City would create a position at the Los Angeles Film Office for a Music Officer. The Officer's primary duty would be to develop relationships with members of the television and film community, music supervisors, production studios, labels and publishers in an effort to promote the licensing of Toronto music for a variety of media. If a Music Production Services Tax Credit is adopted, the Music Officer would also work to attract music productions and post-production work to the studios of Toronto to stimulate industry growth and build the city's brand as a world- class music town with a first-rate studio infrastructure.

SECTION V

A Comparison of Local Nonprofit Commercial Music Industry Support

Nonprofit organizations dedicated to supporting the creative community in Austin's commercial music industry have proven to be a vital part of the training, networking and advocacy important to Austin artists and entrepreneurs. In this section, we will review the significant music industry nonprofits in Austin and in Toronto, and then make recommendations for how the Toronto community might benefit from some of the ideas that have been tried successfully in Austin.

Austin Nonprofit Commercial Music Industry Support

Austin has a particular enthusiasm for nonprofit organizations in general.¹⁴² The commercial music industry in Austin has benefited from many nonprofit organizations devoted to supporting artists, songwriters and live music venues consistent with Austin's branding as the "Live Music Capitol of the World." In an official capacity, these nonprofits provide professional education and networking opportunities for the local commercial music industry. Unofficially, these nonprofits also are a very important unifying agent for parts of the industry that are otherwise fragmented, leading to the creation of accelerated business opportunities, and a sense of belonging to a broader group.

There are a total of 24 Austin-based nonprofit organizations that focus on grassroots development of the commercial music industry. For a complete list of them all along with a brief description of each, please see **Appendix 6: Austin Nonprofit Music Industry Organizations**.

It is also important to note that in the U.S., nonprofit usually means "tax exempt" and each category of tax-exempt organization (particularly the 501(c)(3) charitable organization) carries with it restrictions on the amount of advocacy it can undertake and still maintain its tax-exempt status.

We have identified five major categories of activity in which these professional development groups may participate: Networking, Awards/Recognition, Training/Development, Showcasing, and Advocacy. In order to quickly grasp the activities of each nonprofit, we have created the chart below that shows which groups are involved in what type of activities.

¹⁴² Andrea Ball, *Nonprofit Groups Might Find 6,300 is a Crowd, Study Says*, AUSTIN AMERICAN STATESMAN, May 26, 2009, available at <http://www.statesman.com/news/content/news/stories/local/05/26/0526nonprofits.html>

Chart Abbreviations: Commercial=private company; D=Development Nonprofit; H=Heritage Nonprofit; TA=Trade Association; U=Labour Union.

		Austin	Nonprof it	Organizations		
Name	Type	Networking	Awards	Training/Development	Showcasing	Advocacy
Austin Music Foundation	D	Yes	No	Yes	Yes	No
Texas Chapter of the Recording Academy	H	Yes	Affiliate of NARAS Grammy Awards	Yes	Yes	Yes (through NARAS)
Austin Federation of Musicians	U	Yes	No	No	No	Yes (through AFM)
Austin Songwriters Grp	D	Yes	Yes	Yes	Yes	No
Austin Latino Music Association	D	Yes	No	Yes	Yes	No
Austin Jazz Workshop	D	Yes	No	Yes	Yes	No
Girls Rock Austin	D	Yes	No	Yes	Yes	No
Dart Music International	D	Yes	No	Yes	Yes	No
House of Songs	D	Yes	No	Yes	Yes	No
Austin Blues Society	D	Yes	No	Yes	No	No
Austin Independent Radio	Comm ercial	No	No	No	Yes	No
Austin Music People	D	Yes	No	Yes	No	Yes
Capital View Arts	D	Yes	No	Yes	Yes	No
Texas Heritage Songwriters Association and Songwriters Hall of Fame	H	Yes	Yes	Yes	No	No
Texas Folklife Assn	H	Yes	Yes	Yes	Yes	No
6 th Street Owners Assn	TA	No	No	No	No	Yes

For the purposes of broad industry-wide membership and development, the principal Austin nonprofits¹⁴³ are Austin Music Foundation and Austin Music People, with many other organizations filling specific roles. One of the missions common to both organizations is the unification of the Austin music community to achieve specific goals.

¹⁴³ We do not include two important nonprofits: the Health Alliance for Austin Musicians or the SIMS Foundation, a mental health foundation for Austin artists.

Austin Music Foundation¹⁴⁴

Austin Music Foundation is the most successful music industry nonprofit organization in Austin (that does not focus on delivering health services to musicians). Founded in 2002, AMF benefits Austin artists by providing a unified entity with a single mission: “to strengthen and connect the local music community with innovative programs that empower and fuel Austin’s creative economy.”¹⁴⁵ AMF accomplishes its mission through education, outreach, and community unification as well as sustaining a consistent presence in the community. AMF is a 501(c)3 public charity organization, and is thus not allowed by IRS regulation to undertake political advocacy or lobby.

AMF is a large organization with a broad membership base, and has an especially strong representation from artists, who comprise well over half of its numbers. Once the organization launched in 2002, it grew very quickly, and reached a membership of over 4,000 people within five years of its creation. Such rapid and wide-scale uptake by the community can be attributed to at least two identifiable factors:

Founders. The founders of the organization were experienced in entrepreneurship and understood the critical importance of using quantitative and qualitative market research tools to understand the market need *before designing the programs*. They employed surveys, focus groups, interviews, and other best practices long-used in other business industries, investing many months of time and effort into significant market research to gain a detailed understanding of the needs of the music community. All programs, including details like seminar topics, speakers, and detail of curriculum were then designed and rolled out based on the market requests. The first program AMF launched was Music Industry Boot Camp, which drew hundreds of attendees within the first few months of operation in large part due to the market research that preceded its development.

Filled an Identified Need. The organization filled a void for many creators and small-scale music businesses that had previously experienced the difficulties of trying to operate and grow in a relatively isolated silo. Many people responded to the opportunity to meet, network, learn, and create a sense of community of like-minded people living and working in Austin.

AMF’s funding comes in part from the City of Austin Cultural Contracts program.¹⁴⁶ While this past year the city awarded AMF \$40,650, this grant represents approximately one third of the Foundation’s total budget, with additional funding coming from fundraising events and individual donations and grants.

¹⁴⁴ See Austin Music Foundation, www.austinmusicfoundation.org (last visited Mar. 5, 2012).

¹⁴⁵ Austin Music Foundation About, <http://austinmusicfoundation.org/about/> (last visited Mar. 5, 2012).

¹⁴⁶ See CITY OF AUSTIN APPROVED BUDGET, VOL. II, 213 (2011-2012) (granting AMF \$40,650 2011).

AMF offers some of its programming to the public at no charge, such as Music Industry Boot Camp, while other programs require AMF membership to attend.

Past and Current Programs:

Music Industry Boot Camp. AMF's Music Industry Boot Camp is well-known in Austin as a free and valuable means for musicians and industry professionals to network and educate themselves on the business, promotional, and legal side of music. Boot Camp programs have been offered on at least a quarterly basis for AMF's entire 10-year history. Past seminars have focused on such topics as branding and promotion, licensing opportunities for songwriters and music publishers, how to cash in on college touring, how to plan a record release, and tax issues for artists and musicians. AMF has hosted many guest speakers from around the country as panelists for Boot Camp, including the President of SoundExchange, mastering legend Bob Ludwig, Jeff and Todd Brabec, and many others. Typically, 250-350 people attend a Boot Camp event.

Small Group Sessions. AMF also offers educational programs aimed at a smaller audience – 15-30 people. These programs allow a greater amount of interaction between the speakers and experts and the attendees. Past topics include principles of artist management, music law essentials, live sounds for musicians, and producing a music video on a tight budget.

Music Incubator. AMF's Music Incubator provided three artists selected by AMF's Advisory Board with grants of \$15,000 each to record and market a record. The Incubator released six records over four years and is currently on hiatus.

Creative Media Center. The Austin Creative Media Center is an innovative project that launched in July 2011. The center provides assistance to artists in the film, television, and music fields by offering free career training and access to a computer lab equipped with multimedia software like Photoshop and ProTools. The Center also provides free project management and mentoring services as well as one-on-one training from experts. Though funded in part by the City, the Center is operated by AMF and is representative of AMF's 10 years of offering free courses and assistance to Austin musicians.

New Programs Launching in 2012 in Partnership with City Music Division. AMF is currently collaborating with the City of Austin's Music Division on two new programs, Leadership Music Austin and the Austin Music Business Accelerator. AMF has a long history of providing support to Austin's artists and their front-line support team, such as managers and agents. These new initiatives will expand AMF's role into providing more focused assistance for developing music industry leaders and music business entrepreneurs with existing successful companies.

The Leadership Music Austin Program will provide established music business leaders and community leaders with an annual selection-based program that is focused on fostering

cross-industry communication, exploring solution-oriented initiatives regarding the music industry's pressing issues and opportunities. The program is intended to empower local leaders to sustain their successes, and to inspire leaders to take action to enhance economic development opportunities and improve communal organizations in the Austin music industry.

The Music Business Accelerator Program will assist small and emerging entertainment business entrepreneurs to increase both the profitability and sustainability of their businesses through business and music industry education, networking opportunities, and the opportunity for mentoring relationships. This program is intended to provide resources to help these entrepreneurs effectively and efficiently manage and grow their businesses in Austin, which in turn will generate income, jobs, and a more stable middle-class in the entertainment industry.

Austin Music People¹⁴⁷

Formed in 2011, Austin Music People is a public affairs and advocacy-oriented organization that includes on its Board of Directors the heads of SXSW, C3 Presents, Austin City Limits, Transmission Entertainment, Direct Events, Waterloo Records, Antone's, and many other very prominent members of the local music industry. AMP advocates on behalf of the music community with the City of Austin and sponsors networking events in the Austin area.

AMP is developing a unified voice for the music community in dealing with the City of Austin. This is a benefit to both the community in dealing with the City of Austin and to the City in having one unified body to work with regarding the concerns of the music community. AMP is the closest to a trade organization of all the nonprofits and for-profits in Austin.

It is worth noting several factors related to the origin of AMP and why it was formed. Austin is one of the fastest-growing cities in the US. It has been experiencing explosive growth especially over the last ten years, which has introduced new, competing pressures as the population has increased. Both the present and past Mayor's top priorities have included the re-development of the downtown corridor – which includes a large part of the entertainment district – to encourage full-time residency. A wide array of new condo towers, high-end apartments, lofts, and luxury hotel residences have been built in rapid succession, and are near full occupancy.

While there have been some benefits for the City of having an active residential downtown, there have also been some unintended consequences that have had a severe effect on the music industry, and live music venues in particular. Since most venues rent rather than own their space, a number of iconic music venues downtown (i.e. Liberty

¹⁴⁷ See generally Austin Music People, www.austinmusicpeople.org (last visited Mar. 5, 2012).

Lunch, Electric Lounge, Emo's, etc) have been sacrificed or priced out of their buildings in favor of new, more lucrative development such as condo towers. Other buildings have been sold to new owners who replaced their music venue tenants with other types of businesses (i.e. Momo's Club, Black Cat Lounge, etc). Currently, there is a large-scale redevelopment project underway sponsored in part by the City called the Waller Creek Redevelopment project, which will turn Red River street, now a strip of more than eight live music rock clubs, into a "riverwalk" type of tourist destination. The Waller Creek project will likely cause most of these live music venues to move or shut down.

Also, as the number of downtown residents increased, they began to complain of late night noise from both live music venues and dance clubs. In fairly short order, a new citywide "Sound Ordinance" was passed, which has a particularly constraining effect on venues with outdoor live music. Other new residents complained of the negative effects of public smoking, and a "Smoking Ordinance" was passed that bans smoking in indoor places. The economic effects of the combined Sound Ordinance and the Smoking Ordinance have been quite pronounced for music venues, as both have negatively affected customer patronage.

It was under these circumstances that the need for AMP became clear to the local music industry – and the collective "pain" level suffered by its businesses was sufficient to bring together all the key industry competitors to create a unified effort on issues of common interest. Large, well-organized neighbourhood associations, the Downtown Alliance, and real estate development groups each already had sophisticated advocacy efforts in place with the City. Even if the City didn't intend to damage the music industry through its actions, the intensity of competing pressures and the highly organized efforts of the other stakeholder groups resulted in harm for music businesses nonetheless. Music is a Top Ten Industry in Austin with major economic, branding, and cultural benefits for the City, but without a unified voice to actively and consistently advocate for balanced policy, its businesses would likely continue to experience significant problems.

Today, AMP is widely regarded as having significant impact when it speaks as a group, precisely because it demonstrates active participation from nearly all of the major industry influencers in Austin – *even if they are otherwise competitors in their daily business*. In fact, it is this "setting aside" of personal or business agendas to work together for a larger purpose that has created AMP's unprecedented influence. Never before has the City experienced such a united front from the music industry. And in turn, as AMP has succeeded with advocacy efforts at City Hall, those participating members are able to see the benefit of continuing to work together, so the coalition has become a sustainable entity.

Another factor that we have learned in Austin, particularly with AMP, is that it is critical that the leaders and senior executives of each of the member organizations take time to show up to at least some of the events and meetings. If the senior management show up

to meetings, the message goes out to their employees and to the community as a whole that if these busy executives make time out of their days to attend, *this is important*.

Lessons Learned in Austin and the Relationship between AMF and AMP

While industry groups may often have business or policy issues with each other, AMF and AMP have found that if these groups can leave their differences at the door and work on issues of common interest or importance, the exercise can increase the synergistic value of the organization to the larger community.

Both AMF and AMP bring together different parts of the Austin commercial music industry community:

AMF's grassroots programming is directed at the community as a whole and is primarily intended to help the local music industry get access to the education and tools they need to grow their small businesses into sustainable, long term entities.

AMP represents traditional large-scale industrial-level businesses as well as smaller music interests, and they readily employ the clout of key influential people who are united under one umbrella to advocate for industry needs before the City of Austin.

There is ongoing effort on both organizations' boards to create communication and collaboration of efforts as much as possible. These efforts allow more efficiency and smoothness of operations for both parties, and also give an outward-facing presence of a unified, collaborative industry effort. Each of these organizations plays a specific role, and together they present a united coalition directed at building a stronger commercial music industry in Austin.

Toronto Nonprofit Commercial Music Industry Support

Toronto Commercial Music Industry Organizations

Nonprofit organizations serving the commercial music industry in Toronto can be divided into the same general groups identified in the preceding Austin chart.

The following chart indicates the Toronto-headquartered national commercial music nonprofits and identifies the support that each offers to their respective commercial music industry communities.

Chart Abbreviations: Commercial=private company; D=Development Nonprofit; H=Heritage Nonprofit; TA=Trade Association; U=Labour Union.

Name	Type	Networking	Awards	Training/Development	Showcasing	Advocacy
Canadian Academy of Recording Arts & Sciences	H	Yes	JUNO; Canadian Music Hall of Fame	No	No	Yes
Canadian Country Music Association	H	Yes	CCMAs; Canadian Country Music Week; Hall of Fame	No	Yes	Yes
Songwriters Association of Canada	D	Yes	Canadian Songwriters Hall of Fame	Song Assessment Service	Canadian Song Vault	Yes
Canadian Independent Music Association and Music Ontario	TA	Yes	No	Yes	Yes	Yes
Canadian Music Publishers Association	TA	No	No	Yes	No	Yes
ACTRA	U	Yes	No	No	No	Yes
Canadian Federation of Musicians	U	Yes	No	No	No	Yes
SOCAN	S	Yes	No	No	Yes	Yes
Music Canada	TA	Yes	No	Yes	No	Yes

Several of these organizations, especially the trade associations, are involved with the various statutory tariffs for exploiting sound recordings or songs. In general, these national organizations have Toronto-based headquarters and support the traditional music industry in Canada. Their missions don't appear to be focused on career development for young or independent artists in the City of Toronto or on integrating the traditional music industry into new or existing technology companies in the Waterloo/Kitchener area.

In fact, none of these umbrella organizations are focused solely on the City of Toronto, its music makers, and small businesses that are at the heart of growing the economic impact of the future.

While Canada has many arts *funding* organizations (such as FACTOR), Toronto does not currently have an “umbrella” nonprofit organization comparable to AMF or AMP. Toronto does have a few very small nonprofit groups such as the Toronto Blues Society, Wavelength Music Project, Songwriter’s Expo, and a few others, but these existing support organizations are fragmented either by services offered, genre served, or mission (such as heritage compared to development). Please see **Appendix 7: Toronto Music Industry Nonprofit Organizations**. While they are each important and useful, the total service provided to the commercial music community seems inconsistent with Toronto’s place as Canada’s leading music city.

It is critical that Toronto’s commercial music industry nonprofit groups provide an organic response to local needs and resources, which will have some characteristics unique to Toronto and its artists. It may be useful, though, to leverage some of the experience of Austin’s AMF and AMP.

Austin’s development of the Austin Music Foundation is partly in response to fewer artists signing with major labels and more artists needing to learn about and manage new distribution and sales delivery methods increasingly available to independent artists. This need also exists in Toronto, which has experienced a comparable increase in the number of independent artists, including artists who receive grants from a variety of Canadian government sources.

Nonprofits providing year-round educational and creative support at no or low cost to the public, such as AMF, seem likely to better prepare Toronto’s commercial music community to leverage the commendable level of funding available from a variety of public and private resources in Canada. Also, year-round, ongoing monthly activity provides a sense of identity for its members as a local, city-based group engaged in supporting each other’s endeavors, which can have the effect of creating a tighter knit community.

There are a number of organizations in major music markets that provide this type of year-round active programming for its working professional musicians. Aside from the Austin Music Foundation, there is also Memphis Music Foundation,¹⁴⁸ the National Association of Recording Industry Professionals¹⁴⁹ and the Portland Music Foundation¹⁵⁰ as potential models to review independent of this study.

¹⁴⁸ See generally Memphis Music Foundation, www.memphismeanismusic.com (last visited Mar. 5, 2012).

¹⁴⁹ See generally National Association of Recording Industry Professionals, www.narip.com (last visited Mar. 5, 2012).

Also, in our view it is difficult to locate and navigate Toronto's organizations and musician services for those lacking prior knowledge, such as young artists and new entrepreneurs. It seems likely that many individuals may not be aware of services that could benefit them, and so even existing services may not be getting fully exploited by those who need them.

Compared to other major music cities in North America, Toronto appears to have a gap in services provided by localized nonprofit commercial music organizations.

Filling the Industry Gaps with New Toronto Music Industry Nonprofit Initiatives

The gaps we've identified here could easily be filled by two key initiatives that would provide parallel functions to what we perceive as the strength of two Austin community nonprofits: Austin Music Foundation and Austin Music People.

Grassroots Artist and Small Business Development Nonprofit for Toronto Citizens

AMF's community focus was the first sustained artist-focused effort in developing awareness of Austin as a music industry community and has been very well received. We would expect a similar result after consistent effort in Toronto.

Austin Music Foundation's successful focus on artist training, networking and small business development suggests that serving the grassroots is a key element of building a strong local music community. One of the reasons that AMF has been a success is that it is looked to as the voice of the Austin music community and has earned the respect and endorsement of artists and musicians.

Active grassroots *artist-oriented* programming, such as a combination of the Music Industry Boot Camp, Small Groups, Business Accelerator, and Networking programs may be good models to explore for easy-to-implement and low cost initiatives in Toronto.

One interesting effort already underway in Toronto is the Canadian Independent Music Association's "Music Ontario", a newly formed entity that intends to provide some of the type of programming described here.¹⁵¹ Music Ontario is in early stages and plans to launch operations in either summer or fall of 2012; a subsequent assessment of activity level and direction of programming may help to determine what programming gaps may remain, if any, for grassroots development in Toronto.

There is also another effort in its infancy called the Toronto Music Industry Association (TMIA), which appears to have formed in the last couple of months. It is unclear from publicly available information whether there is a strong management team with a robust

¹⁵⁰ See generally Portland Music Foundation, <http://portlandmusicfoundation.org/> (last visited Mar. 5, 2012) (The creation of PMF was inspired by AMF's success, and is a sister-city organization).

¹⁵¹ CIMA President Interview, February 2012 (on file with the authors).

track record behind this group that also has the requisite industry relationships to provide the organization with lasting credibility. As of the time of this writing, little information about the group is readily available. We were unable to find information on how to join as a member, who is eligible, what the fees are, who the founders are, who its board members are, or a calendar of events and activities. If this group desires to continue its growth into a viable and vigorous organization, it may be advisable for them to partner with and/or integrate with other existing larger-scale efforts, such as Music Ontario.

Toronto Music Industry Council

We also recommend the creation of an umbrella nonprofit organization, which we will refer to as the “Toronto Music Industry Council” (TMIC). This organization would create a stronger industry voice to direct towards *City-based* advocacy for industry support and growth.

TMIC¹⁵² would be comprised of highest-level key personnel from entities across all industry subsectors, including directors of appropriate Toronto-based national industry support organizations reviewed in the preceding chart. While there may be baseline considerations for membership of entities from outside the traditional music industry (such as respect for copyright), TMIC should make an effort to include key professionals from the broader Toronto industry that may not have traditional trade associations, including live music venues, studios, concert promoters, artists, unions, and digital music businesses. One very important distinction, though, is that TMIC solely functions to serve the Toronto music community, and other, national agendas are outside the scope of its activities.

TMIC would include representatives from a broader group of entities than AMP due to Toronto’s unique position as the music capitol of Canada. Even though “consumer” groups are important, we have not included them here because TMIC is directed toward the business needs of the professional music community.

It is also important that this group become the avenue for the industry to further support its own growth, leveraging new possibilities of private sector resources collaborating under one roof. TMIC can use this study and other research initiatives to continue the work required to launch new ideas and activities that build business. As the Toronto music industry asks the City to support its policy and funding requests, TMIC should demonstrate the private sector’s commitment to being a good City partner that is willing to do its part.

¹⁵² We do not address the specifics of the type of organization from a legal perspective.

NONPROFIT INITIATIVE RECOMMENDATIONS SUMMARY

NONPROFIT RECOMMENDATION 1

Form A Nonprofit Organization for Grassroots Education & Development

Based on the AMF experience, Toronto could benefit from a nonprofit whose express mission is to educate, mentor, and assist up and coming/aspiring professional musicians and small music businesses. Create programming that runs year-round, utilizes Toronto's extraordinary access to established music industry professionals via partnerships with Music Canada, CIMA, etc., and provides networking opportunities for those musicians. It is possible that Music Ontario will have the infrastructure in place to get a head start that may leverage its programming and expertise. If Music Ontario does not wish to take on this role, it would be well to form another organization to perform this industry-wide city function.

NONPROFIT RECOMMENDATION 2

Form a Pan-Industry Council of Key Personnel in the Toronto Music Industry

Create an organization whose focus is only on Toronto, comprised of key personnel from the private sector, who will work to create new business growth opportunities and create a unified industry voice to advocate at City Hall.

AFTERWORD

Further Ideas to consider

In the course of our research and analysis, we investigated a number of areas, some of which ended up being outside the scope of this study. However a number of the ideas we synthesized may warrant further investigation. We have included a few of these additional thoughts here.

Young Entrepreneur University Partnership Network

Strengthen the network of schools and industry leaders that fosters music-specific entrepreneurial skill development, teaches industry concerns, and promotes progressive business models. Create a “intern-to-job placement” program to help graduating students find meaningful work in the industry after graduation, first via an unpaid internship whose criteria is geared toward finding quality, hireable candidates, should they successfully complete their internship. Additionally, create partnerships between particular Music Canada labels and schools to form a program that allows students to “sit in” on a session where they watch professionals work, or form a tutorial with the assistance of a house engineer. Partner with specific schools to create a competitive job placement program to production/engineering students.

Stimulate Development of New Digital Media Music Businesses

Create a partnership with one of the several Digital Media Incubators in Toronto. Further explore the possibilities of partnership with MaRS, CommunitHub at a minimum, and create a partnership with them to foster the growth of music entrepreneurs. Ensure the partnership is a meaningful commitment for all parties involved. Music Canada can broker the partnership on behalf of its members, and recruit senior level executives from its companies to serve as advisory staff for the incubator music businesses.

Licensing Support for Digital Media Companies

Music Canada can take the initiative to develop relationships with all three digital media incubators, and provide licensing support for their digital media companies to make that process go more smoothly for the incubated businesses.

Host a Quarterly Digital Media/Music Canada Membership Executives Luncheon

Music Canada can begin hosting invitation-only luncheons with digital media executives from CommunitHub, MarS, Reyerson Digital Media Zone, and elsewhere. Each luncheon can be on a topic of mutual interest, i.e. music licensing, and also a networking opportunity to allow executives from each sector to build better relationships.

Create an “Entrepreneur in Residence” at Music Labels

Entrepreneurs in Residence at Labels: Establish role for digital innovators in-house at music companies (especially Universal/Maple Music, Arts+Crafts or Live Nation) in collaboration with venture funds and/or city/provincial economic development groups. EIRs would develop new business and/or technology for new demand side businesses to be funded by joint private/public/angel investment groups.

Create a Nonprofit Solely to Promote Music Digital Media and Assist Venture Capital Firms with Deal Flow.

Create a nonprofit association that exists solely to promote music media deals and form relationships with angel groups (NACO, Network of Angel Groups Ontario, etc) as well as digital media groups such as Canadian Digital Media Network, Entertainment Software Association of Canada, gaming groups, and others. Also:

- Obtain research grant funding from OMDC to conduct annual or bi-annual study of the economic importance of music media deals and publish/promote results.
- Work to create a presence in panels and presentations to represent and discuss music media deals for investor group conferences throughout the year.
- Host an annual funding conference, modeled on the GameOn Finance Forum, now in its fifth year and highly successful, and/or the Canadian Film Centre's annual CFC Media Lab Exhibition
- Get involved with gaming studios and film studios to build relationships. Educate them about licensing for music, and make it easier for them to get the access they need. Consider co-creating/sponsoring events with angel groups.

Create Music Digital Media Presentation for Venture Capital Firms and Angel Groups.

Create a canned presentation to take out to the major 4-5 existing angel groups in Toronto to explain digital media music deals. Where do they fit? (Is it new media, mobile, social media, ICT, entertainment, or all of the above). How to evaluate them for investment purposes? Make a parallel effort with the VC firms in Toronto as well. HotDocs, an active film trade association, has already been making a number of efforts in this direction, including the creation of an event co-sponsored with NAO-Ontario called the Media Industry Angel Investment Initiative in Toronto, which was held in April 2011.

Create Industry-Specific Angel Funding Group in Public-private Partnership

Create a new industry-specific angel investment group or hybrid investment group for the purpose of music media deals. Group is comprised of angels, major labels, FedDev follow-on funds, City of Toronto CCCIP funds. Have the group develop working relationships with all the incubators in town that hatch new media music deals, and cherry-pick the best ones. Grant funding is available from several sources to start new angel groups.

Part Two

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Roadmap: Recommendations for Action

At-A-Glance Aggregated Recommendation Summaries

GOVERNMENT INITIATIVE RECOMMENDATION 1

Create a Music Industry Board to Report to the Economic Development Committee

Create a Music Industry Board to operate under the Economic Development Standing Policy Committee, utilizing the Toronto Film Board as a model, that will serve as a conduit for music industry operators who have difficulty or suggestions for City policy issues that require further exploration or action. At a minimum, its defined activities would include working with a new City-staffed Music Industry Office (see Recommendation IIB below) to coordinate efforts on behalf of the music industry, strategic planning and advocacy with the Economic Development Committee for recommended Council action, proactively maintaining community relations with music industry sub-sectors on behalf of the City, and assisting the City with marketing and promotion of Toronto's commercial music industry.

GOVERNMENT INITIATIVE RECOMMENDATION 2

Create a Music Industry Office Under the Economic Development & Culture Division's Business Services Umbrella

This office can refer to the Austin Music Division as a potential model, but adjust its activities to Toronto's particular needs. Defined activities would include but not be limited to serving as an Ombudsman and clearing house for music business operators; assisting live music venues with the coordination across multiple City departments for the permitting process; assisting both live music venues and City departments to understand correct business license and permit requirements; working with the Toronto Police Service to assure consistent and correct enforcement of both provincial and City regulations; serve as the City's community clearinghouse and resolution centre for any conflicts with neighbourhood associations and music venues and BIAs; work with the Music Industry Board to develop policy recommendations and strategic plans for city involvement in the advancement of GTA commercial music industry.

GOVERNMENT INITIATIVE RECOMMENDATION 3

Create a Provincial Ontario Music Office

Consider creating a provincial or city office to mirror the activities of the Texas Music Office, which educates legislators about music-related economic issues and advocates for relevant legislation in the state legislature; creates and maintains a public directory of all music-related businesses in a geographic area, as well as tracks important data, such as statistical changes to those aggregate numbers over time. This office would also coordinate with the Toronto Music Industry Office in any Toronto-related music efforts, such as provincial liquor licenses, and festival zoning and permits.

GOVERNMENT INITIATIVE RECOMMENDATION 4

Work to Support a Provincial Music Production Tax Credit

Consider supporting a provincial tax credit for foreign-owned music labels that would resemble the Ontario Production Services Tax Credit currently in place for film and television.

FUNDING RECOMMENDATION 1

Set a Three Year Music Industry Economic Impact Growth Goal

Consider setting an economic impact growth goal for Toronto's commercial music industry with a relatively short time horizon to encourage quick action and the adoption of a material, step-by-step growth plan. Also consider adopting a corresponding commitment to dollars per capita on industry development and programs. Setting a growth goal will stimulate incentive for action, and also provide a benchmark for measuring program success and investment ROI.

FUNDING RECOMMENDATION 2

Create An Economic Development Committee-Sponsored Mandate To Recognize Music Industry's Economic Impact And Include Budgetary Line Item Funding

Create an explicit mandate to create music industry development activities under the economic Development and Culture Division, and move any commercial music industry development activity out of the Cultural Services unit and place it under the umbrella of Business Services or as its own division. Either reallocate existing resources or provide a modest increase in funding to create the Music Office and staff it with 3-4 music industry personnel. Regardless of whether the Music Office is its own division or is placed under Business Services for reporting structure, ensure that the mandate includes a provision that provides the Music Industry with an explicit line item in each year's budget under the EDC alongside Film. Focus on specific needs of industry sectors that can be addressed if provided appropriate resources.

FUNDING RECOMMENDATION 3

Identify Key Private Industry Partners To Help Create Public-private Partnership Initiatives

Toronto already has a strong tradition of utilizing public-private collaborations with great success. Consider making a deliberate policy decision to maximize the leverage of each City dollar spent for the commercial music industry by working in partnership with the private sector to create programs and initiatives with private sector resources, time, guidance, and knowledge.

FUNDING RECOMMENDATION 4

Increase the Dollar Average Provided to Music Industry- Organizations through TAC or Other Funding

The average grant amount for TAC music organizations in the most recent year of available data was \$17,000; the average Austin Cultural Contract amount in 2012 is just over \$25,000. Providing some of the financial stability for new organizations focused on building economic industry capacity and expansion will allow those organizations to accelerate their growth and program offerings. This acceleration will increase their efficacy in the early years, which out of necessity are usually spent focused on fundraising and financial support to create a base of operations.

FUNDING RECOMMENDATION 5

Pursue Uncaptured Capacity Of Provincial Funds to Further Leverage City Dollars

Assign the new Toronto Music Office to work with the newly created Toronto Music Industry Council to focus on and pursue sources of Ontario government funding to support City efforts where possible.

TOURISM RECOMMENDATION 1

Create A Benchmark To Measure The Impact Of Music Related Tourism

Order an economic impact analysis that measures the direct and indirect contributions of music tourism to the overall tourism industry and to the Toronto economy as a whole. Use the results to develop initiatives that enhance current industry strengths and aid weaknesses, with a focus on developing Toronto's brand as a creative, culture-friendly city.

TOURISM RECOMMENDATION 2

Proactively Pursue City-Sponsored Music Tourism Programs Under Tourism Toronto

Request a small re-allocation of current funding to dedicate staff hours or staff positions to the development of proactive cultural branding programs to operate under Tourism Toronto. These programs will focus on expanding Toronto's visibility using a variety low-cost, high-benefit tools, including web media and live performance, in an effort to create a unified and recognizable brand.

TOURISM RECOMMENDATION 3

Examine Current City Infrastructure For Existing Avenues To Effectively Promote Music And Utilize Them

Study how the City's existing tourism infrastructure can aid in the promotion of music and the development of Toronto-branded music events, focusing on Special Events, the Event Support Unit, the Strategic Growth and Sector Development Unit, and the We've Been Expecting You program. Identify ways to deliver music tourism support by integrating new initiatives into these existing units. Also, capitalize on existing large Toronto-based events that have some government involvement, such as the upcoming Pan Am Games, and strategically plan for strong Toronto music integration into these events. Such integration furthers the expansion of music branding through large-scale visibility, while simultaneously conserving financial resources by integrating with existing events.

TOURISM RECOMMENDATION 4

Support Music Industry Efforts To Launch A Premier Toronto-Branded Music Festival

Aid private industry in the creation of a premiere music festival that attracts top international artists and provides exposure for local performers. As an example of services rendered, The City would facilitate the festival's creation through lowering the costs for permits and licenses, expediting the issuing of permits and licenses, providing tax exemptions, assisting in the development of advertisements designed for city-owned promotional platforms, and developing transportation plans to account for festival schedules and the needs of attendees.

TOURISM RECOMMENDATION 5

Add a music staff member to the Los Angeles Film Office

With the endorsement of Film Ontario and the OMDC, the City would create a position at the Los Angeles Film Office for a Music Officer. The Officer's primary duty would be to develop relationships with members of the television and film community, music supervisors, production studios, labels and publishers in an effort to promote the licensing of Toronto music for a variety of media. If a Music Production Services Tax Credit is adopted, the Music Officer would also work to attract music productions and post-production work to the studios of Toronto to stimulate industry growth and build the city's brand as a world- class music town with a first-rate studio infrastructure.

NONPROFIT RECOMMENDATION 1

Form A Nonprofit Organization for Grassroots Education & Development

Based on the AMF experience, Toronto could benefit from a nonprofit whose express mission is to educate, mentor, and assist up and coming/aspiring professional musicians and small music businesses. Create programming that runs year-round, utilizes Toronto's extraordinary access to established music industry professionals via partnerships with Music Canada, CIMA, etc, and provides networking opportunities for those musicians. It is possible that Music Ontario will have the infrastructure in place to get a head start that may leverage its programming and expertise. If Music Ontario does not wish to take on this role, it would be well to form another organization to perform this industry-wide city function.

NONPROFIT RECOMMENDATION 2

Form a Pan-Industry Council of Key Personnel in the Toronto Music Industry

Create an organization whose focus is only on Toronto, comprised of key personnel from the private sector, who will work to create new business growth opportunities and create a unified industry voice to advocate at City Hall.

Recommendation: CREATE TORONTO MUSIC INDUSTRY BOARD (TMIB)

Recommendation Summary: The TMIB is made up of volunteer representatives of music industry stakeholders acting as an advisory board to City Council analogous to the current Toronto Film, Television & Digital Media Board (Film Board). The TMIB would also report to the Economic Development Committee, and is a mechanism through which stakeholders can communicate with the City Council on issues of importance to them and also be available to help the City Council develop and implement policies affecting the Toronto commercial music industry.

Recommendation Goal: Facilitate the economic development of the City of Toronto commercial music industry and integrate the music industry into the City of Toronto's overall planning and economic development agenda. TMIB will also serve as a conduit for music industry stakeholders who have suggestions for City policy issues requiring further exploration or action.

Key Activities: Strategic Planning: The TMIB will study Toronto's policies in areas affecting the commercial music community. The TMIB will also develop short and long-term policies and strategies for maintaining a strong music community and identify stakeholder and city responsibilities.

Advocacy & Promotion: The TMIB will advocate the concerns and needs of the commercial music community to the EDC and to the City Council; make recommendations for action to the EDC and City Council on relevant legislation and policy developments; support the City in promoting its positions on various music industry issues; and assist the City with marketing and promotion of Toronto as a music tourism destination.

Coordinate Action Between City Departments and Private Industry: TMIB will work with the proposed new City-staffed Music Office to coordinate efforts on behalf of the industry; work with the Toronto Police Service on ordinance enforcement issues; assist the City with

community outreach to music-related professionals to create an effective feedback loop to the City; and develop and sustain connections with various industry stakeholders.

General Organizational Structure:

TMIB membership, appointments and terms will comply with the legal requirements of such boards. In order to facilitate effective communication with the Economic Development Council, board members should include a sufficient number of stakeholder representatives from across the commercial music industry sectors in the City of Toronto. It would be well to have each sector have a permanent place on the TMIB, with individual members rotating off the board as required by law.

It may be productive to have an observer from the Economic Development and Culture Division representing the Business Services Unit as well as a member from the proposed Music Office. Though these individuals will not be board members, they will assist and offer guidance where requested as to what services may better serve those businesses the TMIB represents, particularly as it relates to policies that coincide with some of the Business Services department goals: BIA Support, Small Business Support, and Business Retention and Expansion.

It is anticipated that the TMIB will meet once per month at meetings that shall be open to the public in compliance with applicable open meeting laws.

Key Partners

The TMIB will require support from the sectors of the broader commercial music industry providing board members. Success of the TMIB depends on convincing passionate and motivated commercial music industry stakeholder representatives to volunteer. It will likely be well to have at least the first slate of representatives seated to be senior executives that will emphasize that the music industry takes the TMIB seriously and sets a leadership example to potential successor volunteer representatives.

Board Member**Qualifications:**

Permanent stakeholder membership should include the following sectors of the commercial music industry in Toronto:

- (i) Live music venue owners;
- (ii) Artist unions;
- (iii) Music Publishers;
- (iv) Independent Record Labels;
- (v) Major Record Labels;
- (vi) Recording Studios;
- (vii) Record Stores;
- (viii) Concert promoters;
- (ix) Professional Development Nonprofit

Potential Obstacles**& Issues:**

Resistance from Arts Community. The TMIB will focus solely on the commercial music industry in the City of Toronto and will not address the fine arts community. There may be push back from fine arts advocates who may feel that public resources should not be devoted to a commercial industry. As the film industry has enjoyed long-standing support from the City, there may be some resistance from the Film Board.

Efficient Ramp-Up to Full Efficacy. To effectively address the needs of Toronto's music industry and to implement real policy change, there must be very proficient communication between the City Council, the TMIB, the Economic Development and Culture Division, and the Economic Development Committee. A new board of volunteers may have initial difficulty in properly leveraging the various city divisions and departments so as to efficiently address the music industry's needs.

Required Resources:

Labour: ■■■□□

Administrative resources to institute the TMIB will be consistent with creating any other City board. If permitted by law, stakeholders may be able to bear certain administrative functions to facilitate the work of TMIB.

Initial activities include: formation by the City; recruitment of appropriate stakeholder representatives; review and adoption of relevant policies; creation of TMIB community messaging and public contact information.

Assuming that the City Council must approve appointments to the TMIB and the EDC makes those appointments, both city divisions will have to spend a small amount of time in making these decisions.

Capital: ■■■□□

Though the TMIB has no budget and is staffed entirely by volunteers. Support for the existing City advisory boards is provided through the City Clerk's office and the City Clerk will have to be responsible for administrative tasks such as posting meeting agendas and minutes on City websites and other open meeting requirements.

Facilities: ■■■□□

Space for the monthly meetings will require use of existing City resources (room, utilities, security, and parking).

Recommendation Name: CREATE TORONTO COMMERCIAL MUSIC OFFICE OF THE TORONTO ECONOMIC DEVELOPMENT AND CULTURE DIVISION

Recommendation in Brief: The Toronto Commercial Music Office will serve as a dedicated office within the City government whose primary goal is to facilitate the growth of the commercial music industry in Toronto. The Music Office will proactively create and produce industry growth programs for the City. It will also act as a clearinghouse and liaison for City-related issues affecting the commercial music industry. The Music Office will be the City-staffed government counterpart of the recommended volunteer-based Toronto Music Industry Board (TMIB). The CMO is somewhat analogous to the Toronto Film and Television Office (TFTO) and the Film, Television and Digital Media unit.

Recommendation Goal: The Music Office will fill a void in the City's relations with the commercial music industry, especially live music venues. The office would have the following goals:

- (i) Integrate the commercial music industry with the City of Toronto and help to manage the intersection of the music with city regulations and facilities;
- (ii) Assist in coordinating permitting issues for live music venues and concerts;
- (iii) Help manage consistent enforcement of the city's ordinances and provide a venue for music stakeholders and residents to resolve issues;
- (iv) Provide feedback on current and future recommendations for City policies;
- (v) Leverage Toronto's existing music industry assets; and

- (vi) Raise the profile of Toronto's commercial music industry locally and abroad.

General Organizational Structure

CMD will have a similar nature, structure, and placement within the Economic Development and Culture Division to the TFTO. The Music Office would be housed under the Economic Development and Culture Division and have full-time staff.

The Music Office could also work with Tourism Toronto to maximize current programs to promote Toronto as a music tourism destination as part of Toronto's tourism efforts.

Qualifications of CMD Staff:

This office should be run by someone with expert knowledge and experience in the Toronto commercial music industry and who has the support of stakeholders.

Examples of Key Activities:

Detailed, specific activities should be derived from private industry/government collaboration. The following are potential areas to consider.

Business Activities. Work with the EDC to communicate and message the City's activities or programs to support the commercial music industry, and work cooperatively to develop policy recommendations and strategic plans for City involvement in the commercial music industry.

Identify ways to leverage current city assets to create new music events that drive market demand and employ local bands and event production companies. Perhaps consider music in City parks or other City-owned property.

Work with interested BIA's to more effectively market and promote their music businesses to increase economic activity in the BIA.

City Music Ombudsman. Serve as the City's community clearinghouse and resolution centre for any conflicts with the neighborhood associations, music venues, and other parties.

Music Exporting Activities. If the City elects to support existing federal export support of the commercial music industry, The Music Office can help facilitate these activities in coordination with existing private industry or trade organizations.

Permitting. The Music Office will be an Ombudsman and clearing house for music business operators; assisting live music venues with coordination across multiple City departments to understand the various necessary permits and proposed changes in ordinances. This includes all permitting of live music venues or events such as sound ordinances, liquor permits, capacity and fire codes, parking and zoning. The Music Office would also monitor proposed changes in ordinances to advise the City on how any proposed changes will affect the commercial music industry in Toronto.

Consistent Enforcement: Work with the Toronto Police Service and other enforcement agencies or tribunals to assure consistent and correct enforcement of both provincial and City regulations.

Tourist Activities. The Music Office can assist Tourism Toronto in developing materials to promote Toronto as a music tourism destination. These materials could include web-based venue maps, walking tours of musical points of interest (historical clubs, famous studios, famous concert halls, etc.), and nightly event listings by genre.

Monthly Newsletter. The Music Office could devote some resources to communications with stakeholders and the general public. A monthly email newsletter could advise subscribers of important non-partisan events within the City such as festivals, city-sponsored concerts and events, or invite public comment on proposed ordinance changes.

**Potential Obstacles
& Issues:**

Budgetary Concerns. Current fiscal pressure on the City suggests potential difficulty reallocating City funding.

Resistance from the Wider Arts Community. There may be resistance to using public funds to support the commercial music industry, particularly given recent public reaction to cuts in cultural funding. However there appears to be good precedence with the TFTO.

Cooperation with Toronto Police Service and Other City Branches of Government. If the Austin Music Office is a guide, the Music Office will work closely with the Toronto Police Service regarding the enforcement of ordinances as well as the EDC and Tourism Toronto. It will be important to message the formation of this office positively.

Required Resources:

Labour: ■■■□□

The Music Office should not require a large staff. A reasonable starting staff could consist of 3-4 full-time employees. There will be customary startup costs associated with forming new divisions (including website).

Capital: ■■■■□

CMD will require a budget commensurate with the final staffing determination. For more detailed funding discussion, please see "Funding Recommendation: EDC Sponsored Mandate for Budgetary Line Item Funding."

Facilities: ■■■□□

The Music Office will require city facilities for its offices but it is unlikely to require new construction.

Recommendation Name: CREATE ONTARIO MUSIC OFFICE

Recommendation in Brief: The Ontario Music Office (OMO) is a proposed provincial unit with a full-time small staff that would: engage in education and advocacy efforts with Members of the Provincial Parliament about music-industry related economic issues in Ontario; monitor legislation in the Legislative Assembly of Ontario of importance to the music industry; operate a public website providing current information on Ontario's commercial music industry, identify and assist with funding opportunities from the federal and Ontario governments; and collect statistical data on the Ontario music business and changes in that statistical data.

The Ontario Music Office could provide support and information for the Ontario commercial music industry that is not currently available for the Ontario creative community, Members of Provincial Parliament and staff, and the general public.

Recommendation Goal: The OMO will increase growth and economic impact of the commercial music industry in Ontario's cities.. There currently is no similar resource available to the Ontario music industry.

General Organizational Structure:

Parent Government Agency. The OMO will likely be organized as an agency within the Ministry of Tourism, Culture and Sport, potentially under the Ontario Media Development Corporation (OMDC) umbrella.

Staffing. The OMO should require a minimal staff of 3-4 people.

Key Players: The ideal candidate to manage the office will be someone with experience in both the commercial music industry and the Legislative Assembly of Ontario.

Primary Activities: **Legislation.** The OMO will monitor bills introduced in the Legislative Assembly of Ontario and will be a music industry resource to members of the provincial

parliament.

The OMO would also interface with city governments in Ontario, including the City of Toronto, to facilitate commercial music industry activities such as provincial liquor licenses and permits.

Data Collection & Business Directories. The OMO will collect statistical and economic information from across Ontario regarding Ontario's commercial music industry. This information will be broken down across individual industry categories (i.e., artists, songwriters, music publishers, record labels, music retailers, etc.) and will include information on the number of employers and employees within each of the categories.

Tax Credit Information Clearinghouse. The OMO will serve as a clearinghouse for information regarding the existing Ontario Sound Recording Tax Credit (OSRTC). Also, if the Music Production Tax Service is passed, the OMO will also serve to promote the new tax credit that will be available for foreign-owned music companies, helping to drive new business to Ontario studios.

Provincial Permit Information and other "How-To" Resources. The OMO will also develop and make available various informational materials to assist the commercial music industry, some of which may be produced by other government agencies. Topics would include general startup business information; dealing with government agencies such as the Copyright Board of Canada and the Canadian Intellectual Property Office; various provincial ordinances on sale of alcohol; how to license music; information on digital distribution; how to start a record label or SOCAN; how to collect various royalties available in Canada for exploitation of sound recordings, videos and songs.

Talent Registry. The OMO will also solicit and accept information on individual bands and artists within Ontario.

This will be a comprehensive registry of Ontario's recording or performing artists with contact information.

***Potential Obstacles
& Issues:***

Resistance from the Wider Arts Community. The fine arts community may resist spending public funds on an agency that is largely serving the commercial music industry. Again however, there is good precedence under the OMDC, which is an expansion of its first incarnation as the Ontario Film Review Board. This music industry expansion is a logical progression in the goal to increase cultural industry economic growth.

Required Resources:

Labour: ■■■□□

If the Texas Music Office is a guide, a relatively small staff can manage the OMO.

Capital: ■■■■□

We anticipate that the most significant cost of the OMO will be staff salaries. Also there will be some start-up costs, such as the initial preparation of directories and web materials.

The OMO website will be hosted on the provincial government's site and thus will not require new hosting or server fees.

Facilities: ■■■□□

Facilities necessary are small. A relatively small office that can accommodate the approximately 3-4 paid staff and potentially a few interns will be necessary. The office will require standard office equipment like computers, and the occasional conference room, but because the agency will be a small one, facilities investment will not be substantial.

Recommendation Name: **PROVIDE CITY SUPPORT FOR PROPOSED ONTARIO MUSIC PRODUCTION TAX CREDIT**

Recommendation in Brief: Determine ways that the City and Toronto private industry can work together to endorse and provide support for the adoption of this new tax credit.

The proposed credit would provide a tax credit of up to 25% to cover eligible expenditures relating to the production of sound recordings, music videos and related expenses involving the marketing and promotion of sound recordings and music videos when those recordings are made or services performed substantially in Ontario.

Recommendation Goal: The credit is somewhat modeled on the Film Production Tax Credit, and would not be limited to Canadian content producers or copyright owners, as is the case with the Ontario Sound Recording Tax Credit (OSRTC). The goal of this tax credit is to attract foreign companies to utilize Ontario's world class sound recording facilities, creating new jobs, industry growth, and economic impact..

Preliminary estimates place \$60 million in direct expenditures, approximately \$214 million worth of new economic output, and 900 new jobs created by the sound recording industry. Much of this activity would take place in the GTA because it is the base of operations for the vast majority of Ontario's music industry.

Key Players Required: **Recording and Production Stakeholders.** Stakeholders in Ontario's recording studios and video production facilities would be necessary advocates for the tax credit.

Ontario Media Development Corporation. Like the OSRTC, this new credit would be administered by the OMDC.

Toronto City Government. Much of the job and economic stimulus will be focused in Toronto which should advocate for creation of the music production tax credit.

Record Company and Union Support. ACTA, CFM, CIMA and Music Canada should all support the OMPTC.

Eligible Expenditures:

Sound Recordings. Production of sound recordings or services provided primarily in Ontario, including artist and session musicians and vocalists, studio time and materials, graphics and artwork, photography, software, digital scanning, and mastering.

Music Video. Production of music videos or services primarily in Ontario, including personnel, actors, editors, DVD authoring.

Direct Marketing. Direct marketing expenses on account of property or services provided primarily in Ontario, including consultants and salaries and wages for public relations and marketing employees.

Potential Obstacles & Issues:

Public Support. As with any tax credit, there could be potential objectors, but the economic impact and financial benefits to Toronto have already been studied and made clear.

Required Resources:

Labour: ■■■■

Some coordination between the parties involved to advocate for the tax credit will be required.

Capital: ■■■■

There are no identified capital costs other than staff time to coordinate efforts and create endorsement documentation, but the OSRTC would likely be a good proxy for any incremental capital costs of passing the OMPTC and could be reviewed for such.

Facilities: ■■■■

No new facilities will be necessary.

Recommendation Name: SET A CITY-SUPPORTED THREE YEAR MUSIC INDUSTRY ECONOMIC IMPACT GROWTH GOAL

Recommendation in Brief: Set an economic impact growth goal with a relatively short horizon to encourage quick action and the adoption of a material, step-by-step growth plan. Also consider adopting a corresponding commitment to dollars per capita on industry development and programs.

Recommendation Goal: Setting a growth goal will stimulate incentive and urgency for action and also provide a benchmark for measuring success of overall efforts within three years. Also, the successful adoption of this goal will help to get all relevant stakeholders working more cohesively towards the same end.

**Potential Obstacles
& Issues:**

There are two primary obstacles that will need to be addressed: 1) Determining a growth goal that is reasonable and will be endorsed by both private industry and Council, and 2) the identification of a champion(s) on the Economic Development Committee to propose and help get the item adopted. Private industry associations such as Music Canada and CIMA could take a lead role to collaborate and present the EDC with a recommendation for a growth goal.

Key Partners:

Music Canada, CIMA, Economic Development Committee

Required Resources:

Labour: ■■■■

This could be a labor-intensive project if the parties are unable to come to quick agreement on an economic impact growth goal. Efficient collaboration between the primary private industry stakeholders and an early adopter champion on the EDC could lesson the labor investment required significantly.

Capital: ☒ ☐ ☐ ☐

No capital investment is required in getting the goal adopted other than the salaried time of staff members of the music industry stakeholder groups who will be working with the City and EDC to get the goal adopted.

Facilities: ☐ ☐ ☐ ☐

No additional facilities required.

Recommendation Name: CREATE AN ECONOMIC DEVELOPMENT COMMITTEE-
SPONSORED MANDATE TO RECOGNIZE MUSIC INDUSTRY'S
ECONOMIC IMPACT AND INCLUDE BUDGETARY LINE ITEM
FUNDING.

Recommendation in Brief: Create an explicit mandate to create music industry development activities under the Economic Development and Culture Office, and move any commercial music industry development activity out of the Cultural Services office and place it under the umbrella of Business Services or as its own division. Either reallocate existing resources or provide a modest increase in funding to create the Music Office and staff it with 3-4 music industry personnel. Regardless of whether the Music Office is its own division or is placed under Business Services for reporting structure, ensure that the mandate includes a provision that provides the Music Industry with an explicit line item in each year's budget under the EDC alongside Film. Focus on specific needs of industry sectors that can be addressed if provided appropriate resources.

Recommendation Goal: Private industry has made significant efforts towards quantifying the economic impact of music industry to Toronto and identifying steps toward growing that impact. The City could improve their chances of success by acknowledging music industry's industrial importance to Toronto and collaborating with them on initiatives which may require either small budgetary line item funding or reallocation of current EDC staff.

**Potential Obstacles
& Issues:**

Budgetary changes may present challenges to various parties. Making a concerted effort to get stakeholders to understand the larger picture of cultural collaborative industry growth – which is to everyone's benefit – would likely curtail some objections.

Key Partners:

Music Canada, CIMA, and other private industry partners; Economic Development Committee; Economic Development and Culture General Manager and appropriate staff.

Required Resources:**Labour:** ■■■■

A number of stakeholders will need to work together to make this initiative happen. Efficiency can be increased via collaboration between the primary private industry stakeholders to present the EDC with exactly what Music Office and other City-related activities it recommends and the requested resources (i.e. headcount) to conduct those activities.

Capital: ■■■■

Depending on whether resources are allocated by re-assigning existing staff or hiring new staff, this recommendation could potentially involve new funding requirements.

Facilities: □□□□

No additional facilities required.

Recommendation Name: IDENTIFY KEY PRIVATE INDUSTRY PARTNERS TO HELP CREATE PUBLIC/PRIVATE PARTNERSHIP INITIATIVES

Recommendation in Brief: Toronto already has a strong tradition of utilizing public/private collaborations with great success. From the outset of creating a new music industry growth strategy, make a deliberate policy decision to maximize the leverage of each City dollar spent by working in partnership to create programs and initiatives with private sector resources, time, guidance, and knowledge.

Recommendation Goal: Successful businesses develop strong relationships with their customers, suppliers, and support services. These relationships increase efficiency along the supply chain, making costs of operation decrease. The City can utilize this same practice to build strong private industry collaborations to truly maximize every City dollar spent on music industry initiatives.

Key Activities: City and private industry collaborations are in many ways the central theme of this study, and the activities in which they intersect carry through many of our recommendations. In some of these, the City acts as the primary for delivery of service and in others, the private industry will take that role. In all cases though, collaboration will lead to better efficiency and cost reduction. The list includes:

- Recommendations for appointment of Toronto Music Industry Board members
- Developing activities for Music Office & identifying private industry partners to work with to carry out those activities in collaboration
- Collaboration on Economic Impact Growth Goal and efforts to achieve that goal
- Collaborate on desired provincial assistance, such as the passage of a music production tax credit and the creation of a Music Ontario Office

- Identify low-hanging fruit in existing city infrastructure to utilize for music promotion activity integration
- Collaborate on launching a premier Toronto-branded music festival
- Work together on designing music tourism programs based on existing private industry icons and other assets

Key Partners:

Existing: Economic Development and Culture management and appropriate staff, Economic Development Committee, Music Canada, CIMA

Future: All of the above, plus Toronto Music Industry Board members, Toronto Music Office Staff, and appropriate Toronto Tourism staff

**Potential Obstacles
& Issues:**

Provided both the City and private industry desire to move forward with a cooperative view towards music industry growth, any minor obstacles rooted in other agendas or potential personality issues should be easily overcome.

Required Resources:

Labour: ■■■□□

Collaborative efforts take time from all the stakeholders, but the dividends reaped from those efforts are generally worth far more than equal time spent in individual pursuit.

Capital: □□□□□

No capital investment is required. In fact, the essence of this recommendation is that the time invested will *save* significant City funds.

Facilities: □□□□□

No additional facilities required.

Recommendation Name: INCREASE THE DOLLAR AVERAGE PROVIDED TO MUSIC INDUSTRY DEVELOPMENT ORGANIZATIONS THROUGH TAC OR OTHER FUNDING

Recommendation in Brief: The average grant for TAC music organizations in the most recent full year of available data was \$17,000; the average Austin Cultural Contract amount in 2012 is just over \$25,000. Providing the financial stability for new organizations focused on building economic industry capacity and expansion will allow those organizations to accelerate their growth and program offerings. This acceleration will increase their efficacy in the early years, which out of necessity are usually spent focused on fundraising and financial support to create a base of operations.

Recommendation Goal: Facilitate increased efficacy of existing or new nonprofit professional development organizations to stabilize and grow quickly.

Key Activities: Utilize key data from this and other recent music industry studies to demonstrate the value of grassroots professional education to the City. Illustrate the difference in economic benefit between investing in a purely cultural organization vs. a cultural industry capacity building organization that helps to create better trained cultural workers and artists, better jobs, and more economic impact. Use this key data to secure commitments for additional modest incremental funds to invest in building professional music industry organizations.

Key Partners: Private Industry trade groups, Economic Development Committee, Toronto Arts Council, and others yet to be identified

Potential Obstacles & Issues: It is unknown if Toronto Arts Council will be willing to make these minor funding adjustments. If TAC funding is not possible, work with EDC may help identify other potential sources of funds.

Required Resources:

Labour: ☒ ☒ ☐ ☐

Capital: ☒ ☒ ☐ ☐

While no new capital needs to be raised, fulfilling this recommendation will require a modest reallocation of existing funding.

Facilities: ☐ ☐ ☐ ☐

No additional facilities required.

Recommendation Name: PURSUE UNCAPTURED PROVINCIAL FUNDS

Recommendation in Brief: Assign newly created Toronto Music Industry Office to work with newly created Toronto Music Industry Council to pursue available funding from the Province of Ontario where funding is potentially available to the City's commercial music industry efforts.

Recommendation Goal: Leverage the City's influence to demonstrate to MPPs and provincial ministries that Toronto has a commitment to the commercial music industry in the City and where appropriate can advocate alongside private sector stakeholders for provincial funds to support the City's efforts.

Key Activities: The City Council, the EDC, the Mayor of Toronto and the recommended Toronto Music Industry Council and Toronto Music Industry Office should review potential sources of provincial funding for opportunities. Once opportunities are identified, the City of Toronto can endorse efforts by the appropriate arm of government to pursue provincial funding.

In the body of this study, we identified three potential sources of funds that appear to be underutilized for music initiatives. It appears possible with coordinated effort to secure some of these funds for tourism, music festival/event development, commercial industry nonprofit capacity building/grassroots organizations, and startup music businesses. Certainly there may be other sources that should be examined and more aggressively pursued as well.

Key Partners: Existing: Economic Development and Culture management and appropriate staff, Economic Development Committee, applicable industry stakeholders.

Future: All of the above, plus Toronto Music Industry Board members, Toronto Music Office Staff, appropriate Toronto Tourism staff, and the Ontario Music Office.

***Potential Obstacles
& Issues:***

These efforts may be competitive with film and television stakeholders.

Required Resources:

Labour: ■■■■■

Collaborative efforts take time from City employees and all the stakeholders.

Capital: ■■■■■

No capital investment is required. In fact, the essence of this recommendation is that the time invested will *save* significant City funds.

Facilities: ■■■■■

No additional facilities required.

Proposal Name: **MUSIC TOURISM ECONOMIC IMPACT ANALYSIS**

Proposal in Brief: Although several private industry trade groups and associations have recently taken the initiative to create economic impact analyses of various parts of the music industry in Toronto, there is a gap in measurement regarding the music tourism industry.

As one step in the process of developing music tourism resources and determining where to deploy them, the City of Toronto should undertake an economic impact analysis measuring the contributions of music tourism on Toronto's overall tourism industry, and to the Toronto economy as a whole. This benchmark has not been specifically measured, so benefits of music tourism are largely inferred from other data or are anecdotal.

Proposal Goal: Use the results of the music tourist benchmarking to develop initiatives that enhance current industry strengths and aid weaknesses, with a focus on developing Toronto's brand as music tourism destination. The City would likely benefit from a deeper knowledge of music tourism to the City and will be better able to deploy resources to capture more of the music tourist revenue.

Potential Obstacles & Issues: ***Fine Arts Community.*** It will be important to message the benchmarking for what it is, an effort by the City of Toronto to increase its profile with music tourists. It may well be the case that the fine arts community will also benefit from the benchmarking.

Key Players: The music tourism benchmarking will likely be outsourced to a private consulting firm. The study would be conducted in accordance with applicable laws regarding studies conducted by the City of Toronto. Some initial consultation with the music associations and trade groups who have conducted recent music studies may be helpful in determining the scope of the study so that those past efforts can be integrated with the current study.

Required Resources:**Labour:** ☒ ☐ ☐ ☐

As the study will be outsourced, minimal City labor resources will be required. If the study is conducted after the formation of the Toronto Music Industry Board and/or the Toronto Music Office, those entities could be tasked with monitoring the process.

Capital: ☒ ☒ ☐ ☐

Modest capital outlay will be required to hire the outsourced firm to conduct the study. Alternatively, the City could submit a grant application to the OMDC for research grant funds for this study. If the grant is requested, little to no capital from the City would be required.

Facilities: ☐ ☐ ☐ ☐

No new construction or rental of any facilities will be required.

Recommendation Name: **PROACTIVELY PURSUE CITY-SPONSORED MUSIC TOURISM PROGRAMS UNDER TOURISM TORONTO**

Recommendation in Brief: Work with the Ontario Ministry of Tourism, Culture and Sport to re-allocate a small portion of current Tourism Toronto funding to dedicate staff hours or staff positions to the development of proactive cultural branding and outreach programs. These programs would run under and as a component of Tourism Toronto, with potential additional resources from the City. In creating a variety of proactive programs that promote Toronto's diverse and talented musicians and many musical events, the City can generate greater visibility, brand clarity and drive new dollars into the Toronto economy by increasing tourism. As well, they can provide tangible support to a valuable and often overlooked commodity – local musical artists.

Recommendation Goal: These programs will use a variety of low-cost, high-benefit tools, including web media, in an effort to increase the city's visibility and improve on Toronto's branding capabilities. Programs will also provide opportunities for selected local artists to perform their music in high-traffic locations, generate income, and act as ambassadors for the City of Toronto.

Key Players: **Creation of Agreement with the Ministry:** City Council with Economic Development Committee, Economic Development & Culture management, and Tourism Toronto management support. They provide funding for Tourism Toronto, which is the area's official RTO.

Program Development & Implementation: With the assistance of the Toronto Music Industry Board and proposed Music Office, Tourism Toronto staff will be responsible for developing and implementing music-focused programs that present Toronto as an attractive destination to potential tourists and reinforce its brand as a cultural city.

Key Activities

Specific program activities should be developed by collaboration between private industry and appropriate personnel from both EDC division and Tourism Toronto, and should capitalize on Toronto's unique assets. Current staff with newly dedicated hours or a newly hired staff member will undertake a variety of activities. Some suggestions include: creating a music-based web portal for tourists, developing a large-scale performance series using local musicians in high-traffic locations, and creating an online streaming service available through the City of Toronto website that promotes local music..

Potential Obstacles**& Issues:**

Resistance from City Council. This is why we recommend the possibility of simply re-allocating a small amount of current staff time to initiate these efforts and start benchmarking their success. Asking Council to appropriate additional funds in the future will be easier to request if program benchmarking begins now.

Communication with Ministry of Culture, Tourism, & Sport. The relationship between Tourism Toronto and the City has changed recently, with Tourism Toronto taking over as the primary body responsible for marketing Toronto. As these newly defined relationships are so young, it is difficult to know what kind of influence the City has on the Ministry's mandate and whether it is possible for the City to request funding allocations or recommend the creation of new programs.

Potential Resistance from Tourism Toronto Members. As the primary representative of the tourism and hospitality industry, it is difficult to know if Tourism Toronto members will have interest in dedicating resources towards development of tourism from a specific industry. Historically, Tourism Toronto's marketing strategies have been primarily reactive to the needs and concerns of their membership. However, under the new structure in which Tourism Toronto is the official RTO, 87% of its funding is derived from the Ministry of Culture, Tourism, and Sport, which may well be interested in boosting cultural tourism.

CATEGORY: TOURISM

NUMBER 2

Required Resources:

Labour: ☒ ☒ ☐ ☐

It is unknown what labour may be required to collaborate and get agreement from provincial funding officials. If someone on the Economic Development Committee can be identified who will champion the mandate, the exercise will likely be easier.

To execute the new programs, labour requirements will be limited to recruitment and administrative duties necessary to fill the requested staff position.

Capital: ☒ ☐ ☐ ☐

Capital is required primarily for staff salary and program expenses that are already incurred. Depending on the level of investment agreed upon by Tourism Toronto and/or the City of Toronto and the types of promotional projects undertaken, limited levels of funding can prove quite cost-effective.

Facilities: ☐ ☐ ☐ ☐

None required. Staff will work in already established Tourism Toronto Offices.

Recommendation Name: **SUPPORT MUSIC INDUSTRY EFFORTS TO LAUNCH A MAJOR TORONTO-BRANDED MUSIC FESTIVAL**

Recommendation in Brief: Support private industry in working with the City of Toronto to create a premiere music festival targeted in part at the music tourist that both showcases Toronto artists and also attracts top international talent. The addition of a major music festival in Toronto has the potential to significantly contribute to its tourism economy, music economy, and Toronto's brand visibility. It is beneficial for both the City of Toronto and private music enterprise to pursue its creation.

Recommendation Goal: Establish a large, annual commercial music festival that promotes both Toronto as a music tourism destination, the city's music culture and Toronto's brand internationally.

Key Players: City Council, City staff, Toronto Music Industry Board, Toronto Music Office, Private Industry Stakeholders, Tourism Toronto

Key Activities Qualify Attainability: The City of Toronto should task a group such as the proposed Toronto Music Industry Board to report to the City on the benefits to the City of an annual and centralized large-scale music festival and the willingness of local concert promoters to undertake such a venture, potentially in partnership with the City of Toronto.

Determine City Role and Partnership Commitments: Citing the benefits of SXSW and Austin City Limits Music Festival on Austin's local economy Austin, consider the City offering a variety of incentives and services to festival organizers in exchange for the promotion and utilization of local businesses and artists throughout the festival, and the marketing of the Toronto brand in press materials and advertisements.

The City could (by itself or in coordination with the Ontario government) facilitate the festival's creation through lowering the costs for permits and licenses, expediting the issuing of permits and licenses, providing tax exemptions, assisting in the development of advertisements designed for city-owned promotional platforms, and developing transportation plans to account for festival schedules and the needs of attendees. In return, private festival organizers would use all promotional materials to help promote and brand Toronto as tourist destination, donate a portion of revenues to city beautification, utilize local businesses for security, catering, waste management and other services, and utilize Toronto clubs and artists for nightly after-parties.

Attract Private Sponsorship: Support festival organizers in enticing high dollar value Canadian and international companies to sponsor the music festival, or promotion packages that could include stage name rights and on-site activity booths and tents.

Foster and Maintain Public/Private Partnerships: Liaise with both the City of Toronto, Tourism Toronto and private enterprise, acting as a bridge to facilitate the creation of a music festival and to address any concerns that may arise through the course of the festival's business.

Potential Obstacles

& Issues:

Constrained Resources: Due to potential budget and infrastructure constraints, the Economic Development Committee and City Council may not currently be able to offer specific services and incentives to help encourage the development of a music festival in the short run. However, planning a large scale event will likely have significant lead time given City, private industry and sponsor budgeting, so it may well be prudent to start the process in the near future.

Availability of Private Sponsors: Due to the current economy, it may be difficult for festival organizers to find enough sponsors to invest at the levels needed to ensure festival feasibility in their current budget cycles.

Tourism Toronto: Tourism Toronto will be a valuable partner in assisting the City of Toronto in capturing the promotional and marketing value of Toronto as a music tourist destination. This project will require some degree of messaging to Tourism Toronto members to enlist their support.

Required Resources:

Labour: ■■■■

The creation of a major annual event in partnership between private industry, the City, and Tourism officials is a major undertaking. Significant effort will be required to design the event and create effective private/public collaboration. However, based on experiences elsewhere, the successful establishment of such an event is not only an economic and branding powerhouse, but also a continued source of pride for a city and its people.

Capital: ■■■□

Initial capital requirements to simply investigate the viability of a major festival would likely be included in the current city budget if current City staff is used during the investigative phase.

If the decision is made to move forward in creating the event, potential capital outlay in cash and/or other incentives and benefits could be significant. However, successful events create one of the largest potentials for ROI that grows year over year.

Facilities: ■□□□

We do not anticipate construction or rental space will be required for the City's planning staff.

Recommendation Name: INVENTORY CURRENT CITY INFRASTRUCTURE FOR EXISTING AVENUES TO EFFECTIVELY PROMOTE MUSIC AND UTILIZE THEM

Recommendation in Brief: The City of Toronto has the potential to offer or repurpose a variety of services that promote Toronto as a commercial music industry destination. An inventory of these services is necessary to identify specific programs. Conduct a review of how the City's existing tourism infrastructure can promote music tourism and the development of Toronto-branded music events, focusing on the City's existing *Special Events Unit*, the *Event Support Unit*, the *Strategic Growth and Sector Development Unit*, and the *We've Been Expecting You* program. Identify ways to deliver music tourism support by integrating new initiatives into these existing units.

Also, capitalize on existing large Toronto-based events that have some government involvement, such as the upcoming Pan Am Games, and strategically plan for strong Toronto music integration into these events. Such integration furthers the expansion of music branding through large-scale visibility, while simultaneously conserving financial resources by integrating with existing events.

Recommendation Goal: Create and adopt strategies that utilize the particular strengths of *Special Events*, the *Event Support Unit*, the *Strategic Growth and Sector Development Unit*, and the *We've Been Expecting You* program.

Key Activities: Develop ways to leverage existing resources that will promote a variety of music tourism initiatives, including, but not limited to, a promotional web campaign, and a live performance series for local talent that promotes Toronto to the world, and a new international music festival showcasing Toronto and the city's commercial music business.

Infrastructure Analysis & Utilization: Analyze *Special Events*, the *Event Support Unit*, the *Strategic Growth and Sector Development Unit*, and the *We've Been Expecting You* program for their event development and music destination promotion capabilities. With the aid of the proposed Toronto Music Industry Board and the private sector commercial music industry, utilize these services to help promote and develop the Toronto's music brand.

Key Players:

The City of Toronto, the proposed The Toronto Industry Music Board and private enterprises in Toronto's commercial music industry can develop strong working relationships, including within the Economic Development and Culture division, focusing on those in charge of *Special Events*, the *Event Support Unit*, the *Strategic Growth and Sector Development Unit*, and the *We've Been Expecting You* program.

Potential Obstacles

& Issues:

The City of Toronto. The City's *Special Events*, the *Event Support Unit*, the *Strategic Growth and Sector Development Unit*, and the *We've Been Expecting You* program have a variety of duties and limited finances. Added work and expenses placed upon these services and programs may conflict with their mandate and budget if the City of Toronto includes music as one of its priorities.

Tourism Toronto. Tourism Toronto's long expertise in selling Toronto as a destination should be leveraged in an inclusive manner.

Required Resources:

Labour: ■ ■ ■ □ □

Labour is required to conduct the inventory of city services, but likely can use existing resources for this relatively short time horizon project.

Capital: ☒ ☐ ☐ ☐

The inventory will require minimal capital outlay. Based on the findings of the City service analysis, new hires may be necessary or existing staff hours repurposed to develop specific capabilities.

Facilities: ☐ ☐ ☐ ☐

No new construction or rental should be required.

Recommendation Name: **ADD A MUSIC STAFF MEMBER TO THE TORONTO ONTARIO FILM OFFICE IN LOS ANGELES**

Recommendation in Brief: With the cooperation of Film Ontario and the Ontario Media Development Corporation, the City would create a position in the Toronto Ontario's Los Angeles Film Office for a Music Officer.

Recommendation Goal: By creating a one-person music unit within the Toronto Ontario Film Office in Los Angeles, Toronto would be able to drive business from the US music hub to Toronto, and also to promote and export Toronto music to the key industry players and tastemakers through a variety of media. This would help to define and reinforce the city's brand and create a variety of new revenue sources for local musicians, record labels, studios, composers, and music publishers.

Key Activities: The Music Officer's primary duty would be to develop relationships with members of the television and film community, music supervisors, production studios, labels and publishers in an effort to promote the licensing of Toronto music for a variety of media.

Attract foreign-owned entities to the recording industry in Toronto The Music Officer would also work to attract music productions, sound design and mixing to Toronto's recording studios, particularly if the proposed Music Production Tax Credit is adopted in Ontario.

Promote Toronto Musicians and Recording Studios:

Liaise with members of the L.A. film and television community to disseminate Toronto music through a variety of media. Also, promote Toronto's recording studios.

Attract Licensing Opportunities for Toronto Music:

Working with Los Angeles music supervisors, and other applicable film and television industry members, solicit

and attain licensing opportunities for Toronto artists, composers and, record companies and music publishers.

Assist in Driving Music Tourism The music officer will work to promote Toronto music tourism by highlighting its music assets, pitching potential convention business, and working with the media to pitch Toronto, with a particular focus on travel, leisure, and music media.

Potential Obstacles

& Issues:

Toronto Film and Television Office: As the Toronto Film and Television Office and the Toronto Film Board already work with the Toronto Ontario Film Office in Los Angeles, the Film Office's cooperation will be required to implement the recommendation. Some effort will likely need to be made with OMDC and Film Ontario to bring them onboard.

Required Resources:

Labour: ■■■■

Running a music unit at the Toronto Ontario Film Office in Los Angeles will require the hiring of one new staff member.

Capital: ■■■■

Funds are required for staff salary, administration costs and other business-related expenses.

Facilities: □□□□

No new facilities will be required, as the duties of the new staff member will run from the existing Toronto Ontario Film Office.

Recommendation Name: **FORM A NONPROFIT ORGANIZATION FOR GRASSROOTS
EDUCATION AND DEVELOPMENT**

Recommendation in Brief: Create a non-governmental nonprofit organization that provides highly active grassroots programming focused on professional development and education. The purpose of the organization is to develop a large, broad-based membership from across all sectors of the music industry, but with a particular focus on artists, songwriters, and small music businesses in Toronto.

Recommendation Goal: The foundation would devote itself weekly or bi-weekly programming for its members, and providing a local, Toronto-focused umbrella under which the music community can unite and support its own development. This organization should be the foundation which builds and develops both the artists and the small businesses that will sustain Toronto's music industry of the future.

***General Organizational
Structure:***

The foundation would have a full-time executive director and 1-2 additional staff members who should come from the music industry in Toronto and be familiar with key players.

Key Players:

Representative stakeholders in the Toronto commercial music industry will be required to financially support and sustain the foundation, along with some amount of City funding, potentially through the Toronto Arts Council. Current efforts have already been started by CIMA, who has created Music Ontario, which has an aim similar to the one described here. Music Ontario is currently targeted to launch programming and in late summer or early fall. Depending on how they determine to define their programming, they could potentially fill the role described here. However, it will be critically important for any group attempting to create a grassroots organization to set a purposeful goal of attracting a large, broad-based membership, and also to conduct significant market research before designing their programs in order to make sure that community needs will be met.

Key Activities:

Professional Development and Education. The foundation will deliver a robust array of educational opportunities to the Toronto commercial music industry on a year-round basis by hosting volunteer panels, seminars, small group discussions, and other initiatives. These programs could be entirely funded by private industry or in a public-private partnership with the City of Toronto in selected instances.

Networking. The foundation would provide networking opportunities for members and the larger music community in Toronto to foster professional development and informal communications with City Council and other employees of the City of Toronto.

Membership Communication and Outreach. The organization will communicate early and often via email newsletters, Facebook groups, and other relevant media to its membership advising the membership of organizational activities and matters of importance to the general Toronto music community.

Coordination with City Music Initiatives. The foundation will conduct periodic market research via surveys and questionnaires of its members and provide the data to relevant City bodies. This assistance will help create an effective feedback loop between the grassroots music community and their City.

**Potential Obstacles
& Issues:**

Startup Delays and Costs. Stakeholders will need to perceive the need for the foundation and be willing to invest significant time to correctly design, build, and launch the activities with clear purpose and direction.

Required Resources:

Labour: 

The foundation will require a full-time staff of two or three people, but will require a significant volunteer base with scale.

Capital: ☒ ☒ ☐ ☐

Fixed overhead costs will depend on the degree of in-kind donations available from private industry, some amount of capital will be required to fund an annual operating budget..

Facilities: ☒ ☒ ☒ ☐

Facility requirements will vary depending on the type of educational programming and the size of audience attendance for events. Also the staff will need to find either donated or otherwise inexpensive office space.

Recommendation Name: **FORM A PAN-INDUSTRY COUNCIL OF KEY STAKEHOLDERS IN THE TORONTO MUSIC INDUSTRY**

Recommendation in Brief: Create a private industry organization whose focus is only on Toronto and advocating for its music industry development. The Toronto Music Industry Council (TMIC) would work together to determine the effects of proposed City policies relevant to music and advocate with City Hall.

Recommendation Goal: The TMIC would advocate the music industry's issues before appropriate City of Toronto boards and agencies, as well as messaging the music industries positions through public channels.

General Organizational Structure: The foundation would have a full-time executive director who should come from the music industry in Toronto and be familiar with key players. General membership will be open to private music industry individuals and companies residing in Toronto and would require a very small annual fee.

Key Players: The Toronto Music Industry Council board would be comprised of 1-2 key personnel from each of the Toronto-based organizations and trade groups as well as those not represented by groups, such as live music venues, artists, recording studios, and others *that are committed to investing time and effort into the growth of the Toronto music industry.*

Primary Activities: **Advocacy Before City of Toronto Boards and Agencies.** TMIC would advocate on behalf of the commercial music industry before the City of Toronto's boards and agencies.

Resource to City Council and Toronto Boards and Agencies. TMIC could be available to the City of Toronto as a resource to respond to policy questions regarding the commercial music industry in Toronto.

Mobilization of Membership When Required

The Council will communicate regularly with its membership on policy issues and mobilize voters and campaign activity when required.

***Potential Obstacles
& Issues:***

Compliance with Lobbying Laws. The fine arts community may resist spending public funds on an agency that is largely serving the commercial music industry.

Required Resources:

Labour: ■■■■

Getting the Council started will require an early champion or two who are already influential in the music community. Success of this initiative depends on finding people who are qualified, passionate, and engaged to serve on the Board. Once Council Board members can be identified and appointed and the organization begins activities, a small staff plus and active board will be required.

Once the organization is established, activity level and labor required tends to be cyclical, following the activities of City Hall.

Capital: ■■■■

Fixed overhead costs will depend on the degree of in-kind donations available from private industry.

Facilities: ■■■■

Office space for the organization could likely be donated by a private industry source.

Appendices

Appendix 1

Austin Music Commission Recent Issues and Projects

The following is a list of some of the major activities and focus of the Austin Music Commission.

- 1) ***Red River Heritage District.*** At its meeting on December 5, 2011, the Austin Music Commission approved a recommendation that 4 blocks of Red River Street be classified as a live music heritage district.¹ The recommendation to the city council does not make specific recommendations on ways to help the area, but does bring attention to the value of the area.
- 2) ***Austin Music Memorial.*** The Austin Music Memorial was recommended and adopted by the AMC in 2007² as a means of bringing recognition to some of Austin's great music icons. The memorial accepts nominations each year and each year inducts approximately ten people into the memorial, honoring and recognizing them with an engraved disc at one of Austin's premier performing arts theatres, the Long Centre.
- 3) ***Help to relocate Austin's Fun Fun Fun Fest.*** When construction on a utilities project force the relocation of a popular Austin music festival, organizers brought their request to relocate to an Austin park to the Austin Music Commission. The Commission brought it up with the city council and the request was approved.³
- 4) ***Sound Ordinance Hearings.*** When the Austin Planning Commission proposed reducing the decibel rating for live music venues, the AMC hosted their public meetings to solicit public feedback and illustrate how the new policy would be enforced. Over the years the AMC has heard the city's concerns regarding uniform enforcement of the current regulations as well and acted as a liaison with the police and the city council to voice those concerns.⁴
- 5) ***Miscellaneous Policy Issues Discussed.***
 - a. Changes in downtown parking fees and its effect on the entertainment community; implications of change in definition of live music and live

¹ Peter Mongillo, "Austin Music Commission Recommends Red River live music heritage district", Dec. 12, 2011, www.Austin360.com.

² Record of Official Action, Austin Music Commission Policy Document, July 2, 2007.

³ Austin Powell, "Off The Record", The Austin Chronicle, June 17, 2011.

⁴ See Mike Kanin, Music Matters, Austin Chronicle, Jan 16, 2012.; "Austin Music Commission's Town Hall Meeting Notes", www.austinist.com, Nov. 6, 2007.

- music venues in city regulations; APDs plans for SXSW music festival; consequences and planning on future downtown plans.⁵
- b. Plans and activities for Latino Music Month; bringing together the Downtown Austin Alliance⁶ and the Downtown Austin Neighborhood Association⁷ to voice concerns over sound-related issues.⁸
 - c. How proposed flood control project may effect Austin music community.⁹
 - d. Discussions with Downtown Austin Alliance on panhandling issues; updates and understanding of HAAMs¹⁰ activities in the community; understanding of outdoor music venue permits.¹¹
- 6) **Advising Austin Police Department on Permit Enforcement.** Though the AMC does not write any regulations, it along with the City's MD does advise APD on proper enforcement and helps connect community business concerns with the APD and hears the community's thoughts on ways to improve the sound enforcement and permit policies.

⁵ Austin Music Commission Agenda, March 7, 2011.

⁶ See Downtown Austin Alliance – DAA at downtownaustin.com/daa/ (stating that the DAA is “a partnership of individuals and businesses devoted to promoting and maintaining a safe, clean, attractive, accessible, and fun downtown environment, making downtown the destination for Austinites and visitors”).

⁷ Downtown Austin Neighborhood Association, www.downtownaustin.org (stating their mission to “improve the quality of life for those who live, work and play downtown”).

⁸ Austin Music Commission Agenda, May 2, 2011

⁹ Austin Music Commission Agenda, June 7, 2010.

¹⁰ Health Alliance for Austin Musicians, www.myhaam.org (the organization's mission is to offer health care services for Austin's musicians.).

¹¹ Austin Music Commission Agenda, September 13, 2010.

Appendix 2

Live Music Task Force Recommendations Summary

1. Overarching Recommendation:

Establish a central Music Department within the city of Austin government structure

This recommendation aims to devote a position within the city solely to the interests of Austin's music scene. This position was to have the responsibilities of (a) increasing the profile of the music scene both locally and abroad while attracting music-related businesses to Austin; (b) facilitating communication between music industry stakeholders; (c) advising city policymakers on relevant live music issues; (d) incubating and developing new industry components; and (e) managing those live music issues that intersect with city departments like code enforcement, the parks department, and neighborhood planning and development.

2. Live Music Venues Subcommittee:

Further develop the concept of a "Live Music Venue"

This recommendation intends to develop a better classification of what it means to be a "live music venue" ("LMV"), taking into account such factors as the frequency of music, method of payment to musicians (i.e., cover charge, guarantee, percentages, etc.), advertising invested, employment of a sound engineer, and investment in professional equipment (i.e., staging, lighting, sound, etc.).

Additionally, through development of a better definition of an LMV, the recommendation would open qualified LMVs to certain benefits including reduced tax burdens, reduced city fees for issues like parking, safety and fire codes, sound dampening, and reduced energy costs. Furthermore, qualified LMVs would benefit from fast tracking necessary permit requests.

3. Musician Services Subcommittee

This committee offered numerous recommendations to assist Austin's musicians. Among these, the committee recommended an affordable housing approach for musicians which would offer incentives to builders to preserve existing musician

housing, density bonuses for developers who create musician housing, and to develop ordinances that promote affordable musician housing.

Parking is a major problem for the city's musicians and music lovers. Where parking exists, it is not frequently free or low cost which places an additional barrier on live music attendees and an additional cost on money-strapped musicians. The subcommittee recommended the city provide better parking opportunities for the music community by seeking out parking lot owners who may be interested in donating empty evening parking spaces in exchange for the ability to promote themselves as a "proud sponsor of Austin's music scene." The subcommittee also proposed that the city offer musicians parking vouchers in entertainment districts and to work with venue owners to provide and develop unloading areas and short-term parking spaces.

4. Sound Enforcement & Control Subcommittee

The subcommittee's recommendations intended to address the problem of sound enforcement regulations that are difficult to comply with, enforced erratically, or simply unrealistic. The subcommittee first recommended the city create a staff position responsible for managing outdoor music venue's sound control. This position would train and certify qualified sound engineers who would then be required by city regulation to be present at all outdoor live music events.

In an effort to create more sound-controlled buildings, the subcommittee also recommended the city and the city's energy supplier, Austin Energy, develop construction methods to reduce sound attenuation at outdoor venues. These new methods would then be required or heavily incentivized on all new construction projects within the Central Business District

Finally, the way complains are managed and collected should be altered. The subcommittee recommended that sound complaints for the areas outside of the Downtown Entertainment District be handled by the Public Assembly Code Enforcement (PACE). PACE, and not the Austin Police Department, would be trained to handle sound ordinance complaints and would collect data regarding these complaints to assemble for an annual report which would contribute to a greater understanding of the geographic areas and response time to complaints so as to create a more efficient process.

5. Entertainment Districts Subcommittee

The LMTF also recommend that the city recognize its live music center by establishing a "Downtown Entertainment District" and surrounding satellite entertainment "nodes". This Entertainment District would be incorporated into the overall downtown plan and would include the following elements:

- loading and unloading zones throughout the district

- Parking plans for musicians and staff
- Designated “busking” areas and changes to applicable ordinances allowing busking.
- Retail music business and industry components. (This is a major issue for the downtown area. Outside of the music clubs, there is no music related industry (i.e., record stores, music retailers, record labels, distributors, publishers, manufacturers. A lack of a total music presence means that the industry that creates demand for musicians is not in constant contact with musicians.)
- Signage for music venues inside the Downtown Entertainment District.
- Incentives for soundproofing and sound attenuation or enhancement of equipment.
- Utilization of existing parking structures in downtown super district to create affordable “after dark rates” for musicians and venue staff.
- Reduced parking costs at city-owner parking facilities. (This is also a big problem as the city continues to lease out its publicly owned lots to private companies while increasing the rates and enforcement times of the parking meters on streets.)
- Flexible application of sound ordinances.

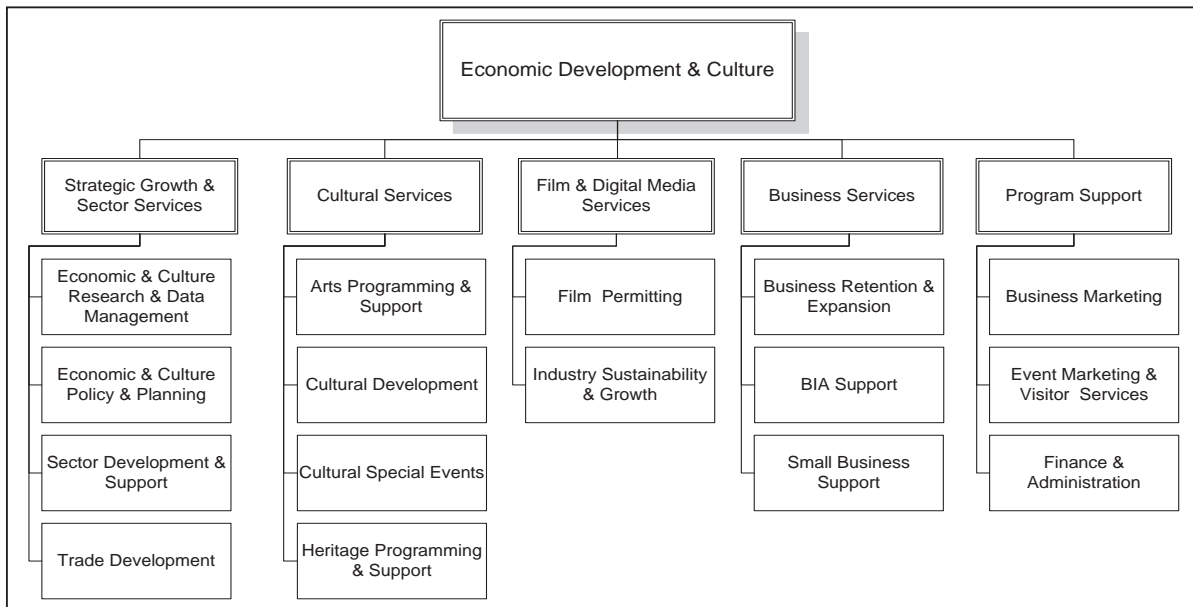
The entertainment “nodes” would encourage live music but would not have all the live music benefits of the Downtown Entertainment District. These nodes would include the following elements:

- Geographically compact
- Emphasis on utilizing mixed use locations for live music.
- Significant concentration of live music venues or historical significance to Austin’s music scene for designation as a “node”.
- Density bonuses that provide affordable live/work space for musicians
- Signage for music venues
- Loading and unloading zones
- Parking plans for musicians and venue staff.

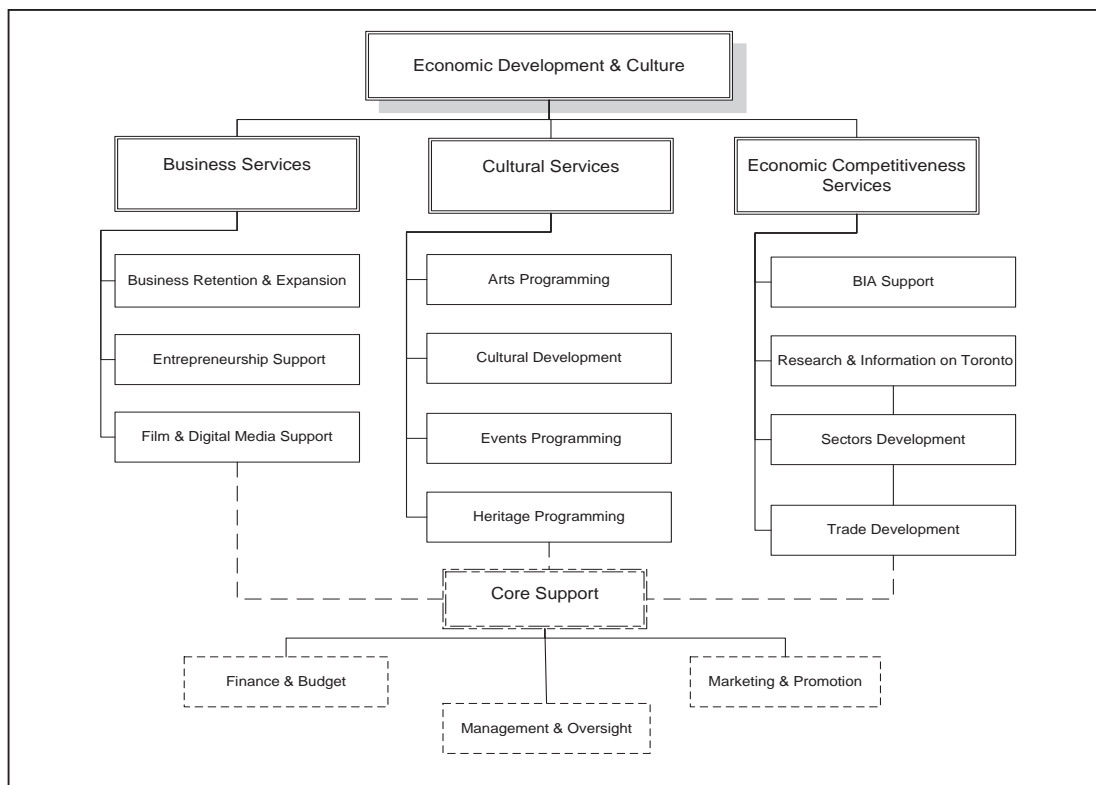
The entertainment district should also benefit from an increased focus on public transit which would create transit “hubs” inside the district, city planning to incorporate the district policies into a development plan, and fast tracking of development for new building that would house live music and for older buildings to be retrofitted.

Current Structure:

Organizational:



By Service Area:



Appendix 4: Toronto Music Businesses by BIA

Business Name	Business Type	Address	BIA
Lee's Palace	Music Club	Bloor Street W. 529	Bloor Anex
Sonic Boom	Record Store	782 Bathurst St.	Bloor Anex
Canada Music Academy	Music Instruction	1114 Bay Street	Bloor-Yorkville
Duke Street Records	Record Label	33 Hazelton Avenue	Bloor-Yorkville
HMV	Record Store	50 Bloor St.	Bloor-Yorkville
Piston	Music Club	Bloor Street W. 937	Bloorcourt Village
Long & MCQuade Musical Instruments	Music Equipment Retailer		Bloorcourt Village
White Whale Records	Record Label	920A Bloor St. West	Bloorcourt Village
Boonsdale Records	Record Label	712 Ossington Avenue	Bloorcourt Village
Urbnet Communications	Record Label; Distribution; Marketing	998 Bloor St. W	Bloorcourt Village
Freddie Fame Records and Rehearsal	Recording Studio	825 Bloor St. W.	Bloorcourt Village
Anthem Entertainment Group	Record Label	189 Carlton St.	Cabbagetown
Number 9	Recording Studio	222 Gerard Street E.	Cabbagetown
El Mocambo	Music Club	Spadina Ave. 464	Chinatown
Grossman's Tavern	Music Club	Spadina Ave. 379	Chinatown
Dream Music	Record Store	469 Dundas	Chinatown
Second Vinyl	Record Store	415 Dundas W.	Chinatown
Smiling Buddha Bar	Music Club	College St. 961	College Promenade
The Emmet Ray Bar	Music Club	College St. 924	College Promenade
Renaissance Café	Music Club	Danforth Ave. 1938	Danforth Mosaic
Ten Feet Tall	Music Club	Danforth Ave. 1381	Danforth Mosaic
Partch Brasswind Services	Music Equipment Repair	1503A Danforth Ave	Danforth Mosaic
Dowd Musical Instruments	Music Equipment Repair	7 Glebmont	Danforth Mosaic
The 12th Fret	Music Equipment Retailer	2131 Danforth Ave	Danforth Mosaic
HMV	Record Store	333 Yonge St.	Downtown Yonge
Play de Record	Record Store; DJ Equipment		Downtown Yonge
Clare Burt Recording	Recording Studio/other	211 Yonge St.	Downtown Yonge
Lula Lounge	Music Club	Dundas St. W. 1585	Dundas West
Carosel Music Productions	Recording Studio	175 Toryyork Dr., N.York	Emery Village
Vespa Music Group	Recording Studio	155 Toryork Dr., N.York	Emery Village
Boom Recording Studio	Recording Studio	161 Deerhide Cres.	Emery Village
Ez-Mak Records & Entertainment	Record Label	161 Bay St.	Financial District
HMV	Record Store	First Canadian Place	Financial District
Indian Record Shop	Record Store	1417 Gerrard E.	Gerrard India Bazaar
Tundra Music	Music Equipment Retailer	587 Jones Ave.	Greektown on the Danforth
Circus Books and Music	Record Store	866 Danforth	Greektown on the Danforth
Greek City Video	Record Store		Greektown on the Danforth
The Dominion on Queen	Music Club	Queen St. E. 500	Historic Queen East

Appendix 4: Toronto Music Businesses by BIA

Business Name	Business Type	Address	BIA
Dine Alone Music	Record Label	550 Queen Street East	Historic Queen East
Planet of Sound	Record Store	263 Queen St. E.	Historic Queen East
Oak Recording Studio	Recording Studio	528 Queen St. E.	Historic Queen East
MCS Recording Studios	Recording Studio	550 Queen St. E.	Historic Queen East
The Hole in the Wall	Music Club	Dundas St. W. 2867	Junction Gardens
Pandemonium	Record Store; Book Store	2862 Dundas St.	Junction Gardens
Boat	Music Club	Augusta Ave. 158	Kensington Market
Graffiti's Bar & Grill	Music Club	Baldwin St. 170	Kensington Market
Supermarket	Music Club	Augusta Ave. 268	Kensington Market
Paul's Boutique	Music Equipment Retailer	69 Nassau St.	Kensington Market
Sugar Moon Music	Record Label, Licensing; Music Publishing	58 Kensington Ave	Kensington Market
Paradise Bound	Record Store		Kensington Market
Sonic Boom	Record Store	201 Augusta Ave	Kensington Market
Kensington Sound	Recording Studio; Music Production		Kensington Market
Clinton's Tavern	Music Club	Bloor Street 693	Koreatown
Cuto	Record Label	147 Liberty St	Liberty Village
EMI Music	Record Label	109 Atlantic	Liberty Village
Last Gang Records	Record Label; Artist Management; Music Publishing	171 East Liberty St	Liberty Village
Pro Rehearsal and Backline	Rehearsal Complex		Liberty Village
The Orbit Room	Music Club	College St. 580	Little Italy
Mod Club	Music Club	College St. 722	Little Italy
Revival	Music Club	College St. 783	Little Italy
Do Right Music	Record Label	725 College St	Little Italy
Soundscapes	Record Store	572 College St	Little Italy
The Garrison	Music Club	Dundas St. W., 1197	Little Portugal
Sherway Academy of Music	Music Instruction		Long Branch
The Central	Music Club	Markham St. 603	Mirvish Village
Cadillac Lounge	Music Club	Queen St. W. 1296	Parkdale Village
Mitzie's Sister	Music Club	Queen St. W. 1554	Parkdale Village
The Shop at Parts & Labor	Music Club	Queen St. W. 1566	Parkdale Village
Wrongbar	Music Club	Queen St. W. 1279	Parkdale Village
Gary Armstrong Woodwinds	Music Equipment Retailer	1612 Queen ST. West.	Parkdale Village
Six String Garage	Music Equipment Retailer; Music Equipment Repair		Parkdale Village
Mushroom Recording Studios	Recording Studio	1233 Queens St. W	Parkdale Village
Steve's Music Store	Instrument Retail		Queen Street West
Bovine Sex Club	Music Club	Queen St. W. 542	Queen Street West
Horseshoe Tavern	Music Club	Queen St. W. 370	Queen Street West
Nocturne Club	Music Club	Queen St. W. 550	Queen Street West
Rex	Music Club	Queen St. W. 194	Queen Street West
Tattoo Rock Parlour	Music Club	Queen St. W. 567	Queen Street West

Appendix 4: Toronto Music Businesses by BIA

Business Name	Business Type	Address	BIA
The Rivoli	Music Club	Queen St. W. 334	Queen Street West
Velvet Underground	Music Club	Queen St. W. 510	Queen Street West
The Cameron House	Music Club	Queen St. E. 408	Queen Street West
Criminal Records	Record Store	493 Queen St. West	Queen Street West
Kops Records	Record Store	229 Queen St. West	Queen Street West
Slinky Music	Record Store	442 Queen St. West	Queen Street West
Come as you Are	Record Store	493 Queen St. W.	Queen Street West
Core Studio	Recording Studio	239 Queen St. W.	Queen Street West
Orange Lounge, The	Recording Studio	567 Queen Street West	Queen Street West
The Opera House	Music Club	Queen St. E. 735	Riverside District
Slaughterhouse 754	Recording Studio	754 Queen St. E	Riverside District
Gate 403	Music Club	Roncesvalles Ave. 403	Roncesvalles Viliage
Local	Music Club	Roncesvalles Ave. 396	Roncesvalles Viliage
She Said Boom! Books & Music	Record Store	393 Roncesvalles Ave	Roncesvalles Viliage
Zoo Music	Audio Production	102 Adelaide St.	St. Lawrence Market Neighborhood.
Spellbound Sound	Audio Production and Design		St. Lawrence Market Neighborhood.
Girth Music Inc.	Digital Media Services	236 King St. E.	St. Lawrence Market Neighborhood.
Precision Transfer Technologies	Digital Media Services	411 Richmond St. E	St. Lawrence Market Neighborhood.
Iceberg Media Com Inc.	Internet Music Broadcasting	49 Ontario	St. Lawrence Market Neighborhood.
C'est What?	Music Club	Front Street E. 67	St. Lawrence Market Neighborhood.
Sequence Music Production Studio	Music Composition	130 Parliament	St. Lawrence Market Neighborhood.
Planet of Sound	Music Equipment Retailer		St. Lawrence Market Neighborhood.
Alma Records	Record Label	260 Adelaide St.	St. Lawrence Market Neighborhood.
Sparks Music	Record Label	5 Church St.	St. Lawrence Market Neighborhood.
PopGuru Sound & Vision	Record Label; Artist Management; Music Publishing	137 Berkeley Street	St. Lawrence Market Neighborhood.
Airwaves Audio, Inc.	Recording Studio	222 The Esplande	St. Lawrence Market Neighborhood.
Manta Eastern Sound Ltd.	Recording Studio	311 Adelaide E	St. Lawrence Market Neighborhood.
Wellesley Sound Studio	Recording Studio	106 Ontario	St. Lawrence Market Neighborhood.
Saucer Sound	Recording Studio	53 Ontario	St. Lawrence Market Neighborhood.

Appendix 4: Toronto Music Businesses by BIA

Business Name	Business Type	Address	BIA
Studio 8	Recording Studio	90 Sherbourne	St. Lawrence Market Neighborhood.
The Rehearsal Factory	Rehearsal Complex	178 Front St. E.	St. Lawrence Market Neighborhood.
BoomKA!	Recording Studio		The Beach
Toronto Music School (Canada Music Academy)	Music Instruction	14 Dartford	The Danforth
Curve Music	Record Label	211 Danforth Avenue	The Danforth
Upper Class Recordings	Record Label	211 Danforth Avenue	The Danforth
Art Zone Recording and Rehearsal Studio	Recording Studio; Rehearsal Complex	748 Broadview	The Danforth
A Musik Zone.	Recording Studio; Rehearsal Complex	748 Broadview	The Danforth
KAOS Music Centre	Music Instruction; Music Equipment Retailer		The Kingsway
Puppy Machine Productions	Audio Post Production	401 Richmond St.	Toronto Entertainment Dist.
Film Sound One	Audio Post Production	19 Mercer St.	Toronto Entertainment Dist.
Voodoo Highway Music and Post	Audio Post Production; Video Post Production	19 Mercer St.	Toronto Entertainment Dist.
Boombox Sound	Audio Production		Toronto Entertainment Dist.
Krystal Music and Sound Design	Audio Production		Toronto Entertainment Dist.
Wanted Sound and Picture	Multi Facilit (audio post, video post, music services)	409 King St. W.	Toronto Entertainment Dist.
Pirate Inc.	Music Composition for Commercials	260 King St. W.	Toronto Entertainment Dist.
Pheromone Records	Record Label	230 Richmond St. W	Toronto Entertainment Dist.
JL Studios	Recording Studio	266 Aelaide St.	Toronto Entertainment Dist.
Shake Audio	Recording Studio	299 King St. W.	Toronto Entertainment Dist.
Crown Loyalty Entertainment	Recording Studio	328 Richmond St.	Toronto Entertainment Dist.
Hard Luck Bar	Music Club	Dundas St. W. 812	Trinty Bellwoods
Alleycatz Live Jazz Bar	Music Club	Yonge Street 2409	Uptown Yonge
Drake Underground	Music Club	Queen St. W. 1150	West Queen West
Gladstone	Music Club	Queen St. W. 1214	West Queen West
The Great Hall	Music Club	Queen St. W. 1087	West Queen West
Capsule Music	Music Equipment Retailer	921 Queen St. West.	West Queen West
Cosmos Records	Record Store	607A Queen St. W	West Queen West
Cosmos West Records	Record Store	652 Queen W.	West Queen West

Appendix 4: Toronto Music Businesses by BIA

Business Name	Business Type	Address	BIA
Neurotica Records and CDs	Record Store	642 Queen W	West Queen West
Rotate This	Record Store	801 Queen St. W.	West Queen West
Hits & Misses	Record Store	799 Queen St. W	West Queen West
Dave Snider Music Centre	Music Instruction; Music Equipment Retailer		Yonge Lawrence Village
Mason's Music 75	Music Equipment Retailer		York Eglinton
HMV	Record Store		No BIA Affiliation Found
Tully Management Group	Artist Management	286 Carlton Street	No BIA Affiliation Found
CLK Creative Works	Artist Management	240 Greenwood Ave	No BIA Affiliation Found
Brock Sound Post Audio	Audio Post Production		No BIA Affiliation Found
Imprint Music	Audio Post Production	181 Carlaw	No BIA Affiliation Found
Vo2 Mix	Audio Post Production	116 Spadina Ave.	No BIA Affiliation Found
Audio Producers Inc.	Audio Post Production	179 John St.	No BIA Affiliation Found
Rhythm Division	Audio Post Production; Sound Design	181 Carlaw	No BIA Affiliation Found
Eclipse Music	Audio Production	9 St. Nicholas	No BIA Affiliation Found
SYNDICATE	Audio Production	26 Soho St.	No BIA Affiliation Found
Cypher Audio Inc.	Audio Production for TV, film, commercials		No BIA Affiliation Found
RMW Music	Audio Production for TV, film, commercials		No BIA Affiliation Found
Reinhard Productions	Audio Production; Artist Development		No BIA Affiliation Found
Dan's Pet Shop	Audio Services		No BIA Affiliation Found
Producer's Choice	Audio/Video Post Production	179 John St.	No BIA Affiliation Found
Accurate Audio	CD Duplication	17 Nobel St.	No BIA Affiliation Found
Toronto CD and DVD Duplication	CD Manufacturing	1290 Finch Ave W.	No BIA Affiliation Found
BG Music Store	Instrument Retail; Music Instruction		No BIA Affiliation Found
Livewire Remote Recorders	Mobile Recording Services		No BIA Affiliation Found
Where its At Productions	Multimedia Productions		No BIA Affiliation Found
Silver Doller	Music Club	Spadina Ave. 486	No BIA Affiliation Found
Castro's Lounge	Music Club	Queen St. E. 2116	No BIA Affiliation Found
Sound Academy	Music Club	Polson St., 11	No BIA Affiliation Found
The Guvernment	Music Club	Queen Quay E., 132	No BIA Affiliation Found
Dakota Tavern	Music Club	Ossington 249	No BIA Affiliation Found
Phoenix Concert Theatre	Music Club	Sherbourne Street 410	No BIA Affiliation Found
Sneaky Dee's	Music Club	College St. 431	No BIA Affiliation Found
The Savannah Room	Music Club	College St. 294	No BIA Affiliation Found
Trane Studio	Music Club	Bathurst St. 964	No BIA Affiliation Found
The Music Gallery	Music Club	John Street 197	No BIA Affiliation Found
Hugh's Room	Music Club	Dundas St. W. 2261	No BIA Affiliation Found
The Painted Lady	Music Club	Ossington 218	No BIA Affiliation Found
Ossington	Music Club	Ossington 61	No BIA Affiliation Found

Appendix 4: Toronto Music Businesses by BIA

Business Name	Business Type	Address	BIA
Majoma Music	Music Composition for film and TV		No BIA Affiliation Found
Mostly Music Backline	Music Equipment Rentals		No BIA Affiliation Found
Allegro Music	Music Equipment Retailer		No BIA Affiliation Found
Robert Lowrey Piano Experts	Music Equipment Retailer		No BIA Affiliation Found
Saved by Technology	Music Equipment Retailer	145 St. Luke Lane	No BIA Affiliation Found
Chords Canada	Music Equipment Retailer		No BIA Affiliation Found
Steve Jackson Pianos	Music Equipment Retailer		No BIA Affiliation Found
Long & MCQuade Musical Instruments	Music Equipment Retailer	2777 Steeles Ave	No BIA Affiliation Found
St. John's Music	Music Equipment Retailer		No BIA Affiliation Found
Remenyi House of Music	Music Equipment Retailer	210 Bloor St. W	No BIA Affiliation Found
The Sound Post	Music Equipment Retailer	93 Grenville St.	No BIA Affiliation Found
Witkins Violins	Music Equipment Retailer		No BIA Affiliation Found
Scarboro Music Co.	Music Equipment Retailer		No BIA Affiliation Found
Rogers Music Centre	Music Equipment Retailer	465 Rogers Rd.	No BIA Affiliation Found
Metro Sound and Music	Music Equipment Retailer	486 Yonge Street	No BIA Affiliation Found
Armenious Violins	Music Equipment Retailer; Music Equipment Repair	903 Willowdale.	No BIA Affiliation Found
Beyond the Beat	Music Instruction		No BIA Affiliation Found
Absolute Drum Lessons	Music Instruction		No BIA Affiliation Found
Ontario Conservatory of Music	Music Instruction		No BIA Affiliation Found
Tuneology, Inc.	Music Instruction		No BIA Affiliation Found
Canada Music Academy	Music Instruction	151 Beecroft Rd.	No BIA Affiliation Found
Music Trends Teaching	Music Instruction	1071 Midland Ave.	No BIA Affiliation Found
BG Music Academy and Guitar Shop	Music Instruction; Music Equipment Retailer	612 The Queensway	No BIA Affiliation Found
Iguana Recording Arts School	Music Instruction; Recording Studio		No BIA Affiliation Found
Doug Romanow	Producer and Recording Studio		No BIA Affiliation Found
Eicon Productions	Radio Marketing		No BIA Affiliation Found
Balanced Records	Record Label	682 Spruce St.	No BIA Affiliation Found
Canadian Music Centre	Record Label	20 St. Joseph Street	No BIA Affiliation Found
Nevado Records	Record Label	679 Bathurst St	No BIA Affiliation Found
Aporia	Record Label	1881 Yonge St.	No BIA Affiliation Found
Borealis Recording Company	Record Label	290 Shuter St	No BIA Affiliation Found
Costa Music	Record Label	341 Logan Avenue	No BIA Affiliation Found
CP Records	Record Label	488 Huron St	No BIA Affiliation Found
Gypsy Soul Records	Record Label	109 Niagara St	No BIA Affiliation Found
Inity Arts and Music	Record Label		No BIA Affiliation Found
Kindling Music Inc	Record Label	411 Queen St W	No BIA Affiliation Found
Maple Core Music	Record Label	30 St. Clair Ave.	No BIA Affiliation Found
Marquis Music	Record Label	181 Carlaw Ave	No BIA Affiliation Found
Mixed Signals Music	Record Label	240 Linsmore Cres	No BIA Affiliation Found

Appendix 4: Toronto Music Businesses by BIA

Business Name	Business Type	Address	BIA
Opening Day Entertainment	Record Label	345 Bloor Street East	No BIA Affiliation Found
Paper Bag Records	Record Label	455 Spadina Ave.	No BIA Affiliation Found
Roadrunner Records	Record Label	2450 Victoria Park Ave	No BIA Affiliation Found
Six Shooter Records	Record Label	970 Queen Street East	No BIA Affiliation Found
Universal Music Canada	Record Label	2450 Victoria Park Ave	No BIA Affiliation Found
Real Music Records	Record Label		No BIA Affiliation Found
Arts & Crafts	Record Label	460 Richmond St. West	No BIA Affiliation Found
7 Arts Music	Record Label	15 Northcliffe Blvd	No BIA Affiliation Found
Distort Entertainment	Record Label		No BIA Affiliation Found
SPG Music Ltd.	Record Label		No BIA Affiliation Found
Outside Music	Record Label, Artist Management; Music Publishing	7 Labatt Ave	No BIA Affiliation Found
Pacemaker Entertainment	Record Label, Re-issue	12 Fairland Road	No BIA Affiliation Found
Weewerk Records	Record Label; Artist Management	101 Niagara St	No BIA Affiliation Found
Bent Penny Records	Record Label; Artist Management; Artist Promotion		No BIA Affiliation Found
Refried Beats	Record Store	599 Yonge	No BIA Affiliation Found
Amoroso	Record Store		No BIA Affiliation Found
Around Again	Record Store	18 Baldwin	No BIA Affiliation Found
Beach Sound Records, CDs & Books	Record Store		No BIA Affiliation Found
Déjà vu Discs	Record Store	2181 Steeles W.	No BIA Affiliation Found
Discovery Used & Collectors Records	Record Store		No BIA Affiliation Found
Eagle Soun Music	Record Store		No BIA Affiliation Found
HMV	Record Store	Dufferin Mall	No BIA Affiliation Found
HMV	Record Store	Fairview Mall	No BIA Affiliation Found
HMV	Record Store	Yorkdale	No BIA Affiliation Found
HMV	Record Store	2300 Yonge St.	No BIA Affiliation Found
HMV	Record Store	Scarborough Town Centre	No BIA Affiliation Found
In The Groove	Record Store	1174 Queen E.	No BIA Affiliation Found
Penguin Music	Record Store		No BIA Affiliation Found
She Said Boom! Books & Music	Record Store	372 College Street	No BIA Affiliation Found
Spin City Music	Record Store		No BIA Affiliation Found
Tripple A Music and Video	Record Store	200 Bellamy Rd.	No BIA Affiliation Found
Vortex Records	Record Store	2309 Yonge St.	No BIA Affiliation Found
Henry's Discs	Record Store	130 Shorting	No BIA Affiliation Found
Second Vinyl	Record Store	10 Wellesley W.	No BIA Affiliation Found
Studio 306 Inc.	Recording Studio	306 Seaton St.	No BIA Affiliation Found
Alcatraz Recording Studio	Recording Studio		No BIA Affiliation Found
The Pocket Studio	Recording Studio	920 Easter Toronto	No BIA Affiliation Found
Nu Vintage	Recording Studio	822 Richmond W. St.	No BIA Affiliation Found

Appendix 4: Toronto Music Businesses by BIA

Business Name	Business Type	Address	BIA
Canterbury Music Co.	Recording Studio	322 Dufferin	No BIA Affiliation Found
Red Line Recorders	Recording Studio	612 Yonge ST.	No BIA Affiliation Found
OverProductions Inc.	Recording Studio	45 Charles St. E	No BIA Affiliation Found
Morph Productions	Recording Studio	472 Roxton Rd.	No BIA Affiliation Found
01System	Recording Studio		No BIA Affiliation Found
4 The Music	Recording Studio		No BIA Affiliation Found
Action House Recording Studio	Recording Studio	630 Magnetic Dr., North	No BIA Affiliation Found
Aqua Sound Studios	Recording Studio	57 Mammoth Hall Trl, Scar	No BIA Affiliation Found
Big Bang Booth Recording Studio	Recording Studio		No BIA Affiliation Found
Carvalho Mastering Corporation	Recording Studio	43 Laing	No BIA Affiliation Found
Cherry Beach Sound	Recording Studio	33 Villiers	No BIA Affiliation Found
Decibel House	Recording Studio	244 Brockport Dr.	No BIA Affiliation Found
Edit Productions	Recording Studio		No BIA Affiliation Found
Emmanuel Recording Studios	Recording Studio	177 Spring Garden, North	No BIA Affiliation Found
Euphonic Sound	Recording Studio	2238 Old Dundas St.	No BIA Affiliation Found
Funhouse Productions	Recording Studio		No BIA Affiliation Found
Imagine Sound Studios	Recording Studio		No BIA Affiliation Found
Inception Studios Inc	Recording Studio	3876 Chesswood Dr., N.Y	No BIA Affiliation Found
Knick Sound	Recording Studio	56 Leammeadow Way, Sc	No BIA Affiliation Found
Marble Recording	Recording Studio	25 Strangford Ln	No BIA Affiliation Found
OSS Productions	Recording Studio		No BIA Affiliation Found
Phase 1	Recording Studio	3015 Kennedy Rd., Scarb	No BIA Affiliation Found
Revolution Recording	Recording Studio		No BIA Affiliation Found
Rumble Fish Studios	Recording Studio	107 Woodbrine Downs B	No BIA Affiliation Found

Appendix 4: Toronto Music Businesses by BIA

Business Name	Business Type	Address	BIA
SDR Music Studio	Recording Studio	170 Brockport Dr.	No BIA Affiliation Found
Sleepytown Sound	Recording Studio		No BIA Affiliation Found
Studio 92	Recording Studio	397 Donlands Ave, East Y	No BIA Affiliation Found
Studios Apollo Inc.	Recording Studio	720 King St. W.	No BIA Affiliation Found
Trench Recordings	Recording Studio		No BIA Affiliation Found
Zolis Audio Productions	Recording Studio	25 Polson St.	No BIA Affiliation Found
Laquer Channel CD Mastering	Recording Studio		No BIA Affiliation Found
The Big Bang Booth	Recording Studio	2671 Markham Rd.	No BIA Affiliation Found
Chemical Sound Recording Studio	Recording Studio	400 Eastern Ave.	No BIA Affiliation Found
Om Corp and Aound Proofs Recording	Recording Studio	37 Scarborough	No BIA Affiliation Found
Silverbirch Productions	Recording Studio	680 Queens Quay W.	No BIA Affiliation Found
Greyfruit Soundspace	Recording Studio	257 Niagra St.	No BIA Affiliation Found
xyzed Studios	Recording Studio	360 Dufferin St.	No BIA Affiliation Found
Midi Melodies	Recording Studio		No BIA Affiliation Found
Music Mansion	Recording Studio	514 Jarvis St.	No BIA Affiliation Found
Audiolab Recording Company	Recording Studio		No BIA Affiliation Found
Fire Escape Recording	Recording Studio		No BIA Affiliation Found
Prisma Sound	Recording Studio	26 Soho St.	No BIA Affiliation Found
Deschamps Recording Studios	Recording Studio	314 Dundas St. W	No BIA Affiliation Found
Noble Street Studios	Recording Studio	17 Noble St.	No BIA Affiliation Found
Dynamix Productions	Recording Studio (building has been studio since 1951)	464 Yonge ST.	No BIA Affiliation Found
D C Music Rehearsal and Recording Studio	Recording Studio & Rehearsal Complex	360 Munster Ave.	No BIA Affiliation Found
Resolve Audio	Recording Studio for TV, Commercial, film	401 Logan Av	No BIA Affiliation Found
Q E D Media Corp.	Recording Studio, Media Production		No BIA Affiliation Found
Skylight Studios	Recording Studio; Audio Post Production		No BIA Affiliation Found
The Laquer Channel	Recording Studio; Audio Post Production		No BIA Affiliation Found
Marigold Productions	Recording Studio; Audio Post Production; Record Label		No BIA Affiliation Found
db Audio Inc.	Recording Studio; Audio Production	181 Carlaw	No BIA Affiliation Found
Tatoo Sound and Music	Recording Studio; Creative Studio	483 Eastern	No BIA Affiliation Found
Fifth Wall	Recording Studio; Music Instruction		No BIA Affiliation Found
DC Music	Recording Studio; Music Rehearsal		No BIA Affiliation Found
Rehearsal Factory	Rehearsal Complex		No BIA Affiliation Found

Appendix 4:Toronto Music Businesses by BIA

<u>Business Name</u>	<u>Business Type</u>	<u>Address</u>	<u>BIA</u>
The Groove Room	Rehearsal Complex		No BIA Affiliation Found

Appendix 5

Methodology for Quantifying Data in Annual Funding for Music Industry in Toronto and Ontario

We have divided the funding available into the following categories:

Artist/Songwriter/Content Creation Funds
Live Performance and/or Festival Funds
Established Music Industry Businesses Funds (Labels, Publishers, Distribution, etc)
Digital Music Media Companies/Entrepreneur Growth Funds
Fine Arts Funds

The information provided in this chart is an aggregate of best and most recently available information and therefore will not be accurate down to the dollar, but it does represent accurately all information that each funding entity was willing to provide, and is likely within + or – 5% of actual dollar figures.

Notes on Methodology to Quantify Data:

- Despite best research efforts, not all funding sources have available information specific to Toronto, although many did. Thus the category totals are noted as “O/GTA”; and these numbers are best understood as not strictly Greater Toronto Area, but rather as primarily GTA with a few Ontario sums where no more detail was available.
- These numbers are reflective of funds distributed in a one-year time period. We have always provided the most recent information available; however, in some cases, that data is from 2011 and in some cases only 2010 data was made available.
- In a couple of instances of private funding such as SOCAN grants, no information was made available regarding any distribution amount in any specific province or city. In these rare occurrences, we have assumed that 50% of the total distributed funds were allotted to Ontario.
- More specific comments relevant to each line item presented can be found in the comments section specific to each Excel cell.

Appendix 5: Annual Funding for Music Industry in Toronto and Ontario

<u>Territorial Scope:</u>	<u>Funded by:</u>	<u>Fund Source:</u>	<u>Organization:</u>	<u>All Funds & All Territories</u>	<u>Music-Related Funds</u>	<u>O/GTA Artist & Songwriter Funds:</u>	<u>O/GTA Performance Funds:</u>	<u>O/GTA Established Music Industry Funds:</u>	<u>O/GTA Music Digital Media/Entrepreneur Growth Funds:</u>	<u>O/GTA Fine Arts Funds:</u>	<u>O/GTA TOTAL Annual Funds:</u>
National	Dept. of Canadian Heritage	Government	Canada Music Fund	\$9,929,500	Canada Music Funds - All Programs			\$3,138,847		\$34,000	\$3,172,847
National	Broadcasters & Dept. of Canadian Heritage	Government/Private	FACTOR	\$15,660,096	FACTOR Funds - All Programs	\$5,246,601	\$1,781,011	\$1,069,873	\$309,956		\$9,727,519
National	SOCAN	Private	SOCAN Foundation	\$1,699,795.00	SOCAN Funds - All Programs	\$437,100.00				\$291,400	\$728,500
National	Federal Government	Government	FedDev Ontario	\$190,000,000	Investing in Business Innovation				\$0		\$0
National	Canadian Broadcasters	Private	STARMaker Fund	\$7,183,230	STARMaker Funds - All Programs	\$304,648	\$555,034	\$3,306,592			\$4,166,274
National	Federal Government	Government	Canada Council for the Arts	\$28,155,000.00	CCA Funds - Music-Related Programs					\$10,400,000	\$10,400,000
National	CTV	Private	MuchFACT	\$2,887,771	MuchFACT Funds - All Programs	\$721,943		\$721,943			\$1,443,886
National	Venture Funding	Private	Toronto Angel Groups	\$21,533,000	Toronto Angel Groups Funds			\$0		\$0	\$0
Provincial	Private/Provincial Government	Government/Private	Ontario Arts Foundation	\$2,500,000	Ontario Arts Foundation Music-Related Programs					\$40,000	\$40,000
Provincial	Provincial Government	Government	Ontario Arts Council	\$7,741,527	Ontario Arts Council Music-Related Funds	\$212,100	\$69,000			\$2,528,951	\$2,810,051
Provincial	Provincial Government	Government	Ontario Trillium Foundation	\$10,923,600	Ontario Trillium Foundation Music-Related Funds		\$143,000			\$85,900	\$228,900
Provincial	Private Investment	Private	Mitcalif Foundation	\$9,100,000	Mitcalif Foundation Music-Related Funds					\$40,000	\$40,000
Provincial	Provincial Government	Government	OMDC	\$10,694,205	OMDC Funds Music-Related Programs			\$1,375,058	\$60,000.00		\$1,435,058
Provincial	Provincial Government	Government	Ministry of Tourism, Culture and Sport	\$22,256,183	TCS Ministry Music-Related Funds		\$12,640	\$1,847,500	\$75,000	\$395,000	\$2,330,140
Provincial	Provincial Government	Government	Ontario Cultural Attractions Fund (OCAAF)	\$2,022,600	OCAAF Music-Related Funds		\$215,000		\$0	\$250,000	\$465,000
Greater Toronto Area	City of Toronto	Government	Toronto Arts Council	\$10,338,556	TAC Music-Related Funds		\$51,000			\$1,858,497	\$1,909,497
Greater Toronto Area	Private/City of Toronto	Government/Private	Toronto Arts Foundation	\$181,201	TAF Music-Related Funds						\$0
Greater Toronto Area	City of Toronto	Government	Economic Development & Culture Division	\$386,990	Competitiveness, Creativity & Collaboration Investment Program			\$0	\$0	\$0	\$0
Greater Toronto Area	Private Investment	Private	Toronto Community Foundation	\$7,509,270	TCF Music-Related Funds					\$472,333	\$472,333
TOTAL ALL FUNDS & ALL TERRITORIES											
				\$360,903,524	TOTAL MUSIC-RELATED FUNDS	\$6,022,391.91	\$2,826,685	\$11,459,813	\$444,955.66	\$16,395,081.08	\$39,370,005
					TOTAL BY CATEGORY PERCENTAGE	17.58%	7.18%	29.11%	1.13%	41.85%	100.00%

Appendix 5

Source List for Annual Funding for Music Industry in Toronto and Ontario

Canada Music Fund; compiled from 2010/2011 programs,
<http://www.pch.gc.ca/eng/1289312416810> (last visited Mar. 12, 2012).

Canada Council for the Arts; *Canada Council for the Arts 2010-11 Annual Report*, p.79,
<http://www.canadacouncil.ca/canadacouncil/archives/Annual%20Report%202010-11.pdf>, (last visited Mar. 12, 2012); *Canada Council for the Arts Funding to artists and arts organizations in Ontario, 2010-11*, p. 1, <http://www.canadacouncil.ca/NR/rdonlyres/AC442EDA-D05C-4614-BB5E-51F6B1087454/0/ONEN.pdf> (last visited Mar. 12, 2012).

Economic Development and Culture Division (City of Toronto); *Competitiveness, Creativity and Collaboration (CCC) Investment Program – 2011 Recommendations*, p.1,
<http://www.toronto.ca/legdocs/mmis/2011/ed/bgrd/backgroundfile-39062.pdf> (last visited Mar. 12, 2012).

FACTOR; *2010-2011 Annual Report*,
http://www.factor.ca/docs/AnnualReports/FACTOR_Annual_Report_2010-2011.pdf (last visited Mar. 12, 2012).

FedDev Ontario; *Government of Canada Supports Business in Kitchener*,
<http://www.feddevontario.gc.ca/eic/site/723.nsf/eng/00587.html> (last visited Mar. 12, 2012).

Metcalf Foundation; compiled from listed 2010 music-related recipients,
<http://metcalffoundation.com/grants/who-we-fund/?action=search&keywords=music&p=Performing+Arts&f=All&y=2010> (last visited Mar. 12, 2012).

Ministry of Tourism, Culture and Sport (Province of Ontario); compiled from Celebrate Ontario funding for fiscal year April 2011-March 2012,
http://www.mtc.gov.on.ca/en/awards_funding/celebrate_ontario_events.shtml (last visited Mar. 12, 2012); also compiled from Cultural Strategic Investment Fund 2011/2012 grant recipients, http://www.mtc.gov.on.ca/en/awards_funding/csif_recipients_2011_12.shtml (last visited Mar. 12, 2012).

MuchFACT; compiled from 2011 MuchFACT results available at <http://muchfact.ca/> (last visited Mar. 12, 2012).

Ontario Arts Council; compiled from current online list of 2011 recipients of music and music related funding, <http://www.arts.on.ca/Page2161.aspx?PageMode=View&date=01/01/2011> (last visited Mar. 12, 2012).

Ontario Arts Foundation; *Winners of 2011 Christina and Louis Quilico Awards Announced*, <http://www.arts.on.ca/Page4163.aspx?DateTime=634389408000000000&PageMode=View> (last visited Mar. 12, 2012)

Ontario Cultural Attractions Fund; compiled from listed 2011 Toronto region music-related events, http://www.ocaf.on.ca/en/events_region.aspx (last visited Mar. 12, 2012).

Ontario Media Development Corporation; *Ontario Media Development Corporation Annual Report 2009-2010*, pgs. 22,25,26,27, <http://www.omdc.on.ca/AssetFactory.aspx?did=7269> (last visited Mar. 12, 2012); *OMDC Year In Review 2010-2011*, p. 18, <http://www.omdc.on.ca/AssetFactory.aspx?did=7306> (last visited Mar. 12, 2012).

Ontario Trillium Foundation; compiled from 2011/2012 music-related grants, http://www.otf.ca/en/grantRecipients/toronto_2011_2012.asp (last visited Mar. 12, 2012).

SOCAN Foundation; *Socan Foundation: Creator's Assistance Program, Fiscal Year 2010-11 Annual Report*, p. 3, <http://www.socanfoundation.com/pdfs/foundation/CAP%20Annual%20report%202010-11%20web.pdf> (last visited Mar. 12, 2012).

STARMaker Fund; *Radio STARMaker Fund Annual Report 2010/2011*, <https://www.starmaker.ca/annualreports/2011/allocation-by-province> (last visited Mar. 12, 2012).

Toronto Angel Groups; *Investment Activity by Canadian Angel Groups: 2010 Report*, http://dl.dropbox.com/u/2931184/NACO%202010%20Report_Investment%20Activity%20By%20Canadian%20Angel%20Groups.pdf (last visited Mar. 12, 2012)

Toronto Arts Council; *Toronto Arts Council 2010 Allocations*, p. 1, <http://www.torontoartscouncil.org/PAST-GRANT-RECIPIENTS> (last visited Mar. 12, 2012)

Toronto Arts Foundation; *Toronto Arts Council & Toronto Arts Foundation 2010 Annual Report*, p. 41, <http://www.torontoartscouncil.org/REPORTS-PUBLICATIONS/Annual-Reports> (last visited Mar. 12, 2012).

Toronto Community Foundation; *Toronto Community Foundation Annual Report – 2010-2011*, p. 39, http://www.tcf.ca/newsandpublications/TCF_2010_2011_Annual_Report.pdf (last visited Mar. 12, 2012).

Appendix 6: Austin Nonprofit Music Industry Organizations

Organization's Name	Description	Website
<i>Austin Federation of Musicians</i>	The Austin Federation of Musicians is the local chapter of the American Federation of Musicians of the U.S. and Canada. The AFM works to protect the interest's of working musicians by addressing wage issues and other workplace conditions. The organization also provides benefit programs such as instrument, health, and insurance as well as employment opportunities.	http://www.austinmusician.org/
<i>Austin Jazz Workshop</i>	The Austin Jazz Workshop is a unique project that brings professional jazz musicians directly into public school classrooms. The organization visits over 100 campuses each year brining jazz music to third, fourth, and fifth graders.	http://austinjazzworkshop.com/
<i>Austin Latino Music Association</i>	The Austin Latino Music Association (ALMA) aims to increase knowledge and awareness in the community about local musicians and important historical figures in Austin's Latino music scene, provide exposure and resources to local musicians, and to foster develoment of young musicians who will keep Latino music styles and traditions alive in Austin. ALMA offers a concert series to promote local musicians to the community and has an artist directory.	http://www.austinlatinomusic.com/
<i>Austin Music Foundation</i>	Austin Music Foundation (AMF) strengthens and connects the local music community with innovative programs that empower musicians and fuel Austin's creative economy. AMF offers free educational seminars on the music business to the community, hosts networking events, and conducts small group sessions to provide hands-on music business knowledge.	http://austinmusicfoundation.org/
<i>Austin New Music Co-Oop</i>	The New Music Co-op is a community of composers and performers dedicated to promoting awareness and understanding of new music. Since 2001, the NMC has presented over 30 concerts featuring over 150 new works, many of them premieres.	http://newmusic.coop/
<i>Fuse Box Austin</i>	Fusebox is an annual contemporary art and performance festival that takes place in Austin each April. Fusebox champions innovative works of art across a variety of different mediums. The festival acts as a catalyst for new ideas, new artistic models, and approaches to help us engage with the issues and questions that define contemporary life.	http://fuseboxfestival.com/
<i>Girls Rock Austin</i>	Girls Rock Camp Austin is a nonprofit dedicated to empowering girls and women of all backgrounds and abilities through musical education and performance by offering a day camp exclusively for females. The purpose is to build girls' self esteem through musical performance and artistic creativity.	http://www.girlsrockcampaustin.org/

Appendix 6: Austin Nonprofit Music Industry Organizations

Austin Creative Alliance	The mission of the Austin Creative Alliance is to advance, connect and celebrate Austin's arts, cultural, and creative communities. In furthering this mission, the ACA offers professional development services, direct services to emerging art groups, a website called "NowPlayingAustin" which showcases various events happening in the Austin arts community and even sponsors affordable health, liability and teaching artist insurance to the region's cultural workers.	http://www.austincreativealliance.org/
One World Theatre	One World Theatre is a beautiful theatre located on the outskirts of Austin. In addition to musicals, the theatre hosts renowned musicians from around the world in an intimate setting with incredible acoustics.	http://www.oneworldtheatre.org/
Capital of Texas Public Telecommunications	Austin City Limits is the longest running live music program in American history and showcases numerous upcoming and established acts each year.	http://www.acltv.com/
Dart Music International	Dart Music International introduces Austin to the modern face of people and cultures from around the globe through cool indie/rock/pop music. The organization's programs make it financially and logistically possible for artists to travel to Austin while promoting personal interactions between peers from different countries through the common bond of music. It helps to bring international acts to Austin by subsidizing the travel costs, mitigating lodging expenses, making immigration arrangements, and increasing exposure opportunities.	http://dartmusicinternational.org/
The House of Songs	The House of Songs is a unique collaboration that brings Danish musicians to Austin. The Danish Songwriter's Guild helps to fund a home in Austin where Danes come to stay for two week intervals and collaborate and perform with Austin musicians.	http://www.thehouseofsongs.com/
AIR Austin	AIR (Austin Independent Radio) is a free online radio station that plays nothing but independent Austin artists.	http://www.listentoair.com/
Capital View Arts	Capitol View Arts supports the primarily the urban arts community through arts education, collaborative opportunities, and the preservation of venues for performances and public use. To accomplish this, CVA offers programs in business, management, technical based instruction to assist artists in their careers and provides cooperative opportunities for artists to travel and perform at festivals.	http://capitolviewarts.org/

Appendix 6: Austin Nonprofit Music Industry Organizations

<i>Texas Chapter of the Grammy Awards</i>	The Texas Chapter of The Recording Academy operates as one of 12 regional Chapters that link the National Academy of Recording Arts & Sciences to its membership. Serving Texas, Oklahoma and New Mexico, the Chapter sponsors numerous educational workshops and networking events for its membership and the community.	http://www.grammy365.com/chapters/texas-chapter
<i>Austin Blues Society</i>	The ABS intends to preserve, cultivate, and support blues in Central Texas, and to promote the growth and appreciation of blues music and musicians, on all possible levels and in multiple venues. It promotes this mission through a newsletter of current blues events and news, and various educational efforts.	http://www.austinbluessociety.org/
<i>Austin Music People</i>	AMP is an organization that strives to promote Austin's musical interests by fostering a positive music network, creating collaboration between the local music industry and community stakeholders, and to research into ideas and policies that face the music industry and the Austin community.	http://austinmusicpeople.org/
<i>Austin Songwriter's Group</i>	The ASG promotes a positive and cooperative environment for Austin's songwriting community. The ASG conducts a songwriting competition, offers a songwriters workshop, and also hosts a songwriter symposium with seminars, workshops, showcases, and song swaps amongst songwriters, music publishers, producers and other music industry professionals.	http://austinsongwritersgroup.com/
<i>6th St. Owners Association</i>	A non-profit organization comprised of business and property owners along historic 6th street with it's stated goal to advocate for the preservation and enhancement of the district's historic character. The association promotes street-wide cleanup days and advocates for positive policies to the city.	http://6thstreetaustin.blogspot.com/
<i>Texas Folklife</i>	Texas Folklife is a statewide non-profit organization dedicated to preserving and presenting the diverse cultures and living heritage of the Lone Star State. The organization presents performances, exhibitions, apprenticeships, radio and television projects, and community residencies.	http://www.texasfolklife.org/
<i>Texas Heritage Songwriters Association and Songwriters Hall of Fame</i>	The mission of the Texas Heritage Songwriters Association, in the interest of Texas cultural preservation, is to honor and celebrate Texas songwriters who have played an important role in defining and interpreting Texas' distinctive culture. The organization administers and inducts new members each year into the Texas Heritage Songwriters Hall of Fame. Past inductees include Kris Kristofferson, Willie Nelson, Clint Black, and Billy Joe Shaver.	http://texasheritagesongwriters.com/

Appendix 7

Toronto Music Industry Nonprofit Organizations

City-Based Organizations:

1. **Toronto Blues Society.**¹ Established in 1985 as a means of preserving interest in Toronto's blues music scene, which they accomplish through education, communication, and public events.
 - a. **Services.** Monthly publications and an indispensable website which maintains links to blues artists, events, and an email discussion group for the benefit of the Canadian blues community.
 - b. **Blues in Schools.** Since 1992 they have maintained a Blues in the Schools program placing concerts, workshops, and instructional sessions in elementary and secondary schools.
 - c. **Annual Talent Search.** Intended to find and bring to light the next great blues talent, the winner receives a showcase opportunity at the Blues Summit Six, showcases at the Orangeville Blues & Jazz Festival and the South Side Shuffle Festival, as well as mentoring sessions with industry professionals.
 - d. **Maple Blues Awards.** In 2011, it celebrated its 15th year of the Maple Blues Awards at Toronto's Koerner Hall. The awards ceremony brings attention to the blues genre by recognizing and hosting performances by the greatest names in Canada's blues music.
 - e. **Maple Blues Newsletter.** Available for free download from their website, the Maple Blues Newsletter reports on blues events around Toronto and Canada and profiles upcoming bands, reviews concerts and released recordings.
2. **Toronto Songwriter's Association.** This free, non-profit cooperative offers services to all songwriters in the Toronto area. It has monthly meetings where members meet and swap songs. Also it offers monthly challenges, for example "write a song with the title 'Don't Ask'" from September 2011.
3. **Wavelength Music Arts Projects.** A concert series that promotes local independent musicians/bands. Artists like Fucked Up, Hidden Cameras,

¹ Toronto Blues Society—About, <http://torontobluessociety.com/about/>.

Owen Pallet aka Final Fantasy have performed among over 1000 others in the past 12 years.

4. **Toronto Urban Music Festival Inc.** An annual urban music festival featuring artists from around the globe. In 2011, the festival did not run. In its place was Toronto Urban Music Week - a celebration of urban music that included concerts, a boot camp, conferences and a film fest.
5. **Toronto Downtown Jazz.** Producer of the TD Toronto Jazz Festival.
6. **Songwriters Expo.** A monthly event that showcases the work of local songwriters.
7. **Association of Artists for a Better World.** The organization puts on two music festivals each year - often folk/roots/blues music is featured.

Ontario Province

1. **Ontario Council of Folk Festival.** As Ontario's Folk Music Association, the Ontario Council of Folk Festivals (OCFF) has supported the growth and development of folk music in Ontario since 1986.²
 - a. **Festival.** The Festival directs the bulk of its efforts into the OFF Conference. It is widely attended by over 800 people over three days and acts as a networking opportunity, but also an educational experience, offering keynote speeches and various informational programs. Program topics from 2011's festival included: ukulele building workshop, tutorial on using social media in mobile technology, one-on-one sessions with industry professionals, how to start and build a small music festival, sponsoring folk house concerts, and multiple jam sessions and song swaps.³

² OCFF—About the OCFF, <http://www.ocff.ca/about.html>.

³ OCFF, http://www.ocff.ca/documents/conf_panel_descriptions.pdf

About the Authors

Titan Music Group, LLC is a music industry consulting company founded in 2007 and based in Austin, Texas. We provide strategic planning, tactical execution strategy, and policy development for a variety of private companies, public entities and nonprofit organizations. Our areas of expertise include development of economic models for the arts, industrial strategy development, strategic model mapping, systems development, analytics-based marketing plans, entrepreneurship mentoring, and company start-up assistance. We also provide consulting services to review and improve existing business plans and venture investment pitches for both new entrepreneurs seeking funding as well as existing companies.

Lead Author Nikki Rowling is the founder and President Titan Music Group and a native Austinite. She is a Co-Founder of the Austin Music Foundation and served as its Executive Director from 2002-2007, during which she built the organization's programs, staff, board, and membership from concept to a nationally-recognized model of independent artist support. She currently serves on the boards of Austin Music People and Austin Music Foundation.

Nikki has also invested time as an Austin City Council-appointee to the Austin Music Commission; Vice President of the Austin Music Foundation; Board member to the Central Texas Angel Network; and Advisory Council of Texas Venture Labs at the University of Texas at Austin. In 2010 Nikki was designated an Honoree of ACTIVATE's "Rising Star of Texas Elite 100" for her work in growing entrepreneurship in Central Texas, and she has also been nominated for St. Edward's School of Management and Business' TxEntre Women and Minority Entrepreneur Award.

For her artist advocacy work, Nikki was chosen as the 2011 recipient of the State Bar of Texas' Entertainment and Sports Law's Cindi Lazzari Artist Advocate Award.

Nikki has participated on many music industry panels in Austin, Los Angeles, New York, Nashville, and Toronto among others, and she has served as a guest lecturer for the St. Edward's Digital MBA program. Her work for the music industry has been recognized in a number of media outlets, including Billboard Magazine, the Los Angeles Times, and Texas Music Magazine.

Her prior work experience includes very early placement in two early-stage high-tech companies that provided business-to-business neural network data optimization and data mining solutions, where her responsibilities included business development and project liaison with Fortune 200 customers; strategic development of new vertical

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Secondary Author Chris Castle has worked in the music and technology industries for his entire professional career. He holds the MBA, JD and BA degrees from UCLA where he was an Olin Fellow in Law and Economics and a member of the *UCLA Law Review*. He is admitted to practice law in both California and Texas.

He has published widely on music industry topics in professional and trade publications for many years. Chris is a frequent conference panelist and lecturer on music industry and technology topics including at Osgoode Hall, the Copyright Society of the United States, the Canadian-American Business Council, the OECD, Canadian Music Week, the UCLA Anderson Graduate School of Management, Hastings School of Law, SXSW, NXNE, NARM, CMJ, and the University of Texas School of Law where he was also an adjunct professor.

Chris was formerly on the Advisory Board and the Board of Directors for the Austin Music Foundation.

Prior to law school, Chris was a working musician and recorded and performed with many Canadian artists including Diane Dufresne, Nanette Workman, Claude Dubois, and Jackson Hawke as well as Canada-based artists Jesse Winchester and Long John Baldry.

Contributor and Research Assistant Theo Mathien is a Toronto-native. He is currently residing in Montréal, where he is finishing a doctoral degree in music at the Université de Montréal. He has also lived in Austin, working for the Austin Music Foundation providing program development assistance, and he continues to provide production assistance to C3 Presents during Lollapalooza and the Austin City Limits Music Festival.

Theo co-hosts a weekly music radio show on Montreal's CKUT and he also writes about music for a Montreal web publication. He has recently helped to develop multi-channel sound spatialization software.

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He is licensed to practice law in Texas and California and is a member of the Entertainment and Sports Law Section of the Texas Bar Association, the Austin Intellectual Property Law Association, and frequently volunteers his services for Texas Accountants and Lawyers for the Arts. Previous to his law career, Brooks was a working

musician in Austin and has seen the city grow and evolve its musical identity substantially during the past 15 years.

Project Manager and Research Assistant Stefanie Crock has worked for Titan Music Group for five years, where she has assisted with oversight of daily operations and support staff management. She has also worked on a number of Titan client projects, providing extensive research and analysis, oversight of client new website development, online promotional campaigns, and database creation. Stefanie also worked as a volunteer staff member at the Austin Music Foundation for seven years, where she was a key asset in assisting with program development, event production, and fundraising.



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