

Cultural Investment

Each year the City of St. Catharines invests in culture in three ways: in its own cultural assets and programs, in departmental priorities, and directly into the cultural sector. Cultural expenditures and revenues were identified across departmental budgets for a four year period and are summarized below.

	2007	2008	2009	2010
Heritage	1,338,627	1,652,548	1,611,615	1,554,671
Cultural Services	185,884	250,157	223,428	159,449
Special Events	179,316	162,198	181,006	179,283
Cultural Industries	105,359	130,476	133,614	146,236
SCCIP	124,000	150,000	150,000	150,000
Public Art	7,174	5,050	21,521	11,441
Subtotal	1,940,360	2,350,429	2,321,184	2,201,080
% of Annual City Budget	1.32%	1.55%	1.91%	1.75%
Less Revenues	720,504	779,448	571,931	699,719
City Tax Investment ²²	1,219,856	1,570,981	1,749,253	1,501,361

Over a four-year period, less than 2% of the City's total budget is invested in arts, heritage and related programming and development. Approximately 70% of the City's cultural investment is in heritage – this line includes the St. Catharines Museum and Welland Canals Centre, Morningstar Mill, operations for the Lakeside Park Carousel, Heritage planning staff and grants, and cenotaph maintenance. No capital investments are included, although regular capital investments have been made into City-owned heritage buildings and structures. The operating and program investment in heritage is appropriate given the scope of the City's heritage assets.

²² At the time of writing, the St. Catharines Cultural Investment Program (SCCIP) was funded through the Civic Project Fund and was thus not a direct expense to taxpayers. This Fund is to be spent in the next 2 to 3 years and SCCIP is expected to return to a departmental budget line item.

Another 22% - 24% is spent on cultural services staff, programs and initiatives, special events, including those at Market Square and within recreation, and cultural industries²³. The latter represents investments in nGen and Market Square.

That leaves 6% - 7% for direct investment in the cultural community²⁴ and into public art. In the Municipal Cultural Policy 2000 several recommendations related to the development of public art, including the establishment of a percent for art policy, and commitment of a percentage of all municipal capital investments to public art. The Garden City Plan, the City's land-use plan, reiterates the need for this investment, as public art can be important addition to the urban environment. Its influence will be limited unless investment is increased.

In December 2008 City Council approved in principle an \$18 million investment in the future Performing Arts Centre. Council recognized the economic value of the project, its role in downtown revitalization and the importance of investing in its first purpose-built arts facility. The City's capital commitment has since grown, and will be matched by other government commitment and community fundraising to achieve its capital investment goals. Once the St. Catharines Performing Arts Centre is operating, it will require an annual investment from the City. In the 2008 Feasibility Study the operating costs of the arts centre were estimated at \$4.5 million. The study outlined a business plan that generated revenue of \$3 million, and confirmed the future facility would need a tax investment of approximately \$1.5 million annually. The partnership with Brock University will reduce the City's investment in the arts centre, but ongoing investment is required to achieve the anticipated economic return.

What is that return? An economic impact analysis details **a \$16 million per year return on investment**²⁵ to the businesses and residents of St. Catharines. When the City invests \$1.5 million per year, the community will see a return on that investment ten-fold.

In consultations with the arts community, support for the PAC is strong, but there is concern about the future rental costs and the potential for the City to reduce or eliminate direct investment to currently-supported organizations. The PAC should not be the project that reduces other arts investment by the City, particularly since future programming and audiences at the facility are dependent on a healthy local arts sector. The PAC is an enormous investment that can make or break the local cultural sector: the City will need to foster the health of the arts community to ensure that its economic - and cultural - goals of the PAC are achieved.

²³ Staffing and operating costs of recreation staff and programs, and the Small Business Enterprise Centre, were not included in this analysis, as it was too difficult to quantify the percentage each spent on culture-specific service provision.

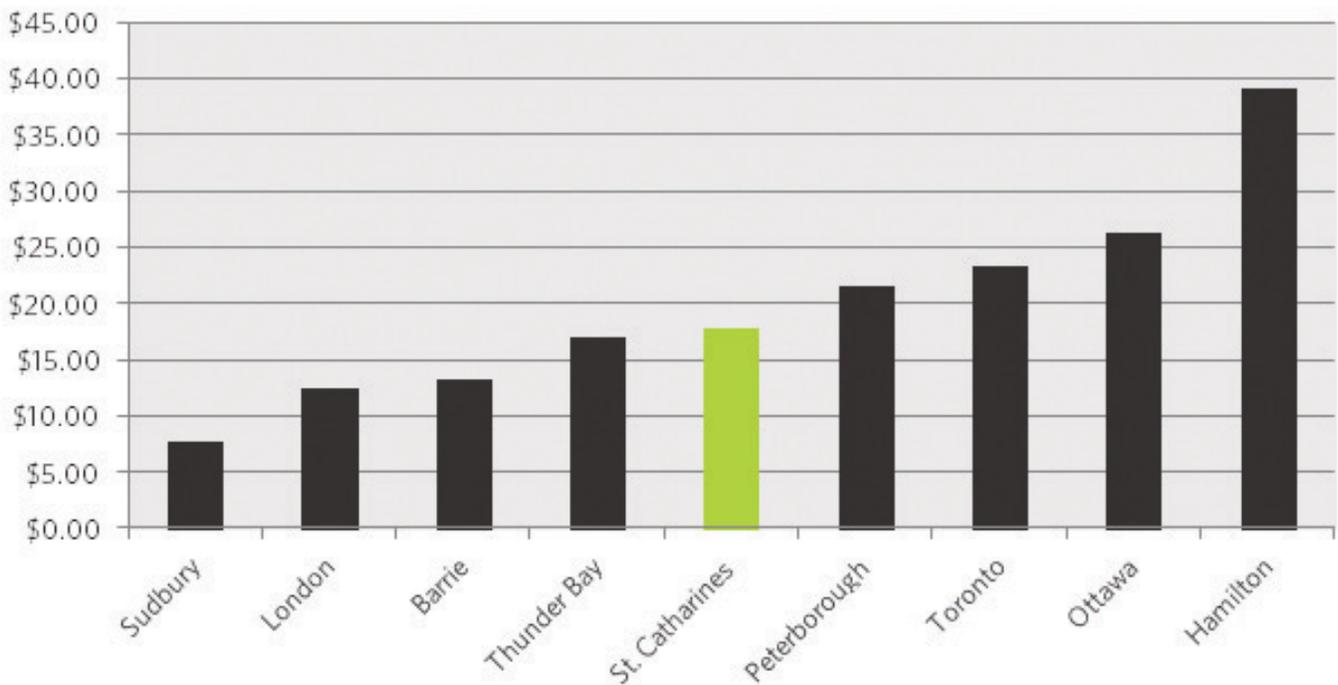
²⁴ Fee-for-service investments were made each year to two independent, long-standing festivals - the Niagara Wine Festival and the Niagara Folk Arts Festival. These amounts are included in the special events line item.

²⁵ A Feasibility Study for an Academic and Cultural Arts Development in Downtown St. Catharines. Levitt Goodman Architects and Martin Vinik Planning for the Arts

HOW DOES ST. CATHARINES' INVESTMENT COMPARE?

Currently the only source of comparative information on municipal cultural investment is the Ontario Municipal Benchmark Indicators (OMBI) and St. Catharines does not participate in this benchmarking initiative. It is still worth reviewing OMBI data: the chart below suggests that St. Catharines' 2009 per capita investment of 17.67% is higher than London, Barrie and Thunder Bay, but lower than Peterborough and the larger cities of Hamilton, Ottawa and Toronto. What is unclear in this information is the division of investment between heritage, arts, facility operations and sector investment.

Per capita arts and culture spending (2009)



Were the City of St. Catharines to further investigate how other municipalities invest in culture, new revenue development or investment strategies may be identified, for example, the recent billboard tax that was approved by the City of Toronto specifically for arts investment.

It is easier to evaluate cultural investment programs, grants provided to the cultural sector to strengthen their ability to engage residents in cultural experiences. The chart below includes the St. Catharines Cultural Investment Program (SCCIP) at \$1.14 per capita in 2008, the last year the program received an increase to its budget. The City's level of investment is in the bottom 5 of 16 cities. This, and the issues identified in the arts sector, would indicate that St. Catharines needs to increase its direct investment to the cultural community.

Ontario Cities: per capita spending on culture		
Municipality	Population (2006)	Spending on Cultural Grants per capita (2008)
Thunder Bay	109,140	\$10.46
Barrie	128,430	\$2.06
St. Catharines	131,400 (2012)	\$1.14 (2012)
Sudbury	157,857	\$3.00
Kingston	159,561	\$2.73
Richmond Hill	162,704	\$0.08
Oakville	165,613	\$1.09
Kitchener	204,668	\$5.50 (2008 estimate) \$6.30 (2010)
Windsor	216,473	\$3.53
Vaughan	238,866	\$0.01 (SIK)
Markham	261,573	\$0.46
London	352,395	\$3.24
Brampton	433,806	\$1.58
Hamilton	504,559	\$2.70
Mississauga	668,549	\$1.57
Ottawa	812,129	\$4.65
Toronto	2,503,281	\$6.27

Source: Vaughan Cultural Plan
 SIK - Services in Kind

RETURN ON INVESTMENT - THE SCCIP RESULTS

The City of St. Catharines began the St. Catharines Cultural Investment Program (SCCIP) in 2004 and the results in the arts community are visible. St. Catharines has a vibrant professional arts community as well as proud community arts organizations. Some of its long-

standing arts organizations are 40, 50 or more than 60 years old and they acknowledge SCCIP is an important contributor to their sustainability. The program has: helped them leverage more money from other levels of government and from the private sector; it has encouraged recent graduates to stay in St. Catharines and create jobs in the arts for themselves; and it has helped create new arts facilities, new festivals and more activity and outreach programs.

The return on SCCIP investment was evaluated over a three year period (2008 - 2010) as part of this plan's research and the following conclusions were reached²⁶:

- SCCIP recipients are generating more revenue - total revenue went up by approximately 27%, or \$600,000 in a three-year period.
- Funding from the private sector nearly doubled, growing from 23% of all revenue to 36% of total revenue.
- In 2010, the average SCCIP grant recipient supported double the full-time equivalent jobs than in 2008.
- Between 2008 and 2010 the number of artists and curators employed by SCCIP recipients increased by over 30 percent.
- Between 2008 and 2010 the number of artist contracts increased by 50%, amounting to nearly 600 total artist contracts.
- The majority of grants were under \$7,500K.

An economic impact analysis was undertaken which confirmed that SCCIP recipients are creating jobs, generating revenue and stimulating spin-off spending in St. Catharines.²⁷

Impact of SCCIP Grantee Spending on Ontario			
Year	Expenditures (Direct Impact of Grantees + Audiences)	Outputs (Indirect Impact)	Employment (Jobs)
2009	\$2,297,889	\$3,398,435	33.17
2010	\$2,359,899	\$3,476,195	33.65
2011	\$2,549,402	\$3,768,426	36.25

²⁶ See State of Culture Report, Economic Impact of SCCIP Recipients, Slides 19 - 28

²⁷ See State of Culture Report, Economic Impact of SCCIP Recipients, Slides 19 - 28b



Niagara Falls: a twenty minute drive from downtown St. Catharines

Yet, there are signs of trouble in the arts sector. In early 2013 there were temporary and permanent layoffs taking place in the sector. Much available funding is project-based, released in cycles that can negatively affect smaller organizations' ongoing operations and ability to support sufficient staff levels. Simultaneously, the arts community saw City funding levels drop in the 2012 SCCIP approvals²⁸. A new program stream, the Culture Builds Community Program, has expanded the focus of the program's investment and tapped into funding previously focused on the professional arts sector. The result is less funding for arts organizations trying to grow their capacity in readiness for the Arts Centre, and more concern about the future cost of renting the St. Catharines Performing Arts Centre for their performances.

THE REGIONAL CONTEXT

The two-tier municipal system in Niagara poses both opportunities and challenges for the City. Not all local services are provided by the City, and some are shared between two levels of government. Coordination between the two is not always achieved, and St. Catharines, as the biggest municipality amongst twelve, is often perceived as being the "want-it-all" community by others in Niagara.

The Regional Municipality of Niagara recognizes cultural vitality as an essential "fourth pillar" of municipal sustainability along with economic prosperity, environmental responsibility and social equity. In 2010, the Region developed a Culture Plan - "Creative Niagara: Economy, Places, People, Identity" - which reinforces culture's relevance and importance in people's everyday lives. With the adoption of the Culture Plan, Niagara became one of the first regions in Ontario to "embrace the integration of culture into the Region's land use planning objectives."²⁹

²⁸ Some of the funding cuts were reinstated in 2013, although not all, and the return to 2011 rates was at the expense of funding more project grants.

²⁹ Niagara Region Culture Plan

In 2013, the Region approved amendments to embed culture in its Official Plan. The amendments establish a policy framework to implement the key strategic directions of the Culture Plan as follows:

1. "Build a diverse economy by strengthening cultural resources and the creative cultural sector to maximize their contribution to economic development."
2. "Encourage analysis and inclusion of cultural places, spaces and activities in land-use planning, infrastructure development and programming to preserve and develop distinct and unique places in Niagara."
3. "Support professional development and information sharing for the creative cultural sector, and encourage participation in culture across the Niagara community to stimulate innovation, creativity and community engagement.³⁰"
4. "Promote awareness, understanding and appreciation of culture and its contribution to the ongoing development of vibrant, unique communities and a shared sense of identity as Niagara."

The amendments, will guide and support cultural planning for both the Region and its municipalities, including St. Catharines. The inclusion of culture in Niagara's Official Plan should influence regional decision-makers and lead to investment in the cultural sector, and into municipally-led cultural initiatives such as the Arts Centre. Many of the arts organizations supported by the City's SCCIP program serve the wider Niagara area, yet only the City of St. Catharines consistently invests in them.

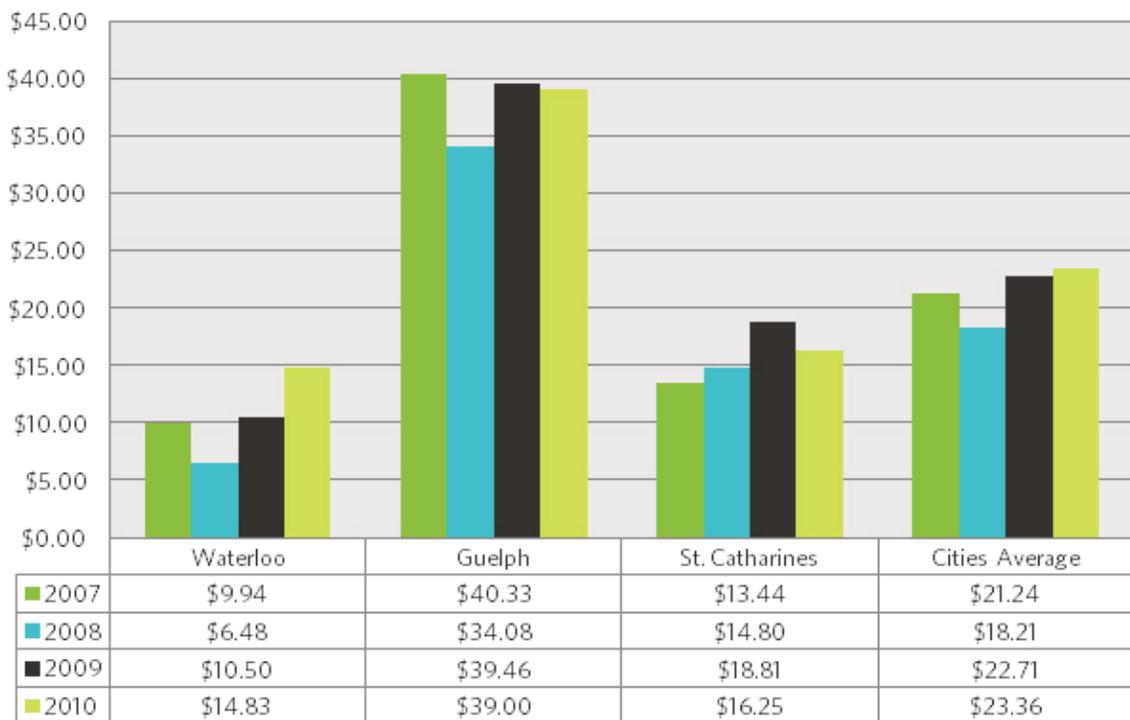
In its revised Official Plan the Region clearly embraces the role culture has to play in building a creative economy. The amendments note that zoning amendments need to consider culture, cultural asset mapping is identified as a useful resource, the value of culture in landscape and public realm is incorporated, and the amendments contain a Cultural Expression Policy, which is a strong addition to local policy. Despite the fact that social services and public health are under the umbrella of Regional government, no links are identified between culture and these two responsibilities. There are several areas where the work of each level of local government could be duplicated: public art, sector training and education, cultural asset mapping and plaquing are all areas where cross-over of responsibility exists. Ideally, the Niagara Region will work closely with the City of St. Catharines when moving forward initiatives that can be improved by building St. Catharines' experience.

REGIONAL INVESTMENT IN CULTURE

Prior to 2012, there has been virtually no direct investment into the cultural sector by the Region of Niagara. In 2012 the Niagara Region was successful in its bid as a Cultural Capital of Canada. Approximately \$2.1 million was invested into cultural activities across the region, a shared investment from the federal government and the Niagara Region. Several St. Catharines-based arts organizations participated in the program as did the City's cultural services office. The funding was project-specific, and to date the Region has yet to commit to continuing continue direct investment in the cultural sector.

In 2012 City staff participated in a study led by the City of Waterloo that compared cultural investment in Waterloo, St. Catharines and Guelph. A comparison to two other cities does not provide sufficient breadth of information, although the study posed an unexpected question about the affect of regional investment in culture.

Per Capita Municipal Cultural Expenditures 2007 - 2010



The chart above includes operating, grant and capital expenditures over four years. It shows significantly different levels of investment in culture between the three municipalities, with St. Catharines in the middle. The report notes “there are differences in municipal government and budgeting structures that partially explains the contrasts between each municipality’s per

capita operating expenditure.³¹ Those differences are between one-tier and two-tier systems. Guelph is a one-tier government and therefore is responsible for all cultural funding; Waterloo is within a two-tier system and their regional government provides considerable ongoing investment into cultural facilities and organizations (they have a grant program for culture, for example). St. Catharines also operates in a two-tier system but without the additional support of regional investment into culture, the City spends considerably more than the City of Waterloo. At the time of this plan's release, the Niagara Region had released its first-ever applications to the Niagara Cultural Investment Program, a positive addition to the landscape.

The report did not formally evaluate the nature of cultural investment in a two-tier structure, but this information is highly suggestive. Is St. Catharines' investment higher than Waterloo's **because of the difference in Regional cultural investment**? The one-time investment through the Cultural Capital of Canada Program did not address the issues of a sector plagued with project-only funding. Can St. Catharines encourage future regional investment into the health of the cultural eco-system in Niagara?

Further municipal comparative analysis of cultural investment is recommended given the evidence of need in the community and the comparatively low level of municipal investment into the arts sector. Neither the City nor the Region can offer the direct programming provided by this sector and successfully achieve the diversity of activity, programs and engagement. Nor should they as it is programming handled far more successfully, and economically, by cultural professionals. The Creative Capital Gains Plan from the City of Toronto estimated that \$17.75 is generated for every dollar invested into cultural initiatives. This, coupled with the evidence of SCCIP's ability to support revenue generation and have a positive economic return, is further proof that investment in the cultural sector provides numerous benefits.

³¹ Report on Municipal Cultural Investment in the City of Waterloo. A study prepared by the Wilfrid Laurier University MBA Project Team, 2012, as commissioned by the City of Waterloo

CULTURE
SIX WORDS
OR LESS
STORIES



“My home,
past, present
and future”

Poster from the Six-word contest, an outreach initiative of the Culture Plan (see appendices for responses)

Bones, Niagara Ice Dogs