Comox Valley

Economic Impact of Cultural Industries

Draft Report

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1 Economic Development & Cultural Industries

Economic development professionals are examining how culture has become a catalyst for economic activity. Culture has become a 'capital asset' which defines a community's identity (Santagata, 2002). It shapes society, and establishes the preconditions for creativity and innovation in growing economies.

"THE CULTURAL SECTOR is characterised by growing close and varied interrelations between cultural life...and cultural economy...In this context culture can contribute significantly to employment. Cultural products and industries offer opportunities for job creation, adding significantly to the effects of more 'classical' measures such as the preservation of cultural heritage. Culture is not merely a public occupation creating extra costs, but also an increasingly important part of the private economy with considerable growth potential, fostering creative, innovative and productive effects for regional and local economies"

-Monika Wuif-Mathies
European Commission member responsible for regional policy and cohesion, 1996

The UK based Core Cities Group (2002) described culture as multifaceted and powerful. Their approach demonstrated culture's contribution to the economy, as highlighted by their definition of culture below:

- Culture is a source of prosperity and cosmopolitanism in the process of international urban competitiveness through hosting international events and centres of excellence, inspiring creativity and innovation, driving high growth business sectors such as creative industries, commercial leisure and tourism, and increasing profile and name recognition.
- Culture is a means of spreading the benefits of prosperity to all citizens, through its capacity to engender social and human capital, improve life skills and transform the organisational capacity to handle and respond to change.
- Culture is a means of defining a rich, shared identity and thus engenders pride of place and inter-communal understanding, contributing to people's sense of anchoring and confidence.

The Organisation for Economic Co-operation and Development (OECD) has also taken notice of the multidimensional view of culture. In a 2006 OECD report, the Hong Kong Arts Development Council's view on arts and culture was cited as a "...part of a continuum and ecosystem of creativity and innovation . . . [with an ability] to reach far beyond their intrinsic values and touch on matters and policy domains such as social cohesion, economic innovation, regeneration, the creative and knowledge economy, inward investment strategies, tourism and quality of life."

Culture's broad influence continues to be endorsed by all levels of governments. It has also made its introduction into many non-traditional sectors (i.e. agri-food) and is ingrained in today's 24/7 economy.

Culture by Numbers

The non-profit organization *Americans for the Arts* released a 2005 report on the economic impact of non-profit arts and culture organizations. Impressive results revealed this industry generated $166.2 billion in economic activity every year—$63.1 billion in spending by organizations and an additional $103.1 billion in event-related spending by their audiences. This figure surpasses the gross domestic product of many nations in the world. Europe's cultural sector turned over more than 654 billion Euros in 2003, representing a 2.6% contribution of EU GDP[1]. In 2004, 3.1% of the total employed population in Europe or at least 5.8 million people worked in the sector[2]. A report outlining the economic contribution of culture in Canada revealed the gross domestic product from the culture sector amounted to more than $33 billion (3.8% of Canadian GDP), on average between 1996 and 2001. Furthermore, more than half a million workers (3.9% of total Canadian employment), worked in this sector, which coincidently was the fastest growing sector in the Canadian economy during this time period. Arts and culture industries have become significant economic agents in the economy employing thousands and generating large revenues for global communities.

Defining Cultural Industries

As highlighted above, defining culture can be a complex exercise. In some instances, culture can be easily explained as, "...creative artistic activity and the goods and services produced by it, and the preservation of human heritage.[3]" Shifting to defining culture as an industry can be more daunting. The term "cultural industries" came out of the UK, by the Greater London Council (GLC) in the 1980s. They emphasized the importance of culture as economic generators of wealth and employment, and suggested culture could function as a separate entity from any public funding source (O'Connor, 2003). Two decades later, the work of Richard Florida brought culture and creativity into communities and academic, policy, and industry circles. Florida's work on the Creative Class defined a group of people in science and engineering, architecture and design, education, arts, music and entertainment, whose economic function was to create new ideas, new technology and/or new creative content. Arts and culture is considered a subset of this emerging and exciting group.

Economic Development & Culture

The creative class, whom work within creative and cultural industries, have become increasingly popular among economic development professionals. These professionals contribute to arts and culture in the form of live performing arts of theatre, opera, symphony, concerts, and dance, plus the fine arts of painting and sculpture and the associated institutions of art museums, galleries, and dealers are mutually creating new jobs and improving lives. In turn, communities are being reinvented, recelebrated, and creatively re-created (Fleming, 1999). An art exhibit or summer theatrical production of Shakespeare can play a role in the well being of a community

[1] The economy of culture in Europe, European Commission,

[2] ibid

[3] Statistics Canada – Canadian Framework for Culture Statistics 2004

and could prove to be a strong economic generator. Arts and culture is now being used by economic developers as a tool to develop a vision for communities. It can also fall within one of the most cited objectives of local economic development - to strengthen community identity.

The role culture plays in communities is significant since in many cases, cultural activities are largely concentrated in urban centers. Cultural activities are economically viable in places where the local arts audience are big enough to support them. Cities and metropolitan areas have the large 'captive' market sizes these activities require. Although cities are considered the prime setting for culture, there has been a surge of smaller, rural based cultural initiatives. In 1997, Dunedin, New Zealand had an exhibition of major works from the Guggenheim Museum. This small community of 130,000 was able to attract close to 70,000 visitors who spent $7.2 million dollars boosting their economy and national role in the arts community. In the case of Dunedin, this exhibit had a positive impact on the economic as well as cultural life of the city. As seen in the example above, culture has crept into many regeneration strategies of local networks and clusters as instruments of economic development.

Culture and creativity are often blended together as one. The European Union best differentiates each by acknowledging its broad characteristics while upholding creative industries as being the, "…process of innovation using culture as an input which influences many economic sectors." Today, cultural industries are a combination of traditional cultural institutions, commercial business sectors, and the new digital economy sectors. Defining cultural industries is still considered difficult for many nations due to the lack of differentiation between cultural and creative industries and variety of approaches assessing economies of culture.

The European Commission carried out a study methodically mapping out the definition of cultural and creative industries. Table 1 illustrates their true assessment of the contribution of culture and creativity and their respective categorization. Their evaluation of the "cultural sector" covered was broken down into two groups:

1) Non-industrial sectors producing non-reproducible goods and services aimed at being "consumed" on the spot (a concert, an art fair, an exhibition). These are the "***core arts field"*** (visual arts including paintings, sculpture, craft, photography; the arts and antique markets; performing arts including opera, orchestra, theatre, dance, circus; and heritage including museums, heritage sites, archaeological sites, libraries and archives)

2) Industrial sectors producing cultural products aimed at mass reproduction, mass-dissemination and exports (for example, a book, a film, a sound recording). These are "***cultural industries***" including film and video, video-games, broadcasting, music, book and press publishing.

Table 1 – EU Cultural Sector (Proposed Categorization)

CIRCLES	SECTORS	SUB- SECTORS	CHARACTERISTICS
CORE ARTS FIELD	Visual arts	Crafts Paintings – Sculpture – Photography	• Non industrial activities. • Output are prototypes and 'potentially copyrighted works' (i.e. these works have a high density of creation that would be eligible to copyright but they are however not systematically copyrighted, as it is the case for most craft works, some performing arts productions and visual arts, etc).
	Performing arts	Theatre - Dance – Circus - Festivals.	
	Heritage	Museums – Libraries - Archaeological sites - Archives.	
CIRCLE 1: CULTURAL INDUSTRIES	Film and Video		• Industrial activities aimed at massive reproduction. • Outputs are based on copyright.
	Television and radio		
	Video games		
	Music	Recorded music market – Live music performances – revenues of collecting societies in the music sector	
	Books and press	Book publishing - Magazine and press publishing	

The "creative sector", culture is considered a "creative" input in the production of non-cultural goods and includes activities such as design (fashion design, interior design, and product design), architecture, and advertising. Creativity is the source of innovation.

This study also made note of other areas where there are even further difficulties. In particularly, the telecommunications, information content, and information technology sector which there is a need for a global definition and evaluation tools. Without a standard definition, information content, electronic and other technology driven products cannot be compared since there are not any "agreed upon" traditional statistical tools to assess this growing field.

Definition of Cultural Sector for Canadian Communities

Recently, studies have begun to seriously examine the different approaches, methods, and evaluation of cultural industries in different communities. New Zealand, Australia and Canada have all used UNESCO's framework to form and gather culture statistics. Developed in 1986, UNESCO identifies nine sectors and five functions in the process of cultural production. The nine sectors/categories include: (1) cultural heritage; (2) printed matter and literature; (3) music; (4) performing arts; (5) audio media; (6) audiovisual media; (7) socio-cultural activities; (8) sports and games, and (9) environment and nature. The five functions in the 'processes of cultural production" include: (1) creation, (2) production, (3) distribution, (4) consumption and (5) preservation. Canada has used this form of classification to further breakdown the culture subsectors into the following 13 groups: written media, broadcasting, film industry, advertising, performing arts, visual arts, libraries, design, sound recording and music publishing, heritage, architecture, photography, and festivals. Further discussion on the subsectors and its use of the GDP will be explored in the preceding sections.

UNESCO defines "cultural industries" in the following terms (articles 4.4 and 4.5):

- "Cultural industries" refers to industries producing and distributing cultural goods or services (article 4.5).

- "Cultural activities, goods and services" refers to those activities, goods and services, which at the time they are considered as a specific attribute, use or purpose, embody or convey cultural expressions, irrespective of the commercial value they may have. Cultural activities may be an end in themselves, or they may contribute to the production of cultural goods and services (article 4.5).

Although this definition has authority in 148 countries, many still question how and if these categories can realistically measure the economic contribution of the cultural sector. A review of the measurement and tools used to assess the extent and importance of culture will be needed.

2 Economic Impact & Cultural Industries

The majority of economic impact studies assessing the importance of cultural activities for local economies are based upon spending effects[4]. Keeping this in mind, evaluations of culture are commonly reported in tourism data/figures. **Cultural tourism** is defined as "visits by persons from the host community motivated wholly or in part by interest in the historical, artistic, and scientific or lifestyle/heritage offerings of a community, region, group or institution" (Silberberg, 1995). It typically is used to describe visits to historic buildings and sites, museums, art galleries, and also to view paintings or sculpture or to attend the performing arts (Richards, 1994). Cultural tourism possesses a considerable role in this sector as evidenced by the frequent mention of tourist visitor spending data in EI analysis.

As outlined by the OECD, the starting point for determining the size of the sector, its components, and effects is to determine its contribution to the economy. In order to describe the economic contribution of an industry or activity to a country's economy, the three areas to study are **GDP**, **employment** and **growth**. Statistics Canada, the leading analytical body in Canada uses the *Canadian Framework for Culture Statistics to* delineate the scope of industries, goods and services that are associated with creative, intellectual and artistic activity.

Gross Domestic Product (GDP) is a vital element in studying the concept of economic impact. GDP refers to the sum of the value added of all industries in a country[5]. The gross domestic product (GDP) of an industry is the value added by labour and capital when inputs bought from other producers are transformed into outputs. GDP is the result of adding together the value added of all industries in Canada and measures only the value of production originating within the geographic boundaries of Canada, whether the factors of production are owned by Canadians or by non-residents.

Using GDP, calculations will reveal the following:

1) Total contribution of the culture sector
2) Contribution of culture sub-sectors with the assistance of the System of National Accounts (SNA) using the North American Industry Classification Systems (NAICS)
3) Comparison of GDP growth rates

Employment figures in the culture sector include all workers, including full-time and part-time employees and the self-employed. Examining the jobs/employment demonstrates the following:

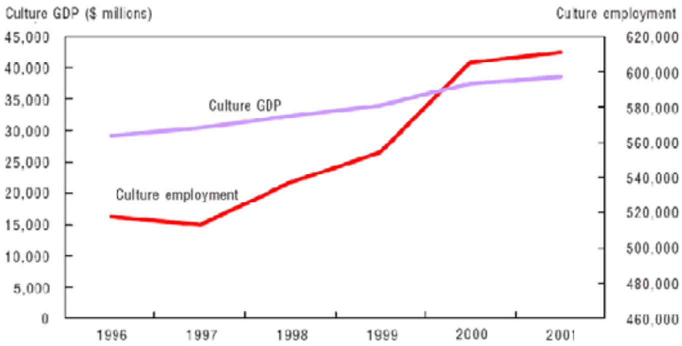
1) Characteristics of culture workers (i.e. wages, payroll)
2) Total culture employment
3) Growth rate for the culture sector

[4] The Economic Impact of Culture, Trimarchi 2005.

[5] Economic Contribution of Culture in Canada, Statistics Canada 2004.

Table 2

Both GDP and employment in the culture sector rose between 1996 and 2001



Source: *Statistics Canada.*

Table 2 illustrates GDP growth together with overall employment growth. Here, GDP from the culture sector increased 31.7%, matching the overall growth in the Canadian economy (32.0%) over the period 1996 to 2001.

Economic impact models have also introduced measures which are directly linked to the spending and employment associated with a business, a sector of the economy, or a change in government policy or regulation. The three types of economic impact:

- *Direct economic impact* is the employment, valued-added or economic output created by businesses. The direct employment base includes employees at accommodations, resorts, restaurants, retailers and attraction operators in the region.
- *Indirect economic impact* is the employment, valued-added or economic output generated in industries that supply goods and services to businesses. For example, employment at a food wholesaler that supplies restaurants would be considered indirect employment.
- *Induced economic impact* is the employment, valued-added or economic output generated by the expenditures of individuals employed directly or indirectly by local businesses. For example, a hotel manager spends his or her earnings on meals out, groceries, a new car, etc., which generates additional employment.

These variables are often used to assess cultural tourism where direct jobs, multiplier impacts (indirect and induced) can be determined. Although the statistical debates around the cultural industries usually concern employment, labour market profile, training needs and contribution to national, regional and local GDP, it cannot present the complete picture.

Gaps in Economic Impact Analysis

The OECD's *International Measurement of the Economic and Social Importance of Culture* document sets out a list of issues that are needed to present the complete cultural picture. The following indicators go beyond assessing the traditional quantitative data and explore the contribution of culture in a more comprehensive fashion:

Output and Value Added

It's been well established that the main instrument of economic measurement for production is GDP. Due to the contrasting use of definitions and statistical classifications found in different nations, there is not a consistent application of the "value added approach.[6]" Thus the true contribution of culture in the economy cannot be determined without consideration of what 'appropriate' data needs to be assessed.

Exports and Imports

Examining cultural goods and services with respect to international trade is an overwhelming task as it requires fundamental information for on trade laws, negotiations and would vary from country to country. This area will need to be explored in more depth since cultural imports and exports could provide significant data.

Government Expenditures & Private Sector Funding

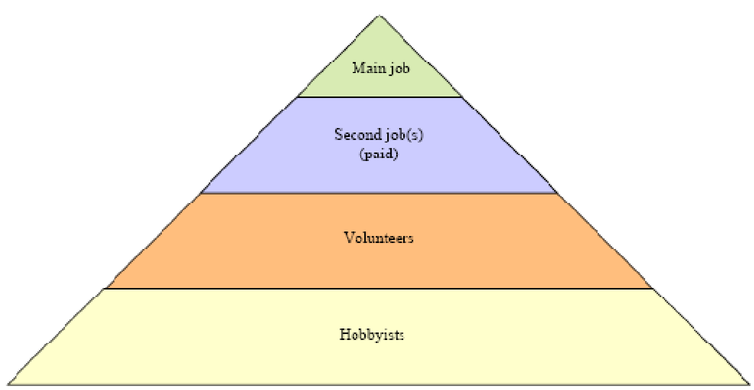
Cultural support has historically been the responsibility of government. New models indicate cultural activities are becoming independent and are moving towards a public-private funding model. Although governments are important figures in this sector, individual/private support can play a major funding role. Donations and sponsorships are critical funding vehicles for cultural organizations. Measuring government expenditures is feasible since government support is public knowledge. On the other hand, due to the discretionary nature of the in kind support from both individuals and corporations, quantifying this funding from these sources is impractical. Moreover, there is no set standard for donations.

Employment

Measuring culture-related employment has traditionally measured the employment of businesses involved with cultural activities and the number of individuals working in cultural occupations. Yet a significant number of individuals working in cultural industries are not typically included or 'counted" within the scope of culture classifications. These employees in non-cultural industries could represent a large portion of undercounted persons. Table 3 illustrates the various individuals who might not be counted in any cultural employment and participation statistics.

Table 3 – Tiers of Cultural Employment, by type of involvement

Source: OECD - International Measurement of the Economic and Social Importance of Culture, 2006



[6] Value Added represent the true contribution that an industry makes to the national economy. This is the value of gross outputs minus the value of inputs from other industries.

These jobs are also indirectly generated by the culture sector through the *multiplier effect.* The multiplier effect refers to, "indirect jobs generated when the spending and wages of organizations circulate through the economy. These indirect jobs are located throughout the economy in the businesses that provide supplies or business services to the culture sector. They are also generated when culture sector employees spend their income on items such as groceries, retail shops, personal services, health care, etc.[7]"

The OECD addressed various additional factors such as household spending and participation/consumption indicators that examined ways of measuring patterns of behaviour with the use of cultural goods and services. Ultimately, economic spending in the cultural sector is influenced by various defined and undefined factors. Trimarchi (2005) found economic impact analysis should include:

a) The amount and proportion of income and employment newly generated, net of costs newly spent;

b) The differential impact of spending on the arts in comparison with alternative subsidized activities.

Culture should be able to examine the impact of arts participation and include items such as immaterial benefits, quality of urban life, human resource allocation, creativity, and composition of the audience[8].

Cultural Measures

Beyond the statistical data typically used to analyze the economic impacts of a community, additional measures have gained prominence within economic development circles. They include a review of the following features within a cultural environment:

- Survey of all cultural venues
- Potential expenditures of arts/culture patrons
- Museum economic impacts (i.e. key economic drivers)
- Cultural expenditures by local governments
- Measuring hosting (accommodations/dining) capacity
- Retail business estimates
- Estimated local government revenues

The Sacramento Metropolitan Arts Commission completed an economic impact exercise which examined the above factors to determine the strength and size of its cultural community. It was able to gather and scrutinize the volumes of cultural visitors, evaluate cultural programming, level of government support/funding, and the spending habits of visitors to the region. Some cultural facilities themselves have carried out an economic impact assessment in order to determine activity, spending and multipliers, to slightly more comprehensive studies gathering primary visitor data and use of formal economic models.

[7] Statistics Canada – Canadian Framework for Culture Statistics 2004

[8] The Economic Impact of Culture, Trimarchi 2005.

Communities are also beginning to use new, and more detailed methods to quantify their cultural economic impacts. In 2005, the City of Edmonton used detailed input-output tables to show how a dollar spent (input) in one sector of the economy impacts the output of all other sectors of the economy. Their analysis used a combination of *"Arts and Culture"* operating expenditures (supply-side) and visiting patron expenditures (demand side). The results indicated arts and culture in Edmonton extended to almost every sector of the economy.

As funding at all levels of government continues to decline, arts and culture organizations need to substantiate and rationalize their mandates and operating budgets. Data and evidence that can raise the cultural profile continues to be a priority for this group.

Municipalities and Culture

The growing awareness of the economic importance of the cultural industry has led communities to view investment in this industry as a vital strategy for economic and community revitalization. By investment, communities' desire additional jobs, a strong tax base, growth of cultural enterprises, attraction and retention of talented people/businesses, and the promotion of community identity and diversity.

Many cities have produced culture and strategic plans with mandates that encompass the following key principles:

- Culture plays an essential role in building and sustaining a diverse urban community that is socially and economically healthy;
- Cultural programs will promote inclusivity and celebrate cultural diversity;
- Residents and visitors should have affordable and convenient opportunities to participate in the cultural life of the city;
- Municipal government will play a leadership role to ensure that the city has a vibrant, active and strong cultural life.

(City of Toronto, *Culture Plan: for the Creative City*, 2003)

Culture is becoming a top priority for communities. The Vancouver Sculpture Biennale is an international art show that takes place once every two years. It is unique in the world of Biennale's because it focuses on both sculpture and the urban landscape. In 2005 in Creston, BC, the Creston Arts Council hosted an art exhibition of Creston Valley artists which has since led to new events with art and photography, scheduled demonstrations, artists at work, and an art and culture information centre. In Ontario, the Ontario Tourism Marketing Partnership (OTMP) has funded cultural heritage marketing strategies in London, Owen Sound, and Niagara on-the-Lake. All of these communities took part in the Ontario Ministry of Culture's 2004 survey of municipalities with some type of cultural plan or policy. One of the objectives of the survey was to provide good examples of cultural plans or policies. The survey revealed a comprehensive list of communities with various cultural planning mechanisms. The successful cases had the benefit of possessing these critical factors:

- Customized local solution
- Champions at senior staff and council levels
- Commitment of resources

- Buy-in from local cultural community
- Access to information from other municipalities
- Time to utilize multiple techniques for broad citizen engagement.

In some cases, communities have gone to great lengths to celebrate their cultural assets and have developed a cultural quarter or district. The goal of a cultural quarter is to increase the economic potential of cultural industries within a cultural space. Added benefits are improved civic ambience, quality of life and a “sense of place”. Businesses enjoy this designation since it can increase sales & patronage at profit entities and non-profit arts/cultural venues.

Cultural Approaches

Community economic developers have to increase the awareness and understanding of culture to the local and business community in order to leverage local and regional business growth. The following discussion highlights a number of actions needed to assist economic developers to leverage their cultural resources, needs, and create opportunities for cultural development.

Private–Public Partnerships

Arts associations and civic arts facilities continue to suffer from decreasing budgets from funding providers. Public and private partnerships should be encouraged to alleviate any shortfalls either group is experiencing. For example, cultural and heritage organizations should establish public-private partnerships to identify opportunities for cultural and heritage tourism development. Private Partnerships are also considered ‘good business’ in a community. Considered an act of leadership, many private donors/partners look at the benefits of being an anchor partner and encourage other businesses to become involved in the arts community. In the greater scheme of things, partnerships allow programs, projects and the development of new initiatives to move forward and preserve key cultural assets. Collaboration also keeps all members of the community informed of any impending development decisions.

Preservation-based Approach

The US-based National Trust for Historic Preservation has outlined an approach to economic development for rural areas which allows for authentic heritage, cultural assets, and products found in rural areas to be a catalyst for locally-owned entrepreneurial business development. Many rural and small town communities need to refocus their energies on new opportunities to improve the local economy due to loss of industry. Rural tourism offers communities a diversification plan while using the region’s unique heritage as key for economic revitalization. Some rural communities have been successful marketing their local attributes and have reduced their employment dependency on more traditional primary industries. Figures indicate Canada’s predominantly rural regions were visited by one-half of Canadian tourists, 39 percent of USA tourists and 33 percent of overseas tourists in 2005[9].

[9] Statistics Canada, 2005

Tourism Planning

Tourism has been touted as one of the fastest growing sectors of the economy in both the developing and developed world. According to the World Tourism Organization, worldwide receipts for international tourism amounted to US$ 623 billion dollars in 2004. These figures are just one of the reasons why many communities are keen on showcasing their arts and culture. In *The Cultural Tourism Handbook*, the benefits of this growing field are highlighted. Revenues from arts & culture are shown to be channelled back into the community revealing that cultural tourism can benefit everyone. Tourism planning should be locally driven and focused on the community and its cultural resources. Efforts should also assist and encourage small businesses such as local guided tours, arts and crafts, galleries, bed and breakfasts, museum shops, and restaurants that reflect the local culture.

Authenticity and Quality

Culture in localized life is becoming more appealing to cultural tourists. To attract the cultural tourist, cultural tourism operators need to develop opportunities that fulfill the desires of this group. A study found a majority of American travellers felt that "understanding culture" was the most important factor when planning a trip (Silberberg, 1995). Historic and cultural attractions express, interpret and preserve said community's cultural heritage. Cultural industries should be able to recognize the visitors' desires to experience something real. Whether it's through historic sites, monuments, museums or a festival, culture cannot be duplicated.

Branding/Promotion

Branding has now extended to larger entities - the city. The City is the product. One way to brand the city is to look at the exciting arts and cultural assets a city has to offer. Cultural identity and economic growth are linked through the positioning of a city brand (Starkwhite, 2002). In Toronto, Canada, a 'Cultural Renaissance' has begun. Several large scale expansions, renovations, and new daring projects in the city's core have begun. Fuelled by federal and provincial governments pledge of substantial cultural pledges totalling $233 million to Toronto's cultural institutions (i.e. Royal Ontario Museum and Canadian Opera Company), these now-completed projects have transformed the city. The project dubbed 'Cultural Renaissance' has elevated Toronto's position on a local and global level. Branding raises awareness of arts and culture.

Entrepreneurship

Entrepreneurial activity amongst cultural industries is considered complex as many practitioners are often driven more by a passion for the product than for profit and growth[10]. New businesses require workshops, mentoring and work placements that allow them to build their establishment and brand. Pre-existing businesses should play a role in the development of any training programs since all members of the community are integral to the growth of the sector. There should be seed funding or training assistance made available for new or existing businesses or artists and artisans.

[10] Cultural enterprise in Wales, 2001

Benchmarking

The standard definition of benchmarking would be, "Benchmarking is a powerful technique that provides practical learning through comparing measurements, policies or outcomes, across industries, sectors, policies, products or services. The essence of benchmarking is the process of identifying the highest standards of excellence for products, services or processes and then making the improvements necessary to reach those standards.[11]" The discussion on quantifying this sector thus far has revolved around "economic impact studies", which measures the proportion of economic activity in a community that is attributable to the arts and cultural industry. This approach has outlined various ways of estimating flows of spending that originate in the arts sector and that, in combination, measure its impact. These studies/reports have proved to be an invaluable tool to persuading government and business people to invest in the arts. On a greater scale, it has legitimized arts and culture as a tool of local economic development.

Benchmarking works in conjunction with economic impact analysis. It has proven to be an effective method for communities to assess the performance and competitiveness of cultural events, facilities, programming and related arts initiatives. Benchmarking identifies strengths and weaknesses in performance/operations and allows for the areas of action to be developed to improve performance. One of the issues with benchmarking is achieving a balance between the qualitative and quantitative information available in the cultural industries. As mentioned various times in this document, visitor spending is not indicative of intangible factors such as quality of social capital, institutional culture, and sense of place. It is expected benchmarking can achieve a better understanding of the qualitative nature of a community's cultural resources. In an ideal world, the analysis of actual performance will be relevant in both a quantitative and qualitative sense.

One methodological challenge occurring in cultural analysis is the data sources available in larger and small communities. In other words, the lack of data sources in smaller communities. Tracking, measuring and benchmarking are far and few in smaller communities. Largely due to the fact there isn't any funding or expertise available to carry out these responsibilities. For the communities that do have the available resources, there is no consistent criterion to gather this information. The task becomes more complex when comparing urban (large) vs. rural (smaller) environments.

[11] Innovative Regions in Europe, 2005

3 Case Studies: Cultural Industry Development in Annapolis, Collingwood and Kelowna

3.1 Annapolis County, Nova Scotia

Annapolis County, Nova Scotia is located two hours west of Halifax; it comprises a fertile river valley that flows into the Bay of Fundy, then on to the Atlantic Ocean. For thousands of years before the arrival of the first Europeans, the region was important to the Mi'kmaq and other First Nations peoples. In 1605, the French established a fur-trading colony, surviving their first winters with the help of the Mi'kmaq, which become the first permanent European settlement north of Florida.

Power struggles between England and France for control of the New World played out in Annapolis, which changed hands frequently between the two powers over the next 150 years. The Acadian people (the French farmers who settled the region following the founding of Port Royal) quietly thrived through innovative farming practices, only to be expelled in 1755 by the British Governor of the Colony. After this violent event, the region was slowly repopulated by New England Planters and Loyalists (including Black Loyalists).

Today, the county continues to see a steady wave of new arrivals from other parts of Canada, Britain, the United States, Germany, and a small number of other parts of the world. Statistics Canada indicates that the county has a primarily rural population base of 21,438 people, covering an area of 2,800 square kilometers, with an ethnic composition of 98.84% White, 1.84% Aboriginal, 0.86% Black, 0.16% East Asian, 0.12% Arab, 0% South Asian, and 0% Latin American – in other words, not very racially diverse. There are 10,404 households out of which 26.06% have children living with them, 36.50% are married couples living together, 25.46% are one-person households, and 11.98% are other household types.

There are written records of the arts being active in the region from the earliest arrival of European settlers. In 1606, Marc Lescarbot produced "The Theatre of Neptune" as a diversion for the fur-traders at Port Royal. However, for much of the last 400 years, the cultural sector in Annapolis County has been closely linked with the necessity and innovation borne of self-reliance. The early Acadians were the first settlers to build farms and communities, and survived on their own resourcefulness. That resourcefulness extended to craft, developing quilting and rug-hooking techniques, as well as music and dance styles, which are still very much in practice today. The Mi'kmaq, struggling to survive the impacts of European settlement, perfected traditional crafts such as basket-making as items to sell or trade.

But the broader understanding of the arts as a vehicle of self-expression, cultural dialogue, entertainment, personal enrichment, education, and so on, played only a small part in life in Annapolis County until the early 1900s, with authors such as Ernest Buckler achieving international fame. It's only been in the last 30 years that the full range of professional arts disciplines began to find their voices – and their audiences-- in the county, with the tiny Town of

Annapolis Royal serving as the cultural hub. With a population of fewer than 500, it is Canada's smallest town.

Annapolis Royal has had a somewhat international perspective since early days. It was a vibrant international shipping port that served as the first capital of the Colony of Nova Scotia from 1710 to 1749. The name honours Queen Anne, but also the former French name of *Port-Royal,* as well as the Greek word for city, *polis*. The contemporary economy of the town is based on arts and culture, tourism, and small and/or home-based businesses.

In the early 1980s, Annapolis Royal was best described as a ghost town, with rats roaming freely in the theatre, a venue which had been around since 1921. A concerted local push for revitalization was enabled by generous federal-provincial funding programs at the time. The 1980s saw King's Theatre being back to life (its ownership was taken over by the Town, with a Society created to run it), the building of a downtown farmers market, the construction of a boardwalk along the town's waterfront, the reviving of the town wharf, the development of a boat haul-up, and the construction of the now famous Historic Gardens. At the same time, a group of professional artists created the Annapolis Region Community Arts Council (ARCAC), whose aim was to bring the arts to the forefront of community life. A decade later, they acquired a building downtown that became the gallery known as ARTsPLACE. By then, they had a membership of 275 people, and were an active force in building a solid reputation for the town as a cultural centre.

State of the Cultural Sector

This is what the cultural landscape in the tiny Town of Annapolis Royal and the area immediately surrounding it looks like:

- 12+ commercial galleries and professional art studios;
- an artist-run-centre showcasing contemporary professional art from around the world, as well as the work of both professional and emerging artists in the community;
- a theatre that specializes in live performances which range from world-class symphonies to contemporary dance to community plays;
- two national historic sites;
- two museums run by local heritage societies and one run by the province;
- the Annapolis Royal Historic Gardens, a botanical jewel;
- 12+ shops selling art, craft, antiques, international collectables, and books;
- 18+ restaurants;
- a Farmers and Traders Market that is packed on Saturdays with artists, craftspeople, musicians, bakers, and farmers, patronized by both locals and visitors from May to October;
- a working boat haul-up that keeps alive an ancient craft and brings life to the community-owned wharf;
- until recently, a private ballet school and a youth theatre school;
- a wide range of craft professionals in all disciplines, including a shoe shop that makes leather footwear for major Broadway productions;
- a wide range of professional musicians, actors, playwrights, writers, directors, curators, conservators, etc.;

- a wide range of professional designers working in architecture, landscape architecture, interior design, restoration carpentry, audio archives, film/video/multi-media, sound, graphic design, web design, software design, and animation;
- three artists who have received RCA designation from the Royal Canadian Academy of the Arts and one who was named winner of the Portia White Prize, the province's highest recognition of excellence in the arts; and
- a former mayor and craft artist who gained the distinction of being the first black, female mayor in North America, and who was recently named to the Order of Canada.

All of the above, taken individually, are relatively insignificant. Collectively, there is a critical mass that is evident not only in the calibre of the professional art that is presented, but in the professionalism of the community-based, volunteer-run events, that are constantly underway in some form or another. The annual *International Feast and Art Auction*, which chooses a different country theme for food, decorations, music and costumes, as well as a different non-profit group each year to be the beneficiaries of the funds raised, is but one example.

It is worth noting at this juncture that there is a secondary cultural hub in the County: the Village of Bear River. For years, Bear River has been a magnet for artists and craftspeople drawn to attractive real estate, spectacular natural beauty, and a unique and fiercely independent community personality. It is also home to the Bear River First Nations Reserve, which has taken very active steps to regenerate itself as a unique cultural force. A key step taken in this regard was the construction of the Bear River First Nation Heritage and Culture Centre and Medicine Trail, which serves as both a tourism interpretation site and a venue for reviving traditional cultural practices in the Mi'kmaq community.

Other infrastructure in Bear River that supports the arts includes a fine art/craft shop that showcases artisans from Atlantic Canada, a community centre in a former school that provide both artist's studios and community programming space, and a co-operative artists' retail venue in a former bank. For years, the artists living in the village and surrounds have taken a collective approach to marketing that springs in equal measure from a spirit of co-operation and a spirit of isolation, seeing themselves as very much separate from the arts scene in the broader Annapolis County region.

Community Approach to the Cultural Sector

Because of its small population, cultural groups don't have the same access to funding as larger centres do, so they rely heavily on volunteers, community support, and creative ingenuity to accomplish what most larger communities would consider a very ambitious arts and culture agenda. People moving into the area don't usually last a month before being invited to serve on at least one organization active in town (there are some 22 registered not-for profit groups). Active participation builds a sense of community belonging, which in turn gets people out to events. Thus, the volunteerism factor has a multiplier effect that increases the viability of the sector.

The authenticity of the historic architecture, which has been preserved through painstaking efforts by the community, is set against the backdrop of a relatively pristine natural environment.

The “authenticity factor” is essential to attracting both cultural residents and cultural tourists. It is borne out of a strategy that has been embraced by the community for years: a deep-rooted belief that the starting point for all good decisions must be based, first and foremost, on what is good for the community. If programming and infrastructure decisions are made in accordance with what the community needs and wants, they will be used. From here, tourism will follow.

The authenticity factor has influenced major decisions, including the decision in the 1980s to build a public gardens rather than a shopping mall. Residents now are horrified to hear that a mall was considered at the time, so entrenched is the character of the town as a historical gem, “untainted” by big box stores or even franchise coffee shops.

The steady flow of new arrivals accelerates cultural growth, as people from away often bring worldly experience that includes an expectation of quality cultural programming; hence, the bar is continually being raised. They also tend to bring a high level of tolerance for diversity of lifestyles, which is key in any creative base. The resulting mix offers an international sophistication that is rooted in the historical foundation of small town values, such as caring for your neighbours.

Current Approaches to Cultural Sector Activity

To understand how the phenomenon of volunteerism, so entrenched in Annapolis, increases support for the arts (which in turn makes professional involvement in the sector more viable), it would be useful to look at the example of the Annapolis Region Community Arts Council (ARCAC). This 25-year old organization has a membership of 275 people, a staff of 1.5, and a budget of $150K. It is one of the oldest and most successful arts organizations in the province.

In 2007, ARCAC hosted 100 cultural events, workshops, and programs. It runs ARTsPLACE, which includes a gallery, an arts library, workshop space, and a community gathering place. More than 40 art exhibitions were shown at ARTsPLACE in the past year, with a similar number of opening receptions. ARCAC hosts both a visual-artist-in-residence program and dancers-in-residence program. It is one of the only rural galleries in the country recognized (and funded) by the Canada Council as an “artist-run-centre”. There is so much interest in exhibiting at ARTsPLACE that two new gallery spaces were added last year and the adjacent property was purchased so that a new sculpture park could be built. Further expansion plans are underway.

ARCAC hosts an annual *Arts Festival* which includes everything from dance performances to book readings by famous authors to an elaborate costume ball. Its most popular annual event is *Paint the Town*, wherein some 100 artists set up their easels around town, with about 100 volunteers collecting and hanging the work produced, which is then sold by auction in a packed hall. Each year, more than $70,000 worth of art is sold in two days.

In all of this, it is important to note that arts council takes the notion of professionalism in the arts very seriously, and runs a rigorous juried process in selecting shows. However, it also strives to make art accessible by providing opportunities for non-professionals to get involved in art-making and presentation, receive mentorship and training, and, basically, get hooked. The senior artists in the community, some of whom have been professionals for 30 years or more, are amongst the most active members of the arts community.

Economic Impact of Culture and Creative industries

The region has seen awards and recognition as a useful tool in building credibility, scope of publicity, and local pride, for some time. In the case of the LivCom award (Most Liveable Community in the World), the best practice that was specifically recognized was the one wherein the best interests of the community are the starting point for all decisions. It recognized Annapolis as a community with a high quality of life, low crime rate, high levels of citizen engagement, physical beauty stemming from pride of place, and levels of cultural activity out of proportion to the small population base.

The Community Arts and Recognition Award was introduced in 2007 by the Nova Scotia Culture Partnership Council. It was given to one community in the province that best integrates culture into community life. That community was Annapolis Royal, with the $10,000 prize going to the Annapolis Region Community Arts Council for their leadership in the sector.

Here is a list of some of the recent awards for Annapolis Royal:

- Inaugural winner of Nova Scotia Community Arts and Culture Recognition Award 2007
- Named a Cultural Capital of Canada in 2005
- Green Streets Canada Community 2006 and 2005
- Communities In Bloom 2006 and 2003
- Nova Scotia Festival & Events Council - 2005 Event of the Year Award
- LivCom's "Most Liveable Community in the World 2004" (also known as the International Awards for Liveable Communities)
- Federation of Canadian Municipalities "Sustainable Community Award" 2003
- Annapolis Royal Historic Gardens named Attractions Canada winner 2002
- Gulf of Maine Business Partnership Award 2002
- Regional Award of Honour: The Heritage Canada Foundation 2001 and 2000

Benchmarking the Cultural Sector

First, a definition of cultural firms in this context: Almost all cultural practitioners in the region are self employed, and may or may not even regard themselves as a "business" per se, although the necessity of making a living from their art is a constant and challenging reality.

In the past decade, the regional development authority made working with the cultural sector a priority, providing tools and training for artists, artisans, musicians, writers, actors, etc. who were struggling to make a livelihood. This took the form of ongoing conferences and workshops that addressed marketing, pricing, accounting, networking, presenting, distributing, exporting, and so on, with information specifically geared to the sector (a unique animal in the business world wherein the primary motivation for producing is not in fact selling – hardly a typical business model!). A targeted educational initiative provided by the RDA was an e-business mentoring program that helped participants move from "luddite" reluctance to high levels of computer skills and on-line marketing savvy. Concurrent with this was the development of joint marketing tools such as a multi-media web portal featuring 100+ artists (in all disciplines, which was marketed by way of posters, advertisements in provincial tourism publications, and cross-promotions on the part of all participating artists). At the same time, the RDA offered ongoing capacity building support for existing arts organizations, assisting them in everything from board development to grant writing to marketing. All of this reflected a shared understanding that the arts have a strong role to play in economic development.

For various reasons, the RDA was closed in 2005 and was only re-launched in the past year. The new group has identified "Arts, Culture, and Heritage" as their #2 area of strategic focus. The strategic planning process that is presently underway has identified the creation of a Design Council that would host "Design Week" a key initiative that would aim to draw international attention to the design expertise that exists in the region.

Another group active in the development of the sector is the Town of Annapolis Royal. They provide a $1000 grant to any group in town that hosts a 3-day festival. They initiate a new event per year in partnership with an existing group (or groups), then encourage that group to carry it on annually, thus continually expanding the year-round events calendar. Examples include: Beaujolais Nouveau Tasting Festival, Robbie Burns Day, Murder Mystery Weekend, Heritage Week, and Sustainability Week. Regarding the latter, it offers an interesting example of a successful partnership: while a local environmental group offered educational programs about conservation and so on, the regional arts council hosted an outdoor environmental sculpture event wherein artists and families made art from natural materials throughout the town marshland park. Last year was the inaugural year, but the response was so enthusiastic, the partners plan to make it bigger in scope each year.

The municipal government of the County, with larger resources available, is able to give larger operating grants and one-time capital investment grants to support various cultural activities, with a heavy emphasis on heritage and recreation. They have invested funding in both the Bear River First Nation Heritage and Culture Centre and the Oakdene Centre, two facilities supporting culture in the Village of Bear River, as well as many of the other groups previously mentioned.

The province has long supported the various non-profit cultural groups with operating grants that generally represent less than 25% of operating costs. This year is the first year in some time that they will be offering capital grants as well.

The federal government support has been more difficult to access. While the Canada Council plays a role in supporting the Artist-run-centre, primarily in the form of artist fees and presentation costs, they have not been a large player in either operating or capital grants. The major vehicle for federal funding in Atlantic Canada, ACOA, does not have a policy to support culture. Investments will only be considered if a hard economic case can be made for its tourism industry growth potential or, in the case of craft producers, its status as a manufacturing enterprise.

Most non-profit cultural groups in the area raise 50-75% of their operating costs through admission fees, sales, fees-for-service, fundraising, and memberships.

Benchmarking Tools and Techniques

Annapolis County is not unlike most communities in regards to tracking, measuring and benchmarking: it is not being done on a consistent, measurable and reliable basis. That being said, virtually all individual organizations and municipalities track and measure their own activities; the issue is that this data is not being collected using consistent criteria, and is not being gathered and compiled on an aggregate basis. Efforts are presently underway to change that.

The Town of Annapolis Royal has initiated a 25-year visioning and branding process. As part of that effort they have invited key groups to look at the issue of tracking, and determine the key baseline questions; what is it that we want to measure? Once that has been determined, with input from the cultural, heritage and tourism sectors, efforts will be made to develop a reliable system whereby each organization tracks their own data which can be input it into a common system.

The next step will be to encourage the myriad self-employed artists in the sector to collect and contribute data. This will prove very much more challenging. The strategy will be to make the case for data collection: what is measured is valued, what is valued is taken seriously, what is taken seriously is invested in. The level of support the region is likely to see in future is dependent on how convincing a case is made that cultural activities provide economic returns.

The non-profit venues in the area understand this well; they all track every detail of their own operations: number of visitors, number of shows, attendance levels for each, revenues generated, etc. For most groups, the case has to be made and re-made every year to funders that they warrant support on the same level as centres with population bases which are in some cases 100 times larger, because the volume of activity and impact is comparable.

The challenge lies in tracking the broader economic impacts. At present there is no reliable system for this, but no shortage of anecdotal data. The Town reports on the number of new people coming to the community by way of real estate properties sold. The real estate industry reports that the vast majority of sales are linked to the impression people have that it is a vibrant cultural community. The visitor information centre tracks the number of people that visit the centre on arrival, but it is the accommodations sector that reports that the visitors choose to stay longer, return, or tell others to come on the basis of a rich cultural experience. A group like ARCAC tracks the number of artists, volunteers, and buyers that participate in say, Paint the Town (PPT), and the number and dollar value of works sold. But it is the merchants who report that the PPT Weekend is the single biggest sales event of the year for them.

Volunteerism

As the number of artists and arts supporters grows, so does the cultural sector. Artists look for venues to present their work, and arts supporters look for quality programming. As the community works to ensure it has these things, demand grows in lock step.

Most of the arts venues in town are run by non-profit societies. This creates both a vehicle and a necessity for arts supporters to get involved. There is a motivation of self interest: if I want good arts programming, I better get involved. This involvement accelerates both the cultural programming and the sense of ownership – hence participation -- which in turn attracts more people looking for a quiet rural/small town existence that is mixed with quality arts venues.

Best Practices: What works in Annapolis

1. Commitment to Excellence: Without a high level of professionalism and commitment to artistic excellence by both art producers and art presenters, there will be no culture sector per se. The success in Annapolis Royal begins with the excellence factor. The example of ARCAC was mentioned previously: the exhibitions presented in the main gallery of ARTsPLACE are selected through a highly competitive juried review process. While other venues have been created to enable emerging artists to show their work, the main gallery is reserved for art that meets a level of excellence that would hold up to scrutiny across the country.

Similarly, Kings Theatre ensures that its programming focuses first and foremost on productions by professional performers that are of a recognized calibre of excellence. While they also host community-generated amateur performances (which invariably pack the house), these shows bring people through the door who might not otherwise consider themselves theatre-goers, but who just might return for the next offering.

2. Collaboration. Most events are organized in conjunction with other groups. This approach serves a number of purposes. It broadens the base of resources – staff, volunteers, facilities, sources of funding – as well as the reach of audience/participants. It serves to strengthen the sense of community, build credibility, and widen the level of support. Similarly, collaboration is key to the marketing of the sector. Individual artists and craftspeople do not generally have marketing budgets alone to invest in anything that will have much impact unless they pool their resources and market co-operatively. A successful example of this in Nova Scotia would be Studio Rally, which for 16 years as published a high quality guide to artists in the province. It is juried, so excellence is ensured, and it is paid for by the artists, who can often track the returning investment by determining the customers and sales gleaned as a direct result of that publication.

3. Volunteerism. Although it is a necessity because of the scarcity of government funds often, it has a positive side effect: people that volunteer take ownership and therefore tend to participate broadly (ie for more than just the particular event they are involved with). Through volunteering, they get to know other members of the community; this is the putting down roots factor. A community that treats volunteerism as “the norm” tends to build a great deal of expertise in volunteer management and organization. This has an interesting benefit: it unleashes the imagination. How? When people in volunteering communities develop ideas for events, programs, new infrastructure, etc, they tend to think of them as being "doable" with or without external support. And indeed they are.

4. Fundraising: The ability to attract and engage volunteers is greatly enhanced when there is a "worthy cause" associated with the event, above and beyond the entertainment factor. Attaching a fundraising component to cultural events therefore serves a dual function of attracting human resources to make them happen while gleaning revenues to sustain the arts organization. Events that go one step further and also offer revenue-generating opportunities to artists/cultural professionals are ideal.

An example of this would be Paint the Town, mentioned previously. The artists take home 50% of the sales of their art, sales that are greatly accelerated by the volume of people that come to buy, and the auction hype of the event. The other 50% goes to the arts council. The buyers get a good deal on art. The volunteers are part of a major event. Retailers and tourism operators in town enjoy a boom weekend. The arts council pockets its major source of non-government revenue for the year – money that can be leveraged by government sources down the road. Everyone is happy.

5. Openings for Emerging Talent: The commitment to excellence does mean that initiatives encouraging new and emerging talent shouldn't be considered. The approach taken in Annapolis Royal is that everyone can and should get involved with the arts. For example, Environment Week invites children and families to try their hands at outdoor sculpture alongside professional artists; a 9'x9' public gallery space was created and made available by lottery draw to anyone interested –even children-- for 10 days at a time; Paint the Town has a parallel children's art program; an artist-in-residence and a dancers-in-residence program invites the community to see an artist's process at work; and the Theatre hosts a range of opportunities for new writers and performers to try their hands at the stage.

6. Support from the Top: While the importance of grassroots, volunteer engagement cannot be understated, neither can support from the top – that is the governments and institutions that set policy and distribute pubic investments. While it would be incorrect to suggest that the cultural sector in Annapolis has received finding proportionate to its economic impact – it hasn't – it should be noted that there is a growing recognition of the economic importance of culture at the municipal level. The Town of Annapolis Royal has shown leadership in this respect by adopting a "Cultural Policy", one of the very few small towns that has taken that step (see appendix).

7. Culture as a Service: The Annapolis Heritage Society (AHS) is one of the most actively sought out groups by tourists looking for information about their roots. Part of their core mandate is the careful archiving of historical documents. By making the information that they collect available to the visiting public on a fee-for-service basis, they build a revenue stream into their on-going operations. Because their archives are co-located with the museum they run, they are able to provide more than one reason for visitors to learn about the region's fascinating history.

8. Commitment to Uniqueness: There are no Wal-Marts in Town. In fact, there is not even a Tim Horton's. This can be in large part attributed to the fact that the Town's land base is simply too small to support the space requirements of most franchise operations. It also has to do with the strict rules governing the town's many Heritage Properties. Indeed the town itself is officially designated a "National Historic District". The result has been that the town has been able to maintain a unique character based on heritage architecture, locally-driven small businesses, and a human scale streetscapes. Hence, the authenticity factor, a key ingredient in attracting the cultural sector.

9. Natural Beauty: One of the most active and vocal groups in town is the Clean Annapolis Rover Project, an environmental organization. In part though their lobbying efforts, and in part through the active and vocal character of the citizens, the environment has taken a front seat to decision-making in the area. A recent illustration of this was a proposed American-owned mega-quarry to be established in a community located an hour away, in the county of Digby; both the Town and County councils in Annapolis officially opposed it, and sent their mayors to present their case to a federal review panel. The project has since been rejected. Part of the motivation for the councils to speak out against this project was a legitimate fear that it could be "the tip of the iceberg", and they didn't want to see that kind of industrial development in their backyards. But it also speaks to the importance placed on the preserving the local environment, which is recognized widely as a key factor in visitor attraction and quality of life, both of which are intertwined with building the cultural sector.

10. Critical Mass not Competition: The majority of businesses and organizations in town understand the concept of critical mass. In order for their own enterprises to be successful, people must come, and the more that come the merrier. Therefore, new enterprises are not seen as competition, but rather as allies adding to the critical mass factor needed to be a cultural destination. To that end, enterprises expend far more energy working with each other than against each other.

3.2 Collingwood, Ontario

Located approximately 150 kilometres north of Toronto, the Town of Collingwood has experienced major economic shifts over the last 150 years. Incorporated in 1858, the Town of Collingwood's past is deeply rooted in manufacturing and agriculture. Located on the shores of Georgian Bay on Lake Huron, Collingwood's harbour served as a key transport link (i.e. rail terminus) from southern Ontario to the northern Great Lakes, and to US cities with large industrial areas (i.e. Chicago). For the next century, Collingwood would be renowned for shipbuilding which made it the region's economic engine. The manufacturing industry also established itself as a major contributor to the economy. In the mid 1980s when the shipyards left the community indefinitely, manufacturers' still employed half of the total employed labour force at that time.

Since then, manufacturing in Collingwood and other communities have suffered from the steady decline of manufacturing in leading industrialized countries.[12] Recently, the Town of Collingwood has experienced the downturn effect in its local manufacturing sector which saw the loss of the following firms: Goodyear Hose Plant, Kaufman Furniture, Alcoa Wheel Products, Blue Mountain Pottery, Backyard Products and Nacan.[13] While manufacturing has been slowly dwindling, another area has grown significantly. Tourism is considered a significant contributor to Collingwood's economy.

In Collingwood's history, tourism growth has been largely attributed to the Niagara Escarpment and the beautiful beaches on Georgian Bay. Perhaps the key instrument bringing tourism into the community was skiing. Often grouped together, tourism and skiing in Collingwood would not have occurred without the opening of the Blue Mountain resort, Ontario's highest ski hill. Attracting skiers since the 1940s, Blue Mountain Resorts Limited has become a ski village with 2,700+ units and a four season's destination with activities ranging from golf, tennis, biking, and rock climbing. The resort, located in adjacent Town of Blue Mountains, attracts 600,000 visitors per year (Blue Mountain Resorts Limited, 2005) and has elevated Collingwood as a tourism destination to groups for tourists, new residents, and retirees. The success of Blue Mountain has brought other attractions to the region which mutually has been able to capitalize on the natural assets of the area. Furthermore, new 'unique' attractions have made Collingwood a new cultural destination.

<u>Collingwood's Tourism Landscape</u>

The Collingwood region is well endowed with nature-based attractions such as caving, rock climbing, hiking, scenic waterfalls, fishing, beaches, and water sports. The town has also boasts the following current attractions:

- Collingwood Elvis Festival
- Collingwood Music Festival

[12] BMO Capital Markets, 2007

[13] Collingwood Living, News Update

- Collingwood Horse Show
- Theatre Collingwood
- New Arts Centre Retail Gallery
- Growth of Artists Studio & Non-Profit Artist Collectives
- Blue Mountain Foundation for the Arts

Recent studies have been done in the region and found that there are several tourism opportunities that need to be fully explored including agri-tourism, heritage tourism, and nature-based tourism (Curto, 2006). In the meantime, the above cultural activities have brought economic wealth and the drive for more tourist opportunities.

Tourism in Collingwood has largely been guided by the private sector. The $500 million investment by Intrawest to develop Blue Mountain Resort in 1999 catapulted development in the region. For example, Theatre Collingwood and the Elvis Festival were both set up or resurrected in the late 1990s. It appears the town was making the most out of Collingwood's new leisurely identity.

The impact of Intrawest's investment meant Collingwood needed to strategically position itself with this new project. In 2000, the Town of Collingwood headed a visioning exercise called 'Vision 2020' which asked residents their thoughts on the vision for the community. The questions were ten open-ended questions and resulted in a diverse set of responses which reflected Collingwood's former industrial past with its new "leisurescape" (Law, 2001). Taken as a whole, many participants felt the municipality should have implemented more recommendations and some felt many objectives were unrealistic (Curto, 2006). The municipality did utilize some of the results to guide various community organizations (i.e. Collingwood Downtown BIA).[14] In the following year, the Ontario Ministry of Tourism released *Premier Ranked Tourist Destination: An Evaluation Framework and its testing in the South Georgian Bay Region.* The "Framework" part of the project aims to provide a tourism blueprint and audit of local assets – a strategic integrated plan – to guide investment and the development of successful partnerships in the Collingwood Region. The results identified various investment opportunities such as:

- Development of multi-use trails nodes and key linkages, with potential partners and/or investors including public and private groups/agencies;
- Development of additional conference space and aqua park facilities at Blue Mountain;
- Development of additional access to the water's edge in the Town of Blue Mountains/Collingwood area
- Development of "heritage ridge" in the Town of Blue Mountains

Increasing the diverse mix of festivals, events, and cultural heritage resource base was an obvious opinion expressed throughout the document.

Since that time, the Town of Collingwood has begun moving towards developing a creative/cultural policy. At this point in time, Collingwood continues to wrestle with increased

[14] www.downtowncollingwood.com

tourism figures and revenues. It is imperative the region is equipped to deal with any future market fluctuations or economic slumps. Ontario's Ministry of Tourism predicts that the number of total visits by intra-provincial travellers will grow to 99.1 million in 2010, reflecting and average annual growth rate of 2.5%. Visitors from overseas are also expected to increase lead by Japan, the United Kingdom, France and Germany. As well as the data appears, the tourism industry is one of the most vulnerable in depressed economic conditions.

All efforts aim to foster greater networking and industry relations between both the public and private sectors.

In 2005, the Town of Collingwood completed an Economic Base Analysis of the local economy and produced a report intended to stimulate discussion amongst the Town's stakeholders as to the current and future economic priorities for the Town. The study findings and outcomes provided the basis on which the Town then developed its 2006 'Focused Investment Strategy' that concluded Tourism is Collingwood's dominant industry and is driving growth in other sectors of the economy. The tourism sector was identified as a goal to "expand Collingwood's tourism marketing programs." The most pertinent objective was to expand Collingwood's "Destination Marketing Programs" to include sports tourism, corporate meetings and regional conferences. The following actions were identified:

- "Expand the marketing of Collingwood and area through a "Sports Tourism Program" targeting minor league tournaments and select regional or provincial championships;
- Coordinate a marketing program showcasing Collingwood as a location for corporate meetings & regional conferences through membership in CSAE."[15]

Each objective was intended to promote Collingwood's tourism industry into the future and maintain its competitiveness both on a regional and provincial level.

Contributions to the Collingwood Economy

Collingwood experienced a significant increase in its total labour force from 7,905 in 2001 to 9,771 in 2006, representing a 24% increase in labour[16]. With respect to the tourism industry, the number of people employed in the service/tourism industry in the

Georgian Triangle (a tourism region encompassing Collingwood region and three smaller communities) grew dramatically between 1994 and 2002. Figures indicate there was an increase of 44% with this period with the employee breakdown equalling 61% of full-time and 95% of part-time employees.[17]

[15] Matthew Fischer & Assoc. Inc., A Focused Investment Strategy for the Town of Collingwood 2006/2010"

[16] Statistics Canada 2001 and Manifold Data Mining 2006

[17] Centre for Business and Economic Development and Human Resources Development Canada, 2003

As seen in table 1, the Canadian Business Pattern data below reveals interesting insights on the breadth of new businesses in Collingwood:

- Manufacturing has a drop of 1500+ employees lost in this sector between the years 2003 and 2006.
- Finance and Insurance, Real Estate and Rental and Leasing, and professional, scientific, and technical services all underwent increases in both total firms and total employees
- Professional, scientific, and technical services also experienced employee growth (68%) or close to 250 new employees
- With 500% increase of total employees in the arts, entertainment and recreation sector, clearly indicates the growing strength of this sector over the last 7 years

Table 4 - Canadian Business Pattern data, 1999, 2003, 2006

	1999		2003		2006		% Change	
	F	E*	F	E*	F	E*	F	E*
11 - Agriculture, Forestry, Fishing and Hunting	2	10	6	29	5	22	150%	120%
21 - Mining and Oil and Gas Extraction	1	15	1	7	1	15	nil	nil
22 - Utilities	2	37	4	86	4	86	100%	132%
23 - Construction	63	467	79	531	90	503	43%	7%
31-33 - Manufacturing	37	2331	38	3485	38	2022	2%	-13%
41 - Wholesale Trade	27	394	34	281	33	586	22%	49%
44-45 - Retail Trade	93	1056	133	1650	127	1861	36%	76%
48-49 - Transportation and Warehousing	8	29	10	61	7	130	-12%	348%
51 - Information and Cultural Industries	10	142	6	71	13	129	30%	-9%
52 - Finance and Insurance	22	241	29	306	35	391	59%	62%
53 - Real Estate and Rental and Leasing	26	116	34	204	36	344	38%	197%
54 - Professional, Scientific and Technical Services	44	364	62	452	76	610	73%	68%
55 - Management of Companies and Enterprises	7	87	9	91	6	96	-14%	10%
56 - Administrative and Support, Waste Management and Remediation Services	25	221	37	356	47	377	88%	71%
61 - Educational Services	5	29	5	22	7	27	40%	-7%
62 - Health Care and Social Assistance	61	1478	64	1104	71	1561	16%	6%
71 - Arts, Entertainment and Recreation	8	52	9	186	13	312	63%	500%
72 - Accommodation and Food Services	55	1130	65	1534	63	1790	15%	58%
81 - Other Services (except Public Administration)	63	406	73	511	74	662	17%	63%
91 - Public Administration	0	0	1	350	1	350	100%	100%

F = Total Number of Firms

E* = Total Number of Employees (Data obtained by using the Median Point of "Employee size category x{multiplying}Total number of firms for each NAICS category")

Arts, entertainment and recreation are a crucial part of Collingwood's economic landscape.

Assessing Collingwood's Cultural Channels

The recent announcement of a new initiative by Grey County tourism entitled, "Getaway to Grey" highlights the many attractions the area has to offer such as the Scenic Caves, Blue Mountain, Beaver Valley and the Georgian Bay shoreline. In 2007, the Ministry of Tourism *Celebrate Ontario Festival and Event Enhancement Initiative* awarded the Collingwood Elvis Festival a total of $93,750.00 in funding.[18] This festival was allocated as one of fifty-seven *Celebrate Ontario* projects chosen by the province to share $4 million in funding to help renew, revitalize and promote Ontario's tourism industry.[19]

[18] Collingwood Living, Elvis Festival, July 2007

[19] Collingwood Living, Elvis Festival, July 2007

Collingwood's approach to tourism has demonstrated various inroads towards the development of a formalized cultural plan. Discussions with city staff indicate they will be moving forward in the coming years with a cultural agenda. The following outlines the several key players and policies/plans associated with fostering the growth of this sector:

Policies & Plans	Funding Mechanisms
The Official Community Plan	Ministry of Tourism
Vision 2020	Private Sector Firms (i.e. Intrawest)
Economic Base Analysis	Georgian Triangle Economic Development Corporations
Premier Ranked Tourist Destination	

It is hoped the groups will promote Collingwood's tourism industry into the future and maintain its competitiveness both on a regional and provincial level.

Benchmarking

The Town of Collingwood has not undertaken any studies to date analyzing the tourist and/or cultural facilities, programs, and projects. Efforts thus far have revolved around data collected from individual organizations (i.e. attendance, number of performances) themselves. Due to the corporate nature of Intrawest, Collingwood is able to analyze their figures and use them for economic purposes.

Best Practices: What works in Collingwood

1. Volunteerism: One of the major benefits over that last 10-15 years has been the in-migration of residents, in particular the retirees who have brought a new geography to the community. The improved volunteer base has been noticed by the public and business community. This group brings a wealth of experience, skills and infuses new energy to Town-led initiatives and to work by non-for-profit organizations. Essentially, this group comes from other areas where some action has taken place and now, they can support the community and enlist participation in arts and culture.

2. Anchors: Much has been written about Intrawest's investment in Blue Mountain that has paved the wave for development within Collingwood region. Intrawest made the region desirable for groups beyond tourists. New residents and more importantly new residential development have brought second home owners and retirees to the Collingwood area. Blue Mountain has brought many complimentary businesses into the mix. Boutiques, restaurants, and specialty retail have all become a part of the urban landscape bringing additional jobs and opportunities. The Vision 2020 exercise highlighted the broad range of views on the Intrawest resort village, with residents having more favourable views compared to critical views.

3. Close Proximity to Major Urban Area: Collingwood's close proximity to Toronto is considered one of the reasons for elevated rate of growth. The Canadian Travel Survey indicates that roughly half of tourists traveling to Simcoe and Grey counties (which contain both Collingwood and Town of the Blue Mountains) reside in the Greater Toronto Area[20]. In addition, Intrawest chose to invest in Blue Mountain due to its proximity to the GTA. Intrawest affirmed this by stating, "Blue Mountain is a continuation of our strategy to participate in premier regional resorts close to major metropolitan areas. As a market leader in an area within a three-hour drive of seven million people. Blue Mountain is well positioned for growth" (Russell, 1999). Additional travellers to the area include weekend trippers and the growth of the new residents (w/home office employment and occasional commuting).

4. Customized Packages: Blue Mountain and other resort operators have customized many tourist packages around events such as the Elvis festival. Companies are seeing the benefit of catering to these tourists who want to have a tailored experience from start to finish. In the bigger scheme of things, tourist operators recognize cultural tourists are looking for a unique experience. A profile of this group was outlined in *The Cultural Tourism Handbook*, which indicates common characteristics. They are as follows:

- earns more money and spends more money while on vacation;
- spends more time in an area while on vacation;
- is more likely to stay at hotels or motels;
- is far more likely to shop;
- is more highly educated than the general public;
- includes more women than men;
- tends to be in older age categories.

For all the above reasons, cultural tourism operators need to develop opportunities that fulfill the desires of this group

5. Four Season Resort Strategy: Many operators in the tourism industry have begun to market their facilities all year round. Although skiing has dominated the area's tourism scene for years, summer recreation activities (i.e. golf) and festivals typically happen in the summer months in Collingwood. The benefits of having a four seasons resort bring increased year round employment for the residents. Moreover, operators are able to increase their profits while diversifying their product range. In Collingwood's case, it is important to have this tourism mix, since one the largest contributor to the economy, skilling, is based on the unpredictable weather conditions.

[20] Statistics Canada, 2005

3.3 Kelowna, British Columbia

Culture and creativity have become a part of economic development agendas for many communities. The City of Kelowna has risen to become a champion of arts and culture. In 2004, the Canadian federal government named the City of Kelowna a Cultural Capital of Canada. The award brought additional funding to cultural efforts and international recognition of the City's ongoing commitment to arts and culture. Kelowna's artistic and cultural identity did not happen overnight

Today Kelowna is the largest city in British Columbia's Okanagan Valley, which is located in the south central region of the province. The valley, characterized by a long fertile valley and surrounded by the Rocky Mountains has historically been a draw for the agriculture (fruit and wine) and wood products industry, and visitors for recreational tourism (i.e. camping, swimming, and hiking). With a population of slightly over 105,000, Kelowna's current economic activity appears to be geared specifically towards the real estate, technology, and the winery industry. Interestingly, the common thread across all new development is Kelowna's "quality of life." In a 2001 article profiling emerging high-tech clusters, tech entrepreneurs affirmed they were establishing their businesses in places (i.e. Kelowna) where they wanted to live and retire.

Kelowna has long been considered the retirement capital of Canada (Aguilar et. al, 2005). Kelowna, along with other communities in the Okanagan were considered resort communities until the 1980's when investors began seeing retirees as a potential business opportunity. From that moment forward, the city began targeting the 'aging' population with retirement communities springing up and tourism and entertainment facilities catering to this growing demographic. During this time, the City began to explore cultural development with the objective to broaden the appeal of the City to new residents and businesses, new and old. In the early 1970's, an ad hoc committee was formed to study the feasibility of developing a "Cultural Arts Centre" in Kelowna.

Kelowna's Cultural Landscape

Kelowna's cultural district includes the following cultural facilities:

- a new Arts Centre
- six Art Galleries
- two Theatres
- four Museums
- a VQA Wine Shop
- Prospera Place (a 6000 seating venue for music concerts
- trade shows and host to the Western Hockey League's Rockets
- the Grand Okanagan Lakefront Resort and Conference Centre
- Lake City Casino
- an Art Walk
- fine dining establishments

The leap from an individual feasibility study to its present day host of cultural facilities can be tracked through the City's strong will and concerted effort to make Kelowna a centre for culture.

In 1989, a Mayor's Task Force was appointed to recommend a cultural policy for the support and encouragement of arts and culture. The Task Force's report was adopted and included many recommendations such as:

- the creation of a full-time Culture/Arts staff position;
- funding support for an Annual Arts Festival;
- planning for a multi-use arts facility;
- establishing the Kelowna Arts Foundation as an arms-length arts funding mechanism; and
- increased public art initiatives.

In the preceding years, the City's first Arts Development Officer was hired; a framework for the Public Art Committee was development and a Public Art Reserve fund was established. The major stepping-stone was the completion of an economic impact study in 1998, which solidified culture's role in Kelowna's economy. The study introduced quantifiable 'culture' measurements and results (i.e. culture's GDP impact and the extent of regional employment attributable to culture) and emphasized the critical and necessary funding role of local governments for cultural activities. The City of Kelowna adopted the Cultural District Implementation Strategy and Marketing Plan in 2000 which provided a framework for the planning and creation of Kelowna's Cultural District. With the efforts of the City of Kelowna's Arts Development Office (w/ New Cultural District Project Manager) and the Cultural District Implementation Task Force, the Cultural District became a reality.

The two key economic development opportunities outlined in the 1998 City of Kelowna's study - *The Economic Impact of Arts & Culture in the Central Okanagan, and Toward Our Future: Cultural Tourism & the Cultural Industries* – were to develop Kelowna into a cultural tourism destination and foster the growth of cultural industries. In the following years, various recommendations and targets were reached such as:

- The establishment of an annual signature cultural festival (the Life & Arts Festival);
- Promotion of cultural tourism;
- Long-range capital planning for cultural facilities; and
- New public amenities (i.e. wayfinding systems, parks, plazas).

The culmination of these efforts resulted with Kelowna's designation as one of Canada's Cultural Capitals in 2004.

Contributions to the Kelowna Economy

As highlighted earlier, the 1998 Kelowna Economic Impact Study brought an economic understanding on how to measure culture in Kelowna's economy. Arts and culture in the Central Okanagan directly created 1,592 jobs (1,198 full-time equivalent jobs), with a direct GDP impact of $37.3 million. The cultural economy, which accounted for the induced impact of arts and culture on employment through the spending and of wages and salaries paid to cultural workers, and to workers in other supporting sectors, affirmed arts and culture accounted from +2,300 full and part-time job (or 1,896 full-time equivalent jobs), with a total impact on the gross domestics product (GDP) of more than $67 million (see table 1 and table 2).

Table 1 - EMPLOYMENT: DIRECT AND INDUCED IMPACT OF ARTS AND CULTURE (FISCAL YEAR 1995-96)				
Sector	**Direct Job Impact**	**Induced Job Impact**	**Total Job Impact**	**Full-Time Equivalents**
Art Galleries & Dealers	64	39	103	89
Arts Instruction & Education	255	180	435	356
Commercial Arts	147	81	228	191
Performing Arts	77	38	115	87
Visual Arts	114	44	158	128
Literary Arts	8	-	8	5
Events & Festivals	88	10	98	32
Cultural Facilities	158	72	230	182
Service & Material Providers	666	307	973	810
Societies & Associations	15	5	20	16
Total	**1,592**	**776**	**2,368**	**1,896**

Table 2 - GROSS DOMESTIC PRODUCT DIRECT AND INDUCED IMPACT OF ARTS AND CULTURE (FISCAL YEAR 1995-96)			
Sector	**Direct Impact ($)**	**Induced Impact ($)**	**Total Impact ($)**
Art Galleries & Dealers	1,867,000	1,494,000	3,361,000
Arts Instruction & Education	8,656,000	6,924,000	15,581,000
Commercial Arts	3,880,000	3,104,000	6,984,000
Performing Arts	1,816,000	1,453,000	3,269,000
Visual Arts	2,125,000	1,700,000	3,825,000
Literary Arts	N/A	N/A	N/A
Events & Festivals	473,000	378,000	851,000
Cultural Facilities	3,470,000	2,776,000	6,246,000
Service & Material Providers	14,771,000	11,817,000	26,588,000
Societies & Associations	240,000	192,000	432,000
Total	**37,298,000**	**29,838,000**	**67,136,000**

Source: *The Economic Impact of Arts & Culture in the Central Okanagan, and Toward Our Future: Cultural Tourism & the Cultural Industries, 1998*

The 2000 City of Kelowna's Cultural District and Implementation and Marketing Plan further expanded on the 1998 study and attempted to project potential tourism revenues to be realized from the cultural district. In the span of five years, the plan concluded that the growth of 11 cultural institutions[21] within Kelowna's Cultural District would stimulated a 10 percent annual increase in attendance and revenues would generate a $2 million increase in net domestic product, supporting 93 new full-time equivalent jobs with the GCP expected to rise to $2.77 million. It should be noted the study emphasized any potential tourism revenues may not be realized for as many as 20 years and therefore the projections could only foresee the District's development in the allotted five year time frame.

[21] The 11 Cultural Institutions include - Kelowna Community Concerts, Kelowna Art Gallery, Kelowna Museum Association, Kiwanis Club (re: the Kelowna Kiwanis Music Festival), Kelowna Community Music School, Okanagan Symphony Society, Parks Alive!, Shakespeare Kelowna, Sunshine Theatre, Theatre Kelowna, Viva Musica

Kelowna experienced a significant increase in its total labour force from 86,400 in 2005 to 92,400 in 2006, after a modest decline between 2004 and 2005[22]. Kelowna job creation rate has been steadily increasing since 1976 with the exception of the period between 1981 and 1986[23]. According to *FP Markets: Canadian Demographics* 2007 data, the percentage of Kelowna's labour force employed in the arts, culture, recreation & sport occupational sector increased to 2.4% from 1.7% from the 1991 to 2007 time period (2119 jobs). Although this increase appears modest, Statistics Canada reveals a total of 1.2 million persons-visits to the Kelowna area in 2004 by local non-residents. Each visitor spent an average of $425 during their stay, with total figures estimating $346 million per annum in Kelowna. Culture and tourism have clearly established Kelowna as a year round international destination.

One likely factor behind Kelowna's success would be the Okanagan Cultural Corridor. The Okanagan is one of the few regions in Canada to have the benefitted from this dedicated cultural tourism development and marketing initiative. The mandate of the Okanagan Corridor was to identify, develop, package and promote authentic and sustainable market-ready, four-season cultural tourism experiences in the Okanagan-Similkameen region. Since 2000, this initiative that encompasses 3 regional districts, over 25 communities and more than 210 cultural providers has promoted the concept of cultural tourism, conducted research and actively marketed Okanagan's cultural amenities.

Assessing Kelowna's Cultural Channels

Kelowna's cultural landscape includes a comprehensive list of arts and cultural organizations with cultural mandates, new funding mechanisms, and policies and plans. As mentioned, the City of Kelowna has made culture an integral part of their organization as illustrated with the creation of the following: Arts development office, cultural services division, and the hiring of a Cultural Services Coordinator and Cultural District Project Manager. The following outlines the key players and policies/plans associated with fostering the growth of this sector:

Policies & Plans	Funding Mechanisms	Additional 'Arts" Funders
The Official Community Plan	The Kelowna Museum	Arts Foundation
Kelowna Centre Plan	The Kelowna Art Gallery	Cultural District product development committee
Streetscape Plan	The Rotary Centre for the Arts	Public Art Committee
Social Plan	The Kelowna Community Theatre	
Economic Impact Study	Historic Laurel Packinghouse	
Downtown plan		
Cultural District Plan		

Source: City of Kelowna

Kelowna's approach to culture has clearly demonstrated a dedication to the arts community with strong civic support, community planning and key investments from the private sector.

[22] www.edccord.com

[23] ibid

The 2000 Cultural District and Implementation and Marketing Plan laid out the 'roadmap' for these accomplishments. It was able to succinctly target both private and public institutions (as evidenced above) that would lead to the success of the Cultural District. Building and creating partnerships with the groups that market and manage arts and culture was paramount to the City's involvement since owned a large percentage of cultural facilities in the district. The plan also outlined gaps in cultural facilities and programming intended to enhance and strengthen the district. Agencies such as the Economic Development Commission, Downtown Kelowna Association, and the Chamber of Commerce were encouraged to increase and promote the awareness of the Cultural District's diverse small-businesses and opportunities.

One notable group that is considered pivotal to the development of the Kelowna cultural scene was the Council for Business and the Arts in Kelowna. Created by the City's arts development officer in 1995, this 'informal' group was comprised of 21 influential, arts-friendly businesses. These businesses could discretely act as advocates for arts and culture, since they were well connected with the city's decision makers. One of the key successes of the group was the approval of $1.5 million for Kelowna's community arts centre. Members of the group included the Kelowna Chamber of Commerce, the Downtown Kelowna Association, the Kelowna Hotel Motel Association, the Restaurant and Foodservices Association, the Toronto-Dominion Bank, and the Economic Development Commission. The approval of the arts centre was regarded as a catalyst for revitalizing the downtown core. This was clearly a major stepping stone as it would be an integral component of the proposed Kelowna Cultural District.

A Governance Model

One key recommendation of the 2000 Cultural District and Implementation and Marketing Plan proposed the management of the Cultural District should become the responsibility of a new entity, to be called the Kelowna Cultural District Alliance. Every property owner, every operator of a cultural facility, and every owner or operator of a business in the district should be a member of the Alliance. Interestingly, the Alliance was never realized. Discussions with city staff indicate this item didn't move forward because all efforts went into the federal cultural capitals program. When Kelowna did win this award, the funds were used for marketing efforts and assisted with the creation of the Festivals Kelowna organization. Other deterring factors were the lack of buy in from the arts community and informal language used in the report. Presently, the Cultural District Task Force and Cultural District Network meet to discuss pressing marketing and operational issues. The Downtown Kelowna Association (DKA) also has various sub-committees investigating marketing opportunities. The City of Kelowna will be exploring governance models that can encapsulate all of these initiatives.

Benchmarking

The City of Kelowna has been using phone and intercept surveys to measure and assess the strengths and weaknesses of the cultural district. Between the years 2003-2006, surveys were conducted to gauge the following:

1) Assess public awareness and perception of Kelowna's cultural district
2) Identify most frequently recalled media
3) Establish a benchmark to which future information will be measured

Survey topics ranged from demographics, community event sources, name awareness, perception of cultural district/activities, frequency and accessibility to venues, awareness of tours, value to the city, and website usage. The survey was done through phone interviews and intercept interviews. City staff conveyed the positive responses received to the above questions. In the case of the value arts and culture brought to the City, over 97% of respondents responded yes. Recently in the 2005 – 2007 periods, benchmark studies were conducted to review Kelowna's *Life & Arts Festival,* the City's signature cultural district festival.

The findings of both studies were used to inform the cultural district marketing plan and to guide programming and product development. In the case of the *Life & Arts Festival,* the studies would assist in the future planning and development of the festival. In addition, the results would allow Kelowna to examine the following:

- Attract sponsorship and funding partners to the festival;
- Track achievements and growth of the festival over time;
- Measure effectiveness of festival promotion;
- Track festival objectives vis-à-vis festival attendees, the community, stakeholders, sponsors and funders, as well as performers and attractions;
- Establish metrics for attendance estimates for ticketed and non-ticketed events, growth in program content and quality.

An interesting aspect of the project approach was the methodology used to investigate four key areas of the festival:

- School Program Evaluation
- Partners and Stakeholders
- Performers and Attractions
- Festival Volunteers

Each area required a distinct research design. Recognizing every group had different motivations, each was given a different approach.

In 2006, the City of Kelowna held a series of eight Community Dialogues themed 'Culture Matters!' These dialogues represented the first phase of an extended consultation and planning process leading to a new Cultural Plan for the City of Kelowna. This plan is a part of a broader process for the creation of a new, comprehensive departmental Master Plan for the delivery of recreation, park and cultural services over the next 10 years. The sessions covered a wide range of visioning exercises intended to reflect the community`s perception of arts and culture in Kelowna.

Kelowna, much like other communities rely on cultural facilities to provide their own figures (i.e. number of visitors, number of performances etc.) to track volume of activity.

Best Practices: What works in Kelowna

1. Collaboration: To have completely transformed itself within such a short period of time, collaboration has been a major part of the cultural district's development. The Cultural District Task Force currently has 10 stakeholders who meet on a monthly basis. The group includes members of the key cultural organizations (i.e. Prospera Place, Casino). The application for the Cultural Capital of Canada award was completed with the assistance of many public and private partners.

2. Advocacy & Lobbying: The recruitment of members of the business community, working with the chambers of commerce, downtown associations, economic development commissions, and other business-oriented agencies has been the method for advancing the cultural agenda at City Hall. As highlighted earlier, involving key cultural-friendly businesses at an early stage allowed for the approval of a key cultural project. A recent survey found arts and culture to be a valuable component to the City. This would not have been achieved without all the arts and culture lobbying that has taken place over the last ten years.

3. Civic Leadership: The City of Kelowna's Arts Development Office has played a significant role building awareness for arts and culture in Kelowna. Their efforts have brought together various groups to champion new projects and programs. Many private businesses felt they would not have been as involved with the district if not for its strong 'arts' position. Keeping this in mind, the City has had the appropriate 'cultural' policies in place to move arts and cultural projects forward.

4. Authenticity of Community: Authenticity is a vital piece of any cultural community. The involvement of artists and creators in the development of the district has made Kelowna unique among the other 100+ districts in North America. Their role has produced positive results such as building signature events (Life & Arts Festival) for the community and establishing new cultural vehicles (i.e. Festivals Kelowna organization). It's important to acknowledge the stakeholders and their role in developing creative opportunities.

5. Innovative Programming: The Okanagan Cultural Corridor is considered a leading cultural attraction and asset to Kelowna's tourism industry. Providing this unique cultural tourism experiences in the Okanagan-Similkameen region, unites 3 regional districts, over 25 communities and more than 210 cultural providers. Kelowna's signature *Life & Arts Festival* has also created a forum for the city to recognise and showcase the arts. These key initiatives highlight the City's growing Cultural District to the community, region and make it a destination for cultural visitors.

6. Volunteerism: One key asset to Kelowna`s success has been its level of volunteerism. Between 1,300 and 1,700 volunteers are involved with the region's cultural organizations. Estimates indicate the dollar value of the hours donated by these volunteers is between

$780,000 and $1 million[24]. Throughout the last ten years, the City of Kelowna can boast an impressive list of community members that have volunteered their time and efforts on the various boards of cultural organizations. This level of volunteerism affirms the strong support and commitment to community involvement and participation in arts and culture.

7. Benchmark Studies: Throughout the development of the cultural district, there has been and continues to be special attention being paid to the benchmarking of all programming and events. Discussions with city staff revealed there were some concerns with the launch of several initiatives. It was felt that there may have been confusion with the naming and timing of events. The findings of the benchmark studies concluded there was no confusion and more importantly, no need to adjust branding or efforts. The commitment of staff to implement and conduct these studies is a significant reason behind the success of the cultural district.

8. Beautiful Setting: On top of possessing a vibrant cultural district, Kelowna is located in one of the most well-known and visited areas in Canada – Okanagan Valley. Okanagan offers countless beaches, a variety of outdoor and water activities, and is considered a premiere wine valley. Year round, the valley has countless celebrations and festivals and offers a long list of recreational activities from hiking, biking, skiing and snowboarding. Due to the long and dry season, golf is a main attraction in the valley. The addition of more art galleries, boutique shops and upscale and unique dining experiences all add to the breadth of the cultural life found in Kelowna.

9. Development of Arts Office: As highlighted earlier, the beginnings of culture in Kelowna did begin with the creation of an arts position and later, arts office. The role of the office cannot be understated. They were the group that recognized the Kelowna's potential. Specifically, they recognized the amount of cultural facilities in the north end of downtown Kelowna were within a two-block radius of each other. The arts office has been deeply involved concentrating arts events, festivals, exhibitions and programming within the district. They have also encouraged compatible retail outlets, destination dining, signage, streetscaping to market the district to local citizens and visitors.

10. A part of British Columbia's Cultural Network: Kelowna, like other communities in the province are seeking new creative ways to brand and promote their cultural assets. Another recent example has been the work done in Port Moody, BC. Port Moody, just 26 km east of Vancouver has been the fastest growing has been the fastest growing city in Greater Vancouver in recent years. In the past, Port Moody sold itself on its small town charm, urban amenities, and close proximity and easy access to Vancouver. Today, Port Moody has an attractive waterfront, festivals (Festival of the Arts and Golden Spike Days Festival), and many culture activities. The City has effectively branded itself as "City of the Arts" with strategic marketing positioning itself

[24] Source: The Economic Impact of Arts & Culture in the Central Okanagan, and Toward Our Future: Cultural Tourism & the Cultural Industries, 1998

to attract a creative workforce, and cultural tourists. A key component has been the "Artists studios" which have encouraged professional artists to base their art practice in Port Moody. 2709 Esplanade is a collection of individual studios for professional artists to create work. It is owned and operated by the City of Port Moody. (http://www.cityofportmoody.com/Arts/Esplanade/default.htm). Port Moody is increasing the attractiveness of the city by:

- Creating livable, mixed-use communities
- Offering exceptional recreational opportunities
- A great waterfront
- A wide range of amenities
- Easy proximity and access to downtown
- Promoting festivals and special events.

4 The Economic Impact of Cultural Industries in the Comox Valley

Many past definitions of culture have tended to emphasize the intrinsic worth of certain activities and practices, performances and traditions. As the Dutch economist Arjo Klamer has argued,[25] this traditional approach "starts from a broad, anthropological definition of culture as the system of values and beliefs that distinguish one group of people from another." Such definitions place culture in a context that emphasizes intangible assets and benefits, and suggests benefits and impacts that are social, spiritual, intellectual or – for lack of a better term – "cultural" in nature.

Economists, by contrast, have a difficult time dealing with such intangibilities, preferring instead to identify mechanistic aspects of culture that lend themselves to quantifiable measures – products, jobs, revenues, etc. As Klamer suggests, "economists tend to conceive culture as consisting of private goods which can be supplied and demanded…" This dichotomy means that economic approaches to culture are – by definition – narrower and more rigid than those employed by other observers. In an exercise to assess culture's economic impact, for example, the very ways and measures by which the sector is assessed will "leave out" or "ignore" many components of the cultural equation and presence that might well be highly valued by the community. As a result, economic assessments of the cultural sector may only imperfectly capture true impacts.

The issues are exacerbated in smaller communities by the challenge of collecting data. While national or regional studies of culture's economic impact are relatively straightforward, collating high-level data on GDP, trade, employment, etc., such approaches become problematic at a local level. Data is often not available for smaller jurisdictions, is improperly or incorrectly tabulated, or collected in a manner that is not consistent with accepted economic approaches. All of this underlines the fact that economic impact assessment tools – an inexact use of economics at the best of times – become even more problematic as one moves away from the national level and toward the community level. In short, they are imprecise, narrow and subject to dispute because of the increased use of underlying economic and mathematical assumptions.

This is not to say that economic impact assessments of the cultural sector are not of value. Assessing economic impact, no matter how imprecisely, will generate data that directly assists a community in understanding the role, scope and impact of cultural activity within its economy. It is always possible to argue that an individual number is not correct; it is considerably more difficult to suggest that larger trends, directions and impacts identified by impact assessment exercises are incorrect. From this perspective, economic development professionals will regard cultural impact assessment exercises as signposts to guide their economic development work within the sector.

[25] Arjo Klamer, "The Value of Cultural Heritage" in *Economic perspectives on Cultural Heritage*, eds. Michael Hutter and Ilde Rizzo, London, MacMillan Press, 1997.

4.1 Employment Impacts

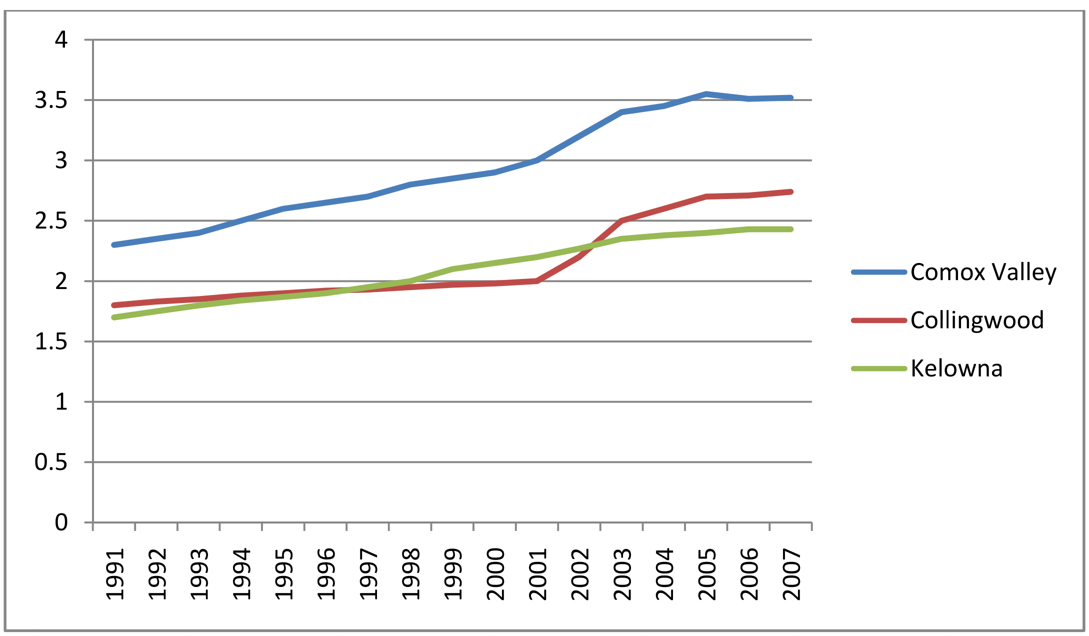
Comox valley appears to have a relatively large number of people employed within the cultural sector. This information is based on results from a detailed assessment of the National Occupation Classification (NOC) system, with particular reference to the data concerning "Occupations in Art, Culture, Recreation and Sport". While this NOC classification is an imprecise measure for direct employment in the cultural sector (including a range of sports jobs, for example), it is not possible to separate these roles out in NOC data.

As of 2001, the Courtenay Census Agglomeration (or CA) - which includes the census areas identified as Comox (T), Comox-1 (R), Comox-Strathcona A, Comox-Strathcona B, Comox-Strathcona K, Courtenay (C), and Cumberland (V) – Statistics Canada data indicates that there were 805 people employed in this sector. Financial Post (FP) Markets data for the same period indicated that there were 860 people employed in this sector.

Although more recent Statistics Canada data is not available, FP Markets data suggests that the sector had grown to 917 people in 2007, a growth rate of 6.6%. Applying this rate to the Statscan numbers suggest 2007 employment levels of 858 persons. This gives us two largely consistent numbers to describe the size of cultural sector employment in Comox Valley, with the total number of jobs ranging from 858 to 917 in 2007.

Presently, about 3.52% of Comox Valley's workforce is employed within this sector. This figure compares very favourably with the comparator communities of Collingwood and Kelowna.

% of Population Employed in Arts, Culture, Recreation & Sport NOC Occupational Sector



Note: Based on FP Data; 1991, 2001, 2005, 2006 and 2007 figures are actual data, remaining years are estimates

Using NOC data, it is possible to subdivide employment in this classification into two broad segments: those people employed in technical occupations and those people employed in professional occupations. As of 2001, Statistics Canada indicates that 540 people (67%) were working in technical occupations while 265 people (33%) were working professional occupations in this sector.

Based on 2006/2007 HRDC wage rate data from British Columbia, the technical occupations earned $18.52 per hour (on average) and the professional occupations earned $24.74 per hour (on average). These figures were calculated by averaging specific Vancouver Island wage rates for jobs in the following occupations:

- Producers, Directors, Choreographers and Related Occupations
- Dancers
- Photographers
- Graphic Arts Technicians
- Professional Occupations in Public Relations and Communications
- Translators, Terminologists and Interpreters
- Audio and Video Recording Technicians
- Other Technical and Coordinating Occupations in Motion Pictures, Broadcasting and the Performing Arts
- Support Occupations in Motion Pictures, Broadcasting and the Performing Arts
- Graphic Designers and Illustrators
- Theatre, Fashion, Exhibit and other Creative Designers
- Artisans and Craftspersons
- Coaches
- Program Leaders and Instructors in Recreation and Sport

Also included in the averaging process were wages in the following occupations where data was not available for Vancouver Island, so figures from other relevant British Columbia jurisdictions were used:

- Librarians
- Conservators and Curators
- Archivists
- Authors and Writers
- Editors
- Journalists
- Conductors, Composers and Arrangers
- Musicians and Singers
- Actors and Comedians
- Painters, Sculptors and other Visual Artists
- Library and Archive Technicians and Assistants
- Film and Video Camera Operators
- Announcers and other Broadcasters

- Other Performers
- Interior Designers
- Patternmakers – Textile, Leather and Fur Products

Using these figures, it is possible to calculate the sector's total payroll within the Comox Valley.

Low Employment Estimate

858 persons employed in sector	
575 Technical workers @ $18.52/hour for 1820 hours/year	$19,381,180
283 Professional workers @ $24.74/hour for 1820 hours/year	$12,742,584
Total Payroll (Low Estimate)	$32,123,764

High Employment Estimate

917 persons employed in sector	
614 Technical workers @ $18.52/hour for 1820 hours/year	$20,695,729
303 Professional workers @ 24.74/hour for 1820 hours/year	$13,643,120
Total Payroll (High Estimate)	$34,338,849

These calculations assume a standard work week of 35 hours. It should be noted that these figures suggest an average annual salary among technical workers in the cultural sector of $33,700 per year, with an average annual salary of $45,000 for professional workers. In comparison, in 2001 the median family income for the Town of Comox was $71,205 and for the City of Courtenay was $63,079.

4.2 Location Quotients

In order to determine the strength and diversity of the cultural sector in the Comox Valley, Location Quotients ("LQ's") have been calculated to identify and measure the concentration of industry/business activity by major sector and sub-sector.

Location Quotients are a commonly used tool in regional economic analysis. They assess the concentration of economic activities within a smaller area relative to the overarching region in which it resides, or relative to a set of comparator communities. For the purposes of this study, Location Quotients have been calculated that compare the Comox Valley culture sector concentration relative to the Province of British Columbia. As a method of comparing and contrasting these results, we have also compared the LQ's of three communities in Canada that are recognizable for their cultural sectors: the Town of Collingwood in Ontario, the City of Kelowna in British Columbia, and Annapolis County Nova Scotia (Annapolis Data forthcoming).

A Location Quotient greater than 1.0 for a given sector indicates the presence of a local concentration of economic activity, as compared to the province in which each community is located (e.g. Brit8ish Columbia for figures relating to Comox Valley and Kelowna, Ontario for Collingwood, and Nova Scotia for Annapolis County). Location Quotients equal to 1.0 for a given sector suggest that a community has the same concentration of economic activity as the wider province. Finally, a location quotient of less than 1.0 indicates a concentration of economic activity that is less than the province.

In theory, industrial or business concentrations that are greater than the provincial average may represent the export base of the participating municipalities. Businesses that make up this export base may have chosen to locate in the area due to certain regional competitive advantages. These competitive advantages can be used to attract further investment in the future, in the same or complimentary industries.

The study provides the LQ results for Comox Valley (Courtenay Census Agglomeration) as compared to the Province of British Columbia. (It should be noted that Statistics Canada data for Annapolis County has been purchased as a custom data order. Unfortunately, this data has not been received from Statistics Canada as of yet; as soon as it has been received this information will be incorporated and analyzed.) Manifold Data Mining statistics have been used to illustrate 2006 data.

LQ analysis is based upon standard definitions of economic sectors, known as the North American Industrial Classification System (NAICS). For the purposes of this exercise, NAICS codes 51 and 71 have been used to represent the cultural industries sector:

Location Quotient for NAICS sectors 51 & 71 – 2001 Data

Year	2001	2001	2001	2001
Community	Comox Valley	Collingwood	Kelowna	Annapolis County
51 - Information and Cultural Industries	0.556	0.600	0.889	0.689
71 - Art, Entertainment & Recreation	1.176	1.189	1.110	1.048

Source: Statistics Canada, 2001

Full definitions for individual sectors are provided in an Appendix to this report.

As shown in the table above, in 2001 the Information and Cultural Industries sector (NAICS 51) for each of the communities studied is underrepresented as compared to the provincial sector representation, indicating that each of these communities imports a significant portion of the goods and services (Software Publishing, Motion Picture, Sound Recording, Broadcasting, Information Services and Data Processing) from this sector. In contrast, the NAICS 71 sector that is comprised of Art, Entertainment and Recreation is over-represented in each of the communities when compared to their related provincial statistics. Each of these communities has a strength in the NAICS 71 sector, indicating that goods and services are exported (or used by external participants) more often than the provincial average. Each of the identified communities in the above table has attractive natural features and a portion of their economies is dedicated to attracting external participants into the Arts, Entertainment and Recreation sector.

A further examination of the NAICS data provides more detail about the specific weaknesses within the NAICS 51 sector. As indicated in the following table (below), Comox Valley and Kelowna both have LQ's greater than 1.0 for Newspaper, Periodical, Book and Database Publishers but are under-represented in the three Software Publishing, Motion Picture and Video industries, and Sound Recording industries. Annapolis County with its strong heritage and artist presence is over-represented in NAICS categories 5111, 5112, 7115 and 7121. In this table, an additional employment category has been added to the data (beyond sectors 51 & 71); location quotient analysis for NAICS sector 5414 adds a range of design-oriented occupations to the analysis, including interior designers, industrial designers and graphic designers. For Comox Valley and Collingwood, the NAICS sector 5414 is greatly under-represented, as both have LQ's below 0.5.

Location Quotient of 4-Digit NAICS Sectors specific to the Cultural Industries

	2001	2001	2001	2001
	Comox Valley	Collingwood	Kelowna	Annapolis County
5111 - Newspaper, periodical, book and database publishers	1.020	0.853	1.089	1.111
5112 Software Publishers	0.724	0.000	0.475	2.556
5121 Motion Picture and video industries	0.520	0.854	0.252	0.340
5122 - Sound Recording Industries	0.000	0.000	0.000	0.000
5414 - Specialized design services	0.412	0.353	0.911	0.733
7111 - Performing arts companies	0.879	0.922	0.652	0.661
7113 - Promoters of performing arts, sports and similar events	0.780	0.000	1.686	0.000
7114 - Agents and managers for artists, athletes, entertainers and other public figures	0.000	0.000	0.000	0.000
7115 - Independent artists, writers and performers	1.464	0.615	0.706	2.364
7121 - Heritage institutions	0.604	0.870	0.793	3.065

Source: Statistics Canada 2001

Of particular note is the strength of the LQ for Independent Artists, Writers and Performers in Comox Valley. The LQ of 1.464 is higher than the comparator communities of Collingwood and Kelowna, and could be identified as an area of local competitive advantage when attempting to attract future business in this sector.

In the following table (below), the 2006 LQ's for sectors 51 and 71 have been calculated and a similar pattern presents itself. All of the communities have low location quotients in the Information and Cultural Industries sector, while Comox Valley, Collingwood and Kelowna still have export strength in the NAICS 71 sector. Of note is the increased strength of the NAICS 51 sector for Comox Valley when compared to the 2001 LQ results.

Location Quotient for NAICS Sectors 51 & 71 – 2006 Data

Year	2006	2006	2006	2006
Community	Comox Valley	Collingwood	Kelowna (CMA)	Annapolis County
51 - Information and Cultural Industries	0.587	0.517	0.897	0.742
71 - Art, Entertainment & Recreation	1.142	1.411	1.103	0.845

Source: Manifold Data Mining

4.3 Economic Impact Calculations

In an economic development context, economic impact assessment measures the change in economic activity (additional spending and jobs) resulting from a specific activity. In this case, this activity is the operations of the cultural sector as a whole.

As discussed at the beginning of this chapter, the cultural sector has historically been identified as particularly difficult to analyze because of the many non-quantitative factors that apply such as: applying an economic value to volunteering in the community, the intrinsic value earned from participating in culture, and attempting to determine the number of participants to non-gated venues. As a result, the economic impact calculations that follow do not capture all impacts of cultural activity, but do represent a credible estimate of economic (i.e. financial) impacts of the sector.

The economic impact calculation used in this instance contains several elements. First, there is a wage component, through which the total payroll of the cultural sector in the Comox Valley is quantified. As explained in chapter 5.1 (above), employment estimates for the sector in Comox Valley range from 858 full-time equivalent positions (FTEs) to 917 FTEs. For the purposes of the economic impact calculation that follows, we have taken the low estimate of employment. This injects a certain degree of conservatism into the calculation, and corrects for some of the sports-related occupations that some may wish to exclude from cultural sector activity. These positions are then divided into technical and professional positions based on Statscan data, with respective hourly wages of $18.52 and $24.74, these latter figures based on detailed real-world wage rates collected by HRSDC. An average work week of 35 hours is assumed. Based on these figures, data may be collected to quantify the total wages resulting from employment in the cultural sector.

The actual calculation is as follows:

858 persons employed in sector	
575 Technical workers @ $18.52/hour for 1820 hours/year	$19,381,180
283 Professional workers @ $24.74/hour for 1820 hours/year	$12,742,584
Total Payroll	$32,123,764

It should also be noted that recent cultural impact research allows further definition of the professional component of cultural employment. Recent studies have suggested that in general, about ¼ of professionals employed in the sector will be artists, while the other ¾ will be professionals of other sorts (curators, gallery managers, etc.). In the case of Comox Valley, this suggests approximately 71 artists and 212 other professionals. This split does not impact the wage calculation above, but will become relevant for other aspects of the larger impact calculation below.

The second portion of the impact assessment calculation attempts to quantify cultural spending not related to wages. In larger contexts, such as national or provincial studies, this is collected through a range of sophisticated spending and costing models. Unfortunately, none of these models are available at the local level. In a few instances, it is possible to generate comparable data by undertaking detailed surveys of every individual and organization active within the cultural sector, to determine spending activities and revenues, but such research is beyond the scope of the present project. However, recent research allows the use of a proxy calculation for the Comox Valley. As a general rule of thumb, 60% of cultural sector spending is related to employment, while 40% relates to other types of activity. This 40% figure is made up of a range of expenditures, but is often broke down along the following “guesstimated” allocations:

Overhead & Operating Expenses	30%
Facility Expenses	10%
Asset Acquisition & Capital Expenditures	<1%

The 60/40 approach – although a rule of thumb – is backed up by a very wide range of research. It is verified, for example, by a number of highly detailed studies of economic impact of the cultural sector including Projects in Anne Arbour, Michigan (wage expenditures 61%, other expenditures 39%), Edmonton, Alberta (wages 69%, expenditures 31%), Jacksonville, Florida (wages 56%, expenditures 44%) and a study of science museums worldwide (wages 54%, expenditures 46%).

On this basis, it is possible to estimate non-wage spending by the cultural sector in the Comox Valley to be slightly less than $13 million annually:

$32,123,764 wages times 40% = $12,849,505

This calculation, in turn, reveals that the approximate total spending on the cultural sector in the Comox Vallley is in the vicinity of $45 million per year:

Employment Expenditures	$32,123,764
Other Expenditures	$12,849,505
Total Cultural Sector Expenditures	$44,973,269

The third and most complicated portion of an economic impact analysis is the application of multipliers. Multipliers are intended to measure the "knock-on" effect of spending within an economy. Economists suggest that any expenditure results in three distinct kinds of economic impact:

1. Direct impacts
2. Indirect impacts
3. Induced impacts

Direct impacts (sometimes referred to as first round effects) are the actual expenditures that occur related to a given activity. Steps one and two – the estimates of wage expenditures and other expenditures – thus represent the direct impacts of the cultural sector in the Comox Valley.

Indirect impact effects occur when those businesses who supply the cultural sector end up increasing their purchases of materials and services from other businesses, in order to meet the cultural sector's demands. This creates positive spin-off activity that generates revenues for "second and third round effect" businesses that are not directly involved in cultural expenditures.

Induced impacts are created when those who benefit from increases in either direct or indirect expenditures proceed to spend a portion of their increased wealth within the local economy, in order to meet their household needs.

Understanding direct impacts is straightforward, as we have seen. To understand the extent of indirect and induced impacts, it is necessary to employ a multiplier. Multipliers are numbers calculated by dividing the total change in economic activity (that is, all spending activity) by the change in initial direct spending. In simple terms, a multiplier of 1.5 suggests that every dollar in spending on a given activity generates total economic impacts within a community of $1.50. The initial dollar is spent (the direct impact), which in turn generates another $0.50 in other spending (indirect and induced impacts).

The use of multipliers is a highly contentious and specialized field of study, and a full discussion of multiplier calculation is beyond the scope of this study. However, significant research into the application of multipliers to the cultural sector has been undertaken by academics and agencies around the world, and the benefits and results of that work are available to support this present exercise.

For our present calculation, the following multipliers have been employed:

- A multiplier of 3.3 has been applied to the wages paid to professional artists, based on extensive research carried out by faculty at the University of New Mexico on cultural sector multipliers
- A multiplier of 1.68 has been applied to all other cultural sector wages, again utilizing data from the University of New Mexico
- A multiplier of 1.4 has been applied to non-wage expenditures, representing a conservative figure drawn form a very wide range of “standard” multiplier ranging from 1.2 to 2.2 (while 1.6 appears to be a favoured figure, a lower multiplier has been selected here to keep estimates in a conservative range)

These multipliers are relatively high compared to many other sectors. In part, this is a result of what academics refer to as the “artistic dividend.” Anne Markusen and Greg Schrock at the University of Minnesota have argued that these higher multipliers are appropriate “because of high rates of self-employment and direct export activity, because artists' work enhances the design, production and marketing of products and services in other sectors and because artists induce innovation on the part of suppliers. Artists create import-substituting entertainment options for regional consumers and spend large shares of their own incomes on local arts output.”

With these approaches in mind, the economic impact calculation for the cultural sector on teh Comox Valley is as follows:

Wages of Professional Artists	$3,196,902
Times multiplier of 3.3	x3.3
Sub-Total	$9,588,606
Wages of Other Professionals	$9,545,682
Wages of Technical Workers	$19,381,180
Times multiplier of 1.68	x1.68
Sub-Total	$48,597,128
Non-Wage Expenditures	$12,849,505
Times multiplier of 1.4	x1.4
Sub-Total	$17,989,307
Total Annual Economic Impact	$76,175,041

As a result, utilizing conservative and established approaches to economic impact calculation, it is possible to make the case that the total economic impact of the cultural sector in the Comox Valley exceeds $75 million per year.

At first blush, these numbers may appear high. In part, this is because numbers in the high millions of dollars are difficult to relate to. In practical terms, it may be easier to suggest that the cultural sector contributes about $1,222 per person to the local economy. However, there are additional reasons why the figures should be high for the community. As outlined in chapter 5.1 above, more than 3.5% of the local population is employed in the (broadly-defined) cultural sector, a percentage much higher than in other communities.

Furthermore, tourism – and cultural tourism in particular – are strong contributors to the local economy, with related impacts on cultural sector activity. Although there are no figures of tourist visit to the Comox Valley, some estimates range as high as 450,000 per year. Local surveys of tourist motivation suggest as many as 79% of Comox Valley tourists indicate that they participate in cultural activities during their visit. Even if one assumes cultural activities (such as festivals) as the principle driver for only 1/5 of area tourists, the impacts are still significant:

90,000 cultural tourists
x 5-day average stay
<u>x $68.88 average daily spending</u>
$30,996,000 annual cultural tourism spending

While not all of this spending will be captured in the cultural impact assessment calculation, a significant portion of it will be. This helps explain the high overall impact of the sector, while at the same time underlining the need for the Comox Valley's cultural sector strategy to incorporate elements of a cultural tourism strategy.

5 Preliminary Conclusions & Recommendations

From an economic development perspective, the Comox Valley is in an enviable position for the development of cultural industries, and for maximizing the economic impact of cultural industries in a manner that brings broad benefits to the community. The economic development strategy is thus – in part – a matter of "stay the course." However, as much of the current success appears to have its origins in happenstance, community volunteerism and cultural enterprise, rather than in a specifically-articulated economic development strategy, it would be wise for the community to consider linking economic development planning with activity in the cultural sector.

To this end, Comox Valley should articulate an explicit economic development agenda for the cultural sector; this direction acknowledges that the cultural sector has value, activity and impacts beyond the economic sphere, but also recognizes that maximizing the economic value and impact of the cultural sector works in the community's broad interests. It is recommended that Comox Valley adopt the Partners for Livable Communities model of economic development activity in the cultural sector as the theoretical economic development framework most consistent with the community's objectives.

This model sees economic development in the cultural sector embracing five central goals:

1. **Create Jobs**, with a particular emphasis on supporting artists and small cultural organizations as if they were businesses or microenterprises
2. **Stimulate Trade through Cultural Tourism**, recognizing the community's existing strengths in this regard, and positioning cultural tourism as a tool for attracting additional resources to the local cultural sector
3. **Attract Investment by Creating Live/Work Zones for Artists**, recognizing such live/work spaces as anchors around which to build successful neighbourhood economies
4. **Diversify the Local Economy**, specifically by clustering local arts organizations as retail anchors and activity generators to attract and support other businesses and enterprises
5. **Improve Property and Enhance Value**, by leveraging the proximity of cultural amenities and individual artist's efforts to improve property aesthetics and increase property value

To flesh out specific actions within each of these broader strategic objectives, particular attention should be paid to the best practices identified in the Annapolis County, Collingwood and Kelowna case studies.

From Annapolis County:

1. Make a commitment to excellence
2. Support collaboration
3. Recognize and reward volunteerism as a means of sector-building
4. Support fundraising to maintain and expand sector capacity
5. Ensure that there are adequate openings for new and emerging talent

6. Support the sector from above, including financial support from local government
7. View culture as a service industry
8. Make a commitment to uniqueness in local cultural offerings
9. Market natural beauty as an extension of cultural brand
10. Recognize that building critical mass is not creating local competition

From Collingwood:

1. Recognize and reward volunteerism
2. Develop sector anchors that both build the sector and create a zone in which other economic impacts can be grown
3. Take advantage of the community's close proximity to larger urban areas
4. Create customized cultural tourism packages
5. Develop a Four Season Resort Strategy

From Kelowna:

1. Support collaboration
2. Encourage business community play role in advocacy & lobbying for cultural sector
3. Define a municipal leadership role in cultural sector development
4. Ensure authenticity of community's cultural experiences
5. Emphasize innovative cultural programming
6. Recognize and reward volunteerism
7. Undertake detailed benchmarking studies
8. Market natural beauty as an extension of cultural brand
9. Develop an adequately resourced Arts Office
10. Become an active part of British Columbia's Cultural Network

6 Appendix A: Town of Annapolis Royal Arts & Culture Policy

TOWN OF ANNAPOLIS ROYAL

Title: Arts & Culture Policy

Policy No.: 2006-5 | **Supersedes:** N/A

Effective Date: October 16, 2006 | **Approval by Council Motion No.: 4**

Purpose:

The purpose of this policy is to establish the place of arts and culture in the life of Annapolis Royal, and as such, to acknowledge arts and culture as one of the means by which the Town commits to enhancing the quality of life of its citizens and visitors. This policy will also assist the Town in its decision-making with respect to tangible support for arts and culture - including investment, in-kind assistance, promotion, planning, and development.

Policy Statement:

The Town of Annapolis Royal recognizes the importance of being, and being seen externally as, a “creative” town. Council agrees that arts and culture (including heritage) are key factors in attracting and retaining artists, entrepreneurs, educators, and other professionals. The Town also recognizes the importance of the arts & culture presence as a significant industry in the area that needs to be supported and enhanced whenever possible. Accordingly Council will:

(a) Give due consideration to providing grants and other tangible ongoing support systems to artists, arts and cultural groups, and special events located in Annapolis Royal;

(b) Support, and continue to support, key non-profit arts and culture institutions, organizations, groups, annual festivals, parades, and other special events;

(c) Encourage private sector developers, Annapolis area municipalities and other levels of government and government agencies to support arts and cultural organizations and events in a similar manner.

The Town will help to maintain and develop necessary arts and cultural infrastructure, both physical and organizational, to support the rich diversity of arts and the community. Public buildings, facilities, displays and spaces (both “built” and “natural”) act as showplaces for what is uniquely Annapolis Royal. The landscape and heritage of Annapolis Royal not only attract visitors; they stimulate and inspire artists, writers and performers. The Town has a responsibility to support, maintain, and develop the distinctive natural and built features of Annapolis Royal.

______________________________ ______________________________

Mayor *Chief Administrative Officer*

_________________________ _________________________

Date *Date*

7 Appendix B: North American Industrial Classification System (NAICS) Definitions

NAICS Sector 51

The Information sector comprises establishments engaged in the following processes: (a) producing and distributing information and cultural products, (b) providing the means to transmit or distribute these products as well as data or communications, and (c) processing data.

The main components of this sector are the publishing industries, including software publishing, the motion picture and sound recording industries, the broadcasting and telecommunications industries, and the information services and data processing industries.

The expressions "information age" and "global information economy" are used with considerable frequency today. The general idea of an "information economy" includes both the notion of industries primarily producing, processing, and distributing information, as well as the idea that every industry is using available information and information technology to reorganize and make themselves more productive.

For the purpose of developing NAICS, it is the transformation of information into a commodity that is produced and distributed by a number of growing industries that is at issue. The Information sector groups three types of establishments: (1) those engaged in producing and distributing information and cultural products; (2) those that provide the means to transmit or distribute these products as well as data or communications; and (3) those that process data. Cultural products are those that directly express attitudes, opinions, ideas, values, and artistic creativity; provide entertainment; or offer information and analysis concerning the past and present. Included in this definition are popular, mass-produced, products as well as cultural products that normally have a more limited audience, such as poetry books, literary magazines, or classical records. These activities were formerly classified throughout the existing national classifications. Traditional publishing is in manufacturing; broadcasting in communications; software production in business services; film production in amusement services; and so forth.

The unique characteristics of information and cultural products, and of the processes involved in their production and distribution, distinguish the Information sector from the goods-producing and service-producing sectors. Some of these characteristics are:

1. Unlike traditional goods, an "information or cultural product," such as a newspaper on-line or television program, does not necessarily have tangible qualities, nor is it necessarily associated with a particular form. A movie can be shown at a movie theatre, on a television broadcast, through video-on-demand or rented at a local video store. A sound recording can be aired on radio, embedded in multimedia products, or sold at a record store.

2. Unlike traditional services, the delivery of these products does not require direct contact between the supplier and the consumer.

3. The value of these products to the consumer lies in their informational, educational, cultural, or entertainment content, not in the format in which they are distributed. Most of these products are protected from unlawful reproduction by copyright laws.

4. The intangible property aspect of information and cultural products makes the processes involved in their production and distribution very different from goods and services. Only those possessing the rights to these works are authorized to reproduce, alter, improve, and distribute them. Acquiring and using these rights often involves significant costs. In addition, technology is revolutionizing the distribution of these products. It is possible to distribute them in a physical form, via broadcast, or on-line.

5. Distributors of information and cultural products can easily add value to the products they distribute. For instance, broadcasters add advertising not contained in the original product. This capacity means that unlike traditional distributors, they derive revenue not from sale of the distributed product to the final consumer, but from those who pay for the privilege of adding information to the original product. Similarly, a database publisher can acquire the rights to thousands of previously published newspaper and periodical articles and add new value by providing search and software and organizing the information in a way that facilitates research and retrieval. These products often command a much higher price than the original information.

The distribution modes for information commodities may either eliminate the necessity for traditional manufacture, or reverse the conventional order of manufacture-distribute: A newspaper distributed on-line, for example, can be printed locally or by the final consumer. Similarly, it is anticipated that packaged software, which today is mainly bought through the traditional retail channels, will soon be available mainly on-line. The NAICS Information sector is designed to make such economic changes transparent as they occur, or to facilitate designing surveys that will monitor the new phenomena and provide data to analyze the changes.

Many of the industries in the NAICS Information sector are engaged in producing products protected by copyright law, or in distributing them (other than distribution by traditional wholesale and retail methods). Examples are traditional publishing industries, software and database publishing industries, and film and sound industries. Broadcasting and telecommunications industries and information providers and processors are also included in the Information sector, because their technologies are so closely linked to other industries in the Information sector.

5111 Newspaper, Periodical, Book, and Database Publishers

This industry group comprises establishments primarily engaged in publishing newspapers, magazines, other periodicals, books, databases, and other works, such as calendars, greeting cards, and maps. These works are characterized by the intellectual creativity required in their development and are usually protected by copyright. Publishers distribute or arrange for the distribution of these works.

Publishing establishments may create the works in-house, contract for, purchase, or compile works that were originally created by others. These works may be published in one or more formats, such as print and/or electronic form, including on-line. Establishments in this industry may print, reproduce, or offer direct access to the works themselves or may arrange with others to carry out such functions.

Establishments that both print and publish may fill excess capacity with commercial or job printing. However, the publishing activity is still considered to be the primary activity of these establishments.

5112 Software Publishers

This industry comprises establishments primarily engaged in computer software publishing or publishing and reproduction. Establishments in this industry carry out operations necessary for producing and distributing computer software, such as designing, providing documentation, assisting in installation, and providing support services to software purchasers. These establishments may design, develop, and publish, or publish only.

5121 Motion Picture and Video Industries

This industry group comprises establishments primarily engaged in the production and/or distribution of motion pictures, videos, television programs, or commercials; in the exhibition of motion pictures; or in the provision of postproduction and related services.

5122 Sound Recording Industries

This industry group comprises establishments primarily engaged in producing and distributing musical recordings, in publishing music, or in providing sound recording and related services.

5414 Specialized Design Services

This industry group comprises establishments providing specialized design services (except architectural, engineering, and computer systems design). Design services in this category include interior design, industrial design, graphic design and several other unique design services (shoe, fashion, costume)

Sector 71-Arts, Entertainment, and Recreation

The Arts, Entertainment, and Recreation sector includes a wide range of establishments that operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of their patrons. This sector comprises (1) establishments that are involved in producing, promoting, or participating in live performances, events, or exhibits intended for public viewing; (2) establishments that preserve and exhibit objects and sites of historical, cultural, or educational interest; and (3) establishments that operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure time interests.

Some establishments that provide cultural, entertainment, or recreational facilities and services are classified in other sectors. Excluded from this sector are: (1) establishments that provide both accommodations and recreational facilities, such as hunting and fishing camps and resort and casino hotels are classified in Subsector 721, Accommodation; (2) restaurants and night clubs that provide live entertainment in addition to the sale of food and beverages are classified in Subsector 722, Food Services and Drinking Places; (3) motion picture theatres, libraries and archives, and publishers of newspapers, magazines, books, periodicals, and computer software are classified in Sector 51, Information; and (4) establishments using transportation equipment to provide recreational and entertainment services, such as those operating sightseeing buses, dinner cruises, or helicopter rides are classified in Subsector 487, Scenic and Sightseeing Transportation.

7111 Performing Arts Companies

This industry group comprises establishments primarily engaged in producing live presentations involving the performances of actors and actresses, singers, dancers, musical groups and artists, and other performing artists.

711310 Promoters of Performing Arts, Sports, and Similar Events with Facilities

This industry comprises establishments primarily engaged in (1) organizing, promoting, and/or managing live performing arts productions, sports events, and similar events, such as State fairs, county fairs, agricultural fairs, concerts, and festivals, held in facilities that they manage and operate and/or (2) managing and providing the staff to operate arenas, stadiums, theatres, or other related facilities for rent to other promoters.

711320 Promoters of Performing Arts, Sports, and Similar Events without Facilities

This industry comprises promoters primarily engaged in organizing, promoting, and/or managing live performing arts productions, sports events, and similar events, such as state fairs, county fairs, agricultural fairs, concerts, and festivals, in facilities that are managed and operated by others. Theatrical (except motion picture) booking agencies are included in this industry.

7114 Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures

This industry comprises establishments of agents and managers primarily engaged in representing and/or managing creative and performing artists, sports figures, entertainers, and other public figures. The representation and management includes activities, such as representing clients in contract negotiations; managing or organizing client's financial affairs; and generally promoting the careers of their clients.

7115 Independent Artists, Writers, and Performers

This industry comprises independent (i.e., freelance) individuals primarily engaged in performing in artistic productions, in creating artistic and cultural works or productions, or in providing technical expertise necessary for these productions. This industry also includes athletes and other celebrities exclusively engaged in endorsing products and making speeches or public appearances for which they receive a fee.

7121 Museums, Historical Sites, and Similar Institutions

Industries in the Museums, Historical Sites, and Similar Institutions subsector engage in the preservation and exhibition of objects, sites, and natural wonders of historical, cultural, and/or educational value.

Source: http://epic.od.nih.gov/naics/contents.asp