

Report to Strategic Priorities and Policy Committee

To: Chair and Members
Strategic Priorities and Policy Committee
From: Scott Mathers, MPA, P. Eng
Deputy City Manager, Planning and Economic Development
Subject: Music Incubation
Date: March 28, 2023

Recommendation

That, on the recommendation of the Deputy City Manager, Planning and Economic Development, the report dated March 28, 2023, with respect to Music Incubation;

- a) that the above noted report **BE RECEIVED**;
- b) that Civic Administration **BE DIRECTED** to develop a Creative Sector Incubator proposal; and,
- c) that Civic Administration **BE DIRECTED** to continue discussions with provincial and federal decision-makers to explore investment opportunities.

Executive Summary

On November 8, 2021, the City of London was designated as a City of Music by the United Nations Educational, Scientific, and Cultural Organization (UNESCO), becoming the first UNESCO City of Music in Canada. Within the original UNESCO application, the City presented a medium-term (four year) action plan describing the main initiatives that London plans to implement. Fulfilling the action plan is a requirement in maintaining London's UNESCO City of Music status.

One primary initiative highlighted in London's UNESCO application is to undertake 'Music Incubation'. In a 2019 music sector census, The London Music Office identified the need for support of emerging professionals as they enter the workforce. Outlined in the Council approved (September 3, 2014) London Music Strategy, priorities for the London Music Office included music business support and incubation.

In August 2022, as part of the City of London AMO (the Annual Municipalities of Ontario) conference delegations, the potential for a Creative Sector Incubator in London was discussed. The discussion was warmly received by the Provincial Minister of Tourism, Culture and Sport. Since that time, active conversations have been maintained with the Minister's Chief of Staff, Susan Truppe.

Linkage to the Corporate Strategic Plan

The idea noted above aligns with the following area of focus under the City of London's Strategic Plan:

Strengthening our Community:

- Londoners have access to the supports they need to be successful
- London's neighbourhoods have a strong character and sense of place

Growing our Economy:

- London will develop a top-quality workforce
- London is a leader in Ontario for attracting new jobs and investments
- London creates a supportive environment where entrepreneurs, businesses and talent can thrive

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- Application to UNESCO for London to be designated a 'UNESCO City of Music', March 30, 2021, CPSC
- London Music Strategy, August 27, 2014, IEPC (Investment and Economic Prosperity Committee)

2.0 Discussion and Considerations

2.1 UNESCO Designation

The UNESCO Creative Cities Network (UCCN) application was submitted on June 24, 2021 after Council approval the submission of an application at the April 13, 2021 meeting of Council. As an applicant, the City was asked to present a medium-term (four year) Action Plan describing the main initiatives that the City would undertake to support the designation. The proposed initiatives included a concentrated effort on Music Incubation in both the London Music Strategy and the UNESCO Creative Cities Network application. The highlighted projects needed to correspond with the objectives and focus areas outlined in UCCN's Mission Statement and UNESCO's Sustainable Development Goals (SDGs). Music Incubation supports the UCCN's core values and SDG 4 - Quality Education, SDG 8 – Decent Work and Economic Growth and SDG 9 – Industry, innovation and Infrastructure.

On November 8, 2021, London was designated as a City of Music by the United Nations Educational, Scientific, and Cultural Organization (UNESCO), becoming the first UNESCO City of Music in Canada.

A Creative Sector Incubation space would further London's UNESCO City of Music designation and aid in achieving our vision for London to become a more robust, culturally diverse and enriched music community by:

- Developing a more inclusive, creative and sustainable city that advances UNESCO's 2030 sustainable development goals;
- Build strategic partnerships through joint projects;
- Increase regional attractiveness to investors;
- Attract and retain skilled creative professionals & students;
- Create a unique city brand to drive tourism;
- Extend London's reach to international networks & marketplaces;
- Strengthen policies, strategies & activities while diversifying regional economy;
- Develop a more inclusive, creative & sustainable city;
- Build strategic partnerships through joint projects; and
- Step forward as Canada's UNESCO City of Music

2.2 Issue

London and its post-secondary institutions (Western University, Fanshawe College, and Ontario Institute of Audio Recording Technology) do a tremendous job attracting music students to London. With 1,024 students studying music locally each year, the challenge is retaining talent upon graduation. A 2019 research study, conducted by the London Music Office, found that of 319 students who were expected to graduate and enter the workforce, 64.5% were planning to leave London upon graduation to pursue career opportunities. The study found that local talent retention of graduating students was proving to be more difficult.

Incubation as a Solution:

- 84% of graduates stay in a community due to incubation according to a presentation by the National Business Incubation Association,^a.
- Growth of creative clusters is fueled by bringing together small and medium-sized enterprises (SMEs) around specialized knowledge and skills, which lead to better attraction and retention of talent, according to a UNESCO article on the creative economy.
- Retention of graduates and stimulation of local economy was found to be an outcome of entrepreneurial incubators that offered training, connections, and capital to startups, according to research in Grand Rapids, MI^b.
- A supportive environment for artists was identified as a best practice of successful Music Cities according to a study published by Music Canada. Training and education programs, mentoring and access to incubators were top criteria for success^c.
- Stimulation of entrepreneurship and local economies were successes of incubators identified by research associated with Erasmus University^d.
- Incubators bridge a gap between the entrepreneur and the external environment which support the entrepreneurial ecosystem according to a study published in the scientific journal ^e.

Challenge

As Canada's first and only UNESCO City of Music, London lacks a designated Creative Incubation Hub where music, media arts and film can collaborate and co-create, while contributing to economic growth. There is an overall lack of mentorship, training, and entrepreneurial support opportunities for creatives beyond post-secondary institutions. This results in loss of potential economic growth through retention of skilled workers and investment in our community.

Proven Concept Through Pilot Program

Canada's Music Incubator (CMI), in partnership with the City of London (London Music Office and Economic Partnerships) secured \$300,000 of funding from the CPAWRF (Canada Performing Arts Workers Resilience Fund Program (2022/2023)). As a result, London is conducting a pilot incubator/accelerator project with Canada's Music Incubator and the Central Public Library. Current funding allowed the program to run until March 31, 2023.

The three phased incubation pilot project is driven by a collaborative partnership aimed at mentoring and developing music industry professionals in the region of Southwestern Ontario. Through this pilot project, CMI and its partners are building connections that support and encourage professional development growth of emerging musicians and industry professionals. This project develops relationships across a wide variety of stakeholders which enhance cohesion and capacity for future music industry projects.

The pilot project has demonstrated demand, interest and need for a music incubation. To date there have been over 350 participants and 234 more projected to participate by the end of March.

2.3 Opportunity

In a delegation meeting with Ontario's Minister of Tourism, Culture and Sport at the

^a The Value of Business Incubation and Best Practices: https://www.icecommittee.org/reports/Tracy_Kitts_Presentation_ICE_Nov_3_10.pdf

^b Attracting and Retaining College Graduates: http://media.mlive.com/grpress/news_impact/other/Attracting%20and%20Retaining%20College%20Graduates%20%20A%20Student-Driven%20Model.pdf

^c The Mastering of a Music City report is based on a literature review, over 40 expert interviews, and two international focus group sessions, the report aims to provide a "roadmap" for the development of music: <https://musiccanada.com/resources/research/the-mastering-of-a-music-city/>

^d Incubation in the Creative Industries, Tom Rovers: <https://thesis.eur.nl>

^e Incubation Process: A Key Innovation Lever for Successful Start-Up Businesses: <https://hal.science/hal-03520325/document>

2022 AMO Annual Conference, the potential for a Creative Sector Incubator in London was discussed. The Minister suggested that the City submit a proposal for a Creative Sector Incubator in 2023. Since the delegation, staff at the City and the province have stayed in touch, and interest remains strong among key influencers, including the Minister's Chief of Staff, Susan Truppe. The proposal for the incubator aligns with the current draft City of London Strategic Plan, specifically in the following areas:

- *“London is a UNESCO City of Music and is recognized as a centre for arts, sport, and culture”;* and,
- *“Enhanced and increased creation and distribution of cultural activities, goods and services; notably the film and music industries.”*

London's creative sector is a central component in a diverse economy. In 2022, there were more than 9,800 Londoners employed or active in the Information, Culture, and Recreation sector^f. London's cultural industries generate over \$595 million in annual GDP for the local economy.

London has an opportunity to retain a creative sector workforce and grow the economic contribution of the creative sector to London's economy through a dedicated incubation space. This incubator will help transition graduates and emerging professionals into meaningful careers locally and facilitate business to business linkages. A creative sector incubator would aid in transforming London's designated Music, Entertainment and Culture District area into a cultural hub, impacting London's core area through the revitalization of vacant spaces. Investing in an innovative talent development space would create a more desirable community to live and work in, by attracting creatives, supporting the growth of new emerging professionals, and retaining talented graduates from post-secondary schools. The incubator would help elevate London's profile internationally as a UNESCO City of Music which could lead to new investment opportunities, locally, nationally, and internationally, resulting in wealth creation and financial sustainability for artists entrepreneurs, emerging professionals and local businesses.

Potential Grant Opportunities: Southwestern Ontario Development Fund; through partners, access the Ontario Music Development Fund.

2.4 Action

Civic Administration hopes to prepare a Creative Sector Incubation proposal that will directly support the Music Incubation focus area of London's UNESCO City of Music designation and align with 4 other focus areas including: Inclusive Community; Music & Film; City of Music Exchanges; and Media Arts.

The Creative Sector Incubator would provide artist/creative entrepreneurs with an opportunity to use the space to rehearse, produce, record, meet, program workshops, develop marketing assets, perform on stage, sample new equipment and technology, participate in 1-on-1 industry consultations and connect with other artists/creatives. Involvement in the incubator would result in a variety of professional and personal benefits including: network development, knowledge sharing, mentorship and community building through shared resources that strengthening Ontario's music sector.

Purpose of the Creative Sector Incubator:

- transition graduates from post-secondary schools into gainful employment;
- enhanced skill development and job creation;
- strengthen local business community;
- provide accessible and inclusive entry to workforce;

^f Employment by industry, census metropolitan areas, annual (x1,000):
<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410038401&pickMembers%5B0%5D=1.22&cubeTimeFrame.startYear=2018&cubeTimeFrame.endYear=2022&referencePeriods=20180101%2C20220101>

- create gender equitable programming;
- encourage circulation of artistic expression, ideas, artists, and professionals;
- create a supportive climate for entrepreneurs;
- enable positive collisions among artists and businesses through a café and other social spaces;
- create decent work and economic growth within the music sector;
- provide entrepreneurs with greater access to hands-on education;
- create a collaborative and supportive network/hub built on relationships with music industry leaders from all areas of the sector;
- help musicians and music business to thrive and grow;
- create conditions for the development of artists, industry and music sector through shared spaces and collaborative resources; and
- lead creatives into an age of industry innovation and infrastructure creation.

Impact Assessment:

A Creative Sector Incubator would deliver economic value to London and the region through the following activities:

- **Financial Impact:** Capital raised through investment (grants); revenue generated by artists/industry; New investment opportunities created.
- **Human Capital:** Number of creative companies participating; number of members; jobs created.
- **Brand Impact:** Hours of mentoring and educational sessions facilitated at the incubator; number of attendees at events/sessions.
- **Diversify Regional Economy:** Create jobs outside of the traditional 9-5 economy; attract new money and spending; strengthen start-up culture.

2.5 Financial Impact/Considerations

Capital and operating funding would be needed to create a Music Incubation Space. As part of the multi-year budget, a request would need to be made to support Music Incubation. The exact funding allocations would need to be determined after further exploratory conversations. Through advocacy efforts, Civic Administration would explore capital fund resources and work towards securing operating funding for this initiative.

Conclusion

Civic Administration is seeking Council endorsement to develop a Creative Sector Incubation proposal and to continue discussions with federal and provincial partners for financial support. An ask would be made to further leverage a successful federal grant of \$300K dedicated towards piloting music incubation, mentoring and professional development.

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