

Unlocking the Potential of the Arts and Creative Sector in Cities and Communities

Remember when this may have been considered a fashion triumph? Or, when you could buy a new car that looked like this? Yes, it's pop quiz time ... who can tell me the year that:

- Tina Turner cleaned up at the Grammys with What's Love Got To Do With It
- kd Lang released her first album
- Relax by Frankie Goes to Hollywood was on top of the pop charts in the UK
- and Macintosh launched what was then a revolutionary new "user-friendly" computer called the Apple.

That, my friends, was 1984, 20 years ago. It is hard not to cringe or laugh when you see some of these things even though many of us managed to get swept up in the madness that marked their arrival. It never ceases to amaze what new directions our curiosity for things new and fresh will drive us to. You could say that it is what makes us human.

When you look at something as primitive as the Apple now seems in our wireless digital world, you get a sense of just how powerful our thirst for the "new and improved" can be and just how linked creativity and commerce have become. Can you think of any type of positive growth or change that is not driven by creativity?

How many people here are familiar with Richard work? (Explain who he is if necessary). Florida has become very successful making the case that creativity is the driving force of growth and change. He tells us that from the invention of the wheel to the agricultural revolution, this has always been the case. Florida has had a profound impact on many communities approach to economic and creative sector development. While not all economists and cultural theorists have bought into Florida's creativity index, my sense is that most people agree with the central premise of what he is saying because it makes sense intuitively.

Now, before I go any further I want to say a few things about values and language. My guess is that most people in the arts community are passionate about the arts for reasons that have to do with their social and cultural impact: their ability to provoke, enlighten, entertain and generate new thinking. Or, for the more philosophical in the crowd, their ability to promote social cohesion and awareness and improve our quality of life. I don't want for a second to downplay the importance of these things. In fact, I am a strong proponent of finding better language and tools to understand these things so that we can build a broader understanding of the intrinsic value of the arts in society.

But, the fact is that we live in a world and at a time when economic growth is the overarching obsession with our public policy-makers. So, if we want to grow support and awareness of the arts, we also need to be able to contextualize the arts in language that speaks to policy-makers and politicians who are obsessed with economic growth and development. Some people might say that we have spent years talking about the economic impact of the arts and ask where that effort has gotten us. They are right that the economic impact arguments have not always worked but it is also the case that we have made these arguments unconvincingly. You know the old invest a dollar in the arts and you'll generate three in economic activity. That's what our economist friends have come up with, and I don't doubt that they are right. The problem is that very few people believe economists.

Look, if you are a municipal councilor from Swift Current and someone pitches this idea of investing a dollar to generate three. You might say: "That's great, the city will invest a dollar and the province and federal government will generate more sales and income tax revenue." This is why these returns on investment arguments are often not compelling enough to drive investment and policy decisions.

I'd say it is time to forget about the economist's arguments. We need to hook up with the people in the economic development field. They are the people who are not just interested in econometric equations and GDP. They are interested in what makes a sector dynamic and how that relates to overall financial performance.

A moment ago, I mentioned language and values. If you know people working in urban planning and economic development, you'll know that sometimes they seem to be speaking their own language and are often motivated by different imperatives. For example, here's how people involved in economic development in the UK understand and value the creative sector:

"The creative industry ecology is one of whales and plankton: a handful of high-profile global players, stars and multinational companies, dependent upon vast shoals of project-based micro-enterprises. From the surface, only the bigger players are visible, but these big fish are wholly dependent on the small fry further along the supply chain.

New value is created in this sector when technical innovation, artistic creativity and business entrepreneurship are deployed together to make and distribute a new cultural product. Content-creating enterprises must be quick to respond to changes in fashion and technology. Their assets are invisible and volatile: reputation, skills and brands. They operate in global niche markets. They evolve by getting better rather than by getting bigger. Key players are rewarded by lifestyle and reputation as much as by money. A good deal of their critical

infrastructure is external to the firm. All this adds up to a business profile that is not widely recognized by banks, investors or government.”

So if creativity is such an important driver of growth and change in our world, it would stand to reason that we would take every step possible to nurture and stimulate it. Right? Last week, I attended a conference in England on creative sector development. There, the penny has dropped on understanding the relationship between creativity and economic development. Governments and development agencies at all levels are investing tens of billions of BPS in creative sector development initiatives. In Canada, we are not even in the policy development mode let alone setting up agencies and delivering programs.

Let’s think for a minute about why we are not rushing to invest billions in creating a system to support creativity in Canada. It is not just a question of money; there are gaps in our understanding about how to do it. Investing in creativity is risky business because there is never a guaranteed payoff. So programs that support new science, art, research and development are easy targets when money is tight. Creativity is a very mobile commodity and we have become extremely adept at taking advantage of the best new art, entertainment, ideas and products from other places. In the short-term at least, communities therefore can get by doing absolutely nothing to support creativity. Our global marketplace allows us to benefit from creative people everywhere.

But imagine what our communities will look like 20 years from now if we don’t begin working to grow creativity within them. While it is impossible for us to know what the future will bring, we do know that left on its own, the marketplace will do what some describe as “normalizing” our communities. It seems that pretty soon anywhere you go on the planet will all offer the same shops, the same entertainment and attractions. Anyone involved in community building surely has higher aspirations for future of their community than competing for the next Pottery Barn franchise. And something tells me that our inquisitive nature is not easily satisfied with more of the same from place to place. I think it is true for communities of all sizes and in all places that people crave authentic cultural experiences and for that you need the arts and you need an environment that is conducive to creativity.

How many people here have heard the Mayor of Winnipeg’s brilliant speech about value-based government and the new deal for cities? I think Glenn Murray is dead on when he describes why we so often make short-sighted decisions about how we build our communities. Because resources are never sufficient to accomplish all of the priorities we have, we usually opt for the cheapest, most functional, and ugly built form. Here are a few excerpts from Glenn Murray’s speech at Artscape’s Creative Places + Spaces conference last fall:

“When I moved to Winnipeg, I was in my late 20s, and I lived downtown in this cement block ugly building called Holiday Tower North. It’s really a tribute to

utilitarianism. There is no sense of design or warmth. It was pretty awful. And I looked out at a sea of parking lots. But then I went and got lost trying to find my way home. And I walked around the historic warehouse district and banking district and looked at the old parks and the old buildings and said, "They used to think about this city differently." They used to build amazing architecture and they lined the trees with these magnificent elms and they have this great sense of public space. There was a time when this city thought itself a great place to live."

And when you think of the cities in the world that you want to go to and live in, where you'd want to spend your money, where you want to participate in the creation of wealth and ideas, they're the beautiful places. Utilitarian values are about fear of difference. Creative values are about the celebration of difference."

Mayor Murray goes on to unveil his vision of how cities should adopt a values-based approach to government. It is inspired and full of insight and he has generously allowed us to share a copy of the speech he delivered last fall for those interested.

When it comes to nurturing creativity in our communities in Canada, we are on the right track in some areas and completely missing the boat in others. We are lucky to have federal, provincial, and in many cases municipal arts councils in Canada. Of course they do not have nearly enough money to do their job but we do have a competitive advantage over American cities in terms of public support for creation and arts programming. I think it is easy to underestimate what a challenging job it is to determine what and who to support in artistic endeavors. It is a highly-specialized, knowledge-based field and I think in Canada we have done a good job of figuring out how to support arts programming.

What we have done a poor job at is in creating environments that are conducive to creativity. While creativity comes from the mind, it really is as much a product of place and the sight, the sounds, taste, and feel that shape it. Tina Turner and kd Lang didn't come out of nowhere; they were part of a scene that allowed them to shape their artistic sensibilities in contrast to what others in the scene were doing at the time. Artists seek to live, work, and play alongside other creative people because they depend on the collision of ideas and energy to fuel their own inspiration.

It is hard to imagine how places that embrace only the utilitarian, normalize world are going to be conducive to creativity. And, it is hard to imagine why young people who grow up in such places would want to stay in them. Richard Florida would argue that in today's creative age, it is not just artists and scientists who crave creativity; it has become a universal thing.

So what are we doing in Canada to create environments that are conducive to creativity? Almost nothing. You can't create an environment that is conducive to creativity by just supporting creation and arts programming. And it is not good

enough to roll out a capital grants program for the arts once every ten years. But unfortunately that has been our approach.

I'll tell you why this won't work:

- Artists and most arts organizations simply don't have the tools or resources to navigate the real estate market.
- Financial institutions have little or no understanding of the creative sector and are allowed to neglect non-profit organizations with impunity.

What we are going to need to change this picture is nothing short of a new fiscal and financial tool kit that will give communities the capacity to support the development of creative clusters. It would include things like:

- direct public investment
- tax credits
- tax-increment financing
- non-profit finance funds
- more substantial deductions for charitable donations
- legislation that required banks to play a role in community revitalization projects.

This may sound like an impossible wish list but let me tell you that our neighbors to the south have all of these programs in place, they can have a huge impact, and they receive bipartisan support.

We have a great opportunity at the moment to frame these needs within the context of the New Deal for Cities movement which so far has had very little to say about culture.

And if money is not a big enough issue, there are a lot of other factors at play in many communities that make space challenges of the arts even worse. The preferred habitat of many artists is of course the old warehouse space and in many places this space is being rapidly being converted into condos or being tarred up as swanky offices leased out at prices few artists can afford.

Commercial real estate has become an attractive investment option particularly for pension funds. Family-run real estate holding companies are therefore being gobbled up by more profit-driven investment firms who do not pass up an opportunity to maximize their returns. I am not sure if you are experiencing this here but in Toronto over the past six or seven years, we have seen commercial leasing rates go up between 300 and 500% for raw studio space despite a very soft market.

Then there is the fact that creative people and real estate markets have a perverse relationship. We have begun documenting the process of change that

artists trigger in neighborhoods and I'll come back to this in a moment. There is no question that artists can have a revitalizing impact on local communities but if they are tenants they can be quickly priced-out of the neighborhoods they helped to enliven.

So it is clear that the real estate left on its own has a destabilizing impact on the creative sector and usually pushes artists and young entrepreneurs to the margins of urban life where they are disconnected from communities and each other. It can be almost impossible to create a scene under these circumstances. And, it is not that many communities in Canada have significant number of people working in the arts and creative sector. In fact, you do not need a whole lot of creative people to create a scene, but you do need an environment where they can interact with each other.

So the challenge we have is not that we lack ingenuity and innovation, it is that our creative forces are often working in isolation and therefore not generating the kind of ideas, buzz, and energy that will drive growth.

Consequently, there is significant untapped potential in many communities. The key to unlocking it is building an environment that is conducive to creativity and I think communities of all sizes can do this. This is territory where the arts, economic development and urban planning goals can comfortably intersect. Thankfully, leading thinkers in economic development circles are now espousing stronger investment in place-sensitive approaches and clustering is a key part of the strategy.

What is clustering? The usual definition of a business cluster is Michael Porter's, in *The Competitive Advantage of Nations*:

...geographic concentrations of interconnected companies, specialized suppliers, service providers, firms in related industries, and associated institutions (for example, universities, standards agencies, and trade associations) in particular fields that compete but also co-operate.

Silicon Valley in the United States is often cited as an example.

“The Clusters Group at the UK's Department of Trade and Industry notes that 'dividends from creative clusters can be enormous in terms of civic image, training and engagement in the economy as well as purely economic terms.' However the sector also faces special challenges: 'creative clusters are not the same as other clusters, and common strategies will not work'. In other words, the creative sector is booming, but not thanks to mainstream economic development strategies.”

They have identified that: “A cluster of creative enterprises needs much more than the standard vision of a business park next to a technology campus. A creative cluster includes non-profit enterprises, cultural institutions, arts venues and individual artists alongside the science park and the media centre. Creative clusters are places to live as well as to where products are consumed as well as made. They are open round the clock, for work and play. They feed on diversity and change and so thrive in busy, multi-cultural urban settings that have their own local distinctiveness but are also connected to the world.”

As you are probably gathering, clustering is not just about physical space, it is also about networks. I know some of you are probably a bit uncomfortable about the idea of marrying arts and economic development objectives. I certainly agree that this would be a dangerous thing if we were talking about investment in artistic creation. But when we're talking about building environments to support creativity, we are clearly talking about an area that requires substantial investment and I think that the economic rationale is both obvious and appropriate when we're talking about building places and networks.

You are probably wondering by this point all of this relates to your community. What are the practical steps you can take to build a stronger environment of support for the arts? I think a good place to start is by creating a multi-tenant centre for artists, arts organizations, and creative sector companies in a prominent location in the middle of town. This is of course what Artscape exists to do and I have been asked to share our organizational profile with you and give you some background on the projects we have developed.

Artscape grew out of the Toronto Arts Council in the mid-eighties at a time when the real estate market was booming, artists were being priced out of the neighborhoods they had helped to enliven, and the city was cracking down on illegal artist live/work spaces in warehouse buildings. Artscape initially focused on advocacy then jumped into the property development world when the bottom fell out of the real estate market in the early nineties. Since then it has developed 6 multi-tenant arts centres. Today, Artscape's work has grown beyond the development field and its programs, services, research, and consulting have helped to build an international profile as an organization advancing understanding about the relationship between creativity and space.

Artscape has honed its expertise on creating space for the arts while building communities and revitalizing neighborhoods over many years. We have learned that building creative communities requires more than filling buildings with artists and waiting for the magic to happen. For that reason we have broadened our mandate and developed the following resources, programs, and services available, citywide, nationally, and internationally:

Non-profit real estate development

Artscape's property development activities are focused on the creation of multi-tenant centres that serve artists, non-profit groups and local communities. This specialized area of practice involves forging a common vision from diverse interests, building community partnerships, raising funds, as well as managing the technical aspects of capital project planning and construction.

Space Provision

As a non-profit studio provider, Artscape leases affordable space to professional artists of all disciplines in six neighborhoods in Toronto. Studios under Artscape's management include: artist work and live/work studios, designer/maker retail studios, offices, production, performance, and exhibition spaces, and complimentary ancillary uses.

Programs and Services

Artscape serves artists across Ontario through resources such as *Square Feet: An Artist Guide to Leasing and Purchasing Space* and an annual event The Queen West Art Crawl. Through the Gibraltar Point Centre for the Arts on Toronto Island, Artscape provides an environment for creative thinking to the non-profit, government, and education sectors. Programs that extend its reach provincially, nationally and internationally include Artscape Lodge, the Gibraltar Point Artist Residency Program, and conferences such as Creative Places + Spaces.

Planning and Consulting

Artscape offers planning and consulting services on a fee for service basis to support capital project planning and development to the non-profit sector. Artscape is particularly interested in supporting arts-driven, community-based development projects and helping Canadian cities create arts-focused non-profit real estate development organizations.

Research and Planning

When artists move into neighborhoods, they often attract galleries, cafes, and a vibrant street life that sparks a process of transformation. In an effort to gain a more sophisticated understanding of the diverse impacts of

artists on local communities, Artscape partners with universities, governments, and the private sector to undertake research in this area.

That in a nutshell is what Artscape does. We would be very happy to share our experience with others and appreciate your help in advocating for support of our New Creative Clusters Program.

In closing, I would like to challenge you to think about what you want your community to be like twenty years from now and share with you some of my hopes for Canadian cities. Twenty years from now, I predict that:

- Canadian cities will be organized around idea creation
- The urban experience in Canadian cities will be so vibrant, rich, and diverse that these places will be magnets for the worlds brightest thinkers and creators
- Cities like Moncton and St. John's will have stopped the out-migration of youth by creating new more creative jobs and engaging their interest in developing communities of the future
- Creative values will have replaced utilitarian values everywhere and this will be reflected in the quality of architectural and urban design and integrated into the curriculum in all areas of education
- It will be widely understood that the success of neighborhoods will hinge on the authenticity of their cultural amenities in other words on their uniqueness and their organic connection to heritage
- A new range of programs, policies and legislation to support creative cluster development will have been operational for many years and we will have created network of multi-tenant centres across the country
- Canada will have sustained the longest-ever period of economic growth fueled by innovation in green technologies, medical research, and a rapidly expanding creative sector
- We will have taken advantage of this growth to invest in education and eliminate the scourge of homelessness and child poverty
- We will still have the best universal health care system

- Cities from around the world – especially the U.S. – will be sending delegations to figure out how we have created the most robust, multi-cultural, peaceful, dynamic and creative urban regions

Now I am absolutely serious when I say that these are very achievable goals if we are able to figure out how to unlock the potential of creativity in our cities. I look forward to working with and alongside you to help shape this new reality.