

Cultural Investment by the City of Edmonton

2009 to 2012



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Executive Summary

The main goal of this study is to quantify the City of Edmonton's current investment in the arts, culture, and heritage using established methodology and definitions. Another important goal is to track whether the level of investment has increased or decreased since 2009.

Benchmarking of cultural investment levels can help municipal representatives understand how their city compares with other municipalities across the country. This information can be very useful, given the growing recognition that local investment in culture contributes to economic and social development.

Via the Creative City Network of Canada, Hill Strategies Research approached staff members from a number of cities to see if they were interested in a custom study of cultural investments for four fiscal years (2009, 2010, 2011, and 2012). Seven cities decided to participate in this year's data capturing effort: Richmond, Edmonton, Saskatoon, Windsor, Hamilton, Oakville, and Halifax. The project is modelled on a similar study conducted for the cities of Vancouver, Calgary, Toronto, Ottawa, and Montreal, as well as a separate study for the City of Mississauga.

No data currently cover municipal cultural spending in any detail, as Statistics Canada's *Government Expenditures on Culture* dataset only provides an estimate of cultural spending in *all* Canadian municipalities, with no breakdowns by municipality and only limited breakdowns by type of spending. Furthermore, Statistics Canada has discontinued the *Government Expenditures on Culture* survey.

As context to the analysis of Edmonton's cultural investment, the next section of the summary provides brief information about the City's plans and non-financial supports for culture.

Edmonton's plans and non-financial supports for the cultural sector

Edmonton's 2008 cultural plan, entitled the "Art of Living", worked toward "the creation of a sustainable and progressive cultural environment in Edmonton – an environment that integrates culture into everyday life and one that strives to retain and attract cultural practitioners". Based on extensive public and stakeholder consultations, the Art of Living made 28 recommendations, including 17 related to the arts and 11 related to heritage.

In addition to its direct financial support for culture, the City of Edmonton and the Edmonton Arts Council also provide significant indirect or non-monetary supports for the sector, including:

- Property tax exemptions for not-for-profit organizations that own their facilities (value of over \$2.5 million in 2012).
- Nominal rents for some not-for-profit arts, culture, and heritage organizations (value of over \$3.5 million in 2012).

- In-kind services for festivals, special events, film, etc. (e.g., permits, fire, police, EMS, waste management, transit, etc.).
- Creation of the Historian Laureate position in 2010 (to complement the existing Poet Laureate position).
- A range of planning mechanisms involving cultural districts, density bonusing, and public use of private spaces.
- Careful re-working and re-wording of zoning bylaws to ensure that they help stimulate (not inadvertently create barriers for) arts activities.
- Efforts toward ensuring that streets, parks and neighbourhoods are named after Edmonton artists.

Definition of municipal cultural investment

“Municipal cultural investment” includes operating, grant, and capital expenditures related to the performing arts, visual and media arts, crafts, design, museums, heritage, festivals, special events, multidisciplinary activities, creative and cultural industries, city-owned cultural facilities, cultural districts, public art, and other art purchases.

Net investment represents what is spent on cultural programs and services from the municipal tax base. Net investment, which excludes other sources of funding or revenue, is the main focus of this summary.

The raw cultural investment data were compiled by Edmonton Arts Council staff members for 2009, 2010, 2011, and 2012 using the same definition of cultural services as other cities that have participated in this process.

Note: While Edmonton Arts Council staff members compiled the data for this project, support for culture spans a number of municipal councils and departments. The financial data in this report go beyond budgets managed directly by Edmonton Arts Council, also including the Edmonton Heritage Council and many departments of the City of Edmonton. Capital investments made by the City to build or maintain key cultural facilities, spaces, and infrastructure are also included.

Over \$30 million – or \$39 per resident – invested in Edmonton’s cultural sector in 2012

The City of Edmonton invested a net amount of \$31.4 million in the cultural sector in 2012, including \$9.6 million in operating expenditures, \$9.8 million in grants, and \$12.0 million in capital expenditures.

The City of Edmonton’s investment represents \$38.68 per local resident in 2012 (based on the 2011 census population of 812,200). This includes \$11.83 in operating expenditures, \$12.07 in grants, and \$14.77 in capital expenditures.

Overall cultural investment increased by 23% between 2009 and 2012

The City of Edmonton's net cultural investment by increased from \$25.5 million in 2009 to \$31.4 million in 2012, a 23% increase. While none of the figures in this report have been adjusted for inflation or population growth, the Consumer Price Index increased by 6% in Canada between 2009 and 2012, and population growth in Edmonton was approximately 7% during this timeframe.¹

Figure 1 shows that the City of Edmonton's investment in culture increased from \$31.41 per local resident in 2009 to \$38.68 in 2012. Figure 1 also shows that:

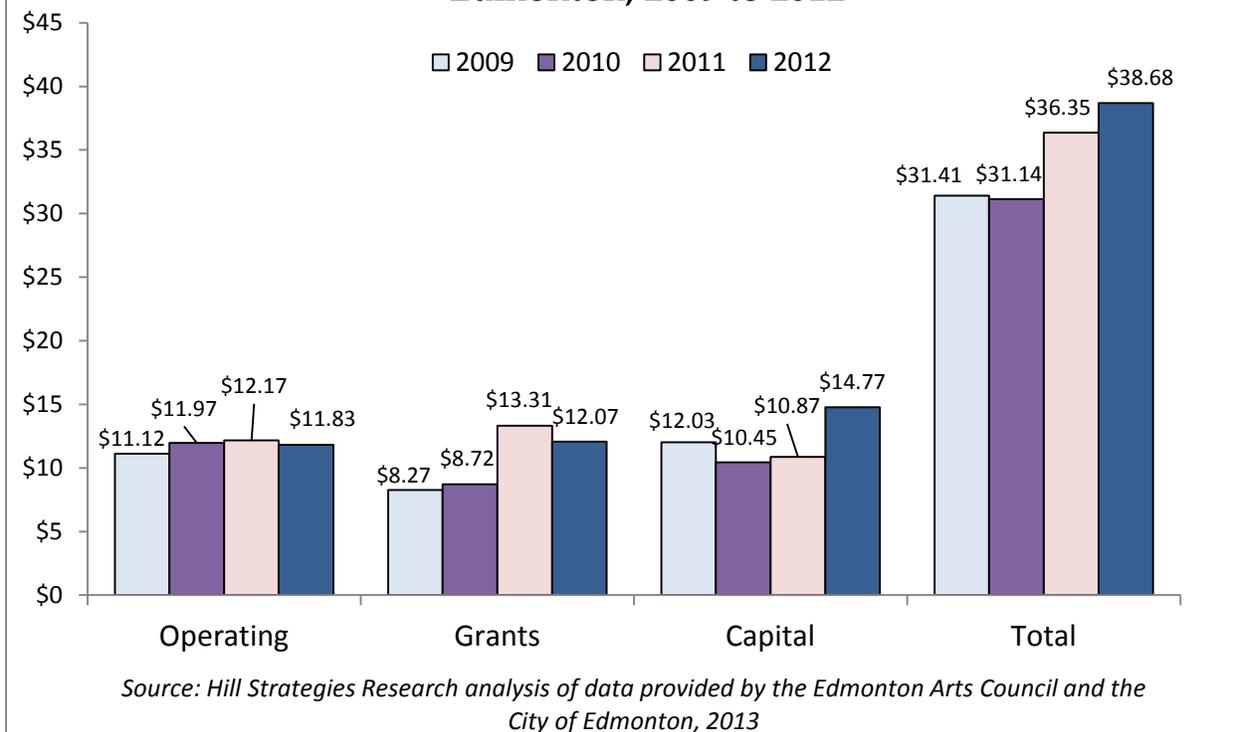
- Grants from the City of Edmonton to artists and to arts, culture, and heritage organizations increased substantially (from \$8.27 per resident in 2009 to \$12.07 in 2012). This 46% increase reflects the increase in operating, project, and artist grants as well as substantial capital grants in 2012.
- Operating expenditures increased slightly, from \$11.12 per capita in 2009 to \$11.83 in 2012 (a 6% increase). While operating expenditures include administrative and staff costs, the largest components relate to City-owned culture and heritage facilities and activities, including Fort Edmonton, public interpretation activities at heritage sites, and the City Arts Centre.
- Edmonton's capital expenditures increased from \$12.03 per capita in 2009 to \$14.77 in 2012 (a 23% increase). The capital expenditures in 2012 include substantial investments in renovations to the Telus World of Science and the Alberta Cycle Building, among others.²

Readers should be aware that capital investments typically have significant peaks and valleys. Cultural investments via operating and grant expenditures may provide a better indicator of ongoing support for the cultural sector.

¹ This rough estimate was calculated as three-fifths of the population increase between the 2006 and 2011 census years.

² A growing need for capital refurbishment in the cultural sector has also been identified in reports such as *Under Construction: The State of Cultural Infrastructure in Canada*. Nancy Duxbury (Ed.). Vancouver: Centre of Expertise on Culture and Communities, Simon Fraser University (2008).

Figure 1: Cultural investment per capita by the City of Edmonton, 2009 to 2012



Edmonton's cultural investments compared with other cities

Only a limited number of cities have conducted this type of measurement of their municipal cultural investments. As such, the pool of comparison cities is somewhat limited.

Edmonton compared with six other large cities

Five cities participated in the initial study of cultural investments between 2006 and 2009. Following the publication of the initial report, the City of Mississauga undertook a process of measuring their cultural investment between 2008 and 2011. Given the availability of their data for at least one identical year, these cities are potential comparator municipalities. The 2011 census population estimates for these cities are as follows: Toronto (2,615,100); Montreal (1,649,500); Calgary (1,096,800); Ottawa (883,400); Edmonton (812,200); Mississauga (713,400); and Vancouver (603,500).

A proper comparison with the five cities in the original study requires two adjustments to the above analysis of Edmonton's per capita investment: 1) The focus is on 2009, the first year covered by this report but the only year in common with the previous study. 2) In order to be consistent with the previous study, Edmonton's population from the 2006 census is used, rather than 2011 census data.

Using the City's 2006 census population (730,400), Edmonton's level of investment in 2009 was \$34.93. Compared with the six cities, Edmonton would have been surpassed by Montreal (\$54.91), Vancouver (\$47.33), and Calgary (\$42.39) in that year. The cultural investment by the City of Edmonton in 2009 was larger than that by Ottawa (\$27.58), Toronto (\$18.98), and Mississauga (\$9.44).

Edmonton compared with six smaller cities

Seven cities participated in the measurement of their cultural investments between 2009 and 2012. Edmonton is the largest of these cities, with a 2011 census population of 812,200. The other cities are: Hamilton (519,900); Halifax (390,100); Saskatoon (222,200); Windsor (210,900); Richmond, B.C. (190,500); and Oakville (182,500).

The City of Edmonton's net investment in culture in 2012 (\$38.68 per capita) ranks second among the seven cities, behind Saskatoon (\$47.05) but ahead of the five other cities (\$31.85 in Richmond, \$24.10 in Hamilton, \$17.25 in Halifax, \$16.69 in Oakville, and \$15.30 in Windsor).

The growth in cultural investment in Edmonton between 2009 and 2012 (23%) is fifth among the seven cities, ahead of Hamilton (17% increase) and Halifax (where there was a 5% decrease). The changes in cultural investments in the other cities were 76% in Saskatoon, 53% in Oakville, 39% in Richmond, and 33% in Windsor*. (**Windsor's investments in 2009 were somewhat lower than normal because of a strike by municipal staff in that year. This would inflate the rate of change in Windsor between 2009 and 2012.*)

In all seven cities, the average increase between 2009 and 2012 was 34%. Operating expenditures increased by 16%, and grants increased by a similar amount (15%). Because of major investments in some cities, capital expenditures doubled in the seven cities between 2009 and 2012.

Section 1: Introduction

The main goal of this study is to quantify the City of Edmonton's current investment in the arts, culture, and heritage using established methodology and definitions. Another important goal is to track whether the level of investment has increased or decreased since 2009.

Benchmarking of cultural investment levels can help municipal representatives understand how their city compares with other municipalities across the country. This information can be very useful, given the growing recognition that local investment in culture contributes to economic and social development. Culture has myriad social connections, including strong relationships with education, citizens' social engagement, volunteering, and improved health. As noted in Edmonton's cultural plan, "What holds us together are art, culture and heritage, those things that identify us, inspire us, comfort us, move us, motivate us and join us together in our humanity".

Included in this study: operating, grant and capital expenditures related to ...

- *performing arts*
- *visual and media arts*
 - *crafts*
 - *design*
 - *museums*
 - *heritage*
 - *special events*
- *multidisciplinary activities*
- *creative and cultural industries*
- *city-owned cultural facilities*
 - *cultural districts*
 - *public art*
- *other art purchases*

Via the Creative City Network of Canada, Hill Strategies Research approached staff members from a number of cities to see if they were interested in a custom study of cultural investments for four fiscal years (2009, 2010, 2011, and 2012). Seven cities decided to participate in this year's data capturing effort: Richmond, Edmonton, Saskatoon, Windsor, Hamilton, Oakville, and Halifax.

The project is modelled on a similar study conducted for five of Canada's largest cities (Vancouver, Calgary, Toronto, Ottawa and Montreal)³ as well as a separate study for the City of Mississauga.

No data currently covers municipal cultural spending in any detail, as Statistics Canada's *Government Expenditures on Culture* dataset only provides an estimate of cultural spending in *all* Canadian municipalities, with no breakdowns by municipality and only limited breakdowns by type of spending. Furthermore, Statistics Canada has discontinued the *Government Expenditures on Culture* survey.

³ *Municipal Cultural Investment in Five Large Canadian Cities*, Hill Strategies Research Inc., January 2012.

Section 2: Local cultural plan and non-financial supports

As context for the analysis of financial support for the cultural sector in the next section of the report, this section contains brief information about Edmonton’s cultural plan and other cultural initiatives.

Edmonton Arts Council staff members provided Hill Strategies with documents and web links providing information about Edmonton’s plans and non-financial supports for the cultural sector. Hill Strategies reviewed this information and created the following description, which covers:

- Unifying nature of the arts, culture, and heritage
- Cultural plan: The Art of Living
- Other cultural initiatives
- Indirect supports for culture

Unifying nature of the arts, culture, and heritage

As noted in Edmonton’s cultural plan, “What holds us together are art, culture and heritage, those things that identify us, inspire us, comfort us, move us, motivate us and join us together in our humanity”.

Edmonton Heritage, Archives, and the Arts

http://www.edmonton.ca/city_government/heritage-archives-arts.aspx

Cultural plan

Edmonton’s 2008 cultural plan, entitled the “Art of Living”, was prepared by the Edmonton Arts Council and approved by Edmonton City Council in April 2008. The overarching objective of the Art of Living was to “promote Edmonton as an arts and cultural center and encourage recreational, cultural, artistic and entertainment opportunities for all residents”. The plan provided a long-term foundation for cultural development in Edmonton, covering the period from 2008 to 2018.

As noted in a five-year update regarding the cultural plan, the Art of Living worked toward “the creation of a sustainable and progressive cultural environment in Edmonton – an environment that integrates culture into everyday life and one that strives to retain and attract cultural practitioners”.

Based on extensive public and stakeholder consultations, the Art of Living made 28 recommendations, including 17 related to the arts and 11 related to heritage.

The 17 recommendations in the arts concerned:

- Space.
- Education and mentoring.
- Grants and other sources of revenue.
- Recognition.
- Further integration of the arts into the civic fabric.

The 11 heritage recommendations related to:

- Heritage climate and development.
- Preservation.
- Interpretation.
- Museum advancement.

Community consultations related to the cultural plan revealed aspirations for a heritage body similar to the Edmonton Arts Council. In 2009, the Edmonton Heritage Council was created. After its creation, the remaining 10 recommendations related to heritage became the responsibility of the Edmonton Heritage Council. The Edmonton Arts Council, on behalf of the City, is the lead body for the 17 arts-related recommendations.

Edmonton Cultural Plan: The Art of Living (2008)

http://www.edmonton.ca/city_government/initiatives_innovation/art-of-living.aspx

Other cultural initiatives

Along with implementing the recommendations of the cultural plan, other important local initiatives related to the cultural sector include:

- Development of a Public Art Master Plan.
- Living Local Initiative.
- TIX on the Square store expansion.
- Cultural Diversity in the Arts Awards.
- Historian Laureate.
- Mayor's Celebration of the Arts.
- Multicultural Outreach.

Indirect supports for culture

In addition to its direct financial support for culture, the City of Edmonton and the Edmonton Arts Council also provide significant indirect or non-monetary supports for the sector, including:

- Property tax exemptions for not-for-profit organizations that own their facilities (value of over \$2.5 million in 2012).
- Nominal rents for some not-for-profit arts, culture, and heritage organizations (value of over \$3.5 million in 2012).
- In-kind services for festivals, special events, film, etc. (e.g., permits, fire, police, EMS, waste management, transit, etc.).
- Creation of the Historian Laureate position in 2010 (to complement the existing Poet Laureate position).
- Approval, development, and planning work related to cultural districts.
- Efforts toward ensuring that streets, parks and neighbourhoods are named after Edmonton artists.
- Careful re-working and re-wording of zoning bylaws to ensure that they help stimulate (not inadvertently create barriers for) arts activities.
- Density bonusing (i.e., allowing higher building density in return for community benefits).
- Community use agreements / public use of private spaces (e.g., a re-zoning condition allowing for cultural use of private space at a nominal rent). This practice became effective in late 2012.

Section 3: Edmonton's cultural investment

This section provides the overall dollar value and per capita calculation of Edmonton's financial support for the cultural sector in 2009, 2010, 2011, and 2012. Comparisons with other cities that participated in the data collection process are also provided here, based on per capita amounts using the 2011 census population.⁴

Definition and methodology

"Municipal cultural investment" includes operating, grant and capital expenditures related to the performing arts, visual and media arts, crafts, design, museums, heritage, festivals, special events, multidisciplinary activities, creative and cultural industries, city-owned cultural facilities, cultural districts, public art, and other art purchases.⁵ In cases where recreation or other facilities or squares are partially used for culture, a portion of the expenses has been included in the study.⁶

The definition used in this report bears many similarities to, but is slightly narrower than, what Statistics Canada measured in order to produce estimates of government spending on culture.⁷

Public libraries are an important community resource and often a venue for significant cultural activity. However, in Edmonton, as in many cities, public libraries are managed by a separate library board. For this reason, as well as to focus on other types of cultural investments, library expenditures are excluded from this study.

The data represent actual amounts spent in each year, not budgeted amounts.

The raw cultural investment data were compiled by Edmonton Arts Council staff members for 2009, 2010, 2011, and 2012, using the same definition of cultural services as other cities that have participated in this process. Arts Council staff held teleconferences with representatives from other participating cities and Hill Strategies Research to discuss the definition of culture before collecting and submitting their draft data. Kelly Hill of Hill Strategies Research closely examined the data submitted by Arts Council staff to ensure accuracy and consistency with

⁴ Population data from the 2011 census were used in order to ensure the comparability of the population estimates between the participating cities.

⁵ The detailed definition is provided in an appendix.

⁶ These expenses are allocated by the number of cultural events as a proportion of total events in the facility or by the square footage of spaces with a cultural use as a proportion of total square footage. The exception to this rule is local arenas, which have not been considered cultural facilities for the purposes of this report because they are most commonly used for large sporting events. It should be noted, however, that large-scale concerts and performances sometimes take place in arena facilities.

⁷ Key differences relate to the exclusion, in this study, of some heritage-related expenditures and the exclusion of library expenditures. These modifications are not intended to imply that excluded aspects of the definition are less important for creative-city building. Rather, the modifications reflect the simple fact that these items could not be reliably measured for this study. As noted in the introduction to this report, Statistics Canada's *Government Expenditures on Culture* dataset, which has now been discontinued, provided an estimate of cultural spending in all Canadian municipalities, with no breakdowns by municipality and only limited breakdowns by type of spending.

other cities. Some adjustments were made to the submitted data based on discussions between Hill Strategies and Arts Council staff members.

The cultural investment data capture both “gross” and “net” investment. Where accurate measurement is possible, gross expenditures include investment from the municipal tax base as well as other sources of funds (such as transfers from other levels of government for cultural projects or programs, revenues from ticket sales for city-owned or operated cultural spaces, rental revenues for city-owned cultural spaces, and sponsorships of city-managed cultural programs and events). In many cases, these other sources of funding were not available for this report.

Net investment represents what is spent on cultural programs and services from the municipal tax base. Net investment, which excludes other sources of funding or revenue, is the main focus of this report.

Data limitations

Per capita figures, although a widely used basis for comparison, are not a perfect comparator between cities, especially in cases where there is a large population disparity.⁸

Furthermore, municipal cultural investments tend to fluctuate from year to year. For example, a city that has made a major (but short-term) capital investment in a cultural facility may rank very highly for a short period of time but may not have the largest ongoing support for the cultural sector.

In addition to overall cultural investments per capita, two other key measurements are provided in this report to attempt to address these concerns: 1) operating and grant expenditures per capita (eliminating the effects of large capital spending); and 2) average annual investment per capita over the whole period (2009 to 2012).

In theory, another key indicator might be operating and grant expenditures on culture as a percentage of total municipal operating spending. However, cities in different provinces have significantly different financial responsibilities and therefore significantly different spending levels.⁹ As such, comparisons on this basis between cities in different provinces are not appropriate.

⁸ For example, a very small city that has a city-owned museum or performing arts centre might have much higher per capita cultural spending than a very large city with a broad range of cultural programs and services.

⁹ For example, take the cities of Saskatoon, Saskatchewan (population 222,200) and Windsor, Ontario (population 210,900). Despite their similar population levels, Saskatoon’s total spending in 2012 was approximately one-half of that of Windsor. The majority of this difference is due to the absence of spending on social and family services in Saskatoon. This is the largest line item in Windsor’s budget.

Over \$30 million – or \$39 per resident – invested in Edmonton's cultural sector in 2012

The City of Edmonton invested a net amount of \$31.4 million in the cultural sector in 2012, including \$9.6 million in operating expenditures, \$9.8 million in grants, and \$12.0 million in capital expenditures.

The City of Edmonton's investment represents \$38.68 per local resident in 2012 (based on the 2011 census population of 812,200). This includes \$11.83 in operating expenditures, \$12.07 in grants, and \$14.77 in capital expenditures.

Overall cultural investment increased by 23% between 2009 and 2012

The City of Edmonton's net cultural investment by increased from \$25.5 million in 2009 to \$31.4 million in 2012, a 23% increase.

Figure 2 shows that the City of Edmonton's investment in culture increased from \$31.41 per local resident in 2009 to \$38.68 in 2012.

While none of the figures in this report have been adjusted for inflation or population growth, the Consumer Price Index increased by 6% in Canada between 2009 and 2012, and population growth in Edmonton was approximately 7% during this timeframe.¹⁰

City of Edmonton grants increased substantially

Grants from the City of Edmonton to artists and to arts, culture, and heritage organizations increased from \$8.27 per resident in 2009 to \$12.07 in 2012. This 46% increase reflects the increase in operating, project, and artist grants as well as substantial capital grants in 2012. (Like all figures in this report, these changes have not been adjusted for inflation or population growth.)

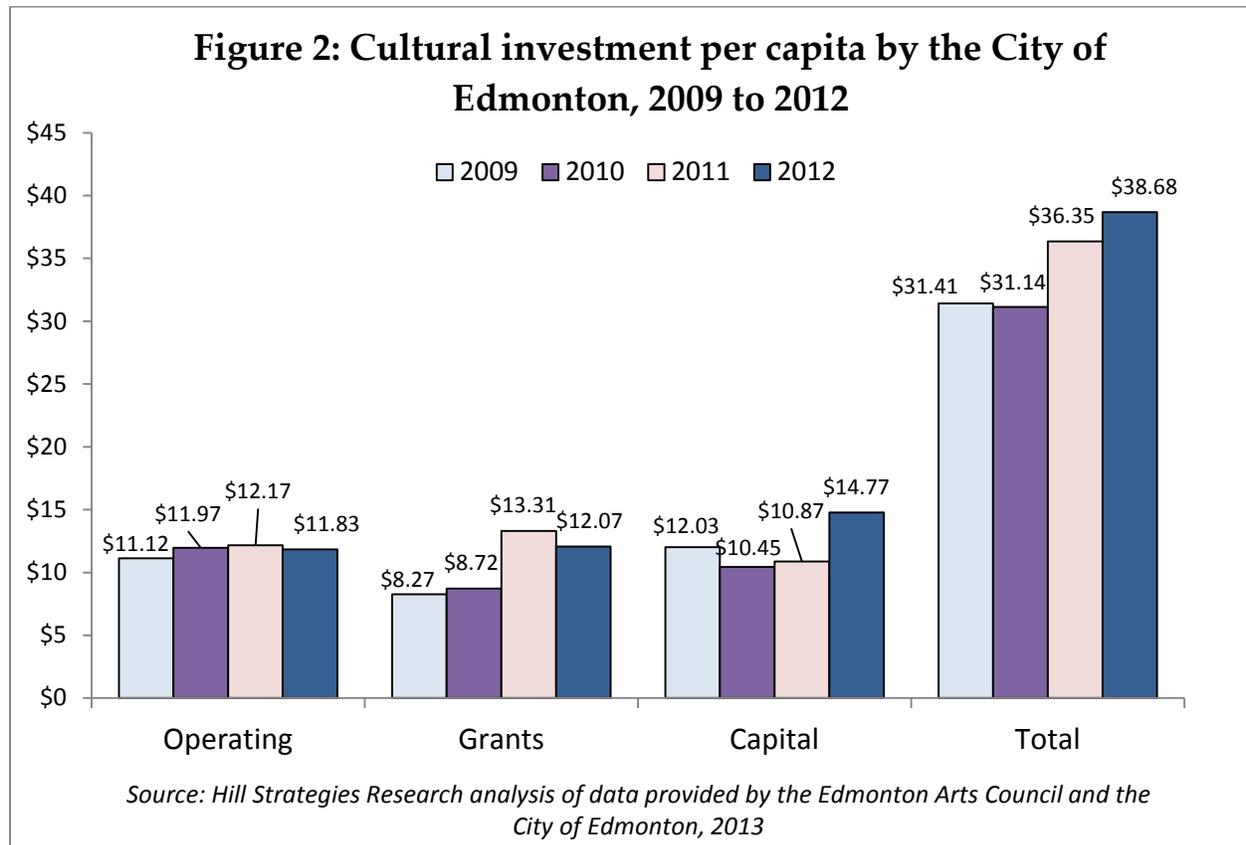
Edmonton operating and capital expenditures also increased

As shown in Figure 2, operating expenditures increased slightly, from \$11.12 per capita in 2009 to \$11.83 in 2012 (a 6% increase). While operating expenditures include administrative and staff costs, the largest components relate to City-owned culture and heritage facilities and activities, including Fort Edmonton, public interpretation activities at heritage sites, and the City Arts Centre.

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Readers should be aware that capital investments typically have significant peaks and valleys. Cultural investments via operating and grant expenditures may provide a better indicator of ongoing support for the cultural sector.



Figures 3 and 4 provide a breakdown of the City’s net investment in culture in 2009 and 2012. In both years, the City’s investment was relatively evenly split between the three major components.

As shown in Figure 3, capital expenditures represented the largest share of the City’s investment in the cultural sector in 2009 (38%), followed by operating expenditures (35%) and grants (26%).

Figure 4 shows that, in 2012, capital expenditures (39%) were slightly larger than grants (31%) and operating expenditures (30%).

¹¹ A growing need for capital refurbishment in the cultural sector has also been identified in reports such as *Under Construction: The State of Cultural Infrastructure in Canada*. Nancy Duxbury (Ed.). Vancouver: Centre of Expertise on Culture and Communities, Simon Fraser University (2008).

Figure 3: Breakdown of City of Edmonton cultural investment in 2009

Total: \$25.5 million

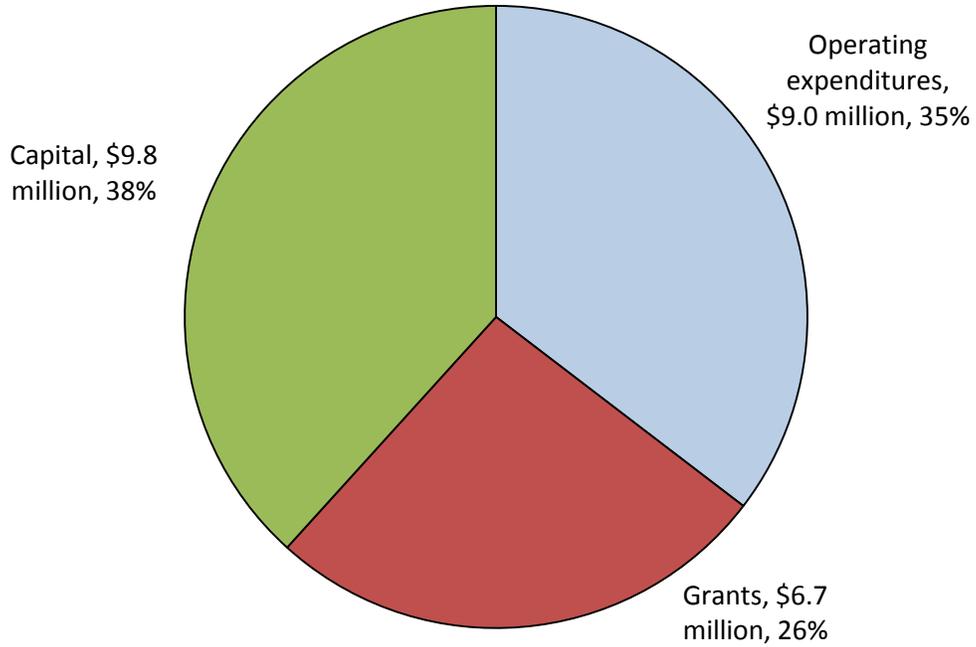
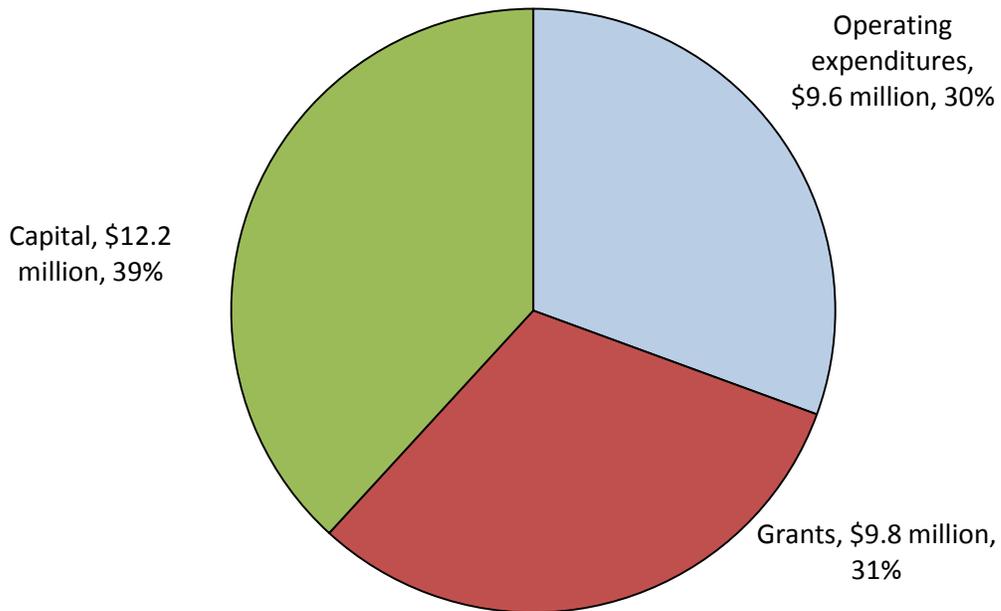


Figure 4: Breakdown of City of Edmonton cultural investment in 2012

Total: \$31.6 million



Source: Hill Strategies Research analysis of data provided by the Edmonton Arts Council, 2013

Edmonton's cultural investments compared with other cities

Only a limited number of cities have conducted this type of measurement of their municipal cultural investments. As such, the pool of comparison cities is somewhat limited.

Edmonton compared with six other large cities

Five cities participated in the initial study of cultural investments between 2006 and 2009. Following the publication of the initial report, the City of Mississauga undertook a process of measuring their cultural investment between 2008 and 2011. Given the availability of their data for at least one identical year, these cities are potential comparator municipalities:

- Toronto (2011 census population of 2,615,100)
- Montreal (1,649,500)
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- Edmonton (812,200)
- Mississauga (713,400)
- Vancouver (603,500)

A proper comparison with the five cities in the original study requires two adjustments to the above analysis of Edmonton's per capita investment: 1) The focus is on 2009, the first year covered by this report but the only year in common with the previous study. 2) In order to be consistent with the previous study, Edmonton's population from the 2006 census is used, rather than 2011 census data.

Using the City's 2006 census population (730,400), Edmonton's level of investment in 2009 was \$34.93. Compared with the six cities, Edmonton would have been surpassed by Montreal (\$54.91), Vancouver (\$47.33), and Calgary (\$42.39) in that year. The cultural investment by the City of Edmonton in 2009 was larger than that by Ottawa (\$27.58), Toronto (\$18.98), and Mississauga (\$9.44).

Edmonton compared with six smaller cities

Seven cities participated in the measurement of their cultural investments between 2009 and 2012. Edmonton is the largest of these cities:

- Edmonton (2011 census population of 812,200)
- Hamilton (519,900)
- Halifax (390,100)
- Edmonton (222,200)
- Windsor (210,900)
- Richmond, B.C. (190,500)
- Oakville (182,500)

As noted above, the City of Edmonton's net investment in culture was \$38.68 per capita in 2012. This level of investment ranks Edmonton second among the seven cities participating in this study, behind Saskatoon (\$47.05) but ahead of the five other cities (\$31.85 in Richmond, \$24.10 in Hamilton, \$17.25 in Halifax, \$16.69 in Oakville, and \$15.30 in Windsor).

If capital investments are removed from the calculations, Edmonton invested \$23.90 via operating expenditures and grants in 2012. By this revised measure, Edmonton still ranks second among the seven cities, behind Saskatoon (\$27.21) but above Hamilton (\$19.50), Richmond (\$19.32), Halifax (\$16.66), Oakville (\$14.20), and Windsor (\$9.52).

Edmonton's per capita investments via operating expenditures (\$11.83) rank sixth among the cities. Operating expenditures in the other cities were \$23.43 in Saskatoon, \$14.89 in Hamilton, \$13.24 in Halifax, \$13.22 in both Richmond and Oakville, and \$5.87 in Windsor.

Edmonton's cultural grants (\$12.07) rank first among the seven cities. A strength of Edmonton's cultural granting system is grants to individual artists, which are not provided by any of the six smaller cities participating in this study. In 2012, per capita grants in the six other cities were \$6.09 in Richmond, \$4.61 in Hamilton, \$3.78 in Saskatoon, \$3.65 in Windsor, \$3.42 in Halifax, and \$0.98 in Oakville.

Capital expenditures in Edmonton (\$14.77) rank second among the seven cities on a per capita basis, behind Saskatoon (\$19.84). Capital expenditures in the other cities were \$12.53 in Richmond, \$5.79 in Windsor, \$4.59 in Hamilton, \$2.48 in Oakville, and \$0.59 in Halifax.

The growth in cultural investment in Edmonton between 2009 and 2012 (23%) is fifth among the seven cities, ahead of Hamilton (17% increase) and Halifax (where there was a 5% decrease). The changes in cultural investments in the other cities were 76% in Saskatoon, 53% in Oakville, 39% in Richmond, and 33% in Windsor*. (**Windsor's investments in 2009 were somewhat lower than normal because of a strike by municipal staff in that year. This would inflate the rate of change in Windsor between 2009 and 2012.*)

In all seven cities, the average increase between 2009 and 2012 was 34%. Operating expenditures increased by 16%, and grants increased by a similar amount (15%). Because of major investments in some cities, capital expenditures doubled in the seven cities between 2009 and 2012.

The amounts invested by each of the cities fluctuated from year to year between 2009 and 2012. For this reason, the average annual investment per capita was also calculated. By this measure, Edmonton ranks first, with an average cultural investment of \$34.39 over the four-year period, compared with \$32.36 in Saskatoon, \$23.52 in Richmond, \$23.51 in Hamilton, \$19.28 in Oakville, \$17.16 in Halifax, and \$12.49 in Windsor.

Full details: Edmonton cultural investment

Table 1 provides full details about the gross and net cultural investment by the City of Edmonton between 2009 and 2012, as well as the corresponding per capita amounts. Gross cultural investment in Edmonton increased from \$25.9 million in 2009 to \$31.9 million in 2012 (not adjusted for inflation or population growth). Where accurate measurement is possible, gross expenditures include investment from the municipal tax base as well as other sources of funds (such as transfers from other levels of government for cultural projects or programs, revenues from ticket sales for city-owned or operated cultural spaces, rental revenues for city-owned cultural spaces, and sponsorships of city-managed cultural programs and events). In many cases, these other sources of funding were not available for this report. Net investment – the main focus of this report – represents what is spent on cultural programs and services from the municipal tax base.

Table 1: Cultural investment by the City of Edmonton, 2009 to 2012
(2011 Census population: 812,200)

Type of investment	<i>Expenditures (\$ millions)</i>							
	Gross				Net			
	2009	2010	2011	2012	2009	2010	2011	2012
Operating expenditures	\$9.1	\$9.8	\$9.9	\$9.7	\$9.0	\$9.7	\$9.9	\$9.6
Grants	\$7.1	\$7.5	\$11.2	\$10.1	\$6.7	\$7.1	\$10.8	\$9.8
<i>Subtotal: Operating + grants</i>	<i>\$16.2</i>	<i>\$17.3</i>	<i>\$21.1</i>	<i>\$19.7</i>	<i>\$15.7</i>	<i>\$16.8</i>	<i>\$20.7</i>	<i>\$19.4</i>
Capital expenditures	\$9.8	\$8.5	\$8.8	\$12.0	\$9.8	\$8.5	\$8.8	\$12.0
Total (operating + grants + capital)	\$25.9	\$25.8	\$29.9	\$31.7	\$25.5	\$25.3	\$29.5	\$31.4
Type of investment	<i>Per capita expenditures</i>							
	Gross				Net			
	2009	2010	2011	2012	2009	2010	2011	2012
Operating expenditures	\$11.18	\$12.03	\$12.23	\$11.89	\$11.12	\$11.97	\$12.17	\$11.83
Grants	\$8.74	\$9.23	\$13.76	\$12.39	\$8.27	\$8.72	\$13.31	\$12.07
<i>Subtotal: Operating + grants</i>	<i>\$19.92</i>	<i>\$21.26</i>	<i>\$25.99</i>	<i>\$24.28</i>	<i>\$19.38</i>	<i>\$20.69</i>	<i>\$25.48</i>	<i>\$23.90</i>
Capital expenditures	\$12.03	\$10.45	\$10.87	\$14.77	\$12.03	\$10.45	\$10.87	\$14.77
Total (operating + grants + capital)	\$31.94	\$31.71	\$36.86	\$39.06	\$31.41	\$31.14	\$36.35	\$38.68
<i>Source: Hill Strategies Research analysis of data provided by the Edmonton Arts Council and the City of Edmonton, 2013</i>								

Appendix: Definition of municipal cultural investment

Division of cultural investments into gross and net expenditures

The data in this report captures both “gross” and “net” investments for operating, grant and capital expenditures on culture. The text of the report focuses on the net cultural investments, while detailed tables in the report also contain the gross investment figures.

Gross expenditures

Gross expenditures include investments from the municipal tax base as well as all other sources of funds that are used for cultural investments, including transfers from other levels of government for cultural projects or programs, revenues from ticket sales for city-owned or operated cultural spaces, rental revenues for city-owned cultural spaces, and sponsorships of city-managed cultural programs and events.

Net expenditures

In general, net investments represent what is spent on cultural programs and services from the municipal tax base. For the most part, net investments exclude all other sources of funding or revenue.

Local cultural funding does not have to come from property taxes to be included in the data. For example, proceeds from a hotel levy should be included, provided that there is municipal discretion involved in applying the levy and/or distributing the proceeds. These amounts could be included in performing arts, heritage, or other areas that are funded by the proceeds.

Net expenditures might also include some exceptional items related to discretionary municipal cultural investments. Because the decision-making process for investing the funds is at the discretion of the local city council (or individual local politicians) and is similar to the process of directing municipal tax revenues, these exceptional items are included in the net investment figures even though they do not come from regular tax revenues.

An example of discretionary municipal cultural investments relates to funds received in Ontario via “Section 37” negotiations with developers. These private funds, negotiated between the developer, the local councillor and city staff, are directed toward community benefits in return for higher density. In cases where these community benefits are allocated to cultural spaces and activities, these funds would be included in net municipal investments in culture.

Non-monetary (indirect) investments, such as property tax relief for not-for-profit cultural organizations, are excluded from the data.

Specific items included in the definition of cultural investments

Operating

Expenditures from the municipal operating budget on:

Live performing arts

- City-owned and/or city-operated theatres

Visual and media arts, crafts, and design

- Art purchases paid through the operating budget
- Public art development (Public art purchases should be included in the capital section.)
- Urban planning involvement in cultural programs such as public art or design
- Awards for urban design
- Most urban design expenditures are excluded from the study.

Museums and heritage

- Museum and heritage services
- Science-related museums
- Historic sites and heritage buildings that are used for cultural purposes (if city-owned or city-funded)
- Heritage planners or other similar staffers (who may work outside of the cultural services department but are dedicated to culture/heritage work).
- Heritage or historical archives (excluding archives related solely to city decision-making)

Cultural development, special events and multidisciplinary activities

- Cultural development
- Community arts / "Cultural mediation"
- Culture-dedicated centres
- Special projects (time-limited)
- Cultural festivals and special events (If these include cultural and non-cultural elements, only the cultural portion of these expenditures was included.)
- Cultural awards
- Parks board arts and culture program (only if a specific budget line identifies arts and cultural program expenditures within the Parks and Recreation budget, a parks agency or board of the municipality, or a parks arm's-length organization)

- Supplementary funding to schools for arts and music programming: Halifax, by Council decision-making, allocates amounts directly for school arts and music programs. This amount is included in operating expenditures.

Creative and cultural industries

- Film and TV development and support / film or screen-based media office (including arm's length organizations)
- Support to creative and cultural industries (animation, publishing, music, etc.)

General administration related to municipal cultural service delivery

- Management and administrative expenses related to the cultural services department's programs and services (such as wages, salaries, benefits and purchases of goods and services)
- Utility expenses for city-owned cultural facilities paid through the operating budget
- Consultants' fees for cultural projects

Grants

Expenditures from the municipal operating and/or capital budget on:

Live performing arts

- Funding of individuals and organizations in circus, dance, music, opera, and theatre. Includes grants administered by the municipal government and those administered by an arm's length organization.

Visual and media arts, crafts, and design

- Funding of individuals and organizations in visual and media arts, crafts, and design. Includes grants administered by the municipal government and those administered by an arm's length organization.

Museums and heritage

- Funding of individuals and organizations involved in museums, archives and built heritage. Includes grants administered by the municipal government and those administered by an arm's length organization.

Cultural development, special events and multidisciplinary activities

- Funding of individuals and organizations involved in multidisciplinary arts activities, cultural festivals and events, community arts (cultural mediation), arts education and leisure-time non-professional arts activities. Includes grants administered by the municipal government and those administered by an arm's length organization.

Creative and cultural industries

- Funding for interactive digital media was included by those municipalities that fund this type of activity through their cultural services department, typically via a screen-based media office.
- Funding of individuals and organizations involved in writing, publishing, radio, TV, broadcasting and sound recording. Includes grants administered by the municipal government and those administered by an arm's length organization.

Capital improvement grants

- Grants for capital improvements by cultural organizations in all disciplines. Includes grants administered by the municipal government and those administered by an arm's length organization.

General administration related to arm's length delivery of cultural grants

- Funding for the administrative expenses related to the arm's length delivery of cultural grants (such as arts councils).

Capital

Expenditures from the municipal capital budget on:

City-owned cultural facilities

- Annual maintenance and repair of city-owned cultural facilities
- Major renovations of city-owned cultural facilities
- One-time or emergency capital expenditures on city-owned cultural facilities
- Capital expenditures related to historic / heritage buildings that have a cultural use

Cultural districts

- Development and revitalization of cultural districts. Excluded are any costs for revitalization of historic neighbourhoods or squares.

Public art, other art purchases, and maintenance costs

- Purchase or development of public art that resides on public spaces
- Other art purchases
- Plaques and statues maintained by the city's cultural services department

Specific items excluded from the definition of cultural investments

All other city expenditures are excluded from the study. In particular, expenditures on the following items are excluded.

Exclusions from operating and grant expenditures

Inter-departmental costs such as finance, human resources and corporate marketing

- Operating 'overhead' or costs associated to the running of the office that are paid by other departments such as Finance, Human Resources, Corporate Marketing, etc.
- Operating expenditures from other city-run departments, boards, agencies or commissions such as economic development, social services, planning, transportation, water, fire, police, public transit, etc., unless there is a line item for arts and cultural expenditures (as may be the case with public art or heritage planning).
- Expenses for culture-related tourism marketing initiatives are only included if the initiatives are managed by cultural staff members, not a tourism or economic development office.

Zoos and aquariums

- Zoos and aquariums were excluded from the study frame because they are typically managed by a separate entity that does not have a close link with the cities' cultural services departments.

Recreation, sports, nature parks, horticulture and agriculture

- Community or recreational centres offering cultural leisure / sports programs (other than the culture-dedicated centres noted above in the inclusions)
- Non-professional arts training in community centres are excluded (as per the above bullet point). Often, these expenditures are quite small and difficult to separate from non-cultural expenses in the same locations.
- Cultural events in municipally-owned sports venues (hockey arenas, etc.): Because arenas are most commonly used for large sporting events, expenses on concerts and other performances held in municipally-owned arenas are excluded from the data.
- Major events that are predominantly sports-related in nature. An example is the Calgary Stampede, which is largely a sporting event and was not included in the large cities study (based on the narrower definition of "culture" used in the report).
- Nature parks
- Horticultural societies
- Agricultural exhibitions, centres and fairs

Other exclusions

- Tax exemptions and in-kind services
- Religious organizations

- Language training
- Development and promotion of languages
- Non-cultural Aboriginal activities

Exclusions from capital expenditures

Exceptional capital investments

- Large capital investments for which a full accounting of the net costs was not available during the timeframe of the study.
- Exceptional capital investments meet the following criteria: 1) The net expenditure for the cultural capital project is at least as large as the city's other net capital expenditures for cultural purposes within the same fiscal year; 2) Financing for the capital project is complex and occurs over more than one fiscal year; and, most importantly, 3) Financing for the capital project was not finalized within the timeframe of the fiscal years analyzed in the study.

Certain expenditures on historic or heritage buildings, facilities, neighbourhoods, or squares

- Capital expenditures related to historic or heritage buildings with a non-cultural use
- Restoration costs for heritage buildings for which the future use is unknown (i.e., may or may not have a cultural use).
- Costs for revitalization of historic neighbourhoods or squares
- *Note: While these items could certainly be considered cultural expenditures, there were significant disparities in the original study between Montreal and the four other cities in terms of expenditures on these items, partly because Montreal is a much older city than the four others.*

Public art on privately-owned spaces

- Capital expenditures related to public art that resides on private spaces (typically purchased by private developers through a municipal requirement or incentive policy). However, the gross spending figures include some rare cases where privately-commissioned public art works reside on public spaces.

Plaques and statues maintained by other city departments

- Capital expenditures related to plaques and statues maintained by other city departments