



# INFORMATION REPORT

<b>TO:</b> Mayor and Members General Issues Committee	<b>WARD(S) AFFECTED:</b> CITY WIDE
<b>COMMITTEE DATE:</b> October 11, 2011	
<b>SUBJECT/REPORT NO:</b> Creative Catalyst; Economic Development Initiative Capital Project 3620908900 (PED11173) (City Wide)	
<b>SUBMITTED BY:</b> Tim McCabe General Manager Planning and Economic Development Department	<b>PREPARED BY:</b> Jacqueline Norton 905-546-2424 Ext 4122
<b>SIGNATURE:</b>	

**Council Direction: N/A**

## Information:

The Creative Catalyst project has been an ongoing initiative since August 2008 when the Imperial Cotton Centre for the Arts approached the City with a proposal to develop a major creative space in downtown Hamilton.

Subsequently, with Council approval (November 2008), a consultant was hired to help develop the project and set priorities. The Consultants Report was presented to Economic Development and Planning Committee in December 2009. The Report outlines some key findings and recommendations for the Creative Catalyst and three of the major findings were:

- A Creative Catalyst is not only feasible, but is a tremendous opportunity for Hamilton;
- The Creative Catalyst should focus on three key industries: Music, Film, and Digital Media; and,

- The development of the project should be linked to a major education anchor to ensure success.

These findings and the rest of the Consultant's Report provide valuable information about Hamilton's creative community and the priorities of this Report will serve us well in development of this sector in the future.

To move this project forward, staff requested an additional allocation of \$500,000 for the Creative Catalyst Project. These funds were to be used to develop the corporate structure and financial model, identify partners and funders, and secure space to be used as a home for the Catalyst.

This Report was referred back to staff for a report back to the Committee of the Whole regarding a governance model for the project and a signed commitment from project partners (approved by City Council on July 8, 2010).

As per Council's direction in July 2010, staff began working with key participants and potential partners to create a detailed plan to move the project forward and to come back to the Committee of the Whole (now General Issues Committee) with a full report including governance and funding models for this project.

A governance model would outline the project and the relationships between the partners and participants. Potentially, these partners might include the City of Hamilton, the Imperial Cotton Centre for the Arts, McMaster University, and the Digital Gaming Institute called Eight, Mohawk College and others. The funding model would outline the City's financial role in this project and identify other potential funding partners which might include the Provincial government, Trillium Foundation, the Hamilton Community Foundation, and others, including other Hamilton Arts and Culture groups.

In accordance with the Creative Catalyst Consultants' Report prepared in 2009, staff have been focusing their efforts on finding an educational or cultural institution which would serve as an anchor for the Creative Catalyst. Eight, the digital gaming institute, announced in 2010, offers a perfect fit with these goals and priorities of the Creative Catalyst, bringing technology students and jobs to Hamilton's core.

To date, the partners in Eight have continued to search for an appropriate site downtown for their Institute but have not been able to narrow down the search and make a commitment to a space as yet. In the meantime, a decision has been made by the Eight partners to move all of this institute downtown, rather than splitting it between MIP and downtown as earlier planned. This will be of major benefit for downtown, bringing jobs and students to the core of the City.

This recent decision provides a very unique opportunity for the City, since Eight could potentially function as a Catalyst in itself. The key components of Eight include a Gaming Institute as well as a Training and Education Division.

Because of this, the Catalyst discussions and coordination have been set aside in favour of a more defined focus on Eight and all of its components. It is anticipated that Eight would locate in a downtown building with space for other related businesses to locate near them. These businesses would include gaming and animation companies or companies that supply goods and services to gaming and animation companies. Companies that have already moved here recently such as Pipeline Studios, Chuck Gammage Animation, and Elliott Animation are good examples of the types of companies that staff will target to encourage relocation to Hamilton.

Therefore, the focus of the project has shifted more heavily towards the education component/anchor and on to digital media. This is an important shift because Eight then becomes the driver of this catalytic project and the City is able to play a smaller although significant role in the building of a catalyst downtown. Staff can foresee the City's role being limited to a small amount of seed funding or a forgivable loan based on achieving certain downtown and business development milestones rather than being a major financial partner in the Creative Catalyst project.

In this regard, staff will be coming back with a comprehensive report, including recommendations to:

1. Not implement the Creative Catalyst Project as previously recommended to Council,
2. Continue working with Eight and all of the partners to bring this institute downtown,
3. To reserve funds within the Economic Development Initiative Capital Project (\$500,000) for Eight and other related creative projects (with partners such as the Innovation Factory, Eight, McMaster University, Mohawk College, the Art Gallery of Hamilton, the Cossart Exchange and others),
4. To seek out matching funds for these creative projects from other funding sources and levels of government, and
5. To develop a formal agreement with Eight if it is determined that City involvement is essential to moving the project forward.

JN/dt