

BACKGROUND:

Arts and culture play a pivotal role in the economic life of any urban city. Toronto, the cultural capital of Ontario, is no different from other major urban cities of North America that strive on their culture, heritage and arts. As a major economic engine, the cultural industry provides over 190,000 cultural jobs in Toronto and generates about \$9 billion of gross domestic product each yearⁱ. In spite of these numbers, Toronto has suffered a steady decline in funding from the government. Lack of commitment by the government towards the arts is costing the city enormously. After a decade long economic boom, Toronto has embarked upon major renovation projects dubbed as the 'Cultural Renaissance' to invigorate its cultural sector and tourist industry after the events of 9/11, SARS and Blackout in 2003. In May 2002, the federal and provincial government committed approximately \$233 million for seven capital projects as a part of the *SuperBuild* project. This infusion of money is provided for major renovation and physical expansion projects at the Royal Ontario Museum, Art Gallery of Ontario, Canadian Opera Company, National Ballet School, Roy Thompson Hall, Royal Conservatory of Music and Gardiner Museum of Ceramic Art.ⁱⁱ These dynamic projects are intended to regenerate the cultural district and put Toronto on the tourist map once again. However, these projects are finally blossoming at a time when cultural institutions have long struggled with their financial situations.

ISSUE:

The 'cultural renaissance' flagship projects are ambitiously aiming to revive Toronto's cultural status and economy. However, this expensive renovation period of about 4-5 years strained with reduced government funding and partial venue closures can jeopardize the future existence of these cultural institutions. This position paper will primarily focus on two of the leading capital projects: *Transformation AGO* and *Renaissance ROM*.

COUNTER ARGUMENTS:

City officials and leaders of these cultural institutions are optimistic about the capital projects and consider this redevelopment schemes as a part of urban regeneration of Toronto. Most of these institutions feel they will be able to provide a quality service to their audience. For instance, *Transformation AGO* is projected to:

- 20% increase in overall building size
- 40% increase in space for viewing art
- 121% increase in Canadian galleries
- 3.8 million generated in annual tax revenues
- 40% increase in attendance in the future years ⁱⁱⁱ

These enhancements will enable AGO to display a wide range of its collections and attract a much larger audience number. On the other hand, *Renaissance ROM* is also estimated to increase display area, expand public programs, upgrade public amenities and generate more audience. This master plan for museum's growth will add 40,000 square feet of new galleries and provide star cultural attraction for the city. Both institutions are striving for more donations and funding to prosperously continue onwards with these expansion projects. The fundraising committee at ROM is extremely optimistic that they be able to generate more money apart from government grants. According to Development Officer Vanessa Abraya at ROM, the individual and corporate donations to ROM have been steady and membership revenues have not declined since construction started at ROM. ^{iv}

KEY ARGUMENTS:

Expansion Costs:

The government funding for these seven face-lift projects is only \$233 million which is diminutive compared to the proposed scale of these seven projects. Just the estimated cost for Frank Gehry's *Transformation AGO* and Daniel Libeskind's *Renaissance ROM* is \$194.8 and \$200 million respectively.^{i&v} Considering the limited funding received from government, will ROM and AGO be able to even cover their expansion costs? Especially when capital projects cost often inflate from their original estimate. The last AGO expansion project in 1993 was estimated to cost \$34 million but ballooned to \$60 million.^{vi} Ironically, AGO still owes 6 million of the previous Stage III construction.^{vii} In previous years, Frank Gehry's projects costs have been known to notoriously augment to almost twice of the estimated cost.^{viii} Embarking upon these extensive projects when financial situation is stressed with net deficits incurred in the last two years, puts AGO in a very precarious position.^{ix} These costs are even harsher to bear considering the constant decline in government funding and the latest trends in Canadian art and cultural donations. Since 1997, the number of donors to arts and cultural organizations in Canada has decreased by 21%.^x This change is imperative to both of these organizations because they heavily rely on government funding and generous support of their donors. Both ROM and AGO have encountered a constant decline of funding from various government sources over the last five years^{xi}. These numbers makes one wonder if these institutions will be able to make through the expansion projects and live to tell. This reality also begs for developing a contingency plans to sustain these capital projects otherwise ugly truth emerges 10-20 years from now in the form of pile of rubble.

Maintenance Costs:

Maintaining these elaborate sky-scraping structures is another major expense. According to Erin Webster, ex-staff member of AGO, the massive use of glass in both structures will require meticulous maintenance and utmost care so that the gallery's items are protected from damage caused by sunlight and temperature. Conscientious upkeep such as maintaining special UV rays protective coating demands more money.^{xii} Will ROM's crystal building and AGO's glass canopy hold the audience in awe or will it be another leaking misfortune like the one encountered by the National Gallery of Ottawa.^{xiii}

Employment - Economical Realities:

The economical realities are imperative to consider at this point because during this period of construction and gallery closures, some of institution staff might have unfortunately be laid off and attendance numbers can suffer considerably. AGO's groundbreaking is planned for 2005 but it has already cut 29 staff positions, cut school educational programs as well as eliminated traveling exhibitions within Ontario. ROM has also eliminated 20 full-time equivalent positions since last year. AGO laid off 244 staff members during the last expansion project at AGO from 1989-1993. The gallery partially operated except for seven months of complete closure in 1992.^{xiv}

Audience numbers:

A majority of these institutions are overtly ambitious about the increase in their audience numbers. Both the ROM and AGO are projecting an increase of 30-40% in their audience numbers after the grand opening^{i & ii}. But what about the drop in attendance and membership

numbers during this period of construction? The attendance figures at AGO have considerably deteriorated (more than 3% per year) since 1998.^{xv} The last time ROM underwent complete closure for about 18 months in 1981, their annual attendance fell from 1 million to 600,000 and it took over two decades to get the number to its previous mark.^{xvi} Therefore, inflated expectations of target audience number are likely to be detrimental to the future sustenance of these institutions.

Construction period:

The expansion projects are estimated to continue for the next 4-5 years which means partial closures within the institutions, construction rubble, traffic congestion and parking problems for these busy downtown neighborhoods. Even though ROM is partially operating at the moment and presenting some excellent exhibitions such as *External Egypt*, the visiting experience is strained with awful construction noise that echoes throughout the building. These conditions are most likely to dissuade attendees rather than encouraging them to visit the partially open venues. Has ROM even considered the future implications of this discouraging visitor experience and the financial costs involved.

CONCLUSION:

There are serious financial and economical implications behind this rosy picture painted by media and institutions of the 'cultural renaissance'. It is likely that these seven expensive capital projects will be hard to sustain considering the funding support from various sources. The City is still in recovery phase after SARS and 9/11 and embarking upon these projects simultaneously within the next 4-5 years is very overly ambitious. Construction work, noise, laid-off employees and cutback in educational programs will have a serious impact on the social life and economy of Toronto.

Recommendations:

It is important for these institutions to cultivate successive partnerships with the political leaders and the private sector; so that the 'cultural renaissance' projects promises may be stillborn. According to a report by the Harvard Business School, often the success of cultural revitalization projects depends on establishing a dense network of ties between major social, political, business and special interest groups in the community because projects of this scale cannot be carried out by one group only. Also, positive media coverage is vital in creating public interest in and maintaining the momentum for developing these projects. Cultural rehabilitation projects need to be linked to other redevelopment projects i.e. festivals, shopping malls to enable justification for funding.^{xvii} It is also important to develop contingency plans to sustain these capital projects otherwise ugly truth emerges 10-13 years from now in the form of pile of rubble. The cultural institutions along with provincial government might also consider conducting a comprehensive research regarding the long term effect of these capital projects. This research would prevent mistakes and bankrolling of millions of dollars into a capital projects that would require extensive maintenance and maybe further renovations in another 10-12 years.

ENDNOTES:

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- ⁱ “Cultural Plan: for the Creative City”. City of Toronto, Economic Development, Culture & Tourism, Culture Division. September 2003. Retrieved 14 February 2004. <http://www.city.toronto.on.ca/culture/brochures/2003_cultureplan.pdf>.
- ⁱⁱ “Transformation AGO”. Art Gallery of Ontario. Retrieved 15 February 2004. <<http://www.ago.net/transformation/project-facts-building.cfm>>.
- ⁱⁱⁱ “Renaissance ROM”. Royal Ontario Museum. Retrieved 16 February 2004. <<http://www.rom.on.ca/renaissance/support.php>>.
- ^{iv} AGO FACT SHEET. Retrieved 18 February 2004. <http://www.ago.net/transformation/about-about_the_ago.cfm>.
- ^v Abray, Vanessa. *Development Officer at ROM*. Personal Interview. 27 February 2004.
- ^{vi} Adams, James. “Protestors to greet Gehry’s unveiling”. The Globe and Mail. 27 January 2004. Retrieved 29 February 2004. <<http://www.theglobeandmail.com/servlet/ArticleNews/TPStory/LAC/20040127/AGO27/TPEntertainment/TopStories>>
- ^{vii} Adams, James. “Star architect’s AGO design ‘thoughtful’, not splashy”. The Globe and Mail. 29 January 2004. Retrieved 27 February 2004. <<http://canada.archiseek.com/news/2004/000032.html>>.
- ^{viii} “Gehry’s Disney concert hall”. Architecture Week. 17 December 2003. Retrieved 2 March 2004. <http://www.architectureweek.com/2003/1217/design_1-2.html>.
- ^{ix} “Annual Report 1998-2003”. Art Gallery of Ontario. Retrieved 3 March 2004.
- ^x “Donors to art and cultural organizations in Canada”. Hill Strategies Inc. 28 January 2004. Retrieved 27 February 2004. <http://www.hillstrategies.com/docs/Donateurs_rapport.pdf>.
- ^{xi} “Annual Report 1998-2003”. Royal Ontario Museum. Retrieved 3 March 2004.
- ^{xii} Webster, Erin. *Professor at University of Toronto*. Personal Interview. 27 February 2004.
- ^{xiii} Cook, Maria. “A crown of glass”. The Ottawa Citizen. Retrieved 3 March 2004. <<http://www.canada.com/ottawa/ottawacitizen/news/story.html?id=d5700b8e-60dc-44ca-829f-b18083ad4f12>>.
- ^{xiv} “AGO History fact sheet”. Art Gallery of Ontario. Retrieved 27 February 2004. <<file:///L:/newlibweb/building.cfm>>.
- ^{xv} “Annual Report 1998-2003”. Art Gallery of Ontario. Retrieved 3 March 2004.
- ^{xvii} Hannigan, John. (1998) *Fantasy City: Pleasure and Profit in the Postmodern Metropolis*, London: Routledge.

Both organizations heavily rely on government money. Considering funding limitations will ROM and AGO have enough to cover their expansion cost. Does ROM and AGO have contingency plan to cover financial crisis.