



> >> Editorial

The Agglomeration Council: Just what Montreal needs

*By Benoit Labonté, president and CEO
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The most positive outcome of the upheaval surrounding the referenda results of June 20 is without a doubt the impending creation of the Agglomeration Council.

Provided for by the Quebec government in Bill 9, the Agglomeration Council is both a pragmatic and necessary response to the need to preserve, in a context of demergers, the strategic functions required for the development of a true metropolis. It will therefore be incumbent on the Council to manage the “urban agglomeration powers,” in other words, powers pertaining to matters that must be administered island-wide in order to be effective, intelligent, visionary and equitable. Some of these matters are fundamental for a large international metropolis, for example, economic development, the environment, water supply management, the road system, mass transit, the Conseil des Arts, public security, property assessment, and the major equipments and infrastructures of collective interest.

Thus, in the absence of an island-wide city, the Agglomeration Council takes on all its significance. Indeed, it is through this body that Montreal will be able to develop, realize its aspirations to become a metropolis and effectively compete against the other large cities of the world. And since the Council is so necessary, it is vital that it be as effective as possible.

Thanks to the sound, practical judgment exercised by the Minister of Municipal Affairs, Sports and Recreation in forming the Council, past errors of the now defunct Montreal Urban Community (MUC) will be averted. Indeed, the latter had shown just how difficult it is to manage common resources when everyone at the table is only looking to defend their local interests. Constrained by the double majority required, the MUC was all too often paralyzed by a method of operation that fostered obstruction rather than compromise and a vision of the future.

Under the current circumstances, the new Agglomeration Council – where decisions will be made by a simple majority – is the decision-making body most apt to exercise the decisive leadership, coherence and cohesion Montreal needs. And because this council represents nearly 90% of the island’s population, the Mayor of Montreal – who will chair the Council – will have all the legitimacy he needs to exercise this leadership.

For these reasons, it is important that the Agglomeration Council assume the form provided for in Bill 9. Montreal is at a critical juncture in its history: despite its numerous assets, it has limited resources to leverage them. Only a strong leadership that is sensitive to Greater Montreal’s interests will be able to make the tough decisions required for Montreal to catch up, something it desperately needs to do.

We currently rank last in terms of per capita GDP among North America’s 26 major cities. In the coming years, the demographic slowdown will affect Montreal more quickly than most of its counterparts. Consequently, we will have to, among other things, excel in attracting and retaining talent, a task that will be all the more difficult if Montreal cannot offer an exceptional blend of economic and cultural vitality, a good quality of life and an appealing environment.

Because this is a body that can harness the energy of all the stakeholders on the island and equitably share the costs, where bickering and thinly spread resources will have no place, and where a unified vision of Montreal’s development will prevail, the Agglomeration Council is a vehicle that, more than any other, can help Montreal rapidly make the urgent strides it needs.

Consequently, we must staunchly oppose any changes to the structure of this Council. Its simple mechanisms are precisely what will make it work; indeed, even the slightest tinkering with the way it operates could leave us with a vehicle stuck in neutral, or even worse, running in reverse.

> >> Trends

TOHU the Cité des arts du cirque The revitalization of a district through culture and the environment

The launch last June of the activities of TOHU – the first permanent stage in Canada designed specifically for the presentation of circus shows and acts – marked the successful conclusion of much more than a cultural project. Indeed, this was a multifaceted enterprise that has already had a considerable impact on the environment in which it was established – the Saint-Michel district.

Meeting a growing demand

Plans to create a Cité des arts du cirque were of course inspired by the international success of the Cirque du Soleil in the 1990s.

“There was a real infatuation with the circus here, but the demand far exceeded the supply because there was a shortage of circus infrastructures,” recalls Charles-Mathieu Brunelle, executive vice-president and general manager of TOHU. “So we needed to create a dynamic favourable to the promotion of the circus through high-quality infrastructures.”

TOHU, the new Cité des arts du cirque and the not-for-profit organization behind it, was created in 1999. But much remained to be done: the rehabilitation of the Saint-Michel Environmental Complex, once the second largest urban waste disposal site in North America; the development of infrastructures, the expansion of the Cirque du Soleil’s international headquarters; the construction of various facilities, including an artists’ residence, and a circular stage with variable geometry.

In all, the project required investments of \$73 million, financed by the Quebec government, the city of Montreal, the Cirque du Soleil, and private sources.

A social mission

This vast Cité des arts du cirque located at the corner of Jarry and d’Iberville streets provides direct employment for almost 2,000 people and generates enormous economic activity. It is thus an extraordinary development pole for a district whose population is known to have the lowest income level of the city’s 27 boroughs.

TOHU’s management insists that local residents must be the first to benefit from this new hub of activity. “We want to ensure that our host community benefits as much as possible from the spin-offs from our presence,” affirms Brunelle. “For example, all the members of our reception staff come exclusively from the Saint-Michel district.”

Within the organization, there is also a clear commitment to the social economy. “Whenever possible, we give contracts to social economy companies,” he adds. “That’s why the Cité des arts du cirque gave Productions Jeune’est, a not-for-profit organization, the mandate to train TOHU’s stage technicians. Maintenance of the 300,000 square foot site is handled by Coopératout, another social economy company.”

TOHU is also well-disposed toward young people. “Our approach is based on inclusion and social reinsertion,” explains Brunelle. “We work closely with social workers in the Saint-Michel district to help young people in difficulty, especially school drop-outs, launch a career with us.”

Private partners

This firm commitment to the social economy has not stopped certain private companies from being closely involved with TOHU. This is particularly true of SSQ Financial Group, which has become the organization’s major private partner. “We emerged from a working-class neighbourhood of Quebec City,” notes Richard Bell, president and CEO of SSQ Financial Group. “So TOHU represents the type of social involvement we are looking for, involving a combination of protecting the environment, promoting culture, and revitalizing a neighbourhood. I didn’t have to twist the arms of board members to invest in this project.”

The Quebec City company, which believes its involvement in TOHU will also give it more visibility in Greater Montreal, fully supports the objectives of the organization. “We are convinced this project can inject new life into a disadvantaged neighbourhood like Saint-Michel. We believe in it, partly, because, in Quebec City, we saw the enormously successful revitalization of the Saint-Roch district, which was also based on cultural initiatives.”

Sustainable, high-quality development

The Cité des arts du cirque now stands on a firm foundation and its future looks bright. “So far, more than

32,000 people have attended our various events,” declares Brunelle. “And we’ve already exceeded expectations in terms of overall economic development.” According to TOHU’s calculations, the project has already generated about \$70 million in gross domestic product, or \$45 million in salaries and almost \$25 million in taxes for the three levels of government.

But, above all, TOHU believes the project has contributed significantly to the identity and self-esteem of residents of the Saint-Michel district. “There’s a sense of optimism here now,” concludes Brunelle. “It’s the sign of sustainable, high-quality development to come.”

> >> International trade

Exporting cultural products

The golden rule: Be well prepared and know how to target your markets

The cultural sector occupies a growing place in the Canadian economy, with sales now surpassing \$22 billion. It is not surprising then that, between 1996 and 2002, exports of Canadian cultural products soared to \$5 billion.

This strong growth could lead you to believe it is relatively easy to sell our cultural products abroad, but that is far from true. Of course you must start out with a distinctive, original, high-quality product, but you must also be armed with patience and know exactly what you are doing.

A targeted export plan

As with other types of commercial undertaking, exporting cultural products requires careful preparation based on a knowledge of the markets you wish to penetrate. “First of all, you should go there as an observer – whether at trade fairs or other types of event – to learn what is going on there and have a clear idea how to position your product in a given market,” notes H eloise C ot e, cultural trade commissioner, Department of Canadian Heritage. “Among other things, a good market penetration strategy may be based on a partnership with a local producer to ensure the product offered really meets a demand among the targeted public.”

For example, if you are targeting the United States, you must not make the mistake of assuming it is a homogenous market. “The United States is not “one” market,” specifies C ot e. “It’s a host of small markets, each with their own characteristics, tastes, and requirements.”

And whatever market you hope to penetrate, patience is a must. “You’ve got to think long term,” affirms Danielle Demers, CEO, Productions Mille-Pattes, the record label for La Bottine Souriante, which is enjoying great success in many parts of Europe and now has fans in New England, Louisiana, and the American Midwest.

“You can’t expect to hit pay dirt right away, and even if it works the first time, there’s no guarantee it will continue,” continues Demers. “You’ve got to hang in there, find yourself good bookers and agents in the target market, and not be afraid to lose money in the beginning.”

An often complex process

Right now, one of the biggest success stories involving the export of a Quebec cultural product is without a doubt the equestrian production *Cavalia*. After a series of shows last year in Shawinigan, Montreal, and Toronto, *Cavalia* moved its “big top” to the west coast of the United States. Since last February, the troupe has given about 150 performances in San Francisco, Los Angeles, Seattle, and back in San Francisco. It is now preparing to spend a few weeks in San Diego before returning to Los Angeles.

“It was no accident that we chose to launch our U.S. tour in California,” explains Normand Latourelle, the creator and producer of *Cavalia*. In 1987, he organized the first U.S. tour for *Cirque du Soleil* – also on the west coast. “Our show is avant-garde, with a poetic, dreamlike quality, and we thought it would be best received in California, particularly San Francisco.” Latourelle’s intuition proved correct, and *Cavalia* attracted more than 100,000 people in 70 shows in that city.

Latourelle points out that markets aren’t the only factor needing to be targeted: communications must be as well. “You mustn’t spread yourself too thin or spend too much on communications too soon. In our case, we’ve always waited until we arrive on site to do the media positioning of the show, and we do it over a very short period.”

But, according to Latourelle, the greatest danger faced by *Cavalia* in the United States was more organizational than business-related. “In terms of logistics, we had to transport some forty horses and as many semis, and bring in a hundred people, all of whom needed permits to work in the United States. And since we produce ourselves, we also had to establish an American corporate structure. That’s complicated and expensive.”

Government support

More than in other economic sectors, exporters of cultural goods are basically small- and medium-size

enterprises that have a lot to lose, financially, if they fail. "SMEs need our help the most," explains Côté. "We guide them as much as we can. We open doors for them, and help them take advantage of our network of contacts in foreign markets."

The export of Quebec's cultural products is growing, and during its 2004-2005 season, the World Trade Centre Montréal will offer seminars to help our cultural companies take advantage of business opportunities in foreign markets.

But, as in other sectors, money is often the crux of the matter. To export Cavalia to the United States, Latourelle received loans from Canada Economic Development – Export Assistance Program – and Investissement Québec, obtained financial assistance from Tourisme Québec, and took advantage of certain job-creation programs. "It was vital," he says. "We couldn't have done it otherwise." He hastens to add, however, that all of the loans obtained have already been repaid in the form of taxes.

> >> Business information

YES Montreal helps artists find work and develop their business sense

There is a deep-rooted prejudice that artists are poor managers. If YES (Youth Employment Services) Montreal has its way, this notion will have to be put to rest in the coming years.

Founded in 1993, this not-for-profit community organization works to provide young English-speaking Montrealers, particularly those working in the arts, with mentoring, networking, career counselling, and job search services. Every year, it also offers start-up companies a number of grants – in association with the Fondation du Maire de Montréal pour la jeunesse – and loans – in association with the Canadian Youth Business Foundation.

Since the creation of YES Montreal, [Info entreprises](#) – a service branch of the Board of Trade of Metropolitan Montreal – has worked closely with this organization on several projects, helping it to take advantage of many programs and services. This commitment on the part of Info entreprises is in line with that of the Board of Trade, which is fully aware of the importance of culture and its on-going contribution to the economic development and international reputation of the metropolis.

Helping artists to earn a living from their art

"We want to help artists to see themselves as self-employed persons," declares Susan Molnar, YES Arts Program Coordinator. "With this in mind, we help them develop their business skills by organizing panels, workshops, and conferences on many issues."

In recent months, the organization has held various information sessions on a host of practical and strategic subjects, such as starting a company, preparing a business plan, accounting, legal issues, organizing a place of business, and networking.

These events, which have attracted thousands of interested artists, have had a positive impact on participants, according to Molnar. "These panels and conferences have helped them overcome their isolation, feel supported, validate their choices, and ultimately, enabled them to live off their art."

Moreover, with this same goal, YES Montreal is preparing to publish a guide for Montreal artists called Business Skills for Creative Souls containing practical information about eight specific business issues for anyone trying to penetrate a difficult market.

Business tools for success

Jennifer Gasoi is one of the young artists who have taken full advantage of the services of YES Montreal. Originally from Vancouver, and living in Montreal for the past two years, this young jazz and blues singer also composes children's songs recorded and distributed by her own label, Sparkling Productions.

Jennifer recently attended a series of lectures titled "Starting your own company," where she confirms she learned a lot. "YES Montreal helped me get the business part of my life organized," she says. "They helped me put my business plan together, provided a lot of encouragement, and gave me the business foundation I needed."

According to Jennifer, the know-how she gained through her contacts with this organization is priceless. "Many artists have talent, but they don't go anywhere because they don't have the business tools to make things happen."

Succeeding in Montreal

Of course it's not easy for English-speaking artists to support themselves through their art in Montreal, especially those working in the fields of literature, stage, and screen. But, as Molnar explains, young Montrealers who come to her organization identify strongly with this city. "There are a lot of people from outside who feel at home in Montreal. It's not easy, but they want to make it here."

"The biggest markets are in Toronto and B.C., but I love Montreal as a base," admits Gasoi.

When you think of the international success earned by English-speaking Montrealers like Leonard Cohen, Rufus Wainwright, and Melissa Auf Der Maur, you have to admit that anything is possible.

To read the news and learn more about the new government programs and services on the Info entreprises Web site, click here: <http://www.infoentrepreneurs.org/english/nouvelles.cfm>

> >> Extra Trend Chart

Business and culture – a winning partnership

Montreal recently announced its financial support of the Partenariat du Quartier des spectacles (Arts and Entertainment District), thereby acknowledging the leverage effect of the cultural sector on our city. More and more, culture is gaining recognition as a competitive factor for metropolitan Montreal. Many economic development players are recognizing the importance of the "creativity" factor in the appeal of a metropolis. In fact, culture is perceived to have a triple impact: not only does this industry generate economic activity and create jobs but it also contributes to the quality of life of residents and plays a key role in enhancing the city's international reputation.

The economic impact of culture is substantial: \$5.4 billion in annual gross expenditures¹, 90,000 direct and indirect jobs², average household expenditures of \$1,196 on cultural leisure in 2001³.

More than an economic engine, culture is also an essential component of our quality of life. With a network of 57 public libraries, 37 cultural providers in the boroughs (including 12 cultural centres), 32 museums, 28 exhibition halls, 19 interpretation centres, more than 200 theatre troupes, and two symphony orchestras, culture in Montreal is a vibrant, accessible part of the daily lives of Montrealers.

Because we are surrounded by culture, some people forget that its vitality is an asset for the metropolis on the international scene, an important part of its brand image and reputation, as well as a source of pride for residents throughout the metropolitan area. Not only do we enjoy a rich and varied cultural offer, but our worldwide reputation as a cultural metropolis holds enormous potential.

The accessibility and diversity of culture gives Montreal strong pulling power. Its many cultural tourist attractions – festivals, museums, historic and trendy neighbourhoods, etc. – attract almost two million tourists annually⁴. In 2004, the 25th edition of the International Jazz Festival drew more than 1.9 million visitors, and the Just for Laughs Festival attracted more than 1.7 million, almost one quarter of whom were tourists.

In addition, thanks to world-class success stories such as the Cirque du Soleil, Montreal now holds a leadership position in certain artistic disciplines. Montreal's enviable position in design arts has just led to the selection of Montreal as headquarters of the International Design Alliance. According to Richard Florida, an American economic development specialist, the reputation of the quality and creativity of a city's labour force and cultural products can have a pulling effect on both companies and specialized workers.

The bottom line is that the culture sector is an engine for economic development at the source of a "virtuous" circle: a thriving cultural life together with a widespread climate of creativity results in a city whose quality of life is more attractive, drawing more people – both tourists and workers – more investments, and more companies to Montreal, generating greater prosperity. In return, the culture sector and the economy as a whole are stronger and richer. The relevance of this association is demonstrated by the results of a survey carried out by the Council for Business and the Arts in Canada (CBAC). It reveals that two thirds of Canadian companies questioned in 1997-98 participate in the funding of cultural activities since they believe that the arts are a positive force in society, stimulating creativity and encouraging new ways of thinking, and that a connection with them can enhance their company's image.

Paradoxically, the Montreal Health Report, a study carried out by the Board of Trade of Metropolitan Montreal and published last May, shows that the true value of culture as a competitive factor is not yet appreciated by the Montreal business community.

This fact is reflected, for example, in the lower contributions of Montreal's private sector to the funding of cultural and artistic activities than those in other major Canadian cities. The Council for Business and the Arts in Canada (CBAC) revealed that in 1997-98, slightly less than 12% of the revenues of Quebec's performing arts organizations came from the private sector compared to the national average of 22%, placing Quebec in second-last place in the country. The challenge is thus to increase the participation of the private sector in the funding of cultural and artistic activities. This is a challenge the Board of Trade of Metropolitan Montreal will tackle in the coming months.

Percentage of employment related to cultural and artistic activities

Rank	Metropolis	% of employment
1	Vancouver	5,9
2	New York	5,8
3	Atlanta	5,5
4	Montreal	5,5
5	Seattle	5,3
6	Toronto	5,3
7	Ottawa	5,0
8	Calgary	5,0
9	Miami	4,9
10	Philadelphia	4,6
11	Chicago	4,4
12	Boston	4,2

Source: *Montreal Health Report*, Board of Trade of Metropolitan Montreal, p. 53

¹ City of Montreal, Énoncé de politique culturelle, 2003.

² City of Montreal, Énoncé de politique culturelle, 2003.

³ MCCQ, Observatoire de la Culture et des communications du Québec, Statistiques principales de la culture et des communications au Québec, 2004 édition.

⁴ City of Montreal, Énoncé de politique culturelle, 2003.

>>> On the hill

We have our answer!

The **City of Montreal** will look a bit different on January 1, 2006. On June 20, we learned that 15 of the 28 municipalities that had merged into 27 boroughs will regain their former status in a little less than 15 months. But it will be the Agglomeration Council, on which the city of Montreal will hold the majority of votes, that will control the real levers of Montreal's development. The reconstituted municipalities, on the other hand, will have much more limited powers. Even with these demergers, Montreal's demographic weight will remain significant, accounting for almost 90% of the existing city's population.

One of the almost immediate consequences of the referendums was the resignation of Robert Libman and Peter Yeomans, members of Montreal's executive committee, who were elected in municipalities that chose to demerge. To replace them, Gérald Tremblay, mayor of Montreal, recently reshuffled his executive committee, calling upon Stéphane Harbour, councillor for Outremont, to look after territorial development, urban planning, and architecture and giving Georges Bossé the added responsibility of public security. The city council still has three regular meetings scheduled before the end of the year: October 25, November 22, and December 13. The budget presentation by Mr. Frank Zampino will likely be the main focus of discussions until 2005.

Health-care and equalization on the agenda

The agreement signed between the provincial and federal governments after midnight on September 15 eliminates one uncertainty. This agreement will give the premiers of the provinces and territories additional revenues to spend on health care. Over a six-year period, the **federal government** has agreed to inject an additional \$18 billion into the country's health-care system. Moreover, Quebec obtained special status within this "asymmetrical" agreement. Unlike the other provinces, Quebec has not agreed to meet any condition set by the federal government to obtain these new health-care funds. The other provinces and territories, on the other hand, must establish reasonable waiting times for their patients to receive needed health care by December 2005. On **Quebec's political scene**, there's a good chance this question will still be on the minds of parliamentarians when the National Assembly resumes sitting on October 19.

We also know that Prime Minister Paul Martin has called another First Ministers meeting for October 26, 2004, to discuss "equalization, Territorial Formula Financing (TFF), and other financial pressures facing provinces and territories." Since the question of fiscal imbalance will likely be raised at this meeting, we will be monitoring it with interest.

Future alliances!

More specifically, on the federal scene, the throne speech to be read by Adrienne Clarkson, governor general of Canada, on Tuesday, October 5, will herald the opening of a very different kind of parliament. On June 28, for the tenth time in history, Canadians elected a minority government, and Prime Minister Martin will no doubt be forced to compromise with the opposition parties to gain support for his policies. One of Mr. Martin's new cabinet ministers, Environment Minister Stéphane Dion, will visit the Board of Trade on October 14 to deliver his speech titled "The environment and the economy: A partnership for the future." Details on [the Board of Trade's Web site](#).
