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Economic Restructuring through Culture in Small Towns and Rural Areas:

**Building Creative Rural Economies**

A Case Study of Prince Edward County, Ontario

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## **Introduction**

Small towns and rural areas face enormous challenges related to economic restructuring. Traditional dependencies on agriculture and a relatively small number of industries leave rural areas vulnerable especially in the context of a declining industrial base. Many face real questions of viability in the face of a reduced tax base and the capacity to pay for basic services and infrastructure.

To date ideas related to creative economies and new sources of wealth creation brought to prominence by people like Richard Florida have tended to focus on larger urban centres. This paper will explore the relevance and potential of these same ideas in smaller communities and rural areas using Prince Edward County, Ontario as a case study.

It will offer a number of concepts and planning assumptions which we believe have application for building creative economies in communities of vastly different scales and contexts. The first assumption is that communities must move to developing integrated planning frameworks linking *place, culture* and *economy*. A second is that municipal cultural planning (MCP) approaches, described in the paper, provide powerful methodologies for building these integrated planning systems.

## **Background**

Prince Edward County is a rural municipality situated in Eastern Ontario with a population of 25,000 people. A 250,000 acre isthmus that juts 40 kilometers south into Lake Ontario, the county boasts some 800 kilometers of shore framed by the lake and the Bay of Quinte, due south of Belleville. ‘The County’, as it is affectionately known, is a 2 hour drive east of Toronto, 2 ½ hour drive south west of Ottawa and a 3 ½ hour drive west of Montreal. The United States border to upper New York State is a 1 ½ hour drive at the eastern edge of Lake Ontario at Gananoque.

The County is thus in the middle of “The Mega Region” defined by Richard Florida as the economy in the Windsor to Quebec City corridor including the economies of southern Lake Ontario/Upper New York State. The Mega Region’s economy is approximately \$530 Billion dollars roughly 50% of Canada’s GDP. A basic premise of the creative rural economy being built in Prince Edward County is the potential to tap a portion of that economy.

## **Historical Waves of Economic Prosperity**

Settled 200 years ago by United Empire Loyalists fleeing the United States during the American Revolution, the county’s economic history has been primarily agriculture. The first economic activity was ship building, lumber and milling. The timbers came from agricultural land clearing and the shipping and lumber industry developed there due its proximity to the St. Lawrence River and the Great Lakes, a major transportation route at the time.

The county has experienced four waves of economic prosperity. The first wave 1860 – 1890 was coined Barley Days. “Bay Barley” was some of the best brewing industry barley in North America. The crop was shipped to upper New York State and the U.S. brewing industry and literally resulted in the rich brick building stock and period architecture of the county. The crop was so profitable, it is rumored those brick homes were built and paid for from a single growing

season. American tariffs introduced in 1890 ended the Barley Days immediately. One result of this boom time is that Prince Edward County has the second largest building stock of Georgian Architecture in North America after Virginia.

The second wave, following Barley Days, was dairy driven when the county boasted over twenty seven cheese factories, which specialized in classic Canadian cheddars sold to the Canadian and British markets. The third wave occurred when Prince Edward County was known as “The Garden of Canada” canning everything in sight from traditional fruits and vegetables to of all things whole chickens. At the peak of the industry near the end of the Second World War, there were over 40 canning factories and Prince Edward County supplied approximately 43% of all the canned tomatoes to the nation. The industry’s last factory closed in the mid 1980’s.

### **Birth of a Creative Rural Economy**

The fourth wave is the current Creative Rural Economy (CRE). Its origins date back to the late 1970’s or early 1980’s but did not hit its economic stride until the turn of the 21<sup>st</sup> century. Not unlike New York’s SoHo or Toronto’s Queens Street West, new bohemians and artists discovered Prince Edward County as a low cost refuge from which to ply their arts and trades. Like SoHo and Queen Street West, artist clustering began and added to the appeal of the place, others began to discover and gentrification began. As a result of these new “immigrants” economic ties back to Toronto and the Mega Region were re-established.

Today, with its proximity to markets, the baby boom wealth explosion and urban out-migration to exurban regions, Prince Edward County’s affordability and quality of place, the creative economy began to form. Arguably its formation’s catalyst or major impetus was the birth of the wine industry, immediately bolstered by the growing culinary tourism scene, supported by the rich agricultural resources all framed by classic towns, hamlets and villages, supported by old and new culture.

The Economic Development Department of the municipality was instrumental in identifying, packaging, promoting and attracting investment and attention to these newly forming creative industries and leveraging the QoP assets.

### **Place-Based Wealth Creation**

Renowned urban analyst Jane Jacobs defined cities simply and profoundly as “places that produce wealth.” If cities cannot generate wealth, they cannot sustain a tax base needed to support the essential services and infrastructure that ensure quality of life. Four influential thinkers and economists have contributed to our understanding of place-based economic development. An understanding of these four bodies of knowledge has informed The County’s economic strategies.

<b>Concept</b>	<b>Author</b>	<b>Key Ideas</b>
Home Grown Economies	George Latimer	<ul style="list-style-type: none"> <li>• 80% of future investment and economic growth is driven by assets <i>already in the city</i></li> <li>• Rather than leveraging these assets, economic development offices spend too much time chasing a small number of business/industry</li> </ul>

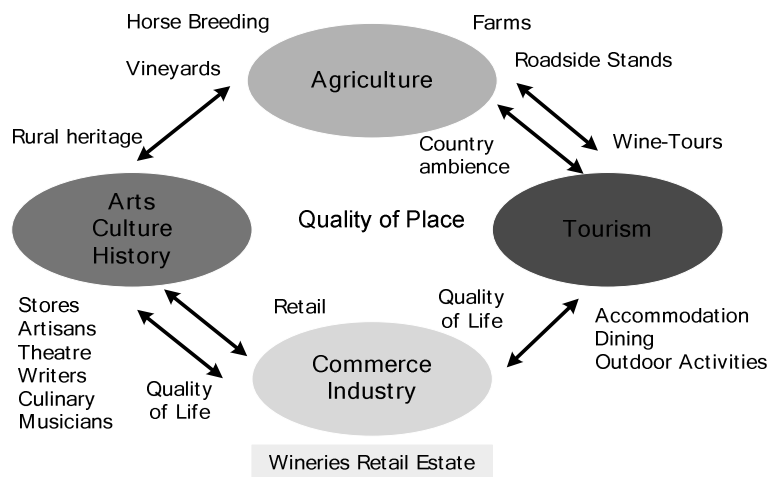
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		relocations
Place Marketing	Philip Kotler	<ul style="list-style-type: none"> <li>• Strategic marketing of place is key to building vigorous local economies</li> <li>• Cities must invest in essential public infrastructure and market distinctive local features and assets</li> </ul>
Industry Clusters	Michael Porter	<ul style="list-style-type: none"> <li>• Economic success depends on geographic concentrations of interconnected companies, suppliers and research infrastructure</li> <li>• Cluster strategies are needed to map existing strengths and assess gaps/weaknesses</li> </ul>
Creative Economies	Richard Florida	<ul style="list-style-type: none"> <li>• Creativity and culture are the new economic drivers</li> <li>• Quality of place is a now core competitive advantage because business and investment follow people – not vice versa</li> </ul>

### Evolving Plans and Economic Strategies in Prince Edward County

The past half decade has seen The County move through a series of planning and economic development strategies. The first in 2004 was an Investment Market Readiness Study and Strategic Economic Development Plan (Economic Strategy). The core conclusion was that The County had zero competitive advantages in attracting industry/ manufacturing in a traditional economic development paradigm.

However, The County could succeed, the study argued, using a different kind of economic development model, one built on *quality of place*. While it was not understood or spoken about as such at that time, Prince Edward County had many attributes that fit emerging creative economy theories arising at the time. The consultants proposed an economic strategy with quality of place at its core and built on four pillars.



Following on the Economic Strategy, The County has completed a series of key plans and research projects. Key studies included:

- Leveraging Growth and Managing Change: A Cultural Strategic Plan for Prince Edward County (2005)
- Picton Downtown Revitalization Plan (2005)

- Tourism Destination Development Strategy (2006)
- George Morris Centre Value Added Agriculture Research and Plan (2006)
- Culinary Tourism Survey Ryerson University (2006)
- Agri-Markets Survey Ryerson University (2007)
- Queen's University Geography class on PEC's Creative Economy (2008)
- Creative Rural Economy Strategy for Ontario (in development).

All plans were commissioned by the Economic Development department and built on core assumptions set out in the 2004 Economic Strategy to ensure integrated thinking, planning and execution.

### **Municipal Cultural Planning as a CRE Methodology**

“If creative cities are the end, cultural planning is the means”<sup>1</sup>

*Leveraging Growth and Managing Change: A Cultural Strategic Plan for Prince Edward County* was developed by Dr. Greg Baeker of AuthenticCity. It was awarded best strategic economic plan from the Economic Development Council of Ontario (EDCO) in 2006. The Plan was built on a series of assumptions that collectively are known as *municipal cultural planning (MCP)* that has been gaining increased attention in Ontario in the past three years.

MCP is built on a set of cultural planning assumptions. Cultural planning emerged in Australia in the early-1990s out of frustration felt by local government with the discipline-based (e.g., separate policies for museums, libraries, theatre, dance, film and video, etc.) cultural policies they inherited from senior levels of government. These vertical policy ‘silos’ were hard to connect with local needs and acted against the horizontal, collaborative and community based approaches required to build sustainable local cultural systems.

A powerful symbol of the expanding support for MCP is the Municipal Cultural Planning Partnership (MCPP). MCPP is a coalition of seven provincial ministries<sup>2</sup>, the Association of Municipalities of Ontario, individual municipalities, business, cultural and community agencies. MCPP defines municipal cultural planning as follows.

The strategic and integrated planning and use of cultural resources in urban and community development.<sup>3</sup>

The choice of *municipal* cultural planning (MCP) rather than simply cultural planning is deliberate. Cultural planning roots are founded in the traditions of asset-based community development and engagement. Thus the dominant perspective was a community-based one – that of community cultural planning. While community perspectives and engagement of course

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<sup>1</sup> Jan Verwijnen and Panu Lehouvori (ed's) (2002). *Creative Cities: Cultural Industries, Urban Development and the Information Society*. Helsinki: University of Art and Design.

<sup>2</sup> MCPP members include the Ministries of Culture; Municipal Affairs and Housing; Economic Development and Trade; Tourism; Citizenship; Ontario Ministry of Agricultural and Rural Affairs (OMAFRA); Northern Development and Mines.

<sup>3</sup> Grogan, David; Mercer, Colin; Engwicht, David. (1995). *Cultural Planning Handbook*. Allen & Unwin. This text was a seminal document in the emergence of cultural planning approaches internationally.

remain essential to MCP the focus is first and foremost on integrating culture with formal policies, plans and investments of local government.

Five defining characteristics of municipal cultural planning can be identified.

1. *Cultural Resources* – MCP embraces a broad definition of cultural resources (see below).
2. *Cultural Mapping* – MCP is built on cultural mapping which is a systematic approach to identifying a community's cultural resources and strengths.
3. *Networks and Engagement* – MCP depends on systematic approaches to networking and engagement across the community
4. *New Municipal Government Roles* – MCP requires municipalities to play a stronger leadership role in planning and policy within the municipality, and an expanded role in community development and capacity building in the community.
5. *Cross-Sectoral Partnerships* – MCP is built on shared planning and decision-making (governance) models linking the municipality with its business and community partners.

### **Prince Edward County Applications of MCP**

The following section describes the specific ways in which the Prince Edward County Cultural Strategic Plan embraced these assumptions.

#### **1. Cultural Resources**

The Cultural Plan acknowledged two categories of cultural resources.

*i. Tangible (Physical) Resources* – included the following categories:

- Public facilities (e.g., libraries, museums and galleries, theatres, etc.)
- Not-for-profit cultural organizations
- Cultural businesses and creative industries
- Festivals and events
- Human (or cultural) heritage
- Natural heritage

*ii. Intangible Resources* – all those non-physical forms of culture that define a community's unique identity and sense of place. These include stories and folklore, traditions, perceptions of place and quality of life, etc.

#### **2. Cultural Mapping**

Paralleling the categories of cultural resources, The Cultural Plan focused on two interrelated forms of mapping.

- *Resource Mapping* – identifying and documenting physical (or tangible) cultural resources. Almost 350 of these resources were identified through the cultural mapping process.
- *Identity Mapping* – exploring and recording 'intangible cultural resources.' Stories have been called "the DNA of culture." Mapping a community's cultural assets would not be

complete without identifying those unique stories, traditions, values, perceptions of place and quality of life that define a community's unique identity and sense of place. A community survey and subsequent community engagement process was used to support identity mapping.

### **3. Networks and Engagement**

The Cultural Plan involved extensive community engagement in the form of community surveys, interviews and focus groups, and community forums. There were two inter-related engagement goals. The first was to build stronger networks and collaboration among myriad cultural organizations (not-for-profit and for-profit). The second was to develop stronger connections between this sector and government, business and community groups and interests.

### **4. New Municipal Government Roles**

Subsequent to the adoption of the Cultural Plan, municipal Council developed and adopted a Municipal Cultural Policy that set out an explicit set of commitments on the part of the municipality toward implementing the Plan. The Policy defined five areas of responsibility and committed the municipality to report annually on each area: *Program Delivery, Communications, Policy and Planning, Funding and Investment, Partnerships and Capacity Building*.

### **5. Cross-Sectoral Partnerships**

A core element of the Cultural Plan was establishing a cultural governance system to support collaboration between the municipality and its business and community partners. It had three components (illustrated in the diagram below):

- *A Cultural Roundtable* – a strategic leadership group with members drawn from local government (elected officials and staff), the business community (including tourism), cultural groups and businesses, and important community agencies such as School Boards.
- *Working Groups* – the formation of smaller teams of individuals designed to address specific actions and priorities. Members of the Working Groups can include members the Roundtable, but more importantly draw on knowledge and expertise in the community.
- *Annual Cultural Rally* – a forum to bring together the larger community to celebrate successes and identify strategic issues and priorities for the coming year. The first Rally took place in March 2007 and attracted more than 200 County residents.

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### **Creative Rural Economy Results**

The economic outcomes from the systematic economic development strategies pursued by The County over the past few years have produced impressive results.

- \$45 million in wine industry investment (over 7 years)
- 12 New Wineries– 750 acres of grapes from 0 (over 8 years)
- \$18 million per annum in wine sales today (from \$0, 8 year ago)
- \$50M-\$85 million in wine sales potential 5-7 years out – potentially doubling Agricultural GDP
- Building permits increased by 300% over 7 years. \$150 million in incremental investment
- Booming Construction Industry
- Tourism visits up 74% spend up 168%. From \$25 million spend per annum in 1999 to \$65M in 2004: expected to reach \$100 million by 2009. From 225,000 visits to 500,000 visits pr year
- Property Assessment up  $\frac{3}{4}$  of a \$1 billion
- Picton downtown revitalization \$20-\$30 million in new investment over last few years. Major Condo, Commercial & Retail developments, Major Boutique Hotel Development with Culinary & Jazz Bar, New Housing, Retail, Services, Waterfront Development
- Declining population 1996 – 2001 census to rising 2% 2001 – 2006 census
- \$300 Million in Qualified investment leads

### **Investment Attraction**

The Economic Development Department is in the process of launching an investment attraction campaign specifically targeted towards attracting creative class entrepreneurs and investors to the community. The initiative is using Web 2.0, digital and social media tools to reach its target globally. A data base will be used to attract marketing effectiveness and the lifetime value of investors including: where leads come from; the number of leads required to convert leads to investors; the total amount of investment; number of employees; increased tax base; growth of investment over time; etc...

## **Toward a Creative Rural Economy Strategy (or MCP 2.0)**

By 2007, the Economic Development Department had evolved its thinking from the ‘four pillar’ 2004 Economic Development Strategy to a next generation of integrated, place-based wealth creation and began to use the CRE term. The County began positioning its business-to-business marketing efforts by branding itself as “Canada’s First Creative Rural Economy” supported by the tag line *People, Enterprise, Creativity*.

The County is now in the process of finding resources and partners to launch a *Creative Rural Economy Strategy for Ontario*. A strong research relationship has been built with Queen’s University in nearby Kingston, Ontario, in particular Associate Professor Betsy Donald of the Geography Department. Professor Donald is a Research Associate affiliated with the Martin Prosperity Institute at the Rotman School of Management, University of Toronto headed by Richard Florida.

The project is being proposed in two phases.

- *Research and Community Consultation* (current proposal). This phase will consolidate the best international thinking and experience with on-the-ground assessment of community need to propose an integrated set of strategies and tools to support creative rural economic development in Ontario.
- *Developing and Testing Tools*. This phase will implement and evaluate the recommendations developed in Phase I in the three host communities. It will also produce a set of policy recommendations based on project results and dialogue with provincial policy makers.

Part of the CRE is envisioned to be a virtual collaboration platform to provide a base of resources and forum for dialogue among multiple partners – municipalities, provincial agencies, local practitioners, post-secondary institutions, and others – where they can share their work.

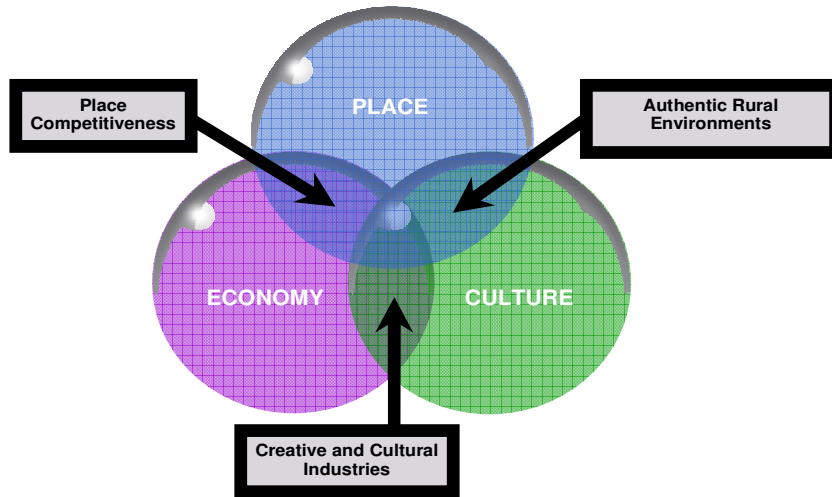
### **Conclusion: Planning for Creative Economies**

The City of Toronto recently adopted a Creative City Planning Framework (CCPF) developed by AuthentiCity as one component of The Agenda for Prosperity, a new economic development strategy for Toronto launched in January 2008. Both reports are found at the following address

[http://www.toronto.ca/mayor\\_miller/initiatives/index.htm](http://www.toronto.ca/mayor_miller/initiatives/index.htm)

In adopting the CCPF, the Economic Development Committee accepted the recommendation that Toronto ‘adopt a (municipal) cultural planning approach’ to planning and economic development. The Committee also passed a motion to the Planning and Development Committee to bring recommendations back on how culture could be more fully integrated in the planning process.

The CCPF reflects the same anchor principles and planning assumptions that underpin the CRE. It maps three broad areas of planning – *Place, Culture, Economy* – and at intersections among the three identifies the following spheres of planning issues.



- *Place Competitiveness* – Success in attracting and retaining a global and mobile class of creative workers and entrepreneurs make quality of place a core competitive advantage for cities. Place competitiveness requires attention to both *form* – in architecture and urban design, the quality of public space, etc. and *function* – evening and nighttime activity, access to educational providers, etc.
- *Authentic Urban (or Rural) Environments* – Cities or communities with unique histories and distinctive natural and cultural heritage features are magnets for creative people. Authentic places bubbling with lively cultural and entertainment options are magnets that attract and retain creative people.
- *Creative Industries* – Creative industries of all kinds are among the fastest growing economic sectors in many cities today. Success in establishing new and in expanding existing creative industries requires deliberate strategies. These strategies are related to start-up capital, strong educational institutions, and human resource development opportunities. Creative industries require physical places where creative people from across many industries can converge and stimulate thinking and new enterprise. .

### **Conclusion: Back to the Future**

Putting culture in this equation and central to urban planning is not a new idea. Planning as a modern profession was the product of late 19<sup>th</sup> and early 20<sup>th</sup> century visionaries such as Patrick Geddes and Lewis Mumford whose views of cities bore remarkable similarity to those articulated by Jane Jacobs and others many decades later.

Cities were understood as *cultural entities*, places that were shaped by their natural and human heritage and a product of the values and beliefs of their citizens. Geddes believed that planning was more a *human* than a physical science requiring three types of expertise: planners must be

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*anthropologists* (specialists in culture), *economists* (specialists in local economies), and *geographers* (specialists in the built and natural environment).

Sadly, the professionalization of urban planning which occurred in the 1950s and 1960s, and its institutionalization as a function of local government, undermined these more holistic views. The primary focus was on the administration of land and the efficient delivery of municipal services. If cultural assets were acknowledged by planners, they were narrowly defined, most often in terms of facilities and spaces - museums, galleries, theatres, concert halls, parks and recreational facilities.

The integrated planning frameworks needed to build prosperous creative communities of all scales require us to return to an earlier vision of planning.

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Under Dan Taylor's leadership the County earned the top Economic Development Council of Ontario (EDCO) award in 2006; the Lieutenant Governor's Award for Excellence for Marketing in Ontario/Best of Show along with 5 other economic development awards at the annual ceremony. The department also won four major national awards including best of category at the 2006 Economic Developers Association of Canada (EDAC) awards ceremony.

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Dr. Greg Baeker developed the *Cultural Strategic Plan for Prince Edward County*. He has completed municipal cultural plans for communities large and small nationally. AuthentiCity recently completed the *Creative City Planning Framework* for the City of Toronto, an anchor element of the Prosperity Agenda, the new economic development strategy adopted by Toronto in January 2008.