
2006 BUDGET BRIEFING NOTE – Economic Development - GTMA

Issue:

In May 2005, Council directed that the City maintain membership in the Greater Toronto Marketing Alliance (GTMA), and that staff develop a services agreement with the GTMA. As part of the 2006 Operating Budget process, Finance recommended that staff provide a status update in this regard.

Background:

- The GTMA is a public private partnership not-for-profit corporation directed by a Board and headed by a CEO. It represents all 29 municipalities in the region as well as the four regional governments. The City of Toronto has two board members (Deputy Mayor Feldman; Executive Director of Economic Development).
- The GTMA uses municipal contributions (\$500,000 annually equally apportioned to the regions and City) to fund basic overheads and augments them with program dollars raised through government matching funding and leverages private sector contributions. Their annual budget exceeds \$1 million. Toronto contributes \$100,000 annually.
- The GTMA supports investment in the region via direct marketing, relationship building, promotion, lead generation and the inquiry referral, sales missions, tradeshow participation and client servicing. It has a website and has commissioned research studies. It welcomes visitors and works with the municipalities and partners to host and inform clients of the benefits of the region.
- Through the 2005 Operating Budget deliberations, Council approved \$50,000 funding for the first six months of 2005 including \$37,000 from the Inter-Governmental Reserve Fund (XR 1010), and requested that staff report back on maintaining membership for the balance of 2005 and into the future.
- In May 2005, Council adopted the resulting staff report, and, in summary, directed that: Toronto continue its membership in the GTMA; that the Economic Development operating budget be increased by \$50,000 to cover the City's membership in the GTMA for the remainder of 2005 and that the DCM/CFO identify a funding source; and that subject to the development of a Services Agreement, that funding for the City's 2006 membership in the GTMA be included in the 2006 operating budget submission.

Key Points:

- As per Council's direction, the City's membership was continued throughout 2005. However, the budget was not increased and a source of additional funding has not been identified. Economic Development staff have implemented cost containment strategies to minimize the year-end over-expenditure which would otherwise have resulted.
- A Services Agreement has been negotiated with the GTMA which, in summary, requires that they develop, maintain and promote a website targeted at potential investors; provide GTA-wide economic data and sector profiles; develop and maintain Toronto area marketing materials; respond to information inquiries; service and track leads and prospects; undertake an investment marketing program; undertake fundraising activities to secure additional core and project funding; develop a three-year business plan; and develop an international marketing plan.
- Toronto's 2006 membership in the GTMA was included in the Economic Development Division's 2006 Operating Budget request. The \$50,000 base budget pressure which resulted from the funding shortfall in 2005, was offset by other program reductions
- \$37,000 from the Inter-Governmental Reserve Fund (XR 1010) is to be applied to the 2006 GTMA membership again in 2006.
- At its meeting of January 16, 2006, the Economic Development and Parks Committee recommended to Budget Advisory Committee that the 2006 Economic Development operating budget be approved including the offsetting reductions to fund continued membership in the GTMA.

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