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2020 OPERATING BUDGET BRIEFING NOTE

Proposed Economic Development Direct Program

Expenditures by Sector

Issue/Background:

- This briefing note responds to a request from the Budget Committee to provide the distribution of proposed program expenditures dedicated to economic development on a sector-by-sector basis. The specific data included here significantly understates the total invested in these and other sectors since it is too difficult to allocate expenditures by sectors for many of the Division's activities, as explained below.
- EDC fosters networks and collaborates with partners to drive innovation and advance the competitiveness of targeted industry sectors. Supporting both emerging and established sectors is identified as a priority related to talent and innovation in [EDC's Divisional Strategy \(2018-22\)](#), and is a major component of the earlier Council-endorsed economic development strategy, [Collaborating for Competitiveness](#) (2013). Sector support is key to creating and maintaining high-quality jobs and economic opportunities across the city.

Key Points:

- The table below includes projected 2020 economic development program expenditures by sector. Total gross expenditures include costs related to program and service delivery, grants and contributions, staffing, and other related expenses. Total net expenditures reflect revenues received through private sector sponsorships, grants from other orders of government, cost recovery, earned revenues, and other sources. Projected expenditures may vary based on operational requirements and grant funding requests.
- In addition to the sectors outlined below, EDC provides very considerable support for Arts and Culture and Museums and Heritage, including significant operational expenditures and grants. As well, EDC's Business Improvement Areas (BIA) Office strongly supports the retail sector, providing operational support to the over 80 BIAs that exist in Toronto. Some of these activities strengthen the sector outside of City operations but there is no separate costing available for this.
- EDC also supports the development of advanced manufacturing in Toronto. Advanced manufacturing is undertaken by several of the sectors listed below, including but not limited to food and beverage, aerospace, and technology. As such, resources directed to supporting advanced manufacturing are not budgeted separately, but are instead captured within other sector categories.

Table 1: Proposed 2020 Direct Program Expenditures for Economic Development by Sector

Sector	Gross (000s)	Net (000s)
Aerospace	180.9	180.9
Commercial Office Development <i>Excludes Imagination, Manufacturing, Innovation and Technology (IMIT) grants</i>	311.3	311.3
Education	183.9	183.9
Fashion and Design	220.4	220.4
Film Sector <i>Excludes the operations of the Film Permit Office</i>	893.0	685.0
Financial Services	118.8	118.8
Food and Beverage	183.4	183.4
Green Sector <i>Excludes sector support provided by other City divisions, such as Green Market Accelerator Program projects</i>	215.9	215.9
Life Sciences	202.5	202.5
Music	441.8	406.8
Technology	424.4	424.4
Tourism <i>Includes Visitor Services such as info kiosks</i>	875.0	800.0

- The data in the above table report projected direct expenditures focussed on each particular sector. The Division has a number of other activities that also support sector development, such as the Business Retention and Expansion Unit that works with existing firms in all of the above sectors, and supports export programs and missions that often target particular sectors. In much the same way, the Entrepreneurship Services Unit helps emerging entrepreneurs and the supportive incubator ecosystem that often includes firms that are in the above target sectors, as well as many other sectors. The Policy and Research Unit also supports sectors with data and research insights. The City's support for Toronto Global includes targeted activity to attract foreign direct investment, often from specific sectors. Further, the City's support for the Collision conference encourages business development in the technology sector, along with many others. In all of these cases, it is impossible to accurately allocate costs to particular sectors.

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