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New model to enhance Toronto's economic competitiveness

The Blueprint for Fiscal Stability and Economic Prosperity (February 2008) recommended that the City establish a new structure and strategy for managing, coordinating, and maximizing the real estate holdings of the City and its Agencies, Boards, and Commissions (ABCs). As well, the Agenda for Prosperity (January 2008) highlighted the need for a more focused approach to internationalization and marketing efforts.

In 2008, the City's Economic Development, Culture and Tourism Division (EDCT) underwent a program review and as a result was reorganized to direct its priorities toward implementing the Agenda for Prosperity. Waterfront Toronto is well underway in revitalizing the waterfront and the timing is right to turn attention toward engaging private business and other orders of government in marketing Toronto as a business opportunity on the global market. The time is also right to use surplus lands the City has at its disposal to create desirable jobs and rejuvenate targeted neighbourhoods.

The City Manager recently completed a review that found the best organizational structure for achieving these objectives is to create two high-powered, distinct corporations that will provide for more focused attention on real estate development on one hand and seeking out foreign investment in Toronto on the other:

- "Build Toronto" mission: unlock value in under-utilized and surplus City real estate by developing properties to stimulate desirable job creation and regenerate neighbourhoods, consistent with the City's broader economic, social and environmental goals. While the majority of the City's real estate, valued at \$18 billion, is used to deliver municipal programs, the City will be aggressively looking to maximize development potential.
- "Invest Toronto" mission: market Toronto as an investment opportunity by engaging the private sector in promoting Toronto as a destination for business opportunities, organizing strategic trade missions, and coordinating economic development initiatives with governments and business.

Toronto City Council will approve the mission for these corporations and set the strategic direction for economic development, but will not be directly involved in day-to-day operations. Each corporation will be headed by a CEO with a demonstrated track record of success in real estate development and urban regeneration in the case of Build Toronto, and international marketing and promotion in the case of Invest Toronto.

The boards of directors will be primarily from the private sector, chosen for their accomplishments in fields relative to the mandate of each corporation. To ensure that there continues to be a close alignment of objectives with the City's broader economic, social, and environmental goals, the Board of Directors of both corporations will include the Mayor, the Chair of the Economic Development Committee and the General Manager of the City's EDCT Division. In the case of Build Toronto, the City's Chief Corporate Officer responsible for setting the City's overall real estate strategy will also serve on the board. Regular, detailed reporting to the City will be required.

Implementation will proceed immediately, pending approval of the new structure by City Council. It is anticipated that Invest Toronto and Build Toronto will be staffed and fully operational in 2009.

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