

International Alliance Program, Annual Report - City-to-City Outbound Missions (All Wards)

(City Council on August 1, 2, 3 and 4, 2000, adopted this Clause, without amendment.)

The Economic Development and Parks Committee recommends the adoption of the following report (June 14, 2000) from the Commissioner of Economic Development, Culture and Tourism:

Purpose:

The purpose of this report is to summarize the activities of the International Alliance Program with emphasis on the outbound mission component of the program as required in the International City-to-City policy.

Financial Implications and Impact Statement :

There are no financial implications resulting from the adoption of this report.

Recommendations :

It is recommended that:

- (1) the Economic Development Division report, prior to the 2001 Operating Budget process, on a two year business plan for the International City-to-City Program;
- (2) Council continue to support the International City-to-City program as a component of the Economic Development Strategy that will enhance the City's International profile; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background :

In July 1999, Council approved the first year's business plan and policies governing the implementation of the International City-to-City Program (refer to Report No. 8). As directed by Council, the thrust of the program is to foster relationships with international cities for economic development purposes. The program is structured to stimulate inward economic investment and export development by focussing on the economic similarities and characteristics between Toronto and its partnership cities.

There are two key components to the International Alliance Program; hosting incoming international business delegations and organizing outgoing missions. For the most part, incoming business delegations organize their own itinerary, and the City serves as host for the municipal portion of the trip involving presentations and meetings with local elected officials.

The following eight delegations were hosted through the International Alliance Program in 1999:

City of Sagamihara
 City of Shanghai
 Connect @ Shanghai
 Shanghai Business Delegation
 Vietnamese Chamber of Commerce
 City of Chongqing
 Government of Lithuania
 City of Dallas

Over the past eighteen months, City staff have organized the following six outgoing missions to twelve cities as part of the International Alliance Program:

Table No. 1
 City-to-City Missions and Target Sectors

Dates	Location	Key Related Sector
October 5-9 1998	California - Los Angeles - San Francisco/San Jose	Film/Television Information Technology/New Media
Nov. 18-21 1998	New York	Finance/Fashion/Film
Nov. 3-5 1999	Chicago	Tourism/Back Office
Nov. 18-19 1999	Indianapolis	Medical/Biotechnology
Dec. 4-11 1999	Europe - London - Amsterdam - Frankfurt	Waterfront Development Information Technology Finance/Tourism
Mar. 18 – April 1, 2000	Asia - Seoul - Chongqing - Taipei	International Trade/Small Business Finance/Culture/Tourism Finance/Information Technology

Program Overview:

Each city visited was chosen either for its official sister city status or because of strong foreign investment potential from businesses in the city. In particular, Los Angeles, San Francisco, San Jose, New York and London do not have formal relationships with the City of Toronto, but the business to business relationships are very strong, especially in the film, finance and high technology sectors.

The key goals of outbound missions are to:

- (a) reconnect to Sister City partners;
- (b) 'Re-brand' Toronto to business investors, site locators and individual businesses;
- (c) promote the business advantages of Toronto (cost, labour advantage, quality of life);
- (d) attract new investment and new business;

- (e) strengthen the local business base by making contacts with head offices and affiliate companies of existing businesses to encourage expansion in Toronto; and
- (f) explore opportunities for local businesses via export promotion and joint ventures.

The messaging and rationale for the development of an international promotion campaign is summarized in Appendix "A".

The new City of Toronto is now the fourth largest municipality in North America and a significant tier two-world City. As a major player in the world scene, Toronto must promote itself as such or risk losing exposure and potential inward economic investment. In many respects, our sister city connections serve as a platform for Toronto to develop import-export relationships with foreign business in strategic markets. All of the outbound missions undertaken over the past four months have been rooted in business development efforts. The Mayor and/or Councillors and senior staff meet with strategic businesses and business organizations to promote Toronto and its economic and quality of life advantages. As Toronto's international rankings as a place to live and do business have been high over the last decade, the message is clear. One of the key mediums to deliver the message at high levels is through the personal contact afforded in the context of outbound missions.

Policies:

Council approved a policy framework for the International City-to-City Program in 1999. The core principles are:

- (a) must generate potential business investments to Toronto, facilitate joint venture and partnerships, expansion of export market area for local business, and promoting community, culture and tourism;
- (b) to capture the economies of scale, outbound trips will be planned to two or more cities; national and regional gateways, such as London; Tokyo, Hong Kong and Beijing will also be visited as appropriate;
- (c) the delegation will include the Mayor or his designate, two Councillors, up to two staff and local business representatives who will cover their own expenses;
- (d) a written follow-up report from participants in outbound missions to be submitted to the Economic Development and Parks Committee; and
- (e) an annual business plan will be prepared and submitted to the Economic Development and Parks Committee following the review and input from the Mayor.

Summary of Outbound Missions:

Tables Nos. 2 to 4 provide a summary of the outbound missions organized under the International Alliance Program from October 1998 to the present. A total of six missions to twelve cities were taken during the past 18 months. A total of 101 business meetings and

16 receptions and presentations were undertaken by delegates on these missions generating a total of 1,018 contacts. The combined cost of all six missions is estimated at \$255,117.00. Perhaps most importantly, Table Nos. 3 and 4 represent new or retained jobs and investment generated from the missions as well as outstanding investment prospects by sector. For example, a film production company from New York, "Gun for Hire", opened an 80,000 square foot production centre in Toronto. The new net property assessment from this operation alone is estimated at \$650,000.00, which is far greater than the cost of all six outbound missions combined. In addition, a major costume house in Los Angeles is considering a Toronto location; ING Bank is expanding its operation in Toronto after a meeting with the Mayor in Amsterdam during the European mission; and a visit to Merrill Lynch in New York has assisted in the retention of 1,620 jobs in Toronto.

Below is a brief summary of the six international missions taken under the City-to-City Program.

California:

The California mission occurred from October 5 to 9, 1998, and consisted of Mayor Lastman and a five person delegation of Councillors and staff. The mission featured 12 business meetings and three speaking engagements that generated 306 contacts. Highlights of the mission include company calls to Western Costume (investment under consideration), Disney, Universal and Warner Brothers studios, Silicon Graphics and Cisco Systems. Mayor Lastman delivered two promotional speeches before over 200 business leaders during a luncheon in Beverly Hills and the Silicon Valley and was the guest of honour at a film industry reception hosted at the Canadian Consulate. Mayor Lastman also held a business meeting with Los Angeles Mayor Richard Riordan.

Table No. 2
Outbound Missions

Place	Dates	Days	Delegation	Business Meetings	Receptions/ Presentations	Contacts	Budget
California Los Angeles San Francisco San Jose	Oct. 5-9 1998	5	M.L. M.G. B.A. M.S. B.L. R.S.	12	3	306	\$66,300.00
New York	Nov. 18-21 1998	3	M.L. B.A. M.G. J.H. B.L. R.P.	8	3	132	\$22,717.00
Chicago	Nov. 3-5 1999	3	E.B. M.S. P.F.	9	1	38	\$7,500.00
Indianapolis	Nov. 18-19 1999	2	B.A. M.T. B.L.	5	2	17	\$5,100.00
Europe Amsterdam London	Dec. 4-11 1999	8	M.L. B.A. R.R.	25	3	110	\$62,500.00

Frankfurt			J.H. B.L.				
Asia Taipei Seoul Chongqing	Mar. 18- Apr.1,2000	14	G.M. N.K. P.L. J.F. J.T.	42	4	415	\$91,000.00
Totals	6 missions 12 cities	35 days	28 delegates	101 meetings	16 receptions/ presentations	1018 contacts	\$255,117.00

Note: Budget includes research, translation and administrative costs.

New York:

Mayor Lastman led the six person delegation to New York City for three days in November 1998. This mission featured eight business meetings and three receptions netting 160 contacts. Highlights include company calls to Merrill Lynch, Citibank, Viacom, Saks Fifth Avenue and Gun for Hire Films Inc. In addition, Mayor Lastman was the featured guest at the 'Designs on Toronto' reception with publishers of leading design and fashion magazines (i.e., GQ, Vogue, Women's Daily). The Mayor addressed over 75 business executives during a luncheon at the Canadian Consulate in New York. Mayor Lastman also had a successful meeting with New York City Mayor Rudi Giuliani.

Chicago:

The Chicago mission comprised of two Councillors and one staff member and took place from November 3 to 5, 1999 and was led by Councillor Brown. This mission featured nine business meetings and one presentation, generating 38 contacts. High points of the trip were business meetings with Hines Corporation, a major development firm and Hyatt Hotels. Both companies expressed interest in developing properties in Toronto. Also, the breakfast meeting with site selection consultants and real estate professionals put Toronto on the radar screen with influential investment professionals.

Indianapolis:

The Indianapolis trip consisted of two Councillors and one staff member led by Councillor Ashton. The two-day mission in November of 1999 involved five business meetings and two presentations, yielding 17 business contacts. Highlights of the mission included a company call to world headquarters of Eli Lilly, a breakfast meeting with key business decision-makers and a meeting with Indianapolis Councillors reaffirming the sister city relationship between Toronto and Indianapolis.

Europe:

The European mission encompassed visits to Frankfurt, Amsterdam and London over the course of eight days in December 1999. The five-person delegation, led by Mayor Lastman, had 25 business meetings and corporate calls, three business receptions and yielded 110 business and professional contacts. In Amsterdam, business meetings included the Amsterdam Chamber of

Commerce, ABN-AMRO Holding H.V., ING Groep, Origin Netherlands, Canada 3000 and the Amsterdam Teleport Centre. Canadian Ambassador Marie Bernard-Meunier also hosted a special dinner in honour of Mayor Lastman and the delegation and provided the delegates with the opportunity to promote Toronto before key business leaders. Mayor Lastman also had an informal meeting with Mayor Schelto Patjin of Amsterdam. Social issues, crime prevention and redevelopment strategies were also highlighted in Amsterdam and Frankfurt. In London, the delegation made numerous corporate calls and business contacts including Canary Wharf, British Airways, Barclays Bank and the Greater London Enterprise. The Mayor also had a successful meeting with the High Commissioner Roy McLaren.

Asia:

In Asia, the five person delegation led by Councillor Mammoliti visited Taipei, Seoul and Chongqing from March 18 to April 1, 2000. The delegation participated in 42 business meetings and four receptions and presentations generating 415 contacts during this 14-day mission. In Seoul, one of the breakthrough accomplishments for the delegation was to initiate an exchange for economic Cupertino in the form of a preliminary working draft Memorandum of Understanding (MOU) between the Korean International Trade Association (KITA) and the City of Toronto's TradeLink Community Development Corporation. In Chongqing, the delegation re-established the friendship ties between Toronto and Chongqing prior to amalgamation. In addition, a "Letter of Intent" was negotiated between the City of Toronto and the Chongqing Zoo for Cupertino in future animal exchanges. In Taipei, the delegates were welcomed by Taipei City Council and by Mayor Ma and engaged in several business meetings, including an important discussion of Cupertino with the Taiwan Stock Exchange.

Challenges:

Several lessons have been learned in planning and executing the six city-to-city missions over the past two years:

- (a) staff need to have a longer planning cycle than in the past; at least three months are necessary to plan and implement a successful mission; an adequate lead-time is especially necessary to plan major speaking events, receptions, luncheons, meetings with key executives and mayor-to-mayor meetings;
- (b) decision making processes for new investment and business relocations are not achieved immediately, but tend to be longer term in nature; what is important is the relationship building and continued contact to reinforce messages;
- (c) other world cities are very aggressive in terms of their international alliance programs; in Amsterdam, the Mayor undertakes six to eight missions per year to promote the Netherlands; in addition, the City of Amsterdam has an external affairs office devoted to maintaining International relationships;
- (d) international missions are very important to our business investment potential; Toronto's sister city relationships can be important conduits to economic growth in our City if

investment remains one of our major focuses; the promotion of tourism, arts/culture are also important elements; and

- (e) during the missions, it is important to make contact with the corporate headquarters of firms with branch operations in Toronto to try and secure new product mandates and offer other assistance where possible.

Table No. 3
New or Retained Jobs and Investment

Investments	Sector	Details
Gun for Hire Film Production Centre	Film	80,000 square feet 1,200 jobs (80 jobs start-up) \$650,000.00 in property taxes
Film Production from U.S./California	Film	30 percent in film production Over \$200 million increase
Western Costume	Film	Under consideration
ING Bank (expansion)	Finance	50,000 square feet 100 new jobs
Merrill Lynch (retention)	Finance	1,620 jobs retained
Saks Fifth Avenue (Buyers Mission in 1999)	Fashion and Design	N/A

Table No. 4
Outstanding Investment Prospects by Sector

Sector	No. of Prospects
IT	2
Financial	2
Tourism	1
Retail	2
Film	1
Total	8

Source: American and European missions

Future:

Future outbound missions will be the subject of a report in January 2001 and will be based on destinations that make the most 'business' sense. Depending on future funding levels, it is possible to run two or three missions per year, depending on the magnitude of each mission. A major mission to a group of cities outside of North America can be combined with one or two U.S. trips in a given year. In addition, we should consider inviting local businesses on future trips, especially those involving the Mayor. The Toronto Board of Trade might be helpful in organizing private sector participation in future missions.

The following cities and/or regions should be considered for 2001/2002:

- (a) Boston – A mission to Boston, focussing on medical/biotechnology and information technology, should be high on the list. Toronto and Boston share many economic synergies in the biotechnology and high tech areas, and this trip, originally scheduled for November 1999, promised to be one of the strongest in the program.
- (b) Dallas – As with Boston, the City of Dallas has strong similarities with the City of Toronto in terms of population, economic growth, structure of the economy, etc. In addition, a large number of investment inquiries come in from Dallas each year, and it would be to our advantage to make personal contact with some of these firms. The Mayor of Dallas was in Toronto in 1999 and invited Mayor Lastman to visit Dallas, providing a perfect opportunity for reciprocation.
- (c) Atlanta – Synergies can be built around the Olympics. A strong city for investment inquiries into Toronto, Atlanta is a high tech mecca and headquarters of the IDRC. The Canadian Consulate is strong and has offered its help in hosting a southern mission.
- (d) Chicago – Toronto's major U.S. sister city. There are strong ties between the two cities and we have been invited to participate in an IT/new media/software show in 2001.
- (e) Middle East – The Middle Eastern mission planned for 2000 might be the first multi-city mission planned beyond North America.

Conclusion:

The City-to-City Mission component of the International Alliance Program has been very successful in the first 18 months of operation. The primary goals of missions to date have been to increase awareness of the new City of Toronto, to re-brand Toronto as a world City and to re-establish links with existing sister cities. These goals have been met in the first six missions carried out in 1999 to 2000. The Mayor, Councillors and staff have reached a key business audience and marketed Toronto successfully through all of the missions.

The City-to-City Program has achieved more than marketing goals—actual investment deals have been generated and potential leads have been developed. In this sense, the program has more than paid for itself through the new property tax dollars generated to date.

However, several challenges must be overcome for the City-to-City Program to be successful. The program is long-term in nature, and adequate funding must be provided on an annual basis to provide continuity to the program. It is also important to note that outstanding investment prospects often take one or two years to come to fruition. It is essential to follow-up on important leads through return missions wherever warranted and feasible.

Finally, the City of Toronto must be proactive in its international marketing and promotion efforts. As a world City, Toronto must promote itself as such or risk losing exposure and potential inward economic investment. Our City-to-City Program offers the platform for Toronto to market itself to the world.

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Map No. 1
International City-to-City of Toronto
Travel Expenses Only

Map No. 2
International City-to-City of Toronto Program
1998 to 2000

PROMOTING

TORONTO



TO THE WORLD

Introduction:

Promoting Toronto to the World - Mayor Mel Lastman

The Economic Development Office is developing a comprehensive strategy for promoting Toronto both locally and internationally. The Mayor, as key spokesman for the City, is an invaluable resource for Economic Development to access business groups and decision-makers to promote Toronto as a dynamic, world-class place business investment. The U.S. market presents a great opportunity for the Mayor to meet with business leaders in their own environment to “jumpstart” our promotion activities.

The Economic Development staff has developed a work plan for 1999 and are currently working on a marketing strategy in conjunction with an overall strategy for our function. We believe that visits to U.S. and international destinations must be part of that plan. The Mayor’s willingness to get out and promote Toronto to the world is of great value and we hope to build upon the Mayor’s visits to Los Angeles, San Francisco and New York that were executed in the fall of 1998. In the spring of 1999 we are proposing to initiate mayoral economic development missions to three or four additional cities in the United States. The cities; Chicago, Detroit, Boston and Nashville (or Dallas or Charlotte); have many common links with Toronto and we can make good use of pre-existing ties with these to cities to ensure that the Mayor’s message gets the best reception.

This fall, Economic Development is planning a trip to three cities in Europe (London/Amsterdam/Frankfurt) and in January to three cities in Asia (Seoul/Chongqing/Taipei).

The following proposed short-term plan will focus on activities for 1999.

Goals and Objectives:

In marketing and promoting Toronto as an opportunity for the international business community, the Mayor is one of the City’s greatest assets. The Mayor has expressed interest in promoting the City, actively suggesting several trips to the U.S. in 1999.

Experience suggests that on one level the Mayor’s role is to promote and “re-brand” Toronto’s image internationally, particularly emphasising the radical changes being undertaken in Toronto to generate better economic opportunities and a stronger business climate. The Mayor can also be very effective in helping to “close” investment deals. Toronto’s Mayor can effectively carry the message and provide the reassurance that Toronto will work for investors - someone who understands business is finally in charge.

Rationale:

- International business is more aware of Toronto than ever before, but their perceptions of Toronto are out of date. We need to “re-brand” the City.

- The low Canadian dollar and the after-effects of the recession and NAFTA have lowered Toronto's costs substantially. Other cities in North America with Toronto's resident brainpower, economic profile, size, quality of life, and sophistication are all substantially more expensive places to do business (KPMG Study).
- In Toronto, governments at all levels are downsizing, de-regulating, cutting taxes and red tape, and making key business infrastructure investments like the expansion of Pearson Airport and the Sheppard subway link.
- A powerful single-tier city will eliminate barriers that have curbed inward investment in the past. There will now be more certainty and less time wasted in the development approval process, and a big city with clout will be working to "close" investment deals.
- Toronto's Mayor understands business, is committed to growing the economy, and has proven flair for marketing and promotion.

Key Goals:

- "Re-brand" Toronto to business investors, site locators and individual businesses.
- Attract new investment and new business.
- Strengthen the local business base by making contacts with head offices and affiliate companies of existing businesses to encourage expansion in Toronto.
- Explore opportunities for local businesses via export promotion, joint ventures.

Carrying the Message to the World:

In marketing and re-branding Toronto, the Mayor is one of the City's greatest assets. A powerful big city mayor taking the initiative to go out into the world to tell the international business community about the opportunities in his city is quite commonplace in the U.S., but is something that Toronto has experienced little.

For every large high profile media event or keynote speech to be effective, there will be concurrent smaller closed meetings with key investors or decision influencers (such as site location consultants). A typical one or two day visit to a key business centre (such as New York, London, or Chicago) might include one keynote luncheon address to a business association; a meeting with government officials from that city; a public appearance at a sporting or cultural event; a reception at the Canadian government office in that city; smaller meetings with groups of site locators or executives of companies with branch operations in Toronto; and possibly one-on-one meetings with potential target investors.

Typically, the difficulty posed by the active role of mayors and governors in recruitment and promotion in the U.S. is that it is easy to be drowned out by the noise, and this type of activity is not generally considered newsworthy. In fact, in major world cities that are accustomed to a parade of heads of state, media and entertainment stars, etc., it is quite a challenge to even get a

crowd out to listen to the message. A straight sales pitch full of generalities and generic boosterism will not work. So a hook is needed to get the attention Toronto needs to begin the re-branding process. Fortunately for Toronto there is a hook - and that is that this City is turning a new page, undertaking a restructuring process at the local government level that is literally unheard of in cities this size. Not since New York merged its five boroughs one hundred years ago has there been something like this. The trick is to find ways to capitalise on that novelty.

“There Has Never Been a Better Time”

The opportunities to market Toronto to the international business community are better today than they have been in at least a decade, and probably better than they have ever been:

- Due to several years of very favourable rankings of Toronto in international publications such as Fortune magazine and The Places Rated Almanac, international business leaders are becoming increasingly aware of the quality of Toronto as a place to invest, do business, and live. In the U.S. market over the past decade, awareness of Toronto has been increasing steadily and the City is widely seen as a nice, clean and safe place, but nonetheless somewhat out of the way, mildly socialist, and cold - probably much like Canadians (or Europeans) might think of Copenhagen or Stockholm. Now that Toronto is on the “radar screen”, we need to “re-brand” the City’s image to overcome some of those mildly negative perceptions. Toronto is one of North America’s largest urban centres, a key cluster of knowledge, culture, finance, commerce, and brainpower, with a level of sophistication and quality of life that can only be matched by four or five cities in North America. Toronto is no longer a provincial town, but a big league player. While Greater Toronto may still be a bit smaller than Greater Philadelphia or Greater Chicago, for example, the role it plays and the kinds of business clusters it supports make it most comparable to New York, San Francisco, Boston and Los Angeles.
- The costs of doing business in Toronto are more competitive than they have been for decades because of the low Canadian dollar, the continuing deflationary effects of the 1980’s recession, and the increased efficiency and productivity of the Canadian and Southern Ontario economies a decade after the Canada-U.S. NAFTA. The bottom line: Toronto is cheap. Although Toronto’s office space taxes remain among the highest on the continent, it is the total cost structure that counts. While business property taxes are relatively high in Toronto, we have to point out that many large U.S. cities levy inventory taxes, sales taxes, telecommunications taxes, commuter taxes, and even income taxes - none of which are levied by Toronto. While Canada’s tax structure is still punitive for high income earners compared to the U.S., the Ontario government is in the process of substantially cutting income tax rates, and as the federal government moves into a surplus position, we can expect (and sell the idea that) income tax structures will be lightened in years to come. The reality is that what counts for business investors is the total cost structure, and more importantly the “value for money” that a jurisdiction can offer. When compared to the other North American cities (New York, San Francisco, Boston, Los Angeles) with Toronto’s economic profile (software, culture, media, finance, tourism, health and other brain-powered sectors), its quality, and its sophistication, Toronto’s costs are a fantastic bargain. In the late 1980's when Toronto was developing

“world class city” status, its economy and cost structures were outrageously high, sowing the seeds of the 1990’s recession and painful economic restructuring. Today, after being economically battered around for almost seven years, our economy is lean and fit, and Toronto is a premium, quality product offered at prices substantially below its real competitors.

- With the move toward lightening the regulatory load, Toronto will become an even less expensive place to do business - de-regulation and introduction of competition into industries such as energy and telecommunications will continue to drive down the overall cost of doing business. “If you haven’t taken a look at Toronto’s costs lately, come and look again because things are changing.” We are cutting taxes, red tape, and getting government out of the way of business. We are expanding business infrastructure by building the National Trade Centre and expanding capacity at the airport. Often the projection of future cost declines due to upcoming structural and regulatory changes are more powerful arguments for making an investment than a straight “snap shot” comparison of current costs. Toronto, Ontario, and Canada are moving in the right direction.
- Having one powerful City of Toronto, along with a business-friendly Province of Ontario, will eliminate two powerful barriers to inward investment and development. An in-depth discussion last year with the top site location consultant in the U.S. revealed that site locators were literally running out of places in the U.S. to recommend to their clients - primarily because the long-running U.S. economic expansion had led to a severe shortage of high quality potential employees. The same discussion revealed that while site locators were quite aware of Toronto’s advantages (particularly the abundance of under-employed high quality people in the work force), they often have a difficult time convincing their clients to take the leap into unfamiliar, “foreign” territory. Awareness of Toronto gets this City onto the “long list” of potential sites. Good economic information and an eager and welcoming response have regularly resulted in Toronto making the “short list”; but Toronto has often failed to clear the last hurdle and actually land the investment. Why is that? The site location people say that there are two major barriers: the traditional difficulty of getting development approved in Toronto; and the lack of a “package” of incentives or resources to offer to potential investors.
- The development approval process will be faster and less complicated. Site location consultants, who now guide most of the large-scale decisions about relocations, consolidations, expansions, and new investments in North America, naturally want to please their clients. Today, many other clients’ U.S.-based facilities are operating at full capacity. If they are looking to locate a new facility to expand their capacity in the middle of an economic expansion, they want to be able to move quickly and “get the shovels in the ground” before the next economic downturn. They cannot wait for years, and then find that their new facility is ready to open with lots of new output capacity just as the demand for their product or service declines with the economic cycle. “Green field” sites in suburban and ex-urban areas are obviously the quickest and easiest way to go. But in Toronto for the past decade, a site locator bringing a client up to check out the development climate would be told that the process goes as follows: first you

apply to the local city and if you clear those hurdles then there is the Metro level to get through, and if you need a transportation improvement you have to sort out which of those levels is responsible for that, and of course there may be a requirement for an Environmental Assessment, and if there is soil contamination you could have to clean it to standards which really are not altogether clear because there are four different provincial departments involved and, if you get through that, you may be challenged at the OMB, and there is always the possibility that the province could over ride it all by declaring a provincial interest. With that much delay and uncertainty, what site locator can safely recommend development of a new facility or an expansion in Toronto? Of course it will always be more difficult to develop in an already built up large city than in a suburban green field, but then how do other mature, developed cities compete? The answer is - a lot better than Toronto has in the past - because in L.A., Chicago, New York, and in most other big cities, the consultant can bring the client to the Mayor's office, a Mayor who can reassure the client that the city will do everything in its power (and it actually has power) to make the process work. In the past, with a two-tier local government, and with a meddling provincial government, no one was in charge, so no one could re-assure investors that they would not get "jerked around" in the process.

- One powerful city government can also bring other partners to the table to provide a compelling "package" to offer the investor. Many U.S. jurisdictions have, in the past, offered large property tax rebates to companies to entice them in-to be the clincher that moves that place from the short list to the chosen location. In the long run, that strategy is self-defeating because lost tax revenues mean that public services and quality of life can deteriorate. Of course "bonusing" is illegal in Ontario anyway. Many U.S. executives still want something to clinch the deal. In fact, they are so used to jurisdictions competing with incentives for their investment that they often view a jurisdiction that does not as a signal that location does not really want their business. Some U.S. jurisdictions have recently become a lot smarter about the kinds of packages they put together to close these deals. Instead of writing off tax revenues and weakening their communities, they are putting together packages that build their communities as well as helping the companies. These packages often include:
 - offers to recruit and share the costs of training workers (which is an investment in your resident labour force);
 - access to government programs for R&D tax credits and export assistance;
 - volume deals for electricity, water and energy;
 - transportation or infrastructure improvements (an investment in local infrastructure);
 - arranged meetings with potential suppliers and customers;
 - contacts with realtors, financiers, and industry associations; and
 - partnerships with research consortia, colleges and universities.

As a single-tier, large and powerful city government, Toronto will be an important player that can bring these resources to the table and “package” them to close investment deals.

- A Mayor of Toronto who understands business, who is committed to growing the economy and who has a flair for marketing and promotion. Mayor Lastman can be a great asset for overall promotion of Toronto internationally and through key meeting can convey effectively the serious commitment that Toronto has to creating an inviting business environment, growing the economy, and creating jobs. Of course this will be most effective in combination with a comprehensive economic development strategy which:
 - contributes to the creation of a positive business environment;
 - provides the analytical capability to understand supplier, customer and competitive linkages within Toronto’s economic clusters (through a smart corporate calling program and networks); and
 - Toronto is forecasted to have the highest growth rate of any major city in Canada - GDP 5.2.

The Conference Board of Canada predicts Toronto to lead the country over the next three years.

Attachment No. 2

City/Country	Date Established	Municipality	Type of Relationship
Skopje, Macedonia	1971	East York	Twinning
Sao Paulo, Brazil	1987	Toronto	Technical Exchange
Chongqing, China	1986	Toronto	Sister City
Terracina, Italy	1989	North York	Friendship
Tianjin, China	1996	Metropolitan Toronto	Economic Co-operation
Nanjing, China	1996	Scarborough	Technical Exchange
Shenyang & Xiamen, China	1996	North York	Friendship Agreement
Wuxi China	1996	Scarborough	Friendship City
Medellin, Columbia	1997	Toronto	Technical Exchange
Soyapango, El Salvador	1996	York	Technical Exchange
Tallinn, Estonia	1997	Toronto	Technical Exchange
Merignac, France	1992	Etobicoke	Economic Co-operation
Frankfurt, Germany	1989	Toronto	Friendship Agreement
Florina, Greece	1983	Scarborough	Fraternisation
Thessaloniki, Greece	1986	Toronto	Friendship Agreement
Tripolis, Greece	1995	East York	Twinning Agreement
Haifa, Israel	1995	North York	Friendship Agreement
Aguila, Italy	1988/89	York	Informal Partnership
Cassino, Italy	1987	North York	Friendship Agreement

City/Country	Date Established	Municipality	Type of Relationship
Sagamihara, Japan	1991	Scarborough	Friendship City
Tatsunokuchi, Japan	1991	East York	Cultural Exchange
Riga, Latvia	1997	Toronto	Technical Exchange
Vilnius, Lithuania	1997	Toronto	Technical Exchange
Skopje, Macedonia	1971	East York	Twinning Agreement
The State of Mexico, Mexico	1996	Metropolitan Toronto	Technical Exchange
Amsterdam, The Netherlands	1972	Toronto	Twinning Agreement
Lima, Peru	1990	Toronto	Technical Exchange
Warsaw, Poland	1990	Toronto	Friendship Agreement
Lisbon, Portugal	1987	Toronto	Friendship Agreement
Volgograd, Russia	1991	Toronto	Friendship Agreement
Cape Town, South Africa	1995	Toronto	Technical Exchange
Cankaya-Ankara, Turkey	1993	North York	Friendship Agreement
Istanbul, Turkey	1990	Metropolitan Toronto	Technical Exchange
Kiev, Ukraine	1991	Toronto	Friendship Agreement
Chicago, USA	1991	Toronto	Sister City Agreement
Indianapolis, USA	1996	Scarborough	Sister City