

Consolidated Clause in Economic Development and Parks Committee Report 9, which was considered by City Council on December 5, 6 and 7, 2005.

2b**International Alliance Program
(All Wards)**

City Council on December 5, 6 and 7, 2005, adopted this Clause without amendment.

City Council on November 24, 2005, postponed consideration of this Clause to its next regular meeting on December 5, 2005.

City Council on October 26, 27, 28 and 31, 2005, postponed consideration of this Clause to its special meeting on November 24, 2005.

The Economic Development and Parks Committee recommends that City Council adopt the staff recommendations in the Recommendations Section of the report (September 29, 2005) from the Deputy City Manager.

Action taken by the Committee:

The Economic Development and Parks Committee referred the following motions put forward at this meeting to the Deputy City Manager for report thereon to the Committee at its meeting on November 9, 2005:

By Councillor Mammoliti:

That staff conduct discussions with members of the South American Community, the Russian Community, and Dunedin, Florida, to determine if there are any future alliances with any cities in those communities that would meet our criteria, and that staff report to this Committee as soon as possible, and that two members of this Committee, to be determined by the Chair, be part of these discussions.

By Councillor Walker:

That Councillor Mammoliti's motion be amended to add the City of Derry, Ireland.

By Councillor Grimes:

That any future friendship and alliance with Dunedin, Florida be at no cost to the City; and that Councillor Grimes be the Council Sponsor.

By Councillor Lindsay Luby:

That the Cities of Melbourne, Australia and London, England be referred to Staff for report.

The Economic Development and Parks Committee submits the report (September 29, 2005) from the Deputy City Manager:

Purpose:

The purpose of this report is to seek Council approval for the reassignment of selected partnership and friendship cities under the International Alliance Program (IAP) further to the policy report approved by City Council on February 1, 2 and 3, 2005.

Financial Implications and Impact Statement:

The analysis of Economic Development's capacity to deliver a successful and meaningful International Alliance Program (IAP), given the current resources, resulted in the conclusion that it can sustain four Partnership and six Friendship Cities. Our analysis revealed that Partnership and Friendship Cities require \$44,500.00 and \$5,000.00 respectively on an annual basis to be adequately supported. Should Council wish to pursue an enhanced program of six Partnership Cities and six Friendship Cities, it would be necessary to add \$89,000.00 to the existing budget to cover the incremental program costs. Funds for the enhanced program have been included for consideration in the 2006 budget request. If additional Partnership and Friendship Cities are added beyond the list recommended in this report, the budget will need to be adjusted accordingly.

Recommendations:

It is recommended that:

- (1) City Council adopt as Partnership Cities: Chicago, Chongqing, Frankfurt and Milan; and as Friendship Cities: Amsterdam, Warsaw, Kyiv, Sagamihara, Ho Chi Minh City and Quito;
- (2) a new/enhanced program request of \$89,000.00 to support an expanded program of Partnership Cities: Chicago, Chongqing, Frankfurt, Milan, Amsterdam and Warsaw; and as Friendship Cities: Kyiv, Sagamihara, Ho Chi Minh City, Quito, Thessaloniki and Volgograd be forwarded to the 2006 budget process for consideration;
- (3) the process for adding new relationships, outlined in Attachment 4 be approved; and
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

The City of Toronto inherited 26 formal international relationships as a result of amalgamation. In 2001, given the limited resources of the program and following an analysis of the match between the program goals and the legacy cities, City Council approved the reduction of formal relationships to 11. In 2003, the City of Milan was added to the list bringing the current number of international partnerships to 12. In the fall of 2004, staff revisited the 2001 policy and evaluated the program in light of resource constraints, the ability to achieve the goals of the program, and increased pressure to expand the number of partnerships. At its meeting on February 1, 2 and 3, 2005, City Council adopted a new framework for the designation of cities and directed staff to further examine the assignment of Toronto’s international relationships. This report provides an analysis of our existing partnerships, evaluating the degree to which each meets established partner city criteria and International Alliance Program (IAP) goals and objectives.

City-to-city relationships require adequate resources, political will, and active community support and participation in order to be successful. Our earlier analysis of Toronto’s program over the past number of years and of similar programs in the United States and Europe resulted in an estimated minimum cost for a relationship. We concluded that an average \$44,500.00 (Attachment 3) annually is required to adequately support a Partnership. The funds currently allocated to Toronto’s formal partnerships are inadequate to engage in meaningful relationships with all 12 of our partners. Given the current budget and staffing, the City can only adequately and meaningfully support four partnerships.

Purpose of the International Alliance Program (IAP):

The two key components of the Economic Development Division’s international program are city-to-city relationships and investment attraction. The purpose of the program is to foster formal and informal relationships with international cities to strengthen economic, cultural, tourism, and multicultural links internationally and to share best practices with other municipalities where possible. The program also aims to forge informal international relationships and networks for the purpose of investment attraction. Table 1 outlines in a little more detail the goals and objectives of the program components.

Activities undertaken include: hosting inbound delegations, implementing outbound missions, performing promotion and outreach initiatives, ongoing project management and implementation of new projects, investment attraction, and deal finalization. Attachment 1 describes more fully the program methods by which the IAP goals are met.

Table 1
Goals and Objectives

Component 1: City Partnerships	
Goals	Objectives
Economic Development	<ul style="list-style-type: none"> - Expand business contacts, relationships and communications by creating and executing programs. - Build economic links. - Increase Toronto’s profile on the world stage.

Component 1: City Partnerships	
Goals	Objectives
Cultural Development	<ul style="list-style-type: none"> - Promote Toronto as the Creative City of the future, one of a select group of international cultural centres. - Invigorate and promote Toronto's cultural tourist attractions through contacts. - Create connections between cultural institutions in Toronto and relationship cities. - Enhance the potential for Toronto's flagship arts organizations to act as cultural ambassadors in relationship cities.
Tourism Development	<ul style="list-style-type: none"> - Promote Toronto as an exciting event-filled experience year-round in the networks developed. - Market Toronto's tourism amenities (accommodations, attractions, cultural, events and major venues). - Promote Toronto's cultural urban tourism attractions.
Cross Cultural Community Development	<ul style="list-style-type: none"> - Distinguish Toronto from other cities based on its multicultural composition. - Market Toronto as home to virtually all of the world's culture groups and where more than 100 languages are spoken.
Municipal Learning	To share best practices with municipalities around the world.
Component 2: Investment Attraction	
Goals	Objectives
Economic Development	<ul style="list-style-type: none"> - Attract high quality jobs and new sources of revenue for City services by bringing in new business and investment to Toronto. - Help Toronto businesses increase exposure of Toronto-made products and services in relationship cities. - Foster relationships with international cities and agencies to generate investment leads and build market intelligence.

Comments:

City-to-City Relationships:

At its meeting in February 2005, City Council adopted the concept of a two pronged program of Partnership and Friendship Cities. Partnership City activities are driven by city staff and focus more heavily on economic development goals. As outlined in Table 1, the focus would be on building business links, increasing Toronto's profile, attracting investment, and promoting trade.

Activities include outbound and inbound missions and building relationships with the local community and consular offices in Toronto. Friendship City relationships are driven by the community. The City participates by endorsing the Friendship and having a member of Council to act as an official sponsor or representative for the relationship. Staff support the relationship through official letters of greeting, commemorative scrolls, and flag raising ceremonies on dates

of significance to the Friendship City and in accordance with the policies of the City of Toronto’s Protocol office. Staff also provide advisory assistance to the community on a project specific basis. The community develops, organizes, manages and pays for programs and projects. If there is a transition in Council affecting a Friendship City sponsor, City Council will designate a new sponsor or recommend the winding down of the relationship. Attachment 2 outlines the roles and responsibilities of staff, the Council sponsor and the community with respect to Partner and Friendship Cities.

Foundation for Recommendations:

The key challenges of the IAP relate to the tension between the multiple objectives of the program and the City’s capacity to deliver results due to resource constraints. The continuous requests to evaluate and include additional partnership and friendship cities add to the resource constraint.

The February report included a cost analysis of the City’s program and those of other cities (Attachment 3). The February report also included a process and list of criteria by which all proposals for new Partnership Cities and Friendship Cities would be assessed (Attachment 4). This report recommends new assignment options to rationalize the program accordingly.

Based on our analysis, and depending on the budget allocated, there are two possible program scenarios for a sustainable IAP. Option A, using existing resources, would allow a program focused on four Partnerships and six Friendships. Option B, the Enhanced Program, recommended by staff and adding two cities to the program, would require a total additional budget of \$89,000.00. Table 2 outlines the recommended cities for each scenario. Cities indicated in italics are those implicated by Council’s decision on Option A or B. The methodology for reassessing our relationships and for the resulting recommended cities is described in the next section and summarized in Table 3.

Table 2

Program Scenarios

Program	No. of Sustainable Relationships	Recommended Partnership Cities	Recommended Friendship Cities
Option A: Base Program	four Partnerships and six Friendships	Chicago Chongqing Frankfurt Milan	Amsterdam Warsaw Kyiv Sagamihara Ho Chi Minh City Quito
Option B: Enhanced Program	six Partnerships and six Friendships	Chicago Chongqing Frankfurt Milan Amsterdam Warsaw	Kyiv Sagamihara Ho Chi Minh City Quito Thessaloniki Volgograd

Methodology for Reassessing Existing Partnerships:

Staff applied the Council approved standards to each existing Partner City to establish a new list of recommended Partners. The analysis was conducted with an emphasis on the economic development criteria. A widening body of research exists on world city formation. The designation; Alpha, Beta, Gamma refer to cities with top global networks of corporate service firms in accountancy, advertising, banking and law or “headquarter” cities. These cities also tend to be leading cultural centres. In Step One, of the Council approved evaluation process, staff determined whether the cities were internationally ranked (Alpha, Beta, Gamma).

Those cities that were ranked internationally moved to Step Two of the process where staff applied economic development criteria to assess whether the cities had potential for generating economic benefits and/or international profile. Attachment 5 is a more detailed table of economic development criteria used in the analysis of Partnership Cities.

Cities which are recommended as Partnership Cities are those which were internationally ranked (Alpha, Beta, Gamma), met key economic development criteria, and which most closely met the remaining criteria. These are summarized in Table 3. Partnership Cities that did not meet the criteria were then re-assessed as potential Friendship Cities the results of which follow in the next section.

Results of Analysis-Partner Cities:

Based on the analysis above, it was evident that six cities met the test for inclusion as Partnership Cities. Staff, therefore, recommend the Enhanced program scenario, which would include Amsterdam and Warsaw along with Chicago, Chongqing, Frankfurt and Milan as Partnership Cities.

Having been internationally ranked as leading urban centres, the recommended Partnership Cities meet Step One of the Council approved process for assessing Partnerships. In addition, staff found that the recommended partners have potential for generating economic benefits and/or international profile as required by Step Two of the assessment process.

Table 3
Partner City Assessment

Existing Partner Cities	Key Criteria						Recommend
	Is the partner an Internationally Ranked City?		Visits and Activity since 1998	Population	GDP Growth Rate	Ranking in Country	
Recommended							
Amsterdam (Netherlands)	Yes, Gamma	→	Yes	734,540 (1.5 million in Greater Amsterdam)	1.2 percent	Largest city	Enhanced Program Only
Chicago (USA)	Yes (Alpha/Beta)	→	Yes	2.9 million (9.2 million in Greater Chicago)	4.4 percent	Fifth largest	Yes - Base Program
Chongqing (China)	(Not ranked. However China is the world's fastest growing economy and Chongqing an active partner)	→	Yes	30.1 million	9.1 percent	Largest City in Szechwan Province, one of four cities under direct control of central government	Yes - Base Program
Frankfurt (Germany)	Yes (Alpha/Beta)	→	Yes	650,000 (4.9 million in Greater Frankfurt)	1.7 percent	Fifth largest city	Yes - Base Program
Milan (Italy)	Yes (Alpha/Beta)	→	Yes	1.3 million (4.5 million in Greater Milan)	1.3 percent	Second largest	Yes - Base Program
Warsaw (Poland)	Yes, Gamma	→	Yes	1.7 million (2.4 million in Greater Warsaw)	5.6 percent	Largest city	Enhanced Program Only
Not Recommended							
Cankaya-Ankara (Turkey)	No		No		8.2 percent	Cankaya is a suburb of Ankara. (Ankara is second largest city)	No
Haifa (Israel)	No		No	255,000	3.9 percent	Third largest	No
Indianapolis (USA)	No		Peace Games-ended in 2004	1.6 million	4.4 percent	12 th largest	No
Merignac (France)	No		No	65,000	2.1 percent	A small city - not ranked	No
Sagamihara (Japan)	No		Annual visits	700,000	2.9 percent	20 th largest	No
Tianjin (China)	No		No	10 million	9.1 percent	under direct control of central government	No

Although it is not currently internationally ranked, Chongqing was included as a Partnership City because of its population base of 32 million people, its sizeable GDP growth rate (9.1 percent), and its potential role as gateway to Southwestern China and the burgeoning Chinese economy, which is expanding at three times the rate of the U.S. economy. China is Canada's second largest national source of imports after the U.S. and Canada's fourth largest export market. Chongqing was selected over Tianjin because Chongqing and Toronto have remained consistently active, undertaking economic, tourism, and community exchanges while our relationship with Tianjin does not share the same level of community support.

Methodology for Identifying Friendship Cities:

"Non-Partner Cities" and "Historical Relationships" were assessed to determine their eligibility for Friendship status. Staff applied a three-stage process to determine which cities would meet the standard for Friendship Cities as outlined in Attachment 4. First, staff applied the "one relationship per country" rule and removed all cities in countries already represented by Partner Cities from the list of eligible Friendship Cities. Next, staff consulted with the Protocol Office to identify the number of visits made to Toronto by the prospective city since amalgamation and to identify local organizations actively working with the prospective city. This was done to assess the prospective city's level of interest in the relationship and the degree of community capacity. Staff used basic compatibility criteria such as size of population to further determine eligibility. Finally, the City Councillors recommended as sponsors for the Friendship Cities were identified by staff based on prior involvement with the Friendship, links with interested community groups, and local geographic concentration of the respective cultural groups.

Results of Analysis - Friendship Cities:

Based on this assessment, the recommended Enhanced Program of Friendship Cities would include: Sagamihara, Kyiv, Ho Chi Minh City, Quito, Thessaloniki and Volgograd. The following outlines the rationale for each selection.

As stated, due to resource constraints and in order to achieve a balanced representation of cities from all corners of the globe, formal relationships were limited to one per country. Further, on a go-forward basis, new relationships will be limited to one per region to encourage diverse cultural and geographic representation in the IAP. As a result, in identifying Friendship Cities, there were two cases in which it was necessary to choose between cities from the same country.

Sagamihara was chosen over Tatsunokuchi because of Sagamihara's ongoing commitment to our relationship, which has been consistently demonstrated by one or more annual inbound citizen, political, cultural and business delegations and exchanges. Councillor Brian Ashton is recommended as the Council Sponsor due to his long-standing ties with Sagamihara as a former Scarborough City Councillor and his participation in many of these visits.

Table 4
Friendship City Assessment

Key Criteria					
Existing Non-Partner and Historic Cities and newly proposed Friendship Cities	Does this City Pass the "One Relationship per Country" rule?	Visits/Activity since Amalgamation (demonstrating interest by city)	Known activity between city and local Community Group	Population	Council Sponsor
Former Partners					
Recommended					
Sagamihara (Japan)	Yes	Yes- at least one annually	Yes	571,000	Councillor Ashton
Not Recommended					
Cankaya, Ankara (Turkey)	Yes	No	No	3.7 million in Ankara city (Cankaya is a suburb)	
Haifa (Israel)	Yes	No	No	255,000	
Indianapolis (USA)	No				
Merignac (France)	Yes	No	No	65,000	
Tianjin (China)	No				
Historical Relationships					
Recommended					
Kyiv	Yes	Yes	Yes	2.7 million	Councillor Lindsay Luby
Thessaloniki (Enhanced Program)	Yes	No	Yes	750,000	Councillor Ootes
Volgograd (Enhanced Program)	Yes	Yes	Yes	1.1 million	Councillor Feldman
Not Recommended					
Shenyang	No				
Wuxi	No				
Xiamen	No				
Florina	No	No	Yes	55,000	
Tripolis	No	No	No	29,000	
Aguila	No				
Cassino	No				
Terracina	No				
Tatsunokuchi	No	No	No	15,000	
Skopje	Yes	No	No	470,000	
Wroclaw	No				
Lisbon	Yes	No	No	565,000 (Greater Lisbon 2.6 million)	
New Proposals					
Recommended					
Ho Chi Minh City	Yes	Yes	Yes	6 million	Councillor Minnan-Wong

A similar situation was encountered with our Historical relationships in Greece. Although no official delegations have visited from Thessaloniki, Florina, or Tripolis since amalgamation, community groups representing Thessaloniki and Florina are active and contact the City of Toronto regarding local events on a regular basis. Thessaloniki is the second largest city in Greece and is most closely compatible with Toronto. Thessaloniki is, therefore, recommended as a Friendship City under the recommended Enhanced Program. Given the concentration of Torontonians of Greek descent found in Ward 29 (11 percent), Councillor Ootes is recommended as Council sponsor.

In May 2005, the Canada Ukraine Chamber of Commerce (CUCC) organized a mission to Kyiv to explore trade and investment opportunities for Toronto companies. Councillor Gloria Lindsay Luby chaired an organizing committee comprising local business people and residents and volunteered to sponsor the relationship to renew the Friendship City agreement. Council approved a recommendation to renew the original Friendship City agreement and a new agreement was signed between Kyiv and Toronto in May 2005.

At its meeting on December 4, 2004, the Economic Development and Parks Committee requested 'a city in Vietnam' be considered for Friendship City status. Councillor Minnan-Wong volunteered to sponsor Ho Chi Minh City and has been working with a very active local community group to meet the criteria for Friendship City status. For example, the local Vietnamese-Canadian community worked with Councillor Minnan-Wong and staff to welcome Chairman (Mayor) H.E. Le Thanh Hai to Toronto in June 2005 at which time, a letter of intent to explore a formal relationship was signed. Having met the criteria and having followed the process outlined, staff recommend Ho Chi Minh City achieve Friendship City status.

At its meeting of July 19, 20, and 21, 2005, City Council directed the Economic Development and Parks Committee to consider a motion to explore a formal relationship with Quito, Ecuador. The motion was made by Councillor Cesar Palacio. Staff followed up with Councillor Palacio to discuss the potential for a friendship city relationship with Quito. Councillor Palacio has volunteered to act as Council sponsor for the relationship and is working with two community groups willing to actively support the Friendship. In addition, the City of Toronto has received several letters of interest from Ecuador to initiate a formal friendship and considering we currently have no relationships in South America, this warrants consideration. Quito is the capital city of Ecuador, has a population of two million, and is experiencing economic growth. Staff recommends Quito become a Friendship City conditional upon receipt of a complete proposal demonstrating broad support and long-term commitment from the local community and from the citizens of Quito.

Volgograd has sent two official delegations to Toronto since amalgamation and has expressed an interest in further strengthening our friendship. Toronto is currently not engaged in a formal relationship with any city in Russia and Volgograd is compatible with Toronto in terms of size and growth opportunities. In addition, there is interest from the local community. Volgograd is, therefore, recommended as a Friendship City. Given the concentration of Torontonians of Russian descent found in Ward 10 (23 percent), Councillor Feldman is recommended as Council sponsor.

Enhanced Model:

Should Council adopt the Enhanced Program as recommended, Amsterdam and Warsaw would be classified as Partner Cities allowing Volgograd and Thessaloniki to be added to the list of Friendship Cities. Amsterdam and Warsaw are ranked as Gamma level cities with potential for investment attraction and trade development. Toronto's formal relationship with Amsterdam was struck in 1974 making it Toronto's oldest partnership. In addition, Amsterdam is the capital of Holland, the fourth largest investor in Canada and the financial centre of the country. A Partner City relationship with Amsterdam would focus on investment attraction as the primary economic development goal. Warsaw is also ranked as a Gamma City and is the capital of Poland, Canada's single largest export market of the new European Union countries. Warsaw is also an important gateway to the growing Eastern European market with strong potential for trade development.

Choosing the Enhanced Model would allow us to add two Partnerships, while maintaining the number of Friendship Cities at six. Economic Development would be able to sustain the two additional partners only through a budget increase of \$89,000.00.

Budget Implications - Benchmarking the Analysis:

To validate our analysis, staff reviewed a few other international programs in Europe and the United States. In particular, that review revealed a notable difference in staff support by other jurisdictions. Programs in European cities such as Frankfurt employ one staff person for every four relationships. In the United States, many programs are substantially supported. In Chicago, for example, the sister cities program is operated by a non-profit organization employing a staff of 11 who manage 24 sister cities. Each sister city has a budget of \$100,000.00 and a committee of volunteer members that produces program activities. In Fort Worth, Texas, the program is operated by a non-profit organization with a 50-member board of directors, eight staff and a \$1.4 million budget. Fort Worth has seven sister cities.

Canadian programs also range in scale with a direct correlation between allocated resources and program activities. Vancouver, for example, has six sister cities, one staff person, and a small budget (exact figure not available). No outbound missions are undertaken to their sister cities. In the case of Calgary, one staff person manages six sister cities with very limited resources, relying heavily on volunteers. The program consists of one business mission and one inbound delegation annually. Unfortunately, no information could be obtained for Montreal but their Montreal International Office has a budget of approximately \$10 million.

Our earlier analysis showed that between \$40,000.00 and \$50,000.00 was needed to support each Partner City. Also, staff recommend that \$5,000.00 be allocated to each Friendship City. As noted, the IAP also includes missions to cities with which we do not have a formal relationship. Missions to non-relationship cities are organized to attract investment and promote trade.

In addition, considering the success of international programs in other cities and the staffing of their relationships, an Enhanced Program would also require one additional staff person to achieve a sustainable and effective program.

Process for Adding New Relationships:

Expressions of interest to add new relationships will be considered on a case by case basis and following a process outlined in Attachment 3. It is recommended that Proposals be submitted to the General Manager. Proposals will be compiled and assessed by staff based on the criteria and process outlined in this report. Recommendations will be made to Council once annually to coincide with the budget process to ensure that all relationships continue to be adequately resourced.

Communications Strategy for Reassigned Cities:

Following Council approval of this report, staff will notify all cities of their new status using the approach outlined in the Table 5.

**Table 5
Communications Strategy for Reassigned Cities**

	Partnership Cities Recommended	Friendship Cities Recommended	Historical Cities Not Recommended
Initial Notification of New Status	<ul style="list-style-type: none"> - Letter signed by Mayor immediately following Council approval 	<ul style="list-style-type: none"> - Letter signed by Mayor immediately following Council approval-introducing Council sponsor and supporting community group - Scroll commemorating Friendship 	<ul style="list-style-type: none"> - Letter signed by Mayor immediately following Council approval to be sent to cities to notify them of their status
Ongoing Marketing/ Communications	<ul style="list-style-type: none"> - Acknowledgement letters every year - Invitations to staff organized consular events - Direct mail-out of marketing materials to foreign staff in Toronto and Canadian Foreign Affairs staff stationed abroad - Staff to develop partnership with community leaders/groups 	<ul style="list-style-type: none"> - Letters to acknowledge Friendship sent every year - Flag raisings on holidays - Invitations to staff-organized consular events 	<ul style="list-style-type: none"> - No ongoing communication

Conclusions:

When appropriately applied and adequately funded, Partnership cities can be one of many valuable mechanisms used to promote inbound investment and trade. Friendship Cities can be community driven tools endorsed by Council that foster community and cultural exchange as well as build goodwill and potentially trade. The proposed city assignments are recommended in view of the existing resource limitations. Through a combination of enhanced activity with the newly designated Partnership Cities and enhanced community support, our aim is to guide the program to a more sustainable and meaningful position.

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List of Attachments:

- Attachment 1 - Current Program Methods
- Attachment 2 - Roles and Responsibilities Regarding Friendship Cities
- Attachment 3 - Cost of Partnerships
- Attachment 4 - Criteria and Process for Assessing Partnership Cities and Friendship Cities and Realigning Relationships
- Attachment 5- Economic Development Criteria Applied to Determine New Partnership Cities

Attachment 1

Current Program Methods:

The annual budget is used to support both the City relationships and investment attraction components of the program. Activities undertaken include hosting inbound delegations, implementing outbound missions, executing promotion and outreach initiatives, ongoing project management and implementation of city-to-city partnerships, investment attraction, and deal finalization. The following section provides an overview of the various program activities.

Inbound Delegations:

The Protocol office is the main entry-point for the City's general international delegations. Protocol works closely with Economic Development Division on those inbound delegations from Toronto's partnership and friendship cities and other groups with a specific interest in economic development. Programs for inbound delegations can include business networking events, economic development presentations, site visits, business-to-business meetings and courtesy calls to the Mayor and/or Chair of the Economic Development and Parks Committee.

City-led Outbound Missions:

Outbound missions focus on Partnership Cities and the region to which they are a gateway. The goal of outbound missions is to further economic development, cultural, tourism, cross-cultural, municipal learning and investment promotion. The itinerary's priorities are relationship-building with government, community, and business partners. The core program of any outbound mission typically includes a courtesy call with a representative of the local government, one-on-one business and institutional meetings, and speaking engagements for the Mayor. Business meetings are intended to attract international investment and retain existing foreign-based companies in Toronto. Other meetings that focus on cultural and municipal matters are arranged to promote Toronto as a cultural hub and to share best practices. Speaking engagements are planned to promote Toronto as a business and tourism destination. The political delegation's primary role is to promote Toronto as a competitive location to do business, as an attractive

tourist destination, as the arts and culture hub of Canada, and as a multi-cultural society where diversity is our strength. In short, it is to “sell” the City to the World. Business members of delegations are there to promote trade and investment as well as share their perspective on the city as a business destination.

Outbound missions typically involve the Mayor or his designate, Council representative(s) and staff. Delegations can also include local businesses and institutions where appropriate.

City-to-City Projects:

This category of activities relates to ongoing communication and project management between Toronto and its International Partnership and Friendship Cities. As an example, staff in Economic Development, in cooperation with the Fashion Design Council of Canada, the Italian Chamber of Commerce of Toronto and the City of Milan, invited Missoni to participate in Toronto Fashion Week in March 2004. The aim of the project was to celebrate and recognize Missoni’s achievements on the company’s 50th anniversary and to showcase and promote Toronto’s fashion industry on the international stage. As another example of a city-to-city project, the City of Toronto and the City of Sagamihara staged a photographic exhibit in Toronto in 2005 displaying images taken by the citizens of Sagamihara, Japan.

International Promotion and Outreach:

Despite being the largest city in Canada and the fifth largest city in North America, Toronto has a relatively low profile on the world stage. The international program can be a vehicle to promote the city as an important global economic, cultural, tourism and multicultural centre. Economic Development’s marketing team works with Investment staff to develop and deliver an effective and cohesive marketing message to the international community through locally based foreign staff and through Department of Foreign Affairs staff stationed abroad. In addition, this message is delivered to inbound delegations and directly to international target groups through outbound delegations.

The program also aims to draw upon the diversity of the community by working with community partners to enhance international relations and international development opportunities.

Investment Attraction and Lead Generation:

This activity takes the international promotion and outreach function a step further to build relationships with the international community for the purpose of generating investment leads. For example, in almost all cases, organizing an outbound mission would begin with a call to the Canadian Trade Office overseas to identify international investors interested in the Canadian market. Whenever possible appropriate meetings are organized with potential investors to promote the City of Toronto as the best investment location in Canada and to identify ways in which the City can facilitate investment. Where possible, the Mayor, accompanied by one or two City officials, meets with the potential investor. Leads are followed up by the Mayor and staff in the Economic Development Division.

Deal Finalization:

When staff have nurtured a client relationship to the investment decision-making phase, it may be necessary to make face-to-face contact with the investor to influence a positive outcome. In such situations, a “sales call” with the potential investor is organized with the sole purpose of finalizing the deal. Sales calls are shorter in duration, involve fewer delegates, and are more focused than outbound missions.

With the exception of the city-to-city partnership projects, the program methods listed above are not necessarily part of any formal city partnership. Following is more information on the City’s formal city-to-city partnerships.

Attachment 2

Roles and Responsibilities Regarding Friendship Cities:

Role of Community:

The Community is responsible for leading all activities related to the Friendship City including:

- all regular communication with the Friendship City;
- project planning and management;
- fundraising and sponsorship development to support the activities of the Friendship;
- updating the Council Sponsor regularly on activities;
- providing a brief report on all activities of the program to the Council Sponsor and staff on an annual basis; and
- any other activities necessary to support the relationship.

Role of City:

The City’s role in Friendship Cities is limited to the following:

- official endorsement by City Council;
- letters of greeting and/or scrolls to commemorate days of significance to the friendship city;
- flag raising ceremonies where appropriate;
- provide advisory assistance related to community-driven projects;
- host inbound delegations; and
- participate in events and trips planned and funded by the Community.

Role of Staff:

- Protocol staff will coordinate inbound visits, letters of greeting and/or scrolls, flag raisings to commemorate days of significance to the Friendship City and other appropriate Protocol events.
- Economic Development staff will provide advisory assistance on community-driven activities.

Role of Council Sponsor:

A City Councillor who sponsors a Friendship City plays an important and active role in the Friendship City. Following is a list of duties associated with the role of Council Sponsor:

- attend events organized by the community;
- act as key contact person at City Hall;
- participate in community-based Friendship City meetings; and
- host inbound missions.

Attachment 3

Costs of Relationships:

Our findings concluded that \$44,500.00 annually is required to adequately support a partnership. The estimate, based on staff experience, is outlined in Table 1, and is recommended as a way to establish appropriate budget and staff resources for a more viable city-to-city partnership program. The estimated cost of Friendships is \$5,000.00.

Table 1: Average Cost of Partnerships:

Program Elements per Partnership	Annual Requirement
Inbound delegations twice annually	\$ 5,000.00
Outbound delegations once every 3 years	\$ 12,000.00
Project management	\$ 12,500.00
Project/program seed funding	\$ 15,000.00
Annual Budget per Partner City:	\$ 44,500.00

Table 2: Average Cost of Friendships:

Program Elements per Friendship	Annual Requirement
Hosting Inbound Delegations (Meeting/Program Support, Receptions, Delegate Gifts/Misc.)	\$ 5000.00
Annual Budget/Friendship	\$ 5,000.00

Attachment 4

Criteria and Process for Assessing Partnership Cities and Friendship Cities and Realigning Relationships.

A. Principles for all New Relationships:

- there can be no more than one relationship per region;
- the prospective city cannot have a relationship with another Canadian City;
- community groups that have committed to Friendship Cities are responsible for raising funds in support of exchanges;
- the City must be in a country with which the Federal government has some form of a relationship; and
- proposals may be submitted to the Director, Economic Development. Proposals will be compiled and assessed and recommendations made to Council once annually and coinciding with the budget process.

B. Formal Partnership Cities:

The Assessment process consists of two stages.

Stage 1: Determine whether the proposed city is an Internationally Ranked City (Alpha/Beta/Gamma)

If the proposed city is not internationally ranked, the proposal is deemed unsuitable for a formal partnership.

Stage 2: Having determined that the proposed city is internationally ranked, the following criteria apply:

Criteria Used to Assess New Partnerships	
Program Goal	Criteria for Guiding Activities and Prioritizing Relationships
Economic Development	Presence and concentration of multinational corporate head offices and national economic institutions Important manufacturing centre Major transportation node Comparable Population Comparable Gross Domestic Product (GDP) Favourable Growth Rates Major financial and business services centre Sites and markets of production and innovations Export and Import activity Concentration of accountancy, advertising, law and banking Presence and growth of similar and synergistic industrial clusters Entry point to an economic region within which there is no partnered city representation Presence of academic institutions Expressed interest from the business and broader community both in Toronto and the proposed partnered city
Cultural Development	Critical mass of cultural amenities Support for arts development and education Preservation of historic infrastructure High quality public art, architecture and urban design Diversity of cultural product Creative Industries
Tourism Development	Progressive policies to attract tourism and national and international events Sports and recreation-oriented communities Potential for co-marketing tourist destinations
Cross-Cultural and Community Development	Existing active community linkages with Toronto Positive international relations Expressed interest from the broader community both in Toronto and the proposed partnered city

Core Criteria for Recommending Formal Partnership Cities:

- The proposed partnered city must be internationally ranked as Alpha Bets or Gamma cities.
- Achievement of the key goals of the international program with priority given to economic development goals as described in the report.
- A strong base for generating mutual economic benefits and international profile.
- The extent to which the relationship would be actively supported by residents and the business community of the City of Toronto and the partnering city.

- The extent to which the relationship complements the geographic representation of existing partnerships.
- Assessment of the cumulative costs of the partnership.
- Ability to agree on and meet mutual city-to-city expectations.
- Allocation of sufficient resources (budget and staff) to support new activities.

Process for Assessing Requests for New Partnership Cities:

- All invitations and proposals to enter into new international partnerships with Alpha or Beta cities must be assessed on a case-by-case basis.
- Proposals must be submitted in writing and must illustrate how they meet the criteria for new partnerships including broad community support both in Toronto and the partnered city.
- All proposals will be directed to the Director of Economic Development for an evaluation based on the following:
 - (1) Consultation with group proposing the relationship to determine the objectives.
 - (2) Identification of other programs/vehicles that might be more suitable to achieving the stated objectives. Possible arrangements could include short-term agreements, such as technical exchanges or project-specific initiatives facilitated by city staff not requiring a formal long-term partnership.
 - (3) A Formal Partnership would require a thorough assessment of benefits to be achieved as they relate to economic development, tourism, culture and cross-cultural community development criteria and goals and objectives.
 - (4) The assessment will include budget and staffing implications of additional partnerships.
 - (5) The assessment may include a site visit or exploratory mission.
 - (6) Following the completion of the assessment a report would be submitted to the Economic Development and Parks Committee within six months of the receipt of the request.
 - (7) Any new partnerships will be supported by additional budget and staff resources using the guidelines approved in this report.

C. Friendship Cities:

Each Friendship must meet the following criteria:

- (a) be sponsored by a Member of Council;
- (b) be cosponsored by a community association/group or an individual member of the community who will be responsible for all the activities with the friendship city;
- (c) demonstrate support and commitment from the Friendship city in terms of community interest and active participation;
- (d) be a community of interest supported by an active community in Toronto and in the friendship city; and
- (e) follow the international policy framework put forward by the Chief Administrative Officer and approved by City Council in May 2002.

Process for Assessing Requests for Friendship Cities:

- A profile of the prospective city must be submitted and strong consideration will be given to compatibility of the cities in such areas as size of population, culture, business, geographic location, and government structure.
- A list of individuals and/or community groups both in the City of Toronto and in the prospective city who have a sincere desire to actively support and commit to a long term relationship must be submitted as evidence for a strong relationship which would endure changes in elected government officials.
- Documentation of a minimum of two exchanges that have occurred between the City of Toronto and the prospective city (since amalgamation) must be submitted as part of any proposal.
- All proposals will be assessed on a case by case basis.
- Proposals must be brought forward by a Member of Council willing to sponsor the Friendship City and must be co-signed by the Council sponsor, community groups willing to actively support the Friendship, and a Council representative from the prospective city.
- All proposals will be directed to the Director of Economic Development for an evaluation based on the criteria outlined.

Once all documentation is submitted to Economic Development, staff will review the proposal to determine if it is complete and if the criteria have been met. If the proposal is deemed to have met all the criteria, a recommendation in favour of the Friendship will be forwarded to City Council for review and to vote on whether to approve, deny or postpone the proposal. As indicated, proposals are brought to Council once annually and coinciding with the budget process.

Attachment 5: Economic Development Criteria Applied to Determine New Partnership Cities

City	Alpha/Beta	Real GDP per Capita	GDP Growth	Investment (Gross Fixed - % of GDP)	GDP Comp	CPI	Population	Ranking in Country	Major Industries	Gini Coefficient (Income dist)	Economic Region	Activity Since Annullation
Toronto	Beta	\$39,375	2.40%	19.4% Ag- 2.3% Ind- 26.4% Ser- 71.3%	Ag- 2.3% Ind- 26.4% Ser- 71.3%	1.90%	4.2 mil	Largest City in Canada	Banking, and financial services, tourism, manufacturing, and	31.5		
Chongqing, China (1986)	not ranked	\$7,000	9.10%	46.0% Ag- 13.8% Ind- 52.9% Ser- 33.3%	Ag- 13.8% Ind- 52.9% Ser- 33.3%	4.10%	40.9 mil	Largest City in Szechwan Province, one of four cities under direct control of central govt	Industry: automobile and motorcycle mig, chemical and pharmaceutical, metallurgical, textiles, electronic information, building materials and food processing.	44	China - Asia	3 official Inbound Missions, 2 outbound missions
Tianjin, China (1996)	not ranked	\$7,000	9.10%	Ag- 13.8% Ind- 52.9% Ser- 33.3%	Ag- 13.8% Ind- 52.9% Ser- 33.3%	4.10%	10.0 mil	One of four cities under direct control of central govt	ocean-going and offshore shipping, iron and steel, machine-building, chemicals, power, textiles, construction materials, paper making and foodstuffs.	44	China - Asia	None
Merignac, France (1992)	not ranked	\$35,875	2.10%	19.2% Ag- 2.7% Ind- 24.3% Ser- 73.0%	Ag- 2.7% Ind- 24.3% Ser- 73.0%	2.30%	65,000	Merignac does not rank	service industries	32.7	Europe	None
Frankfurt, Germany (1989)	Alpha/Beta	\$35,875	1.70%	17.6% Ag- 2.8% Ind- 33.4% Ser- 63.8%	Ag- 2.8% Ind- 33.4% Ser- 63.8%	1.60%	650,000	5th Largest City		30	Europe	Annual Inbound Citizen Exchanges, and one Outbound Mission, some Programming
Hatifa, Israel (1995)	not ranked	\$26,000	3.90%	17.6% Ag- 2.8% Ind- 37.7% Ser- 59.3%	Ag- 2.8% Ind- 37.7% Ser- 59.3%	0%	255,000	3rd largest city		35.5	Middle East	None
Sagamihara, Japan (1991)	not ranked	\$36,750	2.90%	24.0% Ag- 1.3% Ind- 24.7% Ser- 74.1%	Ag- 1.3% Ind- 24.7% Ser- 74.1%	-0.10%	571,000	20th largest city		24.9	Japan	Annual Inbound Citizen Exchanges, regular inbound visits Outbound visits in 2002 and 2004, other Programming

City	Alpha/Beta	Real GDP per Capita	GDP Growth	Investment (Gross Fixed - % of GDP)	GDP Comp	CPI	Population	Ranking in Country	Major Industries	Gini Coefficient (income dist)	Economic Region	Activity Since Amalgamation
Amsterdam, Netherlands (1972)	Gamma	\$36,875	1.20%	19.9% Ag- 2.4% Ind- 24.5% Ser- 73.1%	1.40%	734,540	Largest city	service industries (real estate etc), trade in and repair of consumer articles, health care and welfare, financial businesses	32.6	Europe	One Outbound mission in 1999, Community exchanges, annual Dutch cultural festivals	
Warsaw, Poland (1990)	Gamma	\$15,000	5.60%	18.4% Ag- 2.9% Ind- 31.3% Ser- 65.9%	3.40%	1.7 mil	Largest City		31.6	Eastern Europe- Baltic Region	None- one inbound expected in October	
Cankaya-Ankara, Turkey (1993)	not ranked	\$9,250	8.20%	17.3% Ag- 11.7% Ind- 29.8% Ser- 58.5%	9.30%	3.7 mil	2nd largest city	Manufacture of food and beverages textiles, metal products and machine, mining and quarrying.	42	Middle East	one inbound in 1998	
Milan, Italy (2003)	Alpha/Beta	\$34,625	1.30%	19.3% Ag- 2.3% Ind- 28.8% Ser- 68.9%	2.30%	1.3 million	2nd largest city		27.3	Europe	Annual Inbound Missions, two Outbound Missions, Ongoing Programming	
Chicago, USA (1991)	Alpha/Beta	\$50,125	4.40%	15.7% Ag- 0.9% Ind- 19.7% Ser- 79.4%	2.50%	2.9 mil	3rd largest city	Manufacturing, Distribution, Business Services, IT&T, Finance, Insurance and Real Estate, centre for corporate head offices	45	USA	2-3 Inbound Missions, 2 Outbound Missions, Mayoral exchanges, Programming	
Indianapolis, USA (1996)	not ranked	\$50,125	4.40%	15.7% Ag- 0.9% Ind- 19.7% Ser- 79.4%	2.50%	1.6 mil	12th largest city	pharmaceuticals, electronics, metal fabrication, transportation equipment, aircraft maintenance.	45	USA	Peace Games run by Parks and Rec until they were cancelled in 2004, one outbound mission in 1999	

Councillor Minnan-Wong addressed the Economic Development and Parks Committee.