



STAFF REPORT ACTION REQUIRED

Agenda for Prosperity – Implementation Update

Date:	December 9, 2008
To:	Economic Development Committee
From:	Deputy City Manager - Sue Corke
Wards:	All
Reference Number:	P:/2009/Cluster A/EDCT/ECON DEV/January/ed0901-005

SUMMARY

City Council unanimously endorsed the *Agenda for Prosperity* at its meeting one year ago (January 29 and 30, 2008) and thanked the Mayor's Economic Competitiveness Advisory Committee for their time, effort and ideas. At that time, Mayor Miller and Council committed to act on their recommendations for action to advance Toronto's economy and in so doing advance the economy of Ontario and Canada.

The Advisory Committee framed the Agenda around 4 pillars – Proactive Toronto, Global Toronto, Creative Toronto, and One Toronto – and made a total of 40 recommendations. Eight recommendations were identified as Priority Actions. At this first anniversary of Council's endorsement of the Agenda, we are pleased to report that all Priority Actions, City-Led, Partner-Led and Jointly-Led have been completed or are underway. These actions include improvements to customer service, cost competitiveness, quality of place, creative city planning framework, culture grants strategy and productive infrastructure as well as environmental initiatives, heritage and economic growth incentives, a made-in-Toronto local hiring model, and an integrated city-wide employment strategy.

The Economic Development, Culture and Tourism Division (EDCT) has been reorganized and two new corporations, Invest Toronto and Build Toronto, have been established to facilitate implementation of the *Agenda for Prosperity*. The Interdivisional Economic Growth Team has also been established to provide a forum for collaboration and examine new policies and programs through a business lens.

Council has kept its commitment to the Advisory Committee and acted to advance all four pillars of the *Agenda for Prosperity*. The new policies, programs and organizational structures are many and transformative. Our partners have also kept their commitment, these new approaches and initiatives have been developed and implemented in partnership with business, labour, educators and the community.

We will continue to advance the Agenda in 2009 focussing on expanding and deepening a Can-Do approach within the City's administration, increasing Toronto's international presence, particularly in emerging markets, anchoring and expanding priority industry sectors and growing strategic new sectors, and working with communities to support job creation and local hiring.

RECOMMENDATIONS

The Deputy City Manager recommends that:

1. The General Manager, Economic Development, Culture and Tourism, in consultation with the Interdivision Economic Growth Team:
 - a. continue to implement the Agenda for Prosperity with increased focus in 2009 on expanding and deepening a Can-Do approach within the City's administration, increasing Toronto's international presence, anchoring and expanding priority industry sectors and growing strategic new sectors, and working with communities to support job creation and local hiring; and
 - b. report back to the Economic Development Committee, at least annually on significant changes in the Toronto economy and progress in implementing the Agenda for Prosperity; and
2. a copy of this report be forwarded to:
 - a. the citizen members of the Mayor's Economic Competitiveness Advisory Committee reconfirming the City's commitment to implement the Agenda for Prosperity and work collaboratively with business, labour, educators and the community, and requesting their continued participation and support to sustain and advance Toronto's economy in these difficult economic times; and
 - b. the members of the Board of Directors of Invest Toronto and Build Toronto.

Financial Impact

There are no budget implications with the adoption of this report.

DECISION HISTORY

At its meeting on January 29 and 30, 2008, City Council unanimously endorsed the *Agenda for Prosperity - A Prospectus for a Great City*. Council also directed the General Manager, Economic Development, Culture and Tourism, in consultation with the Mayor's Economic Competitiveness Advisory Committee and Interdivisional Economic Growth Team to:

- a. prepare an implementation plan and budget for Priority Actions within the ambit of the City of Toronto;
- b. recommend targets for the success measures identified for the four pillars of the Agenda; and
- c. report back to the Economic Development Committee, as soon as possible, on next steps, and at least annually thereafter, beginning in 2009, on progress in implementing the Prosperity Agenda.

<http://www.toronto.ca/legdocs/mmis/2008/ed/bgrd/backgroundfile-9789.pdf>

ISSUE BACKGROUND

The Agenda for Prosperity, prepared by the Mayor's Economic Competitiveness Advisory Committee, was unanimously endorsed by Council to be used as the context for major strategic policies impacting economic competitiveness and growth. The Agenda is framed by the following four pillars. Success measures are identified for each pillar. At this time of significant economic uncertainty setting targets for these measures would be highly speculative.

Pillar 1: Proactive Toronto: Business Climate

- Improve the business climate within the city to enable, accelerate and attract economic growth.

Success Measures:

jobs, value of industrial and commercial building permits for new construction and reinvestment, transit ridership

Pillar 2: Global Toronto: Internationalization

- Diversify our international portfolio by substantially increasing economic activity with cities beyond North America with a focus on emerging markets.

Success Measures:

international trade, international researchers/students, international visitors and expenditures

Pillar 3: Creative Toronto: Productivity and Growth

- Anchor and expand strategic industry sectors through increased competition and collaboration

Success Measures:

jobs in strategic sectors, investment in machinery, equipment and education, investment in R&D and commercialization activity

Pillar 4: One Toronto: Economic Opportunity and Inclusion

- Enhance and expand Toronto's labour force and ensure that all residents have equitable access to the benefits of Toronto's enhanced economic competitiveness and growth.

Success Measures:

employment/unemployment rate – overall, youth, aboriginal peoples, immigrants, seniors; educational attainment, post-secondary education enrolment and participation in mentorship, internship and apprenticeship programs

The Advisory Committee also identified eight strategic directions to guide implementation of the Agenda action items over time: *facilitate, grow, green, internationalize, create value, activate, transport and promote*, and recommended forty actions (10 under each pillar) including eight Priority Actions.

COMMENTS

Actions taken to advance the *Agenda for Prosperity* are summarized in the Implementation Update, November 2008 (Appendix 1). The eight Priority Actions were categorized by the Advisory Committee as City-Led, Partner-Led, and Jointly-Led.

Implementation Update - 2008

As indicated in Appendix 2 to this report, all City-Led Actions recommended by the Advisory Committee have been completed or are underway. Highlights include: recruiting a Senior Economic Advisor to the Mayor's Office; reorganization of the Economic Development, Culture & Tourism Division and recruitment of a new General Manager; establishing Invest Toronto and Build Toronto; Concierge Service to triage industrial, commercial and institutional investment proposals; collaboration with federal and provincial governments on a number of issues (uploading, immigration, settlement, etc); Toronto-Ontario Memorandum of Agreement; a successful China Mission; and, adoption of the Creative City Planning Framework and Implementation Report.

Work has also been initiated on all Partner-Led Priority Actions. The Toronto Financial Services Alliance (TFSA) is pursuing the establishment of a Centre of Excellence, construction was started on MaRS Phase II but has been delayed as a result of the current state of global credit markets, George Brown College is advancing the redevelopment of the Toronto waterfront by constructing a new campus that will accommodate their Health Sciences and Building Materials programs as well as a student residence building,

George Brown College, in partnership with the Hospitality and Tourism industry, is also doubling the size of its internationally renowned Chef School, and Centennial College is proposing to redevelop the Guild Inn property as a centre for culture, heritage and hospitality.

In response to the Advisory Committee's recommendations to strengthen and expand Toronto's presence in emerging markets and tap into locally based international business knowledge, among other things, private sector representatives joined Mayor Miller and Councillor Rae on the City's China mission, linkages to the federal Consular Offices and Ontario International Investment Officers are being strengthened, City staff are engaging international business organizations, and Team China and Team India have been established.

In 2008, City Council also adopted the Imagination, Manufacturing, Innovation and Technology Incentive Program and applied tax increment equivalent grants to facilitate the development of Woodbine Live! As part of this partnership, the City, community and developer have put in place a made-in-Toronto local hiring model to ensure that the benefits of economic growth are shared.

In addition to the Priority Actions identified in the *Agenda for Prosperity*, another of the key messages from the Advisory Committee was the need to embed a Can-Do attitude and more effective collaboration within the City administration. City staff have responded positively and effectively. The Interdivision Economic Growth Team has provided a forum for the exchange of information and ideas and helped to examine new policies and programs through a business lens.

A variety of initiatives have been implemented by different divisions to provide a strong foundation for economic growth and sustainability, improve customer service, cost competitiveness, quality of place and mobility. Among these initiatives, City Buildings has implemented Commercial Xpress; Toronto Water reduced water rates for industrial users by 30% and established the ICI Water Buy-Back Program; BizPal was added to the City's e-Services capacity; Toronto Environment Office is implementing incentive programs to encourage 'green' business practices; and a comprehensive overview of the role of social assistance culminated in Toronto Employment & Social Services implementing a new client-centred, integrated service delivery model emphasizing employment. The Environmental Reporting and Disclosure Program, developed by Toronto Public Health (TPH) and adopted by Council in November, was modified in 2008 to reduce the reporting burden for business and made more user friendly to facilitate use by business. TPH and EDCT staff will be working collaboratively in 2009 to advance this new program.

Going Forward – 2009

The 2009 EDCT Work Program and Operating Budget submission are guided by the *Agenda for Prosperity*, and the supporting *Creative City Planning Framework*, and recognition of the global economic downturn and credit crunch. All three of these strategic forces emphasize the need for collaboration and partnerships.

As these are times of tremendous economic uncertainty and volatility, all expectations are that 2009 will be a difficult year. The consensus of economic forecasts for Canada is for zero per cent GDP growth in 2009. Due to the decline in manufacturing in general and the automotive industry in particular the Ontario economy is expected to be hit harder than elsewhere in Canada. Increased unemployment is anticipated as businesses shift their focus to cutting costs and debt reduction rather than expansion.

The four areas of increased focus for 2009 are:

1. **Can-Do Attitude and Approach:** Undertake actions that provide and project a responsive “can-do” environment at City Hall.

The General Manager, Economic Development, Culture and Tourism Division working with the Interdivision Economic Growth Team will continue efforts to create a more responsive and collaborative environment that supports and attracts investment and jobs. Increased use of e-Services will be pursued to both improve customer service and reduce costs.

2. **Globalization:** Increase Toronto’s presence in international markets.

The Advisory Committee expressed both concern about the fact that about 85 per cent of Ontario’s export trade is with the United States and optimism that Toronto’s diverse, multicultural, multilingual population provides the capacity to engage the world. The slow down in the U.S. economy and reduced purchases of Canadian products and services dramatically illustrates the wisdom of the Advisory Committee’s recommendations. It is imperative that we develop new markets. In 2009, EDCT will work to increase Toronto’s presence in emerging markets (China, India, South America) that present opportunities for growth.

We will also be working to position Toronto internationally as a Creative City by focusing on opportunities to leverage creative and innovative assets, including planning for the commemoration of the War of 1812 and the 175th anniversary of the founding of Toronto, as well as implementing the Premier Ranked Tourism Destination Strategy.

3. **Sector Development:** Maintain and grow employment and investment by anchoring and expanding priority industry sectors and growing strategic new sectors.

The EDCT Division reorganization has strengthened the sector development function by better aligning it with strategic policy and research. Maintaining and enhancing Toronto’s key industry sectors (e.g. Financial Services, Food & Beverage, ICT, Fashion, Film, Design, Creative Industries, Tourism) is critical to the overall Toronto economy. Staff will continue to work closely with the established industry sector groups.

Recognizing creativity is at the heart of the City's economic strategy, potential growth in green industries, and the importance of education in a knowledge economy, sector specialists and sector development plans for creative/culture, green/environment, and education are proposed for 2009.

4. **Local Outreach:** Work with communities to support job creation and local hiring. The Youth Employment Partnership will be launching a human resources toolkit to assist employers to recruit and retain young employees. EDCT staff will be working with Social Development and Finance Administration staff to support this initiative.

Given the global economic downturn, these activities are all the more important to supporting Toronto's economy in the short-term as well as the long-term.

CONCLUSIONS

These are difficult and uncertain times. Although no one anticipated the magnitude or timing of the current economic turmoil, the Agenda for Prosperity was developed with the understanding that economic cycles are a fact of life. Toronto, Ontario, Canada have gone through these cycles in the past and experienced recessions in the 1980s and 1990s. The recession of the early 1990s combined with the economic restructuring resulting from the Free Trade Agreements hit Toronto harder and lasted longer than elsewhere in Canada. The four pillars of the Agenda and the underlying strategy focussed on collaboration, partnerships and synergies remain as valid and applicable today as one year ago when City Council unanimously endorsed them.

CONTACT

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SIGNATURE

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ATTACHMENTS

- Appendix 1: Agenda for Prosperity, Implementation Update, November 2008
- Appendix 2: Agenda for Prosperity, Implementation of Priority Actions, January 2008