



May 5, 2017

Mr. Peter Wallace
City Manager, City of Toronto
Toronto City Hall
100 Queen Street West, Toronto, Ontario
M5H 2N2

Dear Mr. Wallace:

Re: 2016 Invest Toronto Overview

It is our pleasure to submit the final Audited Financial Statements for the year 2016 on behalf of the Board of Directors of Invest Toronto for consideration by Executive Council on June 19, 2017, and by full Council on July 5, 2017. As you know, Invest Toronto is wholly-owned by the City of Toronto, operated as an arms-length agency under the *Ontario Business Corporations Act*, and is subject to Shareholder Directions by City Council. Invest Toronto has been funded through a Grants Agreement from the City of Toronto Economic Development Corporation (TEDCO), operating as the Toronto Port Lands Company (TPLC). Since 2010, Invest Toronto has provided a comprehensive concierge service to businesses looking to expand into Toronto.

As we reflect back on the activities and accomplishments since our inaugural year in 2010, the Invest Toronto team is proud of the groundwork we have laid and the role we have played promoting Toronto's business attributes to international investors on behalf of the City of Toronto. In 2016, the face of investment promotion in the Toronto area changed with the formation of a new agency to promote the entire Toronto Region. All stakeholders across the region agreed that a well-co-ordinated regional foreign direct investment (FDI) attraction agency with enhanced resources would be a more effective way for the Greater Toronto Region to engage with international businesses.

Culminating in the formal launch of Toronto Global on February 3, 2017, the 2016 calendar year saw the activities of Invest Toronto melded into Toronto Global. With leasehold improvements completed early in 2016 to accommodate additional staff, we set about integrating our operations with the Great Toronto Marketing Alliance (GTMA), welcomed their staff complement to our offices, and began working as a cohesive team to establish the new organization. As of April 1, 2016, after the merger of both the staff and operations of Invest Toronto and the GTMA, we effectively began operating as Toronto Global. Setting up Toronto Global involved the Invest Toronto staff members participating fully in establishing the vision, mission, governance, organizational structure, processes, services, sales strategies, marketing and branding directions, performance metrics and targeted deliverables, and co-ordination protocols. Without this valuable assistance Toronto Global could not have been launched.



Invest Toronto was very pleased to be a part of the new agency, and to bring forward our best practices and insights gained over the last seven years in order to drive foreign direct investment and create high value jobs for the entire region. The establishment of Toronto Global has been a singular achievement for the Greater Toronto Region. Representing the cities of Toronto, Mississauga and Brampton and the regions of Halton, York and Durham, Toronto Global leveraged the work and experience of Invest Toronto to establish the necessary processes and capacities for the new investment promotion agency. Despite significant delays in securing funding from all relevant municipalities and the federal government, we were able to confirm federal funding on December 2, 2016 and secured a final municipal agreement on December 29, 2016.

When the official transition to Toronto Global was formally completed in December 2016, some Invest Toronto staff members were offered employment with Toronto Global. The lease for the office premises for Invest Toronto was transferred to Toronto Global on February 1, 2017. The shared services agreement that Invest Toronto secured with the Toronto Port Lands Company (TPLC) for accounting, audit, payroll, HR and other back office functions will be continued and enhanced with Toronto Global. The final steps in winding down Invest Toronto's operations will be completed with the reimbursement of funds advanced to Toronto Global by Invest Toronto, which is outlined in the final report to Toronto City Council.

While 2016 was focused on transitioning operations for Invest Toronto, we continued to source investment projects and qualified leads for the City of Toronto. The Invest Toronto team continued servicing clients and actively developing our pipeline. We welcomed **11 new investments** into the City of Toronto in 2016, resulting in **199 immediate jobs**, and opened up 65 new opportunities in the pipeline for Toronto Global. **Since 2010, Invest Toronto has brought 129 new investments to Toronto and the Greater Toronto Area.**

As in previous years, we leveraged our relationships with both the Province of Ontario and the Government of Canada, and worked together in all of our external outreach and missions in 2016. Invest Toronto conducted three missions alongside the Consider Canada City Alliance and the federal government's Invest in Canada bureau. Those missions took our team to Brazil, South Korea, Taiwan, and Japan. We continued our concentration on the U.S. market with targeted missions to selected cities, including New York, San Francisco, Detroit, and Chicago. We also participated in the Mayor's missions to California and to China.

In 2016, Invest Toronto received its largest allocation of funding from the Government of Canada's *Invest Canada – Community Initiatives (ICCI)* programme, which is designed to assist municipalities with foreign direct investment projects. We received over \$269,000 in matching funds for our programming for the 2016 fiscal year.

In addition, Invest Toronto had previously undergone a Value for Money Audit, which was completed in December 2014 and reviewed by the City of Toronto Audit Committee on May 22,



2015. The Auditor General’s report noted that: “... it is our view that the operations, services, and activities performed by Invest Toronto to achieve its mandate were carried out with efficiency, effectiveness, and economy.” There were recommendations tabled in a management letter which Toronto Global will be adopting. The primary recommendation, however, was to determine whether the City would be a part of a regional investment attraction agency, and the impacts that new agency would have on the status of Invest Toronto. In this regard, the decision by City Council to join Toronto Global has directly responded to the recommendations in the operational review.

Finally, in 2016, Invest Toronto applied once again for the *FDI Global Cities of the Future 2016/17 Awards*, and placed 12th overall in the FDI Strategy category. We also were included in the *FDI American Cities of the Future 2017/18 Awards*, and placed well across several categories in those rankings:

Top 10 American Cities of the Future

Category	Ranking
Overall	4 th
Overall, North American Cities	4 th
Economic Potential	3 rd
Business Friendliness	3 rd
Human Capital & Lifestyle	10 th

It is important to note that our partnerships are key to our success, and we are very grateful for the continuing support from our shareholder, the City of Toronto, through the Economic Development and Culture Division, its sector specialists, the Business Retention and Expansion Division, and the Economic and Cultural Research unit. This year, we also further strengthened our relationships with the federal government and the Consider Canada City Alliance, as well as the Province of Ontario.

As we have noted before, combined, the federal and provincial governments supply our investment services team with the majority of leads for new investment opportunities. Our international investment attraction efforts are enhanced through the partnerships we have built with our counterparts in the federal and provincial governments, as they have an in-market presence that allows us to further expand our global reach.

We are also grateful to the Invest Toronto Board of Directors who, over the years, provided their guidance, insight and support for our efforts that ultimately made our success possible. The Board was also instrumental in the establishment of Toronto Global, facilitating the melding of Invest Toronto, both financially and operationally, and ensuring that the staff members were involved throughout the process. Their stewardship has been invaluable to our team over the



last seven years, and particularly in the transitional years leading to the formation of the new regional agency in 2016.

We are very proud of our work to date and look forward to building on our accomplishments and continuing to tell the Toronto Region's business story to international investors. Toronto Global is the culmination of a substantial amount of work and cooperation, and will allow us to both build on the work of Invest Toronto and significantly enhance our offering to international investors.

The Toronto Region is without a doubt the business and economic engine of the country. When international companies consider the Toronto Region as an investment destination, they are choosing a location that allows them to seize global opportunities in a highly competitive market. Going forward, it only makes sense to present the Toronto Region as a whole to investors while providing insight on the benefits that each unique municipality offers. This is the power of the Toronto Region – the largest metropolitan region in Canada and fourth largest in North America. Working together, we can position the Toronto Region as the best place in the world to do business.

Thank you again for your continuing support.

Sincerely,

A handwritten signature in black ink, appearing to read "Terrie O'Leary". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Terrie O'Leary
Interim President & CEO, Executive Vice President, Operations
Invest Toronto

cc: Councillor Michael Thompson, Chair, Invest Toronto Board of Directors
Robert Lane, Vice-Chair, Invest Toronto Board of Directors
Lida Preyma, Chair, Audit Committee of the Invest Toronto Board of Directors
Mike Williams, General Manager, Economic, Development & Culture, City of Toronto
Winston Young, Chief Financial Officer, Toronto Port Lands Company
Jay Paleja, Senior Corporate Management, City Manager's Office