

**Date:** 2020-08-17-

**Subject:** **Toronto Global Re-Investment Recommendation Report**

**Secondary Title:** Click or tap here to enter text.

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**Report Number:** Planning, Building and Economic Development-2020-060

**Recommendations:**

1. **THAT** the report from Amanda Leard, Manager, Investment Attraction, dated August 17, 2020, to the Committee of Council meeting of September 23, 2020 entitled “**Toronto Global Re-Investment Recommendation Report**” (2020-060, File CE.x), be received; and
2. **THAT** Council approve an amount of \$170,477.70 (\$167,135 plus 2% COLA as per the current agreement in place) for year two of the signed agreement for Toronto Global to work with the City of Brampton and regional partners on foreign direct investment; and
3. **THAT** City staff and Toronto Global continue to report to Council on foreign direct investment results and achievements on an annual basis.

**Overview:**

- The City of Brampton has partnered with Toronto Global for four years to generate foreign direct investment in the Toronto Region. Generating new jobs and investment is a top priority of the City of Brampton.
- In 2019, Council approved a three-year funding agreement with Toronto Global. We are currently embarking on year two of the agreement and this report outlines the background and recommendation to continue funding Toronto Global at \$167,135 plus Cost of Living Allowance, for 2021.

- The re-investment into Toronto Global supports the best practice of using a regional marketing alliance to be more competitive in global markets.
- As a result of the Covid-19 pandemic, the City of Brampton has made investment attraction and foreign direct investment a priority as a vital component of economic recovery.
- In light of the pandemic, Toronto Global shifted their focus to assisting municipal stakeholders, representing the Toronto Region on initiatives including the GTA Economic Development Alliance, and the Toronto Region Board of Trade's Reimagining Recovery Framework, lending their expertise to the frontlines of the recovery process.
- This work reaffirms that regional marketing alliances, such as Toronto Global are in a strong competitive position to compete successfully on the world market with other global centres for new investment and jobs.

### **Background:**

Toronto Global is supported financially by the cities of Brampton, Mississauga, and Toronto; and the regions of Durham, Halton, and York, as well as the federal and provincial governments. Collectively, all levels of government have committed close to \$21 million over three years to improve foreign direct investments results in the GTA. The funding allocations are outlined in Table 1.

**Table 1: Recent Toronto Global Annual Funding by Government Partners**

<b>Municipality/Stakeholder</b>	<b>Annual Core Funding in 2020-21</b>
Government of Canada	\$2,000,000.00
Government of Ontario	\$2,500,000.00
City of Toronto	\$908,220.24
York Region	\$335,976.78
City of Mississauga	\$232,149.96
Durham Region	\$210,524.94
City of Brampton	\$170,477.70
Halton Region	\$163,238.76
<b>Total Annual Funding</b>	<b>\$6,520,588.38</b>

Under the agreement, funding municipalities receive a seat on the Mayors and Chairs Strategy Council as well as representation on the Economic Development Officers Management Council. These two bodies provide strategic direction and advice to the Toronto Global Board of Directors, comprised of private sector members, and Toronto Global staff respectively.

## Current Situation:

A commitment was made by Toronto Global to change the organization's name to make it more representative and inclusive of the entire region. This name change was to have been recommended to the Mayor's and Chair's Strategy Council by December 31, 2019, and to have been approved within the first six months thereafter. This report continues to refer to "Toronto Global", because the name change has been delayed. Toronto Global will be discussing its recommendation with the Mayors and Chairs at their fall 2020 meeting.

The City of Brampton is currently engaged in year two of a three year funding agreement with Toronto Global. In 2019/20, Toronto Global exceeded all of their targets with 49 new investments, \$483 million in capital expenditure and 2,441 jobs. Toronto Global targets during 2019/20 were: 40 new investments + \$300 million in capital expenditure + 1,800 new jobs (within 3 years).

Invest in Canada recently published an article on the effects the Covid-19 Pandemic has had on foreign direct investment. That article states that "The United Nations Conference on Trade and Development (UNCTAD) projected in June 2020 that [FDI flows will decrease by 40% globally](#) in 2020 and decrease a further 5% to 10% during 2021, to the lowest levels in the past 20 years. The Organization for Economic Co-operation and Development (OECD) has published data that reveals [FDI flows are expected to fall by more than 30%](#) "even under the most optimistic scenario." (Source: [Canada's Fdi Numbers For Q2 And The Economic Effects Of Covid-19](#), Invest In Canada, [www.investcanada.ca](http://www.investcanada.ca))

In light of this, it would be unfair to expect Toronto Global to meet the key performance measures and accountabilities originally projected for 2020. The Toronto Global team developed an Interim Business Plan that outlines their approach to FDI during COVID. They have focused on: protecting leads in their pipeline, focussing on regional opportunities and strengthening relationships with FDI attraction partners.

"The interim business plan does not set forth metrics for the organization at this stage. While all Toronto Global staff are guided by performance metrics and targets set by the Board, it is impossible to predict outcomes in this current environment. Once our pipeline stabilizes and we have a better understanding of the external environment, the Board will establish metrics for the organization in the context of the post COVID-19 situation and the reopening of segments of the global economy." (see Appendix C)

In addition, the City of Brampton and Toronto Global have taken several steps to enhance collaboration in effort to improve results for Brampton. The initiatives have included:

- A virtual familiarization tour focused on strengthening the knowledge of Brampton's key value assets on a global scale.

- Toronto Global recently launched a “tech dashboard”. The web page includes a Dashboard that summarizes the tech attributes across the region, with the opportunity to click through to an individual Dashboard for each of the six municipalities, including Brampton.
- Participation in regular update meetings with Toronto Global’s investment attraction team and regular pipeline reviews.
- Increased communication and collaboration on new strategies leveraging Brampton’s key value proposition to strengthen our ability to compete on a global level.

Toronto Global is in the process of recruiting a new CEO and developing a new updated business plan for 2020 -21.

Toronto Global has developed a significant pipeline of potential leads identified through various sources and their own direct identification and outreach efforts. The agency’s investment advisors occasionally reach out to funding partners for support with investment clients or inquiries where there is a potential fit with a specific community, or communities.

Toronto Global’s impact to date on attracting investments and building awareness for the ‘Toronto Region’ globally has been positive. This supports the importance of having a global regional marketing alliance to compete with other large urban centers. The sales cycle for investment attraction projects handled by Toronto Global is 90 days to three years depending on the sector and specific opportunity in question. Since Toronto Global became active in January 2017; the agency reported 93 investment deals across the Toronto Region representing over 5,900 jobs.

A summary of the location and size of investments secured by Toronto Global since January 2017 appears in Table 2.

**Table 2: Distribution of Toronto Global Investments by Municipality, 2017 - Present**

<b>Municipality</b>	<b># of Investments</b>	<b>Number of Jobs</b>
<b>City of Toronto</b>	<b>93</b>	<b>3,984</b>
City of Mississauga	9	1,857
City of Brampton	1 (business expansion)	30
Region of York	2	20
Region of Halton	3	28
Region of Durham	1	20
<b>Total</b>	<b>109</b>	<b>5,939</b>

As noted in Table 2, the agency secured one new foreign investment (a business expansion) in Brampton, creating up to 30 new jobs over 3 years. This was a pasta line extension at Italtasta in Brampton.

To date, the City of Brampton has received 27 leads through the partnership with Toronto Global.

### **Corporate Implications:**

#### Financial Implications:

Sufficient funding is available in Economic Development's 2020 operating budget for \$170,477.70. Cost of Living Allowance (COLA) will be incorporated in future budgets, pending Council approval.

#### Other Implications:

##### Economic Recovery

The continued participation in the three-year Toronto Global and City of Brampton Funding Agreement supports the City of Brampton's commitment to investment attraction and foreign direct investment playing a vital role in the economic recovery from the Covid-19 pandemic.

### **Term of Council Priorities:**

Our continued partnership with Toronto Global aligns with the Term of Council Priority that Brampton is a City of Opportunity, improving livability and prosperity by focusing on local education and employment opportunities, neighbourhood services programs, and job investment strategies.

### **Conclusion:**

In supporting the participation in year two of the three-year Toronto Global and City of Brampton Funding Agreement, Brampton will be in a better position to recover economically from the Covid-19 pandemic by leveraging global jobs and investments in partnership with a strong regional marketing alliance.

Authored by:

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**Attachments:**

**Appendix A: Toronto Global – Brampton Q2 2020 Results**

**Appendix B: Toronto Global Memo to Regional Mayors & Chairs**

**Appendix C: Toronto Global Interim Business Plan**