

Date: 2022-05-13

Subject: **Toronto Global New Term Sheet**

Contact: Clare Barnett, Director, Economic Development
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Report Number: Planning, Bld & Ec Dev-2022-544

Recommendations:

1. THAT the report from Clare Barnett, Director, Economic Development, dated May 13, 2022 to the Committee of Council Meeting of May 25 , 2022 re: **Toronto Global New Term Sheet** (File 2022-544) be received; and
2. THAT the City of Brampton not accept the new terms proposed by Toronto Global for membership and corporate structure (included as Attachment #1, the “Draft Term Sheet”), and that staff continue discussions and negotiation with Toronto Global and other member municipalities in pursuit of satisfactory terms for membership and corporate structure and, if successful, return to Committee of Council to recommend execution of the funding agreement.

Overview:

- The City of Brampton has partnered with Toronto Global for six years to generate foreign direct investment (FDI) 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. The agreement expired on March 31, 2022.
- This staff report includes recommendations based on a new draft Term Sheet received from Toronto Global.

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 investment results in the GTA. Over the past five years, Brampton has contributed close to \$1 million dollars.

To date since the inception of Toronto Global in 2017, Brampton has received zero new greenfield investment results through this partnership.

Director of Economic Development, Clare Barnett served as the Vice Chair of the EDO Management Council in 2021, and has spent her tenure on unifying the 905 funding partners and attempting to influence positive change within the Toronto Global operations and governance model in hopes of generating leads for the 905.

Current Situation:

The previous funding agreement with Toronto Global expired on March 31, 2022. We are currently without an agreement.

Toronto Global has shared a draft of a new Term Sheet to all funding partners (Appendix A). The draft Term Sheet is the guideline outlining the elements that would go into a new governance and funding model.

Key proposed features of the new draft Term Sheet include:

- Proposed new funding agreement between 3 – 5 years in length.
- Governance change to a Private & Public Sector Board of Directors that would not include Municipal representation.
- A Joint Advisory Committee would replace the EDO Management Council that would meet annually.
- Staff from funding partners Economic Development Office's would participate in an annual business planning exercise and present to the Toronto Global Board of Directors on an annual basis.
- Lead generation initiatives would include one collective international FDI mission and municipalities would be responsible for their own costs related to the mission.
- Toronto Global will implement one new Regional (905) Specialist position in effort to improve results for the 905 funding partners.
- A new funding model would see a lower flat annual fee option for 905 members, in the amount of \$50,000.
- The City of Toronto has received Council approval to proceed with a three year agreement for \$2,000,000.
- One major collaborative regional marketing initiative per year (this changes from 1 – 2 per year for one individual member), this is in addition to the typical marketing services.

Toronto Global and the Mayor's & Chairs of the 905 funding partners met on April 26, 2022 to discuss a new funding agreement. The Regions of Halton and York verbally

agreed upon entering into a new three-year funding agreement with Toronto Global. Durham Region, along with the municipalities of Mississauga and Brampton advised that staff will taking reports to their Councils in June for a decision on whether or not to proceed with a new funding agreement.

Corporate Implications:

Financial Implications

The new draft Term Sheet indicates the funding allocation for the City of Brampton is \$50,000 per year, for a total commitment of \$150,000 - \$250,000 over three to five years. Sufficient funding is available within the Economic Development base annual operating budget to cover the annual funding requirement of this agreement. Departmental Staff will ensure sufficient funding is in place for future years of this commitment, pending Council approval.

Communications

If Council recommends accepting the new Term Sheet and proceeding with a new agreement, Toronto Global would be invited to report on results to Council on an annual basis.

Strategic Plan:

This report achieves the Strategic Plan goals laid out by current term of council. Investment attraction efforts align 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:

Economic Development staff will proceed based on the recommendation approved by Council.

The current funding agreement with Toronto Global expired on March 31, 2022. The City of Brampton's final installment of the agreement in the amount of \$173,887.25 (\$170,477.70 has been paid to Toronto Global.

Approved by:

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Approved by:

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Appendix

A. Toronto Global Draft New Term Sheet