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GREATER TORONTO MARKETING ALLIANCE (GTMA) PROPOSED 2010 SERVICES AGREEMENT

The Planning and Economic Development Committee recommends the adoption of the recommendation contained in the following report dated January 6, 2010, from the Commissioner of Planning and Development Services.

1. RECOMMENDATION

It is recommended that:

1. Regional Council authorize entering into the GTMA 2010 Services agreement.

2. PURPOSE

To provide background information on the performance of the Greater Toronto Marketing Alliance (GTMA) in 2008-09 and provide information in relation to the proposed 2010 GTMA services agreement.

3. BACKGROUND

The GTMA's primary function is International marketing of the Greater Toronto Area (GTA) and facilitating direct foreign investment projects.

Since it was established in 1997, the Greater Toronto Marketing Alliance (GTMA), has acted as a single point of access for the world's business leaders to the Greater Toronto Area (GTA) and its 25 municipalities and 4 regions Durham, Halton, Mississauga/Brampton/Caledon and York Region. The GTMA approach is broad based in both geographic and industry sector terms given the partners it represents.

The GTMA acts as "one region-one voice" on behalf of the GTA and its 29 regions and municipalities to potential investors by being the key point of contact for exploring business opportunities in the GTA. In doing so, it draws on the resources of both the public and private sectors to provide coordination of its international promotional activities and offers essential business information and site selection services to facilitate investment in the GTA.

GTMA 2007-2010 Corporate Strategic Plan includes:

Vision: "To contribute to the growth of the economy as a leader in facilitating foreign, direct investment into the Greater Toronto Area"

Mission: "The GTMA acts as an investment gateway, working collaboratively with its public and private sector partners across the GTA to connect them with international investors"

Value Proposition: "The GTMA provides value to its partners and stakeholders by showcasing business opportunities and providing the information and support necessary to successfully attract foreign direct investment into the GTA more efficiently and effectively than the partners are able to on their own"

The Regional Municipality of York, City of Toronto, Halton Region, Durham Region and Mississauga/ Brampton/Caledon have each contributed $100,000 annually as the municipal funding partners. The $500,000 municipal contributions represents approximately one third of the GTMA funding. The balance of the funding comes from the private sector and grants from the Federal Government through the Invest in Canada Community Initiative.

4. ANALYSIS AND OPTIONS

LEADS AND PROSPECTS

Information and Communication Technologies represented the largest group of leads and prospects (58%)

GTMA client activity is categorized by leads and prospects. Leads consist of a business person, partnership or corporation operating for profit, not currently in the GTA, that has indicated to the GTMA that they may undertake site selection for a new location in the GTA and they may visit the GTA in the future. A prospect is an investment lead with no current site selection or GTA visiting plans.

Table 1
Leads and Prospects by Industry

Industry	**2006 #**	**2007 #**	**2008 #**
Information & Communication Technologies	45	96	65
Finance, Insurance, Real Estate	2	5	2
Not elsewhere classified	4	4	8
Automotive, Advanced Manufacturing	0	24	15
Life Sciences	9	1	1
Other Manufacturing	44	3	3
Business Services	34	12	9
Business Process Outsourcing/Contact Centres	12	1	1
Warehousing, Distribution & Logistics	7	5	2
Energy, Environment	0	4	6
Total	157	155	112

Source: GTMA Annual Review 2008

In 2008, half of prospects came from Europe, while an additional 40% came from North America.

In recent years, there has been a shift to increased investor interest from Europe versus the traditional American market that has historically accounted for over 60% of the foreign direct investment that enters Canada.

Table 2
Leads and Prospects by Origin

Industry	**2006 #**	**2007 #**	**2008 #**
Europe	34	80	53
North America	96	31	29
South America	0	2	1
Australia	0	1	2
Middle East	0	1	4
Asia	16	38	22
Africa	0	2	1
Other	11	0	0
Total	157	155	112

Source: GTMA Annual Review 2008

Since the start-up of this agency in 1997, the GTMA has assisted a total of 71 new international investors to locate in the GTA, creating more than 4,000 jobs and occupying 1.4 million square feet of space. During 2008 to Q3 2009, there were 10 foreign companies that the GTMA assisted to establish operations, primarily in the City of Toronto.

Table 3
GTA Foreign Direct Investment 2008 to Q3 2009

Company	Sector Description	Origin	Municipality
HDR/DTA	Business Services	USA	Toronto
Fronius Canada	Manufacturing	Australia	Mississauga
ETAP-ON-LINE	ICT Software	France	Toronto
Bomatec AG	Manufacturing	Switzerland	Toronto
Irinatech	Import/Export	Pakistan	Mississauga
Summer Music Inc.	Business Services	UK	Toronto
Mackenzie Keck	Business Services	USA	Toronto
Oakatom Canada Inc.	Business Services	France	Toronto
Tanmoral	Retail	Israel	Toronto
Ubisoft	ICT-iDM	France	Toronto

Source: GTMA Annual Review 2008, 2008-09 GTMA International Marketing Services Review

Improving GTMA performance and accountability

Municipal funding has been provided to the GTMA since it's inception in 1997 through approval of the annual Economic Development budget. Funding municipalities are provided with representation by elected officials on the GTMA Board of Directors and two Economic Development Officers from the GTA municipalities are appointed to the board.

To improve performance and accountability of the GTMA, Economic Development Officers from the regional funding municipalities met with the GTMA in 2009 to envision and draft the framework for a standard services agreement between the funding municipalities and the GTMA.

The proposed GTMA services agreement provides clear direction on expectations and deliverables and includes the following key provisions:

- To develop and maintain a GTMA website providing up to date, comprehensive information and contacts for potential investors with links to the websites of The Regional Municipality of York, the websites of the other Municipal Partners and the local municipalities in the GTA (the "Web-site")

- To ensure The Regional Municipality of York, other Municipal Partners and Private Sector Partner logos and branding appears prominently on the Web-site and printed materials to the satisfaction of the Regional Municipality of York

- To provide current GTA-wide economic data and information, including key sector profiles to assist potential foreign direct Investment Leads and Investment Prospects

- To undertake targeted marketing including but not limited to in person meetings with foreign direct investment leads and prospects and the provision of e-mail marketing and advertising targeted to Investment Leads, Investment Prospects, Investment Intermediaries, and other contacts

- To promote new GTMA information and newsletter content, and catalogue this information in the Web-site's publicly accessible archives

- To provide specific and customized information to foreign direct Investment Leads and Investment Prospects

- To coordinate and manage the servicing and tracking of GTMA Investment Leads, Investment Prospects, and, to provide servicing information to The Regional Municipality of York's economic development staff and the Municipal Partners' economic development staffs, as needed, and to provide an annual record to all Municipal Partners about these Investment Leads, and Investment Prospects

- As part of the GTMA's annual marketing plan, the GTMA shall, following consultation with The Regional Municipality of York provide annually one business sales trip focused on pre-qualified meetings to a foreign global location. York Region will be provided with the option to have three representatives join this business delegation as part of the annual funding provided by The Region of York to the GTMA.

- To submit once-yearly a report by March 30 to The Regional Municipality of York's Council or appropriate Council committee on the prior year's activities

- To develop a multi-year marketing program, including major sector focus and annual delivery program in collaboration with The Regional Municipality of York and Municipal Partners targeted at attracting foreign direct investment to the GTA

The proposed 2010 services agreement with the GTMA will be utilized by each municipal funding partner. It is the intension of each municipal funding partner that a common framework be utilized for the proposed services agreement to ensure consistency, transparency and accountability.

The proposed 2010 services agreement with the GTMA has been reviewed by York Region legal services. Following approval of this report, staff will finalize the execution of the services agreement between the Regional Municipality of York and the Greater Toronto Marketing Alliance.

5. RELATIONSHIP TO VISION 2026

The Region's participation in the GTMA supports the goal of *Vision 2026*, for A Vibrant Economy, by advancing the investment and trade interests of York Region within the Greater Toronto Area.

6. FINANCIAL IMPLICATIONS

As a regional partner, the Region contributes $100,000 annually to the program from the approved Economic Development Budget.

7. LOCAL MUNICIPAL IMPACT

As a regional partner in the GTMA, the Region represents and promotes the interests of each of the nine local municipalities.

8. CONCLUSION

It is recommended that the Region continue to work with the GTMA to leverage investment opportunities and that Council authorize the Regional Chair and Regional Clerk to execute the 2010 GTMA Services agreement.

For more information on this report, please contact Patrick Draper, Director of Economic Strategy and Tourism at Ext. 1503.

The Senior Management Group has reviewed this report.