

COMMITTEE OF THE WHOLE-WORKING SESSION FEBRUARY 13, 2007

INTERNATIONAL PARTNERSHIPS PROGRAMME: A STRATEGY FOR GROWTH

Recommendation

The Commissioner of Economic/Technology Development and Communications, in consultation with the Director of Economic Development, recommends:

1. That the following report be received
2. That Council reconfirm its commitment to the City's International Partnerships Programme as an integral part of its broader economic development programme
3. That Council endorse the principle of *Continuity of Contact and Activity* between the City of Vaughan and its International Partner Cities, in order to foster trust and communication, and to bring about tangible economic and social benefits, on behalf of all the constituents of Vaughan
4. That staff be directed to develop work plans aimed at enhancing the benefits of partnership with our existing International Partners
5. That staff bring forward recommendations for new economic International Partnerships with suitable partner cities in China, northern Italy, USA and any other jurisdiction offering excellent growth opportunities for Vaughan.
6. That Council approve the replacement of all existing Sister City signage currently in place at specific intersections throughout the City, that appropriate signage be added for those International Partnerships not currently identified; and that \$30,000 be added to the Operating Budget for Economic/Technology Development to cover the cost of the new signage.

Economic Impact

The economic impact of this report is only as pertains to the one-time costs for the development and installation of new street signage for all existing International Partnerships: \$30,000.

Purpose

The purpose of this report is to update Council of the status of the Corporation's International Partnerships programme and to request that Council endorse the recommendations herein.

Background - Analysis and Options

The International Partnership Policy of the City of Vaughan has been in place since 1991 and it indicates two forms of International Partnerships: *Friendship Agreements* and *Twin City Agreements*. These partnerships are also characterized by the type of collaboration they propose to cultivate: cultural or educational relationships or economic opportunity development. In 2006, the City of Vaughan also entered into an informal arrangement with an office of the University of Calabria at Cosenza, for the purpose of exploring innovative programmes for our young professionals and our business community.

The current International Partnerships Vaughan has in place are:

City	Year	Type of Agreement	Level of Activity
Sora, Italy	1992	Twin City	Cultural/Educational
Sanjo, Japan	1993	Twin City	Cultural/Educational/Economic
Baguio, Philippines	1997	Twin City	Cultural/ Educational
Ramla, Israel	1993	Twin City	Cultural/ Educational
Delia, Italy	1998	Friendship City	Cultural/ Educational
Yangzhou, China	1995	Friendship City	Cultural/ Educational
Lanciano, Italy	2002	Friendship City	Cultural/Educational
Iscafi/University of Calabria, Cosenza, Italy (representing 80 municipalities in Region of Calabria)	2006	Cooperation Agreement	Multi-disciplinary: inter-governmental, educational, economic

Over the past several years, activities stemming from our International Partnerships have been varied, and have included visits to and from most of our International partner cities. We have hosted student groups from Israel, the Philippines, Japan and Italy. We have received institutional and business delegations from Japan, China and Italy. We have travelled to China, Japan, the Philippines, Israel and Italy. In addition, we have hosted special events, most recently *Lazio Week in Vaughan* in September 2006, in an effort to celebrate our relationship with one of our Sister Cities, in this case Sora, in the Italian Region of Lazio, but also to promote a greater awareness of the unique traditions and special characteristics of the region surrounding our Partner jurisdiction.

VISITING DELEGATIONS TO VAUGHAN: January 2, 2006 – September 29, 2006

There were a total of seventeen (17) delegations visiting Vaughan in the first 9 months of 2006. They are as follows:

Date	Visitor
January 6, 2006	Dignitaries from Italy (various Mayors from towns in Region of Basilicata)
February 24, 2006	MPP from Calabria, Italy
March 28, 2006	Delegation from Portugal
March 29, 2006	Delegation from Shenyang, P.R. of China
April 5, 2006	Student delegation, Ramla, Israel
April 20, 2006	Delegation from Jamaica
May 11, 2006	ISCAPI/University of Calabria delegates (agreement signed upon direction of Mayor)
June 13, 2006	Italian delegation - Tor Viscosa, Udine, Italy
June 27, 2006	Italian National Women's Soccer Team
June 30, 2006	Delegation from Sicily, Italy
July 14, 2006	Delegation of Mayors from several towns in Calabria, Italy
July 25, 2006	Consul General of Korea with visiting dignitaries
July 27, 2006	MP from Australia
August 17, 2006	Italian sports delegation (National Baseball Team)

September 18-24	Lazio delegation
October 5, 2006	delegation - province of Ragusa, Sicily
October 18, 2006	delegation from Beijing, China

CRITERIAE FOR SELECTING AN INTERNATIONAL PARTNER

Entering into a partnership with another jurisdiction is generally a decision made if there are a number of elements present which would make the partnership a beneficial one for both parties. In 1991, the City of Vaughan adopted its Twinning Policy, in which were outlined a number of desirable characteristics which should be kept in mind when evaluating a potential partner. They are still valid today and merit review:

1. The community should have approximately the same population as Vaughan.
2. The community should be economically compatible with Vaughan so as to provide opportunities for trade and commerce exchanges.
3. The community should be situated in an economically and politically stable environment.
4. The community, and/or its surrounding region, should offer strengths in industries that have been targeted for growth in Vaughan.
5. Opportunities for cultural, educational and professional exchanges should exist.
6. The community should have the full support of its municipal body, its business community and community as a whole for such a partnership.

Generally speaking, the selection of a potential partner begins with the identification of a desirable jurisdiction, generally by senior staff, followed by research to gather as much information about the specific characteristics of that jurisdiction and, subsequently, exploratory meetings in order to assess the level of interest by both parties, to exchange ideas and to arrive at a consensus regarding key objectives of the partnership. It is during this phase that a work plan emerges and an International Partnership agreement is developed.

RESOURCES

Over the past six years, all activities have been handled principally by one staff. The annual budget for "Foreign Business Development" has fluctuated between \$10,000 and \$50,000. Due to budgetary pressures pushing the funding level downward each year, the funding level which had been stable at the \$50,000 mark for several years, was reduced to just \$10,000 in 2006.

In addition, in these same six years, activity levels have increased dramatically, with the number of man hours necessarily devoted to this programme increasing from 150 in 2001 to more than 500 in 2006. The average is approximately 300 hours per year.

Significantly affecting both types of "resources" is an external factor over which the City has little or no control: many of the delegations and visiting groups we receive are unsolicited and are not necessarily tied to any of our existing International Partnerships. In reviewing the chart of 2006 Visiting Delegations, it is evident that of the 17 groups received, only 2 of them can be directly tied to our International Partnerships: the Lazio Week delegation and the Student delegation from Israel.

OBJECTIVES OF THE INTERNATIONAL PARTNERSHIPS PROGRAMME (IPP)

The objectives of any international partnership are tied to bringing economic and social benefits to each community's businesses and residents respectively.

The key objectives for Vaughan's IPP, are:

1. To support local economic development by giving local businesses an additional tool through which to achieve growth, access new markets and retain their competitive edge
2. To support specific sectors of Vaughan's economy, such as the tourism sector, through such methods as facilitating skills enhancement/professional development exchanges abroad subsequently importing acquired "authenticity" know-how back into Vaughan (eg. country of origin training for our local chefs).
3. To support local economic development by pursuing *Foreign Investment attraction*
4. To create *International opportunities for our Youth* and young professionals
5. To create investment opportunities for Vaughan businesses through Strategic Business Alliances (a directory was produced by staff and is currently being updated to assist in matching alliances).
6. To enhance Vaughan's image abroad as an excellent location for investment within the NAFTA area (International marketing via "Invest in Vaughan" presentations abroad).

ACHIEVING OUR OBJECTIVES:

The stated objectives require specific and targeted activities and initiatives to deliver desired outcomes. Well-developed work plans aimed at creating a direct benefit in a very targeted area will bring measurable results as well as intangible, image-enhancing gains in the longer term. Staff is proposing the development of work plans relating to each of the City's existing International partners and to follow this same format for any future partnerships. Work plans should also have a "sunset clause" through which both communities can have the opportunity to re-assess, at intervals, the efficacy of the partnership and can access an option to continue with the relationship or make changes.

THINK GLOBALLY, ACT LOCALLY

Vaughan's economy is strong and diversified. Local industries, however, must always strive to seek out and identify that next opportunity to grow, anticipating trends and looking with confidence to the future as leaders in their field determined to remain at the top of their industry.

However, in the past decade, there have been significant shifts in the world economy that have impacted all industries and their business development processes. While Vaughan industries are enjoying a favourable climate, global economic pressures are not divorced from local economic realities. Changes in behaviour and attitudes with respect to trade, by nations halfway around the globe, have forced changes in the way our own industries interact and grow.

According to research by the International Monetary Fund (IMF), integration into the world economy has proven a powerful means for countries to promote economic growth and development. Over the past 20 years, the IMF research shows that the growth of world trade has averaged 6%, driven by two factors: reduction in trade barriers in many jurisdictions and technological developments. Developing countries that have opened their own economies to take full advantage of the opportunities for economic development through trade have enjoyed remarkable growth, and have been able to attract the bulk of foreign direct investment going to developing countries. This is true of China and India since they embraced trade liberalization and other market-oriented reforms.

These changes in the global trading and development patterns directly or indirectly affect our local industries, shrinking the globe and narrowing the gap between them and their competitors half a world away, impacting their ability to remain competitive within this new global order. Staff believes that our International Partnerships Programme can distill the benefits in this global shift down to our local industries by pro-actively helping them maintain their competitive edge, by working to keep our local economy strong and diversified and by seeking innovative opportunities to utilize, even export, our technologies and know-how.

Several tools, all part of Economic Development's attraction and retention strategy, are used to bring benefits to local industries:

- Strategic Alliances directory (currently being updated by staff)
- Ambassador Programme (renewal proposed in 2007 ETDD Operating budget)
- Business retention: ongoing efforts to solicit feedback from industries in order to maintain service excellence.

Staff in ETDD believe that businesses go where they are invited but they stay and expand where they are well-treated. To this end, we regularly strive to identify emerging issues of relevance to our industries. For example, we are currently preparing the Terms of Reference for an Employment Sector study, per concerns of local employers who see great challenges ahead in retaining/finding skilled employees in York Region.

When asked about which services they view as valuable to their foreign market development efforts, they have indicated they would welcome assistance with identifying opportunities and view the City affording them access to new markets in a very positive light. Several leading Vaughan industries have indicated to senior Economic Development staff that they believe contacts facilitated by the Municipality could fast track opportunity development within certain foreign jurisdictions (eg. China, United Arab Emirates). In addition, they believe that some municipal support for their Research and Development efforts, particularly in the form of grants or tax abatement in support of R+D, would assist them in developing new technologies that would ultimately lead to economic benefits for the broader Vaughan economy. Lastly, our larger industries hold the opinion that, where there is an interest on their part, in entering into a foreign joint venture within a jurisdiction where Vaughan has an International Partnership, Vaughan's assistance with the "due diligence" portion of the joint venture development would be invaluable, given that as a Municipal structure, we would have access to a plethora of verified/verifiable information that they would need to expend considerably more effort to collect.

GOING FORWARD: A renewal of the IPP

Indicators point to global economic forces being focused on three major areas of the globe: China, India, parts of southeast Asia and the USA.

CHINA: Staff proposes to strengthen the IPP in China, in cooperation with the Federal and Provincial governments here in Canada, the Canadian Consulate network in China, appropriately networked private sector groups, business associations and local businesses, by undertaking a business trip to China in November 2007.

USA: In addition, staff has been reviewing several opportunities in the USA for potential economic partnerships. Over the course of the past few years, the presence of companies in Vaughan which are wholly or partly owned by American parent companies has grown significantly. They include Extended Stay America, Georgia Gulf, Cedar Fair LP, Mills Corporation, NASCAR Speedpark, Tootsie Roll Industries, UPS, Lucky Strike Lanes, Bausch + Lomb, Cousins-Currie Limited, Knoll Furniture, Jones New York, Jeld-Wen Windows and Doors, Carpenter Company, Conair Limited, Crown Cork & Seal, to name a few.

Staff feels that, given the very significant impact of the economic relationship between Canada and the USA, and its obvious impact on Vaughan's economy, the absence of an American

economic partnership within our International Partnerships Programme is a glaring omission that we believe should be addressed.

To this end, there are several municipalities that have been researched which meet most of the criteriae for selecting an international partner. Staff will continue to research these opportunities and provide a future report to Council for direction.

ITALY: Similarly, while Vaughan has a number of cultural and educational partnerships in Italy, there are opportunities which could benefit our own business community which are currently not being explored. Staff is of the opinion that we must focus Vaughan's future ties with Italy in the economic powerhouses within Italy's northern Regions, such as Lombardy, Friuli, Veneto and Emilia Romagna. Any future business missions made to Italy would not only strengthen our ties with our existing partner cities but, moreover, create new economic ties with cities in these areas which, collectively, are known as one of Europe's most economically significant regions.

Staff, in collaboration with the Italian Chamber of Commerce of Toronto, proposes to undertake a business mission to Italy sometime in June 2007.

Workplans for the missions to China/Far East, USA and Italy will be completed to identify key objectives, action steps and specific performance measurement indicators.

INCOMING BUSINESS DELEGATIONS IN 2007: In addition, within 2007, incoming business missions from Italy, resulting from work done by the City's delegation during its visit to Italy in 2005 and follow-up work initiated by staff in 2006, are planned from the City of Bergamo, the Chamber of Commerce of Parma and the broader region of Emilia-Romagna, and, possibly the Province of Milano. In addition, staff is working with local businesses to secure internship placements for 4 of 15 university students who will be coming to study english at York University through a partnership between York U. and I.S.C.a.P.I., the same agency with which Vaughan signed a collaborative agreement in May 2006 at the request of the Mayor at the time. I.S.C.a.P.I. will also work with City staff to bring a showcase of fine tapestries and jewellery to Vaughan in October of 2007. Lastly, follow-up work is planned for 2007 to continue the strengthening of the City's relationship with it's longest-standing Sister City, the City of Sora, in Lazio, Italy, such as the preparation of professional exchanges aimed at offering local business operators/professionals in the Tourism industry, the opportunity to acquire new skills and benefit from an exchange of best practices with their counterparts from the region of Lazio.

Staff will prepare workplans for each of these initiatives, outlining the intended objectives, appropriate action steps and measurable performance indicators. A copy of the workplan template is appended to this report as Appendix B.

SISTER CITY SIGNAGE:

The City of Vaughan currently has signage marking five (5) of its seven (7) International partnerships at various strategic points across the City. The signs are in various stages of disrepair and have been flagged by Vaughan residents who hail from the respective communities in question as eyesores badly in need of replacement.

Staff has prepared an analysis of costs and benefits associated with replacing each of our five (5) existing signs as well as new ones for those two (2) partnerships not currently signed. Two potential suppliers have provided quotes which are included in the Sister City Signage Report, appended to this report as Appendix A.

Staff is requesting that Council support the request for new signage and that it provide direction to staff as to which of the two types of signage it wishes to purchase and that the appropriate budget be allocated for such a purchase.

CONTINUITY OF CONTACT and ACTIVITY

The objectives listed above, and the work plans pertaining to each, propose actions which are measurable and achievable, providing the IPP is afforded continuous and consistent support as an active programme within the broader economic development programme, with suitable funding and resources to sustain it on an ongoing basis.

When Council adopted the International Partnership Policy in 1991, it essentially agreed with the stated principles governing the ongoing management of the programme. One such governing premise is that International Partnerships require resources in the form of financing, time and manpower. In addition, it was accepted that International partnerships must be nurtured in order to bear fruit and that these efforts must be constant over time to be truly beneficial to our businesses and residents. This consistency has been absent over the life of the Programme and staff is proposing that Council endorse staff efforts to strengthen the City's International Partnerships Programme in order to bring benefits to our local business community and our local residents.

To this end, staff is respectfully recommending that Council:

1. reconfirm its commitment to Vaughan's International Partnership Programme by endorsing the recommendations contained in this report and,
2. ensure constant levels of funding at \$50,000 per annum*.

*Except for the 2007 Foreign Business Development Budget which will be at \$40,000.

Relationship to Vaughan Vision 2007

This report outlines a programme in support of several of the goals identified in the Vaughan Vision document:

1. Serve our Citizens (A-4 Promote Economic Development)
2. Manage our Resources (B-1 Ensure Long-Term and Short-Term Financial Stability; B-2 Expand Revenues & Tax Base)

This report recommends a change from the priorities previously set by Council and the necessary resources have not been allocated.

Conclusion

The City of Vaughan currently has seven (7) International Partners and one (1) Collaboration Agreement in place. The activity levels of each of these partnerships has varied significantly over the past fifteen (15) years and, consequently, it has been fairly difficult to gain the full potential benefits of each of the relationships on behalf of our citizens and businesses.

For this reason, staff is proposing a renewed vision for the International Partnerships Programme, one that focuses on a studied, consistent and results-oriented approach. In addition to renewing our existing relationships with our current partners, most of which are cultural and/or educational in nature, staff proposes that where possible with the existing partnerships and certainly with all new partners, economic projects/initiatives be the main focus.

Staff will be undertaking a series of breakfast meetings, with the participation of captains of major industry sectors represented in Vaughan, as well as appropriate business associations, and other members, to ensure consistent dialogue with our industries that will allow staff to gather valuable intelligence regarding their current needs as well as to capture innovative ideas and evidence of emerging trends/issues of relevance. We can, thusly, anticipate our business communities needs and work with them to meet their challenges.

Attachments

Sister City Signage Report – Appendix A
Sample Workplan Template- Appendix B

Report prepared by:

Emilia Valentini, Director of Economic Development

Respectfully submitted,

Frank Miele
Commissioner, Economic/Technology
Development & Communications

Emilia Valentini
Director
Economic Development

APPENDIX A

SISTER CITY SIGNS COST ANALYSIS

Specifications:

- Quantity: 4 existing plus 3 additional signs = 7
- Sign dimensions: 6'ft wide x 3'ft height
- Post dimension: 7'ft height poles
- Two sided sign
- 1 design template for the sign
- Materials: alumilite material with reflective vinyl and high-end paint; or high pressure laminate.

Existing Signs:

1. Baguio, Philippines (*stand alone on Dufferin St., north of Steeles*)
2. Delia, Italy (*stand alone on Pine Valley Dr, north of Steeles*)
3. Ramla, Israel (*attached to York Region sign on Bathurst, north of Steeles*)
4. Sora, Italy (*stand alone on Pine Valley Dr, south of Hwy #7 at Strada*)

Not currently in place:

1. Lanciano, Italy
2. Sanjo, Japan
3. Yangzhou, China

VENDORS:

*File folder in O:drive/ECDEV/Sister City Signs/
January 22, 2007*

1. HERITAGE SIGNS PLUS (see sample work done for Township of Rideau Lakes, Portland)

- established in 1980
- Ontario company
- design and manufacture high quality **wood with vinyl coated signs**
- **hand craft** signs
- 3 dimensional art
- **guaranteed for 2 years** against fading
- Total per sign = \$3,530 (PST/GST included)
- **Grand total = 7 signs x \$3,600 = \$25,200**
(PST/GST included)
- **Clients:**
City of Brockville, Township of Elizabethtown, Township of Athens, and
Township of Rideau Lakes.

**Permit cost not included.*



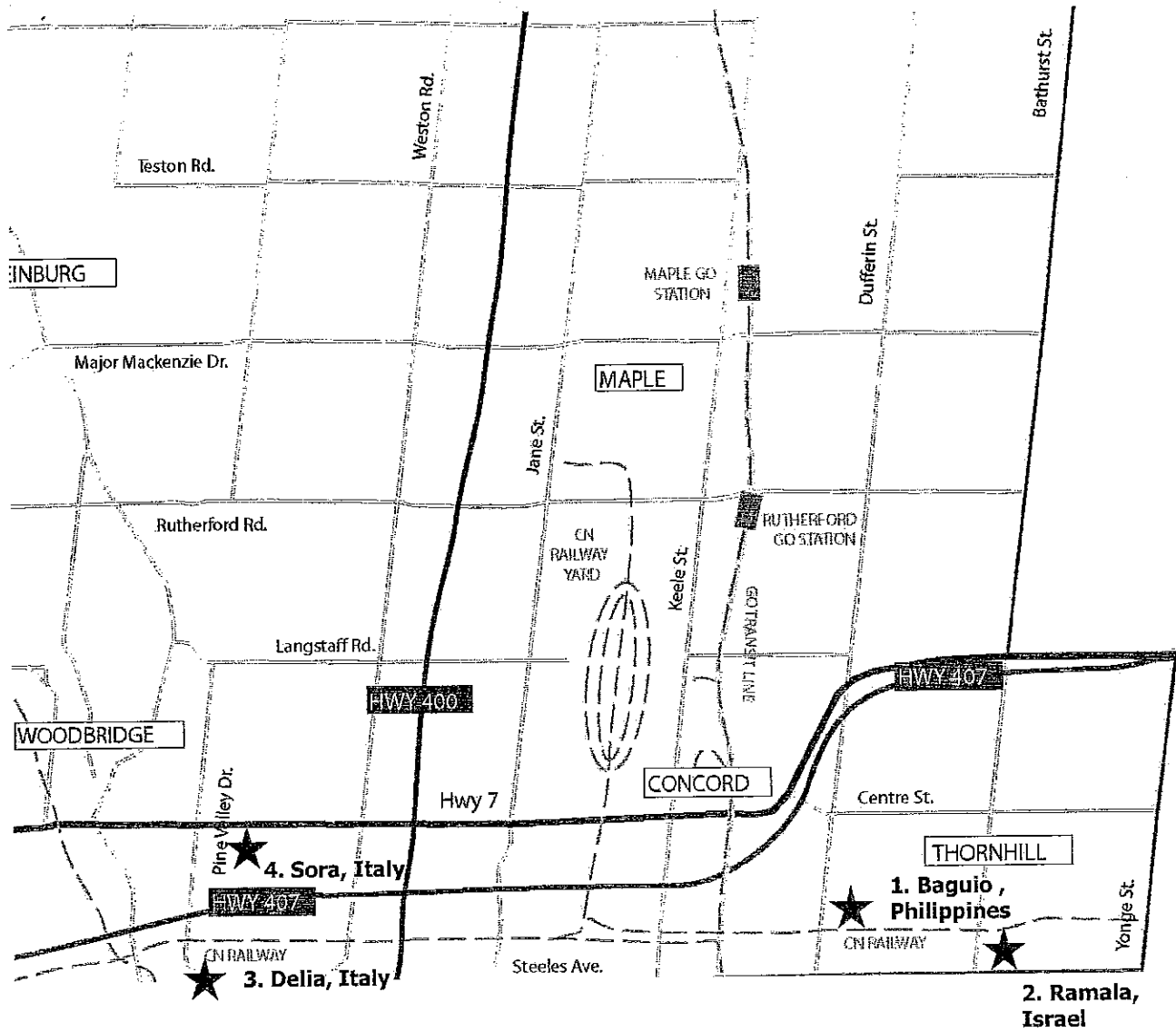
2. FOLIA Industries Inc.

- established in 1995
- Quebec company
- design and manufacture custom **laminated signs**
- digitally printed graphics
- **guaranteed for 10 years** against fading and delaminating
- Total per sign = \$4,200 (PST/GST included)
- **Grand Total = \$4,200 x 7 = \$29,400**
(PST/GST included)
- **Clients :**
City of Vaughan/Parks Development,
Skydome Bus Parking Lot, ESPN Digital
Centre, Kennedy Space Centre, and
Riverbanks Zoo and Garden.

**Permit cost not included.*



SISTER CITY STREET SIGN REPORT - 2006

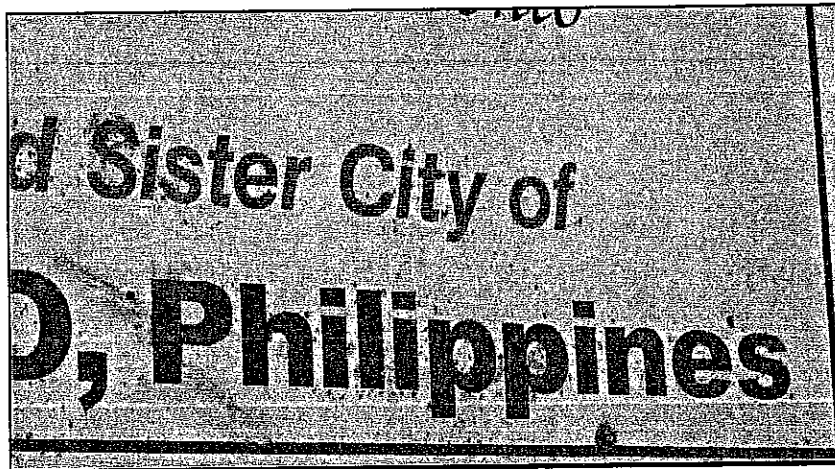


(photographed: September 5, 2006)

1. Baguio, Philippines

(Dufferin Ave., just north of Steeles by CN bridge, east side)

- Stand alone sign
- Damages: peeling paint; fading type and colour; dents/chips in metal.
- Recommendation: replace entire sign with stronger background colour.

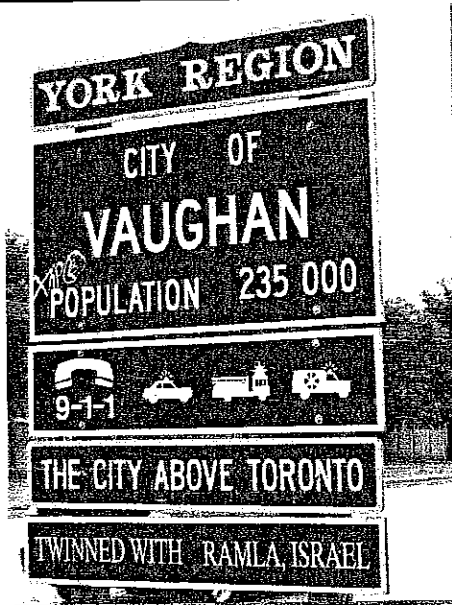
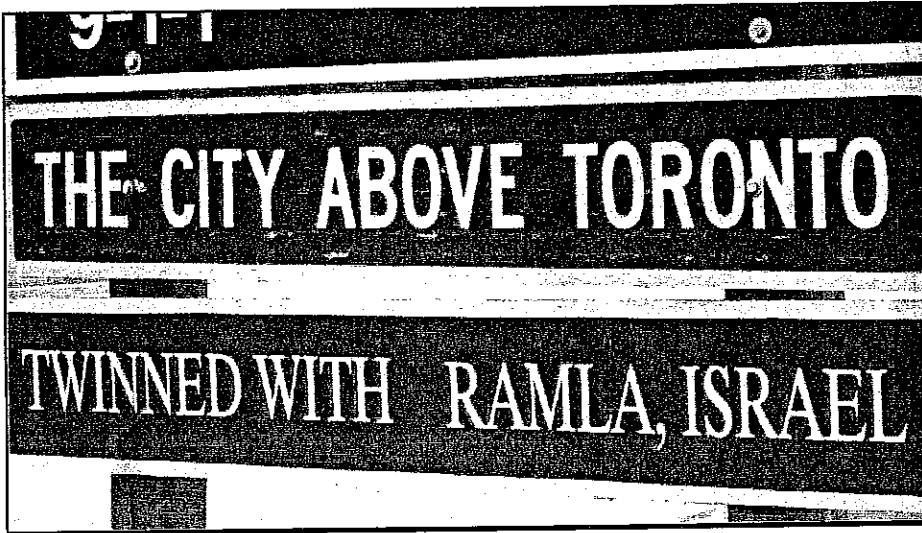


SISTER CITY STREET SIGN REPORT – 2006

2. Ramala, Israel

(Bathurst St, just north of Steeles, east side)

- Twin Sister City sign is combined with York Region Population sign
- Damages: "The City Above Toronto" sign has severe peeling paint; graffiti; "Twinned with Ramala, Israel" sign shows rust and it's too low to the ground to be noticed by motorist.
- Recommendation: require stand alone sign for more prominence

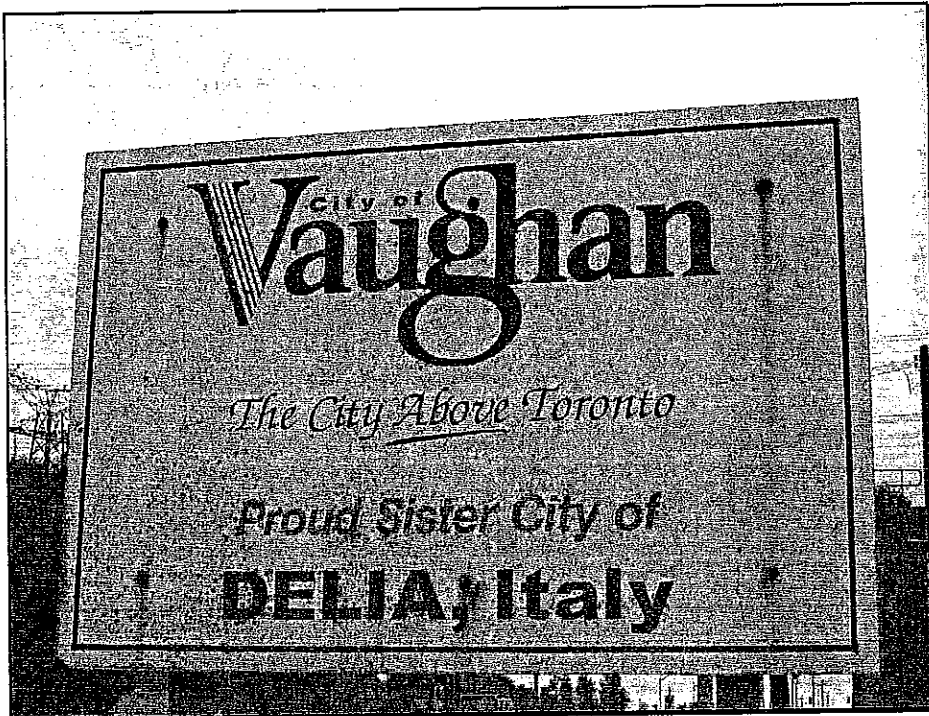


SISTER CITY STREET SIGN REPORT – 2006

3. Delia, Italy

(Pine Valley, just north of Steeles/CN Bridge, east side)

- Stand alone sign
- Damages: severe rust; peeling paint; fading type and colour; multiple dents in metal.
- Recommendation: replace entire sign with stronger background colour.



SISTER CITY STREET SIGN REPORT – 2006

4. Sora, Italy

(Pine Valley, just south of Hwy #7 at Strada Drive, east side)

- Stand alone sign
- Damages: the worse condition of all 4 Sister City signs; metal sign is no longer flat (see left-hand corner); complete peeling of paint; type is missing in the City's tag line and "Proudly twinned with".
- Recommendation: immediate replacement required.



APPENDIX B

**(PROJECT NAME)
WORKPLAN**

Description	Action	Resources (Department, external agencies)	Start Date	End Date	Performance Measurement Indicators