

COMMITTEE OF THE WHOLE FEBRUARY 19, 2008

REPORT ON CITY OF VAUGHAN BUSINESS MISSION TO ITALY: JULY 2007

Recommendation

The Director of Economic Development, in consultation with the City Manager, recommends:

1. That this report be received for information.
2. That staff be directed to continue an engaged dialogue with potential investors, initially contacted during this Mission, with a view to securing investments in Vaughan.
3. That staff be asked to continue discussions with the City of Parma with a view to entering into an economic collaboration between Vaughan and Parma, as per City of Vaughan policy.
4. That staff be directed to work with the City of Sora, and the surrounding Province of Frosinone, to execute the identified programme of activities to commemorate the 20th Anniversary of the twinning between Vaughan and Sora, Vaughan's first official Sister City created in 1992.
5. That, after the creation of an economic partnership with Parma, a moratorium be placed on new partnerships with any jurisdiction in Italy for a period of at least 5 years in order to focus on existing partnerships and on the inherent opportunities to be realized from those existing ties.

Economic Impact

The economic impact for 2008 has been allocated within the 2008 Operating budget for the Economic Development department's International Partnership Programme.

Communications Plan

Any activity involving projects arising from this, or future, business missions shall be communicated to the public in accordance with the Corporation's communications policies.

Purpose

The purpose of this report is to provide a de-briefing and summary of activities, including recommendations for follow-up actions, pertaining to the City's 2007 Business Mission to Italy.

Background - Analysis and Options

The City of Vaughan has a dynamic and diversified business community, with more than 8,000 businesses, showing sector strengths primarily in traditional and manufacturing industries: plastics, furniture, transportation and logistics, metal fabrication and food & beverage processing.

Global competitiveness demands that all industries seek to solidify their positions within existing markets as well as actively and constantly examine new markets within which to create future growth opportunities.

To this end, dialogue with local industries has revealed that the City can best support their expansion efforts into new markets abroad by aiding in the due diligence phase, a critical part of the process of joint venture development, as well as by playing a facilitation role by building a

peer-to-peer bridge with local authorities and, in so doing, extend the resulting goodwill and trust to our industries as potential foreign investors in their jurisdiction.

In addition, in some markets, our industries could run the risk of infringement upon their proprietary technology or intellectual property (IP). In such a situation, our municipality would have an opportunity to offer some protection in the form of moral suasion, using the language of diplomacy that only representatives of a political jurisdiction can use with their counterparts to help tip the scales in favour of a more open and secure collaboration for our industry.

These support mechanisms are essential to our industries and the municipality can provide them if it has built those bridges into new markets through forethought, proactively anticipating the needs of its local business community.

Vaughan currently can already offer, or is actively working on developing, links with several markets around the globe: Israel, China and Italy.

Objectives Of The International Partnerships Programme (Ipp) as stipulated in CW-WS report of February 13, 2007

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).

Criteriae For Selecting An International Partner (extracted from CW-WS report of February 13, 2007)

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.

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.

Business Mission to Italy 2007: Summary of Activities, Successes and Outcomes

In July 2007, Mayor Linda D. Jackson led a delegation to Italy for a 12-day business development and fact-finding mission. The high-level delegation also included 2 Vaughan Regional Councillors, the Chair of York Region, the CEO of the Vaughan Chamber of Commerce, the Executive Director and Deputy Director of the Italian Chamber of Commerce, members of the business community and Vaughan's Director of Economic Development.

The objectives of the Mission were three-fold:

1. Promotion of the City of Vaughan as an ideal jurisdiction in which to do business. Presentations to a number of municipalities, chambers of commerce, boards of trade and other business aggregator agencies as well as to private industries seeking opportunities in Canada.
2. Fact-finding meetings and industry visits to companies and facilities demonstrating innovation in environmental technologies.
3. Cementing of existing relationships and exploration of new economic growth opportunities.

A brief summary of the 12-day Mission follows:

Business development-focused meetings were held in Lombardy (Milan, Sondrio and Bergamo/Dalmine), in Piedmont (Turin), in Emilia-Romagna (Parma and surrounding province), in Lazio (Rome, Frosinone and Sora) and Calabria (Cosenza, Vibo Valentia, Crotona, Catanzaro).

In all Regions, the delegation met with political leaders, local Chambers of Commerce, local businesses seeking to learn about expansion opportunities into Vaughan and representatives of other business aggregator agencies seeking to create a link with Vaughan.

A number of themes were pursued throughout the mission: investment attraction presentations, fact-finding regarding innovative alternate energy, energy-from-waste and wastewater treatment technologies, and the creation of personal and professional development opportunities for Vaughan citizens and businesses. In addition, in recognition of our Sister City relationship, the delegation held official meetings with the City of Sora, in the region of Lazio, to reaffirm our relationship and discuss next steps in the evolution of our International Partnership. Finally, pursuant to one of the adoption recommendations in the February 13, 2007, Committee of the Whole-Working Session report, an exploratory discussion was held with the City of Parma with the objective of securing an economic collaboration between the two municipalities to the mutual benefit of its residents and businesses.

Successes and Future Actions Resulting from this Mission

Amongst the meetings dealing with innovation in environmental technologies, the delegation visited the EnviroPark in Torino, a brownfield development that has been transformed into a centre of excellence for the research and development of innovative green technologies. In Dalmine, just outside Bergamo, the delegation visited the REA thermo-treatment plant, a state-of-the-art facility which is held as an example of best-in-class in the thermo-treatment category. In both cases, members of the delegation acquired an in-depth understanding and first-hand information about these leading-edge technologies to be used in Vaughan and York Region initiatives. Specifically, as a result of viewing the EcoPark project in Torino, Vaughan officials are

exploring the feasibility of establishing an EcoPark in Vaughan. In addition, based on the design observed at the thermo-treatment plant in Dalmine during this Mission, the mission participants have brought additional information and innovative solutions to the table at York Region to perhaps positively influence the criteria that will be established to decide on the design, operation and management of the thermo-treatment plant to be set up in York/Durham region.

Directly flowing from our International Partnership with Sora, situated in the same region of Italy as the City of Rome, the delegation was received by the Deputy Mayor of the Eternal City. In addition, in Rome and surrounding area, the delegation participated in a number of meetings with high-ranking political figures for the purpose of building awareness of the advantages of doing business in Vaughan, as a very strategically positioned municipality within Canada's most vibrant province. Specifically, the delegation held meetings with the Minister of Economic Development and Trade and with the Minister of Culture for the Region of Lazio and participated in a press conference to highlight Vaughan as a vibrant municipality which, thanks to its ties with its sister city of Sora, within the same Region of Lazio, is able to attract the attention of the leadership of a city as large and as economically important as Rome and its broader surrounding area.

The results of the above-noted meetings are meant to bring real benefits to Vaughan residents, particularly our youth, through future projects between Vaughan, Sora and the opportunity-rich, surrounding area of the Region of Lazio. Among the projects to be realized within the next 1-3 years are:

- a marker to commemorate the very first Allied soldier to enter and subsequently perish on the streets of Frosinone (a young Canadian) to be erected in Frosinone (near Sora).
- 10,000 euro (approx. \$15,000 CDN) donated by the La Rocca family in Sora in support of youth in Vaughan.
- A professional development opportunity for chef owner/operators of Vaughan restaurants at the Culinary Institute in the province of Frosinone
- A student exchange for up to 30 students from the Intermediate grades (6,7,8) between Vaughan and Sora youth
- As an outcome of a "best practices" discussion, the City of Sora has committed to having their architects work together with our planners to integrate the creation of piazzas in the City of Vaughan's OPA currently under review.
- A commitment from the City of Sora, the Province of Frosinone and the Region of Lazio to supporting initiatives tied to the 20th anniversary of the twinning between Vaughan and Sora.
- An agreement that the City of Vaughan's economic development department, together with the Italian Chamber of Commerce of Toronto and the Vaughan Chamber of Commerce work together in support of business development opportunities.
- A commitment from the Province of Frosinone, province of origin for thousands of Vaughan and GTA residents, to assist in securing historically significant artifacts to be displayed in the AMICI Museum in Vaughan. (This commitment was received also from the City of Parma as well as from the Chambers of Commerce in Bergamo, Sondrio, Cosenza, Vibo Valentia and Catanzaro).

Similarly, and particularly noteworthy, was a meeting with the Mayor of the City of Parma and the President of the Parma Chamber of Commerce, Industry, Agriculture and Artisanry during the course of which both Mayors agreed to explore the advantages that a formalized partnership between Vaughan and Parma could bring to their respective industries and citizens. In Parma, the delegation had discussions with local industries exploring investment in Vaughan as well as with one of Italy's premier culinary institutes, ALMA, for the purpose of offering Vaughan-area chefs professional development opportunities right in the heartland of Italy's food production.

In southern Italy, the delegation was received by political leaders at the Municipal and Provincial levels, visited local manufacturers seeking to engage in commercial relationships with businesses in Vaughan, met with Canadian students, most of whom are Vaughan residents, participating in a study-elsewhere programme in Calabria and, began a dialogue with I.S.C.A.P.I., the Calabrian Superior Institute for International Politics, with whom Vaughan has a collaborative arrangement, to receive a number of student "study-elsewhere" bursaries to be awarded to 15 Vaughan students within 2008.

Staff is recommending that several actions be undertaken as a direct outcome of the 2007 Mission:

1. Every attempt be made to follow-up on all business contacts made, with particular attention given to those with potential for foreign direct investment into Vaughan.
2. The City of Vaughan continue discussions respecting an economic partnership with the City of Parma.
3. The City of Vaughan execute the plan of activities, identified during meetings with Sora city officials in the course of this Mission, culminating in the 20th Anniversary of the International Partnership with the City of Sora.
4. That staff be directed to develop criteriae through which the 15 bursaries received as a gift from the Town of Spilinga, thanks to our partnership with the ISCAPI in the Region of Calabria, be awarded to 15 young adults, between 18 and 25 years of age, residing in Vaughan, to spend 30 days on a Study Elsewhere programme in Calabria during the period between July 1 and August 31, 2008.
5. That staff continue to dialogue with the ALMA International Culinary Institute and the Culinary school in Frosinone, to develop professional development opportunities to be offered to chef/owner/operators of Vaughan restaurants

PARMA:

Staff is recommending that Vaughan Council seriously consider formalizing an economic partnership with the City of Parma. As a potential International Partner, Parma meets all of our criteriae and is considered an ideal candidate to partner with Vaughan.

Parma, and its surrounding province, together represent a dynamic economy, with significant strengths in the food and beverage processing industry and affiliated metal fabrication. Food production has a long tradition in Parma, which has for many years been called the "Food Valley", accounting for almost 40% of the total economic output of the Region of Emilia-Romagna. This very prolific Region of northern Italy is the birthplace to such immediately recognizable products as Parmigiano Reggiano cheese, Balsamic Vinegar from Modena, Prosciutto from both Parma and Modena, Pasta Barilla and the entire Parmalat family of products. It is the only region in the world to have the authority to officially brand wheels of Parmigiano Reggiano cheese, to authentically sell original Parma and San Daniele prosciutto and to bottle an authentic balsamic vinegar from its birthplace of Modena.

Interestingly, Vaughan is home to Canada's largest, by volume, private importer of Parmigiano Reggiano and the first importer in Canada to bring in authentic Parma and San Daniele prosciutto just as soon as Canada's Food Inspection Agency authorized limited access into Canada just a few short years ago. In addition, a number of large importers of products from Emilia-Romagna have chosen to locate in Vaughan.

A complete area profile on Parma and surrounding province will be developed as part of the advance preparatory work should Council determine it wishes to proceed to formalize an economic partnership with Parma.

In addition, the ALMA International Culinary Institute is widely recognized as one of the pre-eminent culinary institutes in Europe and is very pleased to expand their relationship with canadian "students", building on a formal relationship already in place with the George Brown

School in Toronto. Staff recommends working with ALMA management to develop opportunities that would afford Vaughan businesses a chance to augment their culinary offerings to their clientele, thus bringing back into Vaughan an even higher standard of culinary excellence and adding to Vaughan's reputation as a City with great authentic restaurants.

SORA:

Specifically with respect to Vaughan's sister city of Sora, in the central region of Lazio which is also home to the nation's capital city of Rome, staff recommends that Vaughan embrace the opportunity, nurtured by representatives of both governments on the occasion of Vaughan's Mission to Italy in July 2007, to advance our twinning relationship through a series of events and exchanges with Sora and with the broader Province of Frosinone as noted in this report. Beginning in the Fall of 2008 with a student exchange of Sora students to Vaughan, and culminating in a series of events to mark the 20th Anniversary of our twinning in 2011, staff is proposing the execution of a number of cultural and business exchanges through which to augment opportunities for growth for citizens and businesses of both jurisdictions.

Relationship to Vaughan Vision 2020

This report relates to the Vaughan Vision 2020 as part of the pursuit of Management Excellence with respect to planning and managing growth and economic vitality.

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

Regional Implications

There are no direct regional implications save for the benefits that foreign direct investment into Vaughan will bring to the overall health of the Regional economy. In addition, the Regional Councillors and the Chair of York Region, through their presence as Mission delegates, were able to benefit by gathering information and best practices pertaining to environmental technologies and innovation in energy-from-waste plants.

Conclusion

In a report to the Committee of the Whole Working Session of February 13, 2007, staff put forward, and received Council approval for, the following recommendations:

1. That Council reconfirm its commitment to the City's International Partnerships Programme as an integral part of its broader economic development programme.
2. 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.
3. That staff be directed to develop work plans aimed at enhancing the benefits of partnership with our existing International Partners.
4. 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.

In this report, staff is bringing forward recommendations in support of those approved as actionable in the February 2007 report. Namely:

- a. As part of the continuity of contact and activity between the City and one of its International Partners in Italy, the city of Sora, staff is recommending that a plan of activities be developed to recognize twenty years of partnership. The activities shall bring tangible social benefits to our citizens, especially our youth.
- b. As part of the search for suitable economic partners offering excellent opportunities for growth for our local industries, staff recommends that serious consideration be given to an economic collaboration with the City of Parma, situated in the northern-Italian Region of Emilia-Romagna which, together with Lombardy and Piedmont, constitutes one of the strongest and most powerful economic engines in Europe. Parma greatly complements Vaughan in its industrial strengths and future growth prospects and, thus, offers a plethora of opportunities for our respective industries.

Attachments

None

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Respectfully submitted,

Emilia Valentini