

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 23, 2013

Item 27, Report No. 14, of the Committee of the Whole, which was adopted, as amended, by the Council of the City of Vaughan on April 23, 2013, as follows:

That Councillors Shefman and Carella and the Mayor, or alternate, be selected to participate in the International Business Development Program – Business Mission to Israel 2013.

27 INTERNATIONAL BUSINESS DEVELOPMENT PROGRAM – BUSINESS MISSION TO ISRAEL 2013

The Committee of the Whole recommends that this matter be deferred to the Council meeting of April 23, 2013.

Recommendation

The Director of Economic Development in consultation with the Executive Director, Office of the City Manager recommends;

1. THAT this report be received; and
2. THAT Council identifies which Members of Council will participate in the business mission to Israel; and
3. THAT the business mission has participation of two staff.

Contribution to Sustainability

Green Directions Vaughan embraces a *Sustainability First* principle and states that sustainability means we make decisions and take actions that ensure a healthy environment, vibrant communities and economic vitality for current and future generations. Under this definition, activities related to economic development contribute to the sustainability of the City.

Economic Impact

All costs associated with the outbound trade mission in this report are budgeted within the Economic Development Department's 2013 Operating Budget. Participating businesses will be required to cover their own costs, which are estimated to be \$6,000 per person, based on double occupancy. This participation fee includes round trip economy airfare, hotel, meals and ground transportation. Some incidental costs for services such as interpretation services, gifts for Israeli dignitaries, and translation of marketing collateral, may also be incurred.

Communications Plan

Formal communications and follow-up meetings will continue with delegation coordinators and participants, business associations, local business leaders and other stakeholders. These communications will emphasize Vaughan's international business development strategy and desire to open new markets for Vaughan companies. All international business development activities will be highlighted in Economic Development communications such as Business Link and Business E-Link newsletters. This initiative will also be promoted through the Vaughan Chamber of Commerce publications. The creation of a proactive public relations campaign specifically focusing on Vaughan's International Business Development program will also be created to help raise Vaughan's profile and encourage a high level of business participation at a local and international level.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 23, 2013

Item 27, CW Report No. 14 – Page 2

Purpose

To seek Council approval and participation in a business mission to Israel from September 28 to October 6, 2013; following up on the business development opportunities that have arisen as a result of the 2012 exploratory mission, as well as developing new economic opportunities.

Background – Analysis and Options

The City's 10-year Economic Development Strategy "Building a Gateway to Tomorrow's Economy" identifies international business development activities as a crucial component of improving the City's economic competitiveness. In addition to contributing towards positioning Vaughan as a gateway for flows of goods, services and capital for the Toronto economic region, international business exchanges also assist with the development of strategic economic clusters in Advanced Goods Production and Movement, and Innovative Research Development and Design convergent sectors.

Israel has established itself as world leaders in the development of new and highly innovative technologies in sectors such as life sciences; green energy; cleantech, information technology and telecommunications. Based upon the industry visits and business meetings in 2012, Economic Development has confirmed that Israel is a strategic fit for Vaughan when it comes to generating and attracting new economic development opportunities.

Vaughan's strategic focus on the cleantech sector differentiates the City from other GTA municipalities who have previously visited Israel. The life sciences and information technologies sectors are crowded spaces; however the cleantech sector is still lightly targeted. Vaughan's own cleantech and building technologies sectors are growing, with companies that produce solar photovoltaics, thin-films, smart grid, sustainable building products, etc. The Israeli cleantech sector is complementary to Vaughan's and is particularly deep, encompassing more than 400 companies, that span a breadth of environmental concerns, including sustainable water, energy, transportation and building technologies.

By focusing on and working in partnership with Israel, Vaughan will be aligning the City with a country that boasts the highest density of start-up companies, working in some of the most transformative industries.

Policy & Protocol

Council

Council Member Expense Policy (Policy 01.37) related to travel outside of Canada and the United States and for travel with costs exceeding \$3,800 with respect to conferences, seminars or business does not have a mechanism to identify which members of Council should participate. The Policy states that attendance at seminars, conferences or for business travel outside of Canada and the United States shall be approved by special resolution of Council.

Staff

With respect to travel outside of Canada and the United States, for seminars, conferences or business related matters, there is a Council approved policy in place to identify which members of the administration participate. That mechanism is the Employee Reimbursement for Business Related Expenditures, and Advances - Policy 03.29. The Policy requires not only the individual's respective Commissioner, but also the City Manager, as head of the Administration, to approve who will travel. Council approval is sought for the number of staff.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 23, 2013

Item 27, CW Report No. 14 – Page 3

Building Upon a Successful Exploratory Mission to Israel in 2012

The City visited Tel Aviv, Eilat, and Jerusalem meeting with government officials, industry leaders and business owners among many other centers of influence. Based on the findings, the mission confirmed the strong existence of economic opportunities for both the attraction of new companies searching for additional locations to expand; as well as, opportunities for Vaughan-based businesses to export and/or develop strategic joint-ventures and partnerships with Israeli companies.

Significant Economic Opportunity

Israel is a wealthy country with a technologically advanced market economy and substantial government participation. Although Israel is considered a small country, it stands out as one of the most innovative and competitive economies in the world, characterized as advanced technology based with a strong global-orientation.

For the past two decades, Israel has become famous for its high-tech capacity, particularly in telecommunications, information technology, water and environment, as well as electronics and life sciences. Its capacity for innovation coupled with a highly-educated, skilled workforce has played a key role in its rating as a high-tech center.

Through government agencies such as the Office of the Chief Scientist of the Ministry of Industry, Trade and Labor; there is a network of technology incubators for very-early-stage technologies; as well as a robust private venture capital system. From basic research, to prototype development, market testing, early-stage product adoption to mass commercialization, Israel provides extensive support throughout the innovation process. Vaughan will benefit from learning more about these best practices, used so successfully in Israel.

Numerous opportunities for Vaughan businesses to export to Israel and form value-driven strategic joint ventures and alliances exist across a wide range of sectors, making Israel an excellent match for Vaughan's capabilities and growth strategy as articulated in the City's 10-Year Economic Development Strategy.

Vaughan-Israel Business Mission 2013

Following the exploratory mission in 2012, Staff prepared a post mission report for Committee of the Whole on September 4, 2012. Council accepted Staff's recommendation that the Economic Development Department develop and undertake a City-led business mission with Vaughan businesses to Israel in 2013.

On that direction, Staff began planning a seven-day business mission to Israel from September 28 to October 6, 2013. Focused on achieving measurable results, the Economic Development Department will implement a businesses recruitment strategy to secure participation of 10 to 15 pre-qualified Vaughan businesses to accompany the City on this business mission. Businesses targeted to participate in this mission will operate from Vaughan's economic convergence sectors: "Innovative Research Development and Design" or "Advanced Goods Production and Movement".

Pre-Mission Planning

The Economic Development Department is working closely with all of the key stakeholders who were involved in last year's exploratory mission, including the United Jewish Appeal (UJA) Federation of Greater Toronto, a not-for-profit organization created to preserve and strengthen the quality of Jewish life in the Greater Toronto, Canada, Israel and around the world; the Israeli

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 23, 2013

Item 27, CW Report No. 14 – Page 4

Consulate who is committed to fostering strong relations between Canada and Israel; and the Canada Israel Chamber of Commerce whose mission is to increase bilateral investment and trade between Canada and Israel, while supporting businesses doing business with Israeli companies.

In addition, one key contact made during the exploratory mission was Coldspring Commerce Inc. an experienced consulting firm that specializes in working with Israeli businesses offering marketing and technology management; alliance and channel partnering; commercialization and transaction services.

A working group with representation from all key stakeholders will be established to ensure that the business mission is organized seamlessly, and meets the objectives of both the City and the participating businesses.

Taking a value driven approach, Staff has identified some of the initiatives/tactics and business activities that could complement and support the 2013 Israeli business mission such as:

Pre-Mission Initiatives & Activities

- Invitation letter from the Mayor to prospective Vaughan businesses inviting them to participate in this mission, along with an informative Vaughan-Israel business mission marketing package.
- Match prospective business opportunities between Israeli and Vaughan businesses.
- Conduct a “Doing Business in Israel – Exporting” workshop through the Vaughan Business Enterprise Centre (VBEC) and in partnership with Export Development Canada and the Business Development Bank of Canada.
- Launch a public relations campaign throughout all stages of this international initiative in an effort to raise the City of Vaughan’s brand, attract the attention of prospective investors and encourage Vaughan- based businesses to participate.

Business Mission (Sept. 28 to Oct. 6, 2013)

- Conduct business mission with 10 to 15 accompanying Vaughan-based businesses to Israel.
- Meet with Israeli businesses and business incubators.
- Host business events that will attract prospective businesses, investors and strategic community leaders. Educational sessions such as “The Essentials to Doing Business with Israeli Companies”.
- Meet with government dignitaries and community leaders.

Post-Mission Initiatives & Activities

- Follow-up and support potential business partnerships/linkages created during and following the business mission.
- Information and educational sessions.

Identification of Israeli Investment Opportunities in Canada

Coldspring Commerce working in partnership with the Economic Development Department has a created comprehensive list of 16 pre-qualified companies in Israel actively searching for opportunities in Canada and a technology accelerator interested in forming a strategic partnership.

In addition to arranging one-on-one business meetings, sessions will also be scheduled with key Israeli government officials in an effort to better understand the state of the country, and learn

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 23, 2013

Item 27, CW Report No. 14 – Page 5

more about how business is done in Israel. While in Israel, the City and participating businesses will also benefit from meeting with world leading technology accelerators/incubators, in an effort to identify economic opportunities and learn more about the best practices to successfully fostering innovation and entrepreneurship.

Identification of Vaughan Businesses Interested in Participating in the Mission

The mission will be open to any businesses wanting to participate. However Economic Development Staff has proactively created a comprehensive list of business owners in Vaughan who should be invited to participate. This list identifies companies where strategic opportunities might exist in order to encourage economic linkages, business development opportunities, and/or joint ventures.

Marketing/Mission Promotion

A targeted marketing and promotional campaign will be created to encourage Vaughan businesses to participate in this mission, while also educating the business community and prospective investors on the City's proactive approach to international business development.

Government Relations

City stakeholders will be instrumental in arranging meetings with government officials and other high profile officials during the business mission. Similar to the exploratory meetings that took place on the first mission, a senior level government official will be scheduled to meet with the delegates and provide a high-level overview of the various economic, political, and social issues as well as opportunities that are relevant to the City and local firms that are planning to do business in Israel.

Leveraging Strategic Partnerships & Existing Resources

Some of the strategic partners involved include:

- UJA Federation of Greater Toronto
- Israeli Consulate
- Canada Israel Chamber of Commerce
- Coldspring Commerce Inc.
- Government of Israel, Economic Mission to Canada
- Ambassador, Canadian Embassy in Tel Aviv
- Ministry of Industry, Trade and Labor of Israel (MOITAL) – Office of the Chief Scientist
- Investment Promotion Center of the Israeli Ministry of Industry, Trade and Labor
- Global Centre for Breakthrough Innovation in Israel
- Canada-Israel Industrial Research and Development Foundation
- Local business leaders
- Export Development Canada
- Business Development Bank of Canada
- Canada's National Research Council
- EUREKA Network

The 2013 Business Mission to Israel builds upon the work that has previously been undertaken by the Economic Development Department. The City has taken a strategic approach to this mission, by setting a goal to have significant business participation. With the co-operation of the various stakeholder groups, Staff is already anticipating a fulsome business program that provides pre-qualified leads, in-country business meetings, and post-mission follow-up and support.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 23, 2013

Item 27, CW Report No. 14 – Page 6

Relationship to Vaughan Vision 2020 / Strategic Plan

This report is consistent with the priorities previously set by Council. Specifically, this report assists in fulfilling Vaughan Vision 20|20 Goal: Manage Growth and Economic Well-being.

Regional Implications

Geo-political borders are inconsequential to business flows, especially in a globalized economy, therefore, staff in the Economic Development Department will be working with the Economic Strategy Branch of the Regional Municipality of York to ensure they are aware of the City's international business development initiatives.

Conclusion

Vaughan is strategically positioned to leverage and support international economic development opportunities. With more than 99 different languages spoken in Vaughan, local businesses have access to a highly skilled and diversified workforce. Furthermore, as home to one of the world's fastest growing Jewish communities outside of Israel, Vaughan provides the social and cultural infrastructure to support businesses, employees and their families as they establish roots in the community.

Vaughan's 10-Year Economic Development Strategy entitled "Building a Gateway to Tomorrow's Economy" identifies the following international business development related objectives:

1. To support local economic development by providing local businesses with an additional tool to access new markets, achieve growth, and retain their competitive edge.
2. To support local economic development by pursuing foreign investment attraction.
3. To create or leverage opportunities arising from multicultural or ethnic partnerships.
4. To enhance Vaughan's global image.

For Vaughan to achieve these objectives and be recognized as an incubator of talent, innovation and vibrant entrepreneurial activity the City must take a collaborative and results-oriented approach to international business development.

The City is committed to working alongside local business leaders and other key stakeholders to ensure Vaughan continues to:

- Foster strong trade, economic and cultural ties between the City and strategically selected international trade centres such as Israel.
- Lay the groundwork, establishing relationships and continuously nurturing and advancing existing relationships with strategic partners locally and internationally.
- Showcase Vaughan-based businesses, products, services, and expertise by encouraging a high level of participation from the Vaughan business community.
- Meet with companies interested in establishing a presence in Vaughan.
- Engage in high-level networking opportunities and foster the exchange of new ideas with international governments and business leaders.

The new world economy calls for new approaches and new ideas. The City recognizes that in order to continue to achieve impressive growth, Vaughan must expand on an international scale and grow the business base through the development of new and leveraging of existing international market and partnership opportunities.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 23, 2013

Item 27, CW Report No. 14 – Page 7

With much of the infrastructure already in place, this results-oriented approach will ensure that Vaughan-based businesses remain competitive in today's global economy and as a city ensure Vaughan is recognized as the "gateway" to the GTA and North American markets.

Attachments

Not applicable.

Report prepared by:

Jennifer Ladouceur, Director of Economic Development