

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 25, 2012

Item 37, Report No. 33, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on September 25, 2012.

37 INTERNATIONAL BUSINESS DEVELOPMENT EXPLORATORY MISSION TO ISRAEL – POST MISSION UPDATE

The Committee of the Whole recommends approval of the recommendation contained in the following report of the Director of Economic Development, dated September 4, 2012:

Recommendation

The Director of Economic Development in consultation with Ward 2 Councillor, Ward 5 Councillor and the City Manager, recommend that:

1. This report be received;
2. Staff in the Economic Development department develop and undertake a City led business mission with Vaughan businesses to Israel in 2013 that builds on the recently completed exploratory business mission.

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 attracting and retaining business investments consistent with the Economic Development Strategy contribute to the economic vitality of the City.

Economic Impact

All costs associated with this report were budgeted in the Economic Development Department's 2012 operating budget. The cost per person was approximately \$5,200. If recommendation two of this report is approved, costs associated with the proposed business mission in 2013 will be budgeted in the 2013 Economic Development operating budget.

Communications Plan

Formal communications and one-on-one meetings will continue with the Government of Israel, Economic Mission to Canada, UJA Federation of Greater Toronto, Canada Israel Chamber of Commerce, local business leaders and other stakeholders. These communications will continue to emphasize Vaughan's international business development strategy and desire to open new markets for Vaughan companies. Also, the International Business Development Exploratory Mission will be highlighted in upcoming Economic Development communications such as the Business Link and the monthly Business E-Link.

Purpose

This report provides Council with an overview of the exploratory business mission to Israel led by Ward 2 Councillor Tony Carella and Ward 5 Councillor Alan Shefman with the Director of Economic Development, Tim Simmonds.

Background – Analysis and Options

As part of the City's International Business Development strategy for 2012, the City completed an exploratory business mission to Israel from July 2 – July 9.

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Why An Exploratory Mission

The goal of the exploratory business mission was to identify future business opportunities for the City with Israeli businesses and collaborate with key Israeli government agencies to better understand the current Israeli/Canada business relationship. In addition, if the outcome of the mission was deemed to be successful a longer-term international business development strategy for Israel would be created that aligns with the City's 10-year Economic Development Strategy.

Israel A Country of Innovation

Prior to the mission, research by the Economic Development department revealed that Israel boasts the highest density of start-up companies in the world, and some 63 Israeli companies were listed on the Nasdaq in 2009, more than any other foreign country, including Canada, Ireland, the U.K., Singapore, China, and India. In addition, Israel's broader economy has grown faster than the average of the world's developed economies. During this decade, Israel's share of the global venture capital market did not decline, it doubled, from 15 to 30 percent.

Though Israel is a small country with limited natural resources, it stands out as one of the most competitive economies. The country's market economy can be characterized as advanced technology based and global-oriented. Over the past two decades Israel has become famous for its high-tech capacity, particularly in telecommunications, information technology, electronics and life science. Recently Israel has been focusing on Clean Tech. There are 320 companies in Israel that can be defined as specializing in the Clean Tech field. In the last two years, more than 300 million dollars has been invested in the Clean Tech industry and more than 13 investment bodies were established in the Clean Tech industry. To put this in to perspective, the population of Israel is slightly larger than the Greater Toronto Area.

Leveraging Local Stakeholders

In creating the itinerary that would meet the goals of the exploratory business mission, the City worked closely with the Government of Israel, Economic Mission to Canada and UJA Federation of Greater Toronto. Both the consulate and UJA were able to secure one-on-one business meetings and strategic meetings with key Israeli government officials and businesses.

Monday, July 2/Tuesday, July 3 were travel days – flying Air Canada, Economy Class, Toronto to Tel Aviv. Upon arrival and check-in at the hotel in Tel Aviv, the group reviewed the itinerary, meetings, and had a general review in preparation for the upcoming week. The mission would be centred on Tel Aviv, Eilat, and Jerusalem. In addition, the Cleantech Exhibition being hosted in Tel Aviv would serve as a logical anchor point for establishing a high-level understanding of the Cleantech industry in Israel.

An Overview of Israel

The first working day of the mission, the Vaughan team began the day with an early breakfast meeting with Col. (Ret.) Miri Eisin who provided an update on the mood of the country. Ms. Eisin described the various political and social issues that were relevant to the City and International businesses who were conducting business in Israel. Ms. Eisen also highlighted the notion that Israel, unlike many other nations has a unique geographic presence, which lends itself to its need to be innovative and focused on solutions.

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MATIMOP – Directing Innovation in Israel

Following the breakfast meeting, the delegation traveled to the Office of the Chief Scientist – MATIMOP, in Tel Aviv, to meet with Mr. Yossi Smoler, Director of Technological Incubators Program, and Mr. Israel Shamay, Executive Director, Strategic Initiatives, Head of the Americas Operations. MATIMOP is the executive agency of the Office of the Chief Scientist (OCS), of the Ministry of Industry, Trade and Labor of Israel (MOITAL) and is the official National Agency for industrial R&D cooperation in Israel, charged with promoting highly supportive policies to build Israel's industrial infrastructure, and nurturing industrial innovation and entrepreneurship. MATIMOP is also the government agency that generates and implements international cooperative industrial R&D programs between Israeli and foreign enterprises.

As one of the goals of Vaughan's 10-year Economic Development Strategy is to promote innovation, the Director of Technological Incubators was able to provide a much better understanding of the role that incubators play in the Israeli economic development process and how they function; including the funding model for their long-term sustainability. The incubators described as a much needed component in Israel's innovation eco-system are set-up as for-profit corporations that the Israeli Government supports with a partial financial contribution and the remainder of the funding comes from the private sector. Private sector corporations compete through a RFP process for the opportunity to fund and operate an incubator.

At the conclusion of this meeting, the team then met with Israel Shamay, Head of America's operations and Liron Eldar, Program Manager, Industrial R&D Cooperation, North American Desk. A presentation was made by the Vaughan team that spoke directly to the advantages Vaughan has as the gateway to the Greater Toronto Area and a burgeoning market for cleantech and green industry. With a better understanding of Vaughan, both Israel and Liron were then able to identify how Vaughan might benefit from a relationship with the North American Desk. First, Liron informed us that they had been working with Canada's National Research Council (NRC) to set-up a joint Canadian/Israeli fund for end-users and that their office wanted to travel to Canada (Toronto) to present the fund and highlight the relationship with the NRC. Through this meeting we (Vaughan) have been able to request that the event be hosted in Vaughan. Since the mission follow-up information has been received from the Program Manager, Industrial R&D Cooperation and work by Economic Development Staff at securing the event is underway. Secondly, Canada has become a member of the Eureka Network and this was well received by Israel. Prior to the mission, staff were unaware of Canada's membership into the Eureka network. The EUREKA network is an intergovernmental network launched in 1985, to support market-oriented R&D and innovation projects by industry, research centres and universities across all technological sectors. It is composed of 41 members.

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CleanTech 2012 – Companies shaping the future

After attending the meetings at MATIMOP the group attended the Clean Tech Exhibition. The exhibition was smaller in size than anticipated due to the fact that the conference associated with the exhibition was the larger draw. However, the smaller size allowed for more conversation with companies that were set-up on the trade floor. Furthermore, the City had a pre-arranged meeting with one company who was exhibiting, Menolinx. Menolinx is a worldwide solution provider in the fields of energy efficiency, intelligent street lighting and smart grid solutions. Menolinx's LampID system was discussed as an opportunity for the City to further explore from a business and operational perspective. The LampID system installs on each and every pole (streetlight) in the city, a smart communication LampID node. This device together with the pole, are basically a communication point. The LampID system can be implemented either as an upgrade/retrofit or new lighting solution resulting in the reduction of energy and maintenance costs by between 30-70%. The second meeting that was prearranged for the day was off-site of the exhibition with Beemtech in the city of Rehovot, located approximately 40 minutes southwest of Tel Aviv. Beemtech is involved in the sector of energy conservation through a proprietary interior lighting solution that monitors and controls each individual ceiling mounted light fixture. Our meeting was with Shula Shinwell, Director of Marketing and Rafi Cohen, Lead Engineer. Beemtech recently entered the North American market with a sales and support office located in New York City. However, through the conversation, Beemtech identified a desire to meet further with Vaughan and determine an opportunity to expand into Canada. A meeting is being scheduled by staff to coordinate a follow-up meeting with Beemtech.

Upon completion of our meeting with Beemtech, Councillor Shefman arranged for an informal meeting in Tel Aviv with a Canadian company who is actively involved in facilitating business with Israeli companies. Harvey Knickerson, President of Coldspring Commerce was in Tel Aviv at the same time our delegation was there and gave us the opportunity to sit down and discuss the essentials of doing business with Israeli companies.

Ramla - Vaughan's Friendship City

Ramla is located approximately 45 minutes from Tel Aviv. Ramla and Vaughan officially signed a letter of friendship in 1993. Since that time a number of educational exchanges have taken place but the City, until now, had not undertaken an official visit to Israel. Prior to the mission, Ramla upon learning of our exploratory mission to Israel extended an invitation through the Mayor's Office for the representatives of the City to be hosted to a dinner while in Israel. Meeting with us from Ramla was; Yoel Lavi, Mayor, Amir Vider, Head of Strategic Planning and Absorption of Immigrants, Ofer Toder, Director General, Roni Barzilay, Spokesman and Manager of Municipal Communication Centre, Ayelet Cohen, Director of Education and Lianne Merkur, Head of Circle School. During the course of the dinner, Councillors Carella and Shefman were able to learn about a number of programs that are undertaken by Ramla to help keep their youth engaged in a positive environment throughout the summer months while school is on a break. Both Councillors will be discussing these initiatives directly with the City Manager and the appropriate Commissioners and their respective departments.

Israel's Renewable Energy Centre: Eilat/Eliot

Travel to Israel's most southerly city Eilat and the Eilat region required in country air travel. The flight time was approximately one hour and allowed for the Vaughan team to have a productive day of meetings and return to Tel Aviv the same day. Eilat, population of 46,600, is adjacent to the Egyptian village of Taba to the south, the Jordanian port city of Aqaba to the east, and within sight of Saudi Arabia to the south-east, across the gulf. Eilat has traditionally been known for its busy deep-water port as well as a popular resort, as it sits at the northern tip of the Red Sea, on the Gulf of Aqaba. More recently, Israel and the local municipality and other stakeholders are creating what is quickly becoming known at the "Silicon Valley" of renewable energy.

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Due to their remote geographic location, far from the urban centers and the subsequent professional opportunities of central Israel, the area has suffered from single-dimensional employment environments, a lack of educational opportunities, and services that often are not comparable to those available to residents of the center of the country. Committed to the advancement of the region on all levels, UJA Federation of Greater Toronto has partnered with Eilat and Eilat, supporting successful initiatives that have empowered the area and its resident in higher Education; Educational System; Renewable Energy; Career Development Services & Healthcare.

The Silicon Valley of Renewable Energy

Strategic meetings were prescheduled prior to leaving Vaughan through UJA to meet with the Director of the Renewable Energy Initiative, Ms. Dorit Bennet. The meeting was very insightful in understanding how an innovative concept becomes a reality and an integral part of transforming a region.

Ms. Bennet explained that the Eilat – Eilat renewable energy project aspires to turn the region into an international center for development of technologies for production of renewable energy, while at the same time making the region energy independent, and free of fossil fuel and carbon emissions by 2020. This project will turn the region into one which imports energy to an energy exporter and one which will also serve as an international knowledge center, putting breakthrough technologies on display. The Renewable Energy Initiative coordinates all of the activity and is responsible for carrying out the strategic plan.

The project integrates all of the local entities, academic institutions in Israel, businesses from Israel and from around the world, financial funding groups, government ministries and government companies in order to leverage the field of renewable energy for regional development.

Thus far, the Renewable Energy Initiative has leveraged regional development: to create jobs, to develop technologies, to establish solar electricity fields, to develop training programs and academic programs, all of which have brought new residents to the region. The project has received both government and international recognition, and has become the cutting edge in the field of renewable energy in Israel.

Next Generation Solar

After the initial presentations at the Renewable Energy Initiative facility, the Vaughan team was taken on a tour of the Shikun and Binui testing facility. This is the first of a number of pilot sites to be set up in the region to provide a platform for validating Israeli technologies for the local and international marketplace. The site features what is called a solar trough, which eliminates silicon from the traditional approach of a solar panel. The concept has been deemed a success at the test site and practical application is now being developed. In addition to touring the Shikun and Binui testing site, Ms. Bennet arranged to meet with the head of the most successful solar installation in Israel, John Cohen, CEO, Arava Power Company. He explained how the project was initiated, built its funding model and encouraged global corporations such as Siemens to become a partner.

Following the majority of the day spent learning about the solar initiatives, United Jewish Appeal was able to secure a meeting with the Mayor of Eilat, Mr. Meir Yitzhak Ha Levi. Mr. Levi has been the Mayor since 2003 and has been instrumental in securing the Federal governments support of the renewable energy projects in addition to securing a new post-secondary institution to Eilat – Ben Gurion University. The Mayor explained that the renewable energy projects are giving the area an economic advantage but the University is key in growing the local labour force and keeping and giving the best and brightest a reason to stay or return to Eilat. The final meeting of the day took place at the Yoseftal Hospital.

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United Jewish Appeal's Complete Economic Solution

UJA Federation's partnership with Eilat and Eilat is focused on transforming Israel's southernmost communities into places of opportunity for high skilled Israelis. For the last three years, a core element of this vision has been ensuring that high quality health care is woven into the fabric of partnered communities. In order to accomplish this goal, UJA has partnered with Yoseftal Hospital on a \$6 million dollar capital project to create a state-of-the-art Emergency Medical Facility in Eilat. UJA has invested \$1 million dollars in the project and has leveraged \$5 million in support from the Israeli Government and Kupat Cholim Clalit (an Israeli HMO). Additionally, UJA is facilitating medical exchanges between medical professionals at Yoseftal and at Toronto hospitals, namely Mount Sinai. This meeting was important to facilitate as in the near future, Vaughan's UJA campus will be home to a large medical facility that is tied directly to Mount Sinai in downtown Toronto.

The full day in Eilat became an opportunity for the Vaughan team to better understand that a successful economic development initiative requires a holistic approach that includes education, all levels of government and the inclusion of the private sector.

Ambassador of Canada to Israel

The day began with a meeting with Mr. Paul Hunt, Ambassador for the Embassy of Canada to Israel and his lead economic and trade officer, Ms. Bonny Berger, Senior Trade Commissioner. The meeting was very open and the dialogue focused on doing business in Israel. Important take-aways from that meeting was that; Israeli's have little desire to meet with government officials without a business proposition, follow-up is critical to doing business with Israel, use of the Trade Commission should be natural first step, and that any work done in Israel is a reflection not only on the municipality but the Country.

At the conclusion of the meeting Mr. Hunt was very positive about the approach the City was taking by establishing itself through an exploratory mission to better identify the business of Israel and how to better take next steps.

Better Place Electric Vehicles

From this meeting the team had a pre-arranged meeting with Better Place. Better Place, the leading electric vehicle services provider in Israel, is accelerating the global transition to sustainable transportation. Better Place is building the infrastructure and intelligent network to deliver a range of services to drivers, enable widespread adoption of electric vehicles, and optimize energy use. The Better Place network addresses historical limitations to adoption by providing unlimited driving range in a convenient and accessible manner. The company works with all parts of the transportation ecosystem, including automakers, battery suppliers, energy companies, and the public sector, to create a compelling solution.

According to the Financial Times approximately 400 corporations in Israel have signed letters of intent to begin switching their fleets to the Better Place electric car network. This represents a potential of 80,000 electric cars. Better Place launched its first battery-swapping station in Israel, in Kiryat Ekron, near Rehovot in March 2011. The station is the first of approximately 40 stations to begin operating in the next two to three years. The battery exchange process takes five minutes.

The Province of Ontario has been involved in a pilot project with Better Place and further work is being done by staff to determine if an opportunity exists to work with the Province.

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Israeli Ministry of Industry, Trade and Labor

Before the team left Jerusalem, which is home to the Israeli parliament, the Knesset, and many of the federal government offices, the Israeli consulate in Toronto had secured meetings with Oded Distel, Director of the Investment Promotion Center of the Israeli Ministry of Industry, Trade and Labor. The Investment Promotion Center serves as the marketing agency for foreign investments in Israel and as the focal point for foreign based companies and individuals who are interested in investigating direct investment and joint venture opportunities in Israel. Councillor Carella and Councillor Shefman were given the opportunity in the meeting to deliver a succinct overview of Vaughan and throughout the conversation the advantages of Vaughan and its ability to be a gateway were communicated. Mr. Distel was very encouraged at the approach the City was taking in its international business development efforts with Israel by leading a small exploratory mission to the country. After learning about Vaughan, he was very open to receiving a full business delegation and has offered the full assistance of his office in arranging business-to-business meetings and other aspects related to bringing a larger business contingency from Vaughan.

At the conclusion of the meeting with the Investment Promotion Center of the Israeli Ministry of Industry, Trade and Labor the group departed Jerusalem to Caesarea to meet with Caesarstone.

Caesarstone International

The primary purpose of this meeting was to meet with Caesarstone executive management, Yosef (Yos) Shiran – CEO and Eli Feiglin, Vice President Marketing to discuss the opportunity that Vaughan might be considered as a location for a North American manufacturing facility. Caesarstone currently has a location in Vaughan and employees more than 40 people. The Vaughan location is one of the largest sales and distribution locations outside of the Israeli manufacturing facility. Currently all product is manufactured in Kibbutz Sdot – Yam, Israel (Caesarea and located about 45 minutes north of Tel Aviv) and shipped around the world.

Caesarstone is the first quartz manufacturing company to receive the ISO 14001 certification - a standard which recognizes environmental management and performance. Their products meet the American Greenguard exacting standards, and have been credited by the NSF (National Sanitation Foundation) for having surfaces safe enough for use in laboratories, healthcare facilities, and food preparation environments.

In addition, the recycled quartz stone surfaces contains up to 42% reclaimed quartz –which makes an impact on preserving the world's resources. Caesarstone-patented process, is unique in the marketplace as it takes the innate strength of quartz and combine it with numerous polymers and pigments to create custom surfaces not achievable through other processes. The Caesarstone product is also resistant to stains, scratches and cracks, and is highly heat-resistant.

During the meeting a competitive set of advantages about Vaughan were presented. However, Mr. Shiran said that the company was further investigating a location in the Southern United States. The advantages to that location given by Mr. Shiran were initial property/state tax incentives, manufacturing incentives for capital investment and cost of utilities. Although the prospect of landing this manufacturing facility is distant, staff in the economic development department will continue to research comparative information for our location as compared to jurisdictions such as the Southern United States to better position Vaughan in future location decisions.

Relationship to Vaughan Vision 2020

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved. Specifically, this report fulfills Vaughan Vision 20|20 Goal: Plan and Manage Growth and Economic Vitality.

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Regional Implications

N/A

Conclusion

The ongoing global economic downturns have changed business conduct of firms and companies all over the world. During the course of the exploratory business mission it was evident that adjustments in Israel have been made as well. Therefore, business in Israel still looks promising.

What was learned while in Israel is that throughout the past two decades, many international companies and corporations have been entering the Israeli market by establishing branches or independent companies in Israel. However, initial review may lead to the notion that doing business in Israel is not profitable and might be even risky. Again, throughout the mission a deeper understanding of the Israeli market and the Israeli reality contradicted that assumption.

Israel is a unique country which holds a unique market. Although Israel isn't abundant with natural resources and its geo-politic situation is quite complicated, there are many factors which make conducting business in Israel to be a worthwhile venture.

The City through the exploratory business mission was able to create a solid understanding of the business climate, forge new relationships with government agencies in Israel and begin to build a local stakeholder base that encourages the City to place more emphasis on Israel as a point of international business development through the economic development office.

Attachments

Attachment A – Official Itinerary

Attachment B – Photo Gallery

Attachment C – News Clippings – Post Mission

Report prepared by:

Tim Simmonds, Director of Economic Development

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)

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**BOWSTRING ARCH BRIDGE ON HUMBER BRIDGE TRAIL
CLASS ENVIRONMENTAL ASSESSMENT STUDY
NOTICE OF STUDY COMPLETION
WARD 1**

The Committee of the Whole recommends approval of the recommendation contained in the following report of the Commissioner of Engineering and Public Works, dated September 4, 2012:

Recommendation

The Commissioner of Engineering and Public Works recommends that staff be directed to issue a Notice of Study Completion for the Class Environmental Assessment of the bowstring arch bridge on Humber Bridge Trail, recommending the rehabilitation of the bridge.

Contribution to Sustainability

The Class Environmental Assessment (Class EA) conducted on the bridge considers all environmental implications of each possible alternative action.

The recommended alternative is consistent with Green Directions Vaughan Goal #3: To ensure that Vaughan is a City that is easy to get around with a low environmental impact, in particular Objective 3.1: To develop and sustain a network of sidewalks, paths and trails that supports all modes of non-vehicular transportation.

Economic Impact

There is no direct economic impact as a result of this report. However rehabilitating the bowstring arch bridge on Humber Bridge Trail is estimated at a cost of \$800,000.00, funded from taxation.

Communications Plan

A comprehensive public consultation program to obtain input from all affected stakeholders was completed as part of the study. The main components undertaken included:

- A Notice of Study Commencement
- A Public Information Centre
- Various individual stakeholder meetings

All notifications related to the study were directly mailed to the affected stakeholders on the project mailing list, advertised in local newspapers and posted on the City's website.

A final Notice of Study Completion will be issued to area residents and stakeholders in the Fall of 2012. Upon issuance of this notice, the final study report will be placed on public record for a 30-day review period, in accordance with the requirements of the Municipal Class Environmental Assessment process.

Purpose

The purpose of this report is to seek Council's approval in principle of the conclusions and recommendations of the Humber Bridge Trail Bowstring Arch Bridge Class Environmental Assessment. A Draft Executive Summary for the study is appended to this report.