

Canadian Club Address  
Monday, November 26, 2001

Minister Collenette, Minister Flaherty, Mayor Lastman, Members of Parliament, city councillors, ladies and gentlemen.

Good afternoon. I have to begin by thanking Gordon McIvor for such a warm welcome today, to the Canadian Club, to all of you who have taken time out of busy schedules to attend the luncheon and, of course, to acknowledge those who watch these proceedings on cable TV.

Thank you Scott Paterson and my colleagues from Yorkton Securities for coming. You are wonderful partners.

You can see that David Collenette, Jim Flaherty and the Mayor, have all come out personally today to keep an eye on me and to be sure you all realize that revitalization of the waterfront remains a significant priority for the three levels of government.

I would think that the head table support, plus others present from the federal government, the province, city councillors and border municipalities presents a strong image of commitment.

I understand there are a few other mayors and senior administrators from a number of municipalities here today as well.

Minister Collenette, thank you for coming. As the Prime Minister's Toronto regional cabinet minister, and with the immense pressures on you as Minister of Transport your presence here today acknowledges the importance and support the federal government places on this issue for Toronto.

And Minister Flaherty, thank you for your support.

I know that you have had to juggle other things around to be here. That to all of us demonstrates the importance you and your colleagues in the provincial government place on this project. Thank you and bon chance for your leadership aspirations.

Mr. Mayor, the City of Toronto is engaged with this vision and is depending on your leadership and wisdom with council for Toronto to realize its dream of a new and revitalized waterfront. Targeted at the entire spectrum of the community.

We are all honoured by your presence and hope that after the session we'll be able to count on all of you to ensure we **act now** on a strong future for Toronto and the Toronto technology region.

I would like to extend thanks as well to the other head table guests for their support and interest in today's discussion about Toronto's role as an **incubator for creativity, for innovation** and as a

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**knowledge portal for Canada.**

I am **not** here to tell you that the City of Toronto's future is linked *only* to a revitalized waterfront.

Obviously, the 2,000 acres of prime real estate along Toronto's waters edge represents huge potential for this city's future. We've got the green light to start on four projects. And these are all important projects. They are as you know, the extension of Front Street, the widening of the Union Station subway platform and the beginning of the environmental work on both the portlands and the mouth of the Don River.

**But the error will be if we don't move on the full integrated plan – and soon.**

There's no doubt that a strategic, thoughtful revitalization of the Toronto waterfront represents an ideal catalyst to re-think and re-present Toronto.

The vision of a Toronto waterfront incorporates important lasting principles in the evolution of a great city.

The water's edge along the central waterfront on which we are concentrating should forever belong to the people of this city.

We are, in our vision, creating in excess of 200 acres of new parkland - new green space, new north south corridors to open up and beckon the people of the city to the waters edge. There will be new tourist facilities and new living accommodation in the order of 40,000 living units.

We will aim to build a community for everyone, which will include affordable units together with units for all levels of the economic community.

However, I'm not an urban planner and I'm not an urban dreamer. As Gordon mentioned, my background is finance.

So, I want to talk to you today about **three** things: about what makes a city and about Toronto in the context of the millennium.

The first is **"the business of a city."** I'd like to bring you up to date on the fact that revitalizing cities has become a significant undertaking around the globe.

The second is **"the harsh reality of urban competition."**

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I think we must understand that there is a cost to a city and to a country when its urban centres are forced to play catch-up to compete with other major world centres.

The third is **“the wonderful, although time-sensitive, possibilities for Toronto and the Toronto technology region”** thanks to its strong economic clusters.

**Now, I would like to begin with the business of a city.** What does revitalization of a waterfront have to do with the business of a city?

Let's look at Barcelona in Spain. Prior to the revitalization of Barcelona's waterfront for the 1992 Olympics, Barcelona was rated as the 24<sup>th</sup> destination in Europe for tourists.

Today it is rated as the 3<sup>rd</sup> destination in all of Europe in the company of London and Paris. That is significant business.

Here in Toronto, the Toronto Board of Trade has done a very good job in bringing significant issues of Toronto forward, lobbying to get government to see and to respond to these issues, tapping into and sharing the concerns of Toronto business leaders about Toronto's ability to compete.

Our competition is not local, nor North American, our competition is global.

A recent Board of Trade survey cited that Toronto CEOs share the perception that Toronto is a city in decline. It is not so much that our city is in decline. It is more that our city competitors are upgrading relative to us. We are being left behind.

Our CEOs surveyed are concerned that Toronto can no longer consistently compete and win when up against even other North American cities and other Canadian cities for that matter.

As a financier I can tell you that the mere fact that such a negative perception has been shared and documented indicates that Toronto is at risk.

Business understands risk. What we must ensure, is that government understands the cost of risk

Inaction or partial action carries a high ticket price.

**One of the biggest lessons we've learned about the business of a city is the gap – a serious reality gap – that exists between business and government, particularly when it comes to understanding how you tackle the future of a city.**

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Neither business nor government can afford to accept status quo and to ignore the fundamentals of the business of a city in the 21<sup>st</sup> century ...

Modern infrastructure, innovation incubators, high speed internet, satellite and broadband connections linking business, homes, universities, research facilities and industry.

**Is there a city in Canada that is truly a millennium city!!**

Where's our cyberport, cybercity, intelligent island or digital city? I'm referring to our global competition.

Hong Kong's Cyberport, Shenzhen's Cybercity, Singapore One and the latest on the scene ... Seoul, Korea's revitalized waterfront and home to its, new, rather spectacular, Digital City.

Mayors and civic officials, leading political bright lights and business leaders of all these new urban centres of the world have been here in Toronto.

They have been right here in Toronto, strutting their new high speed urban transit systems, their instant linkage to lightning fast internet and technological advances, their modernized airports and their 7 to 10 year tax exemptions and numerous other inducements.

They're talking to our concerned business leaders and CEOs. The same ones the Board of Trade surveyed. Many of whom are here today.

They're offering a new home, portals to new markets and gateways into the global economy with the support of knowledge workers, R&D facilities and converging technologies.

How did they do it? For one, they filled the gap. They made sure that all levels of government and business got together to make it happen.

The plan from conception to ground breaking in all these projects fell within a three-year window, the result of a sound business plan for a city executed on a business timetable.

We must recognize that the speed of business has changed.

At the turn of the last century, the average time between concept and the maturity of a product was in excess of 15 years. In some cases 30 years.

Today the average time from concept to maturity in the technology business, in the new business

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of the new economy is 18 months. So decision making speed of governments is crucial.

It is not just happening in Asia either. As part of the waterfront work we studied several other cities and their revitalization efforts, urban models and special economic zones. Let me give you an international snapshot.

Cyberport in Hong Kong is a live-work, innovative information technology centre home to its growing information technology clusters occupying 240,000 square meters at Telegraph Bay.

It represents an ambitious multi-billion dollar joint venture undertaking between a government and private sector development.

It's not about vision or pretty what-if images. Cyberport is scheduled for completion in the next 12 months or so.

The 34-hectare neighbouring facility in Shenzhen, China represents a beach head for a pan-China integrated business network.

There will be \$20 billion U.S. dollars of foreign investment, over the next five years, in building phase 2 and 3 of cybercity. There are currently 16,000 foreign companies investing in Shenzhen projects.

Not a direct comparison, but I believe Stats Can data indicates that there are about 25,000 exporters in Canada. So 16,000 foreign companies is relevant.

Shenzhen has signed an agreement with Singapore. But, they're not the only ones that moved in anticipation of China entering the World Trade Organization.

Seoul, Korea took the Han River waterfront area, an area that had deteriorated into a massive landfill site, 100 metres high and 2 kilometres long, and converted it into a trilogy of urban offerings.

Seoul's new millennium city is comprised of –

- an “**ecological city**” of sustainable development,
- a “**digital media city**” as a cradle of high-tech digital and media industries,
- and a “**portal city**” linking Seoul to the world, while making it a unique gateway to northeast Asia.

The Seoul digital city unveiling in Canada was held last week in Toronto. They're trying to entice our companies.

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When completed, over the next couple of years, it will be twice the size of London's Canary Wharf.

The Koreans are rightfully proud of having accomplished so much in three years.

We've been working on the plan to revitalize Toronto's waterfront for two years now and we're close to having it all together.

Having said that, by our standards, we have moved at lightening pace. Toronto has been talking about revitalizing our waterfront since 1911.

Now, Mayor Lastman would tell you himself if I was willing to turn the microphone over, which I'm not. Mel would tell you that we're working hard on this project.

We have an intergovernmental steering committee – a city councillors waterfront reference group and Minister Flaherty has recently signed the incorporation documents for the interim corporation. We have now all signed the contribution agreement, the mechanism whereby funds for the beginning of the revitalization of our waterfront can flow.

As well, a board of directors for the corporation should be announced before year's end.

It is not a walk in the park getting the three levels of government to a position that they're able to act together. But in this case, they have come together to try to help us all to achieve Toronto's goal. We need to applaud their effort and continued commitment.

It is the reality that there are all sorts of obstacles that keep Canadian cities and the three levels of government in Canada from being able to move quickly.

I know the Province of Ontario has moved recently to amend the Municipal Act. Let's hope it passes through smoothly.

I also mentioned that we're not only going to have to play catch-up to the smart city models up and running at the highest speed possible throughout Asia. European centres are ahead of us too.

Without going into that list of up-and-comers, I can tell you that the success of Barcelona – ignited by the Olympic flames of the Summer Games of 1992 – stands as another reminder of what happens when three levels of government can come together and engage business leaders within a short time span.

Barcelona has become a city of knowledge and Spain's portal on the global economy. It used a

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branding strategy to group eleven (11) economic sectors around the trademark "Barcelona."

Let's be clear about a few things. Building a truly Canadian millennium urban concept isn't a "mega project."

Building a Toronto convergence district within the revitalized waterfront as a portal to a new Canada is not a real estate play.

And, the business of the future of a city requires more than verbal support.

Business has to come to the table. Business has to bring ideas, financial support, financing options show entrepreneurship and bring anchor tenants. We need business **investing** in the city's future.

Toronto has the support of major technology companies, members of Smart Toronto, the Toronto Board of Trade and their commitment to work toward ensuring Toronto's future is as one of the globally competitive technology cities.

We the business community cannot afford to sit back and think the public sector taxpayers can foot the bill for the talking, the studying and the building of modern highways, railways, airports and information infrastructure. Those days are gone.

What's in its place? New, **harsh realities about the global, urban competition confronting us.**

Toronto is playing catch-up. It's lagging behind. We all feel it. What are we going to do about it?

We have the vision. We have the business plan. I think we have the three levels of government engaged. Most of all, the people of the City of Toronto are engaged.

Most important, we have something that our competitors – even the ones I mentioned, the ones that have a head start on us – wish they could boast of having.

This is the good news .... I know Brenda Librecz from the City of Toronto's Economic Development Office is here. She's been a tremendous source of information and inspiration on the value and impact of one of our greatest resources - the globally competitive economic clusters.

Industry clusters are the focus and measure of competitiveness today. Industry silos are a thing of the past. The economy is now driven by globally performing clusters that grow and are redefined through convergence.

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Our city, Toronto has been benchmarked against 10 key clusters and ranked among the top in – and the list is quite long – Aerospace, apparel & textiles, automotive, biomedical and biotechnology, business and professional services, financial services, food and beverages, information technology & telecommunications, media and tourism.

Clusters and convergence have been shaping and reshaping the corporate landscape over the past decade. At the same time, they have been changing the nature of business opportunities and the role of our cities in the process.

Toronto's media cluster is fourth largest in North America.

Toronto's information technology cluster is larger than either New York's or Los Angeles'.

Our software industry is with Dallas one of the fastest growing in North America.

No metropolitan area in the United States has more jobs in pharmaceuticals, medical equipment and biotechnology than Toronto does.

The success of Toronto's biomedical and biotechnology cluster reflects the research leadership of Toronto's public and private sector.

The University of Toronto benchmarks exceptionally well against its global competitors. And its medical school is the largest in North America. The medical research conducted on University Avenue ranks among the best. And what about the University of Waterloo, where Microsoft sources all top graduates.

Right now all of this innovation and these innovative enterprises call the Toronto technology region "home."

Mayor Cousens, who is here today, will tell you that Markham has become Toronto north's Silicon Valley.

But Markham's mayor knows, as we do, that home could be anywhere for these enterprises.

That's another of the harsh realities.

**That takes me back to the "what are we going to do about it?"**

I believe that a new paradigm of the millennium is convergence. But the next step is convergence

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of related clusters in a live work environment – where the creative minds of Canada’s brightest can grow and mature, with the advantages gained from the synergy of living working and playing together.

The natural home for this convergence district is on the Toronto portlands.

We have the opportunity to also showcase to the world city sustainability. Using new sources of green power, perhaps deep water cooling, perhaps even new technology of pelletization of garbage, gasification of the pellets with minimal emission extruding heat to drive turbines to give us power.

And no other city in North America has this amount of available land owned in the public sector and only 1.7km from our downtown core.

Well, there’s no doubt in my mind that we should move ahead and move quickly on the **full plan** to revitalize Toronto’s waterfront.

**We have to engage business and the three levels of government in making sure the plans to develop Toronto’s own convergence district or portal city concept, happens.**

**We have to make sure it happens in time to leverage the power of our strong, vibrant clusters setting us apart from Cyberport, Cybercity, Singapore One, Digital City, Barcelona, Route 128, Silicon Valley, Kansas Smart city and all the other new economy urban centres.**

**We have to put an end to complacency. We have to stop waiting for someone else to move first. We have to reject status quo options. We have to act and act now.**

**Time is an enemy. Vested interests are an enemy.**

Creativity and innovation, our strong performing clusters and their potential convergence are our allies.

But, the real tool for success .... what’s going to make Toronto and the Toronto Technology Region Canada’s knowledge portal?

It is **you** as active leaders of our city and community.

We cannot be silent.

We cannot remain complacent.

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We must together take responsibility over our and Toronto's destiny and rightful place in the global economy.

Business must work together with our three levels of government to ensure our future.

Toronto has to create and imprint our brand not only as we the nice Canadian, but the Canadian who is highly educated working together in a highly wired country, technology literate, entrepreneurial, extraordinarily creative and willing to work together for a rich future.

Invest in the global trademark that will be our Toronto of the millennium. Toronto can be the portal on a new Canada. Together we can win.

Thank you.