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### **YORK REGIONAL INNOVATION CENTRE UPDATE**

**The Planning and Economic Development Committee recommends the adoption of the recommendation contained in the following report dated January 4, 2011, from the Commissioner of Planning and Development Services.**

#### **1. RECOMMENDATION**

It is recommended that:

1. This report be circulated by the Regional Clerk to local municipal economic development offices, chambers of commerce and board of trade.

#### **2. PURPOSE**

This report summarizes the progress of establishing a not-for-profit Regional Innovation Centre (RIC) Corporation to be located at the Markham Convergence Centre under the Ontario Network of Excellence (ONE) through a joint application to the provincial Ministry of Research and Innovation by YORKbiotech and the Innovation Synergy Centre in Markham (ISCM).

#### **3. BACKGROUND**

**The Province recognized the need to review and realign its innovation and commercialization network**

In early 2009, the Ministry of Research and Innovation completed a review of the network of commercialization agencies across the province. Ontario has traditionally been a leader in discovery research, but has lagged behind other jurisdictions in turning these discoveries into commercialized products. Prior to 2009 the Ministry was supporting and funding over 80 different agencies involved in conducting research and commercialization activities. The review resulted in the recommendation that the existing system be streamlined and better connected to maximize the return on resources spent on commercialization efforts, and to generate more direct product development results.

## **Ontario Network of Excellence (ONE) was announced in 2009 by the Ministry of Research and Innovation**

In response to this challenge, the Ministry of Research and Innovation announced the Ontario Network of Excellence (ONE) in May of 2009. This was established as a collaborative network of organizations designed to help commercialize ideas, with a focus on business-driven research and results. ONE is designed to connect innovators, technology-based business, entrepreneurs, and researchers with services and programs to help them innovate and gain a competitive advantage. This is to be achieved through the development of a network of Regional Innovation Centres, distributed across the province, to act as entry points for those seeking commercialization assistance.

As part of the announcement, funding for existing agencies was targeted for termination in 2010, with the new network of Regional Innovation Centres being established through an application process launched in late 2009. Existing commercialization service providers were directed to submit joint applications where multiple service providers operated within the same geography. In the Regional Municipality of York, two organizations were being funded by the Ministry of Research and Innovation for this purpose, YORKbiotech and Innovation Synergy Centre in Markham (ISCM).

## **YORKbiotech and Innovation Synergy Centre in Markham (ISCM) serve the Region's multi-sectoral business community**

Both YORKbiotech and Innovation Synergy Centre in Markham (ISCM) have a strong and proud tradition of serving the needs of the Region's innovative companies and emerging start-ups particularly in the areas of life sciences and information and communication technology (ICT). Given the common mandates, geography, and partners involved in both organizations, and given the Ministries directive to provide funding going forward for only one agency in an area, the Boards of YORKbiotech and ISCM entered into discussions during 2010 on combining their resources.

## **History of YORKbiotech**

YORKbiotech was established as York Biotech Regional Innovation Network in September 2005, a non-profit organization serving as a catalyst within Ontario's Regional Innovation Network. YORKbiotech facilitates partnerships to channel the wealth of intellectual, technical and commercial resources in York Region towards economic development to knowledge-based industries such as advanced health technologies, biotechnology, clean and environmental technology, digital media, information and communications technology, pharma research and advanced manufacturing. Founding members and financial supporters included York Region, the Town of Markham and York University.

Leadership of YORKbiotech in 2010 is through a Board of Directors with representatives from York Region, the Town of Markham, Markham Stouffville Hospital, Southlake

Regional Health Centre, life science associations including htx and MEDEC, York University, and industry: Dalton Pharma Services, IBM Canada Ltd., Quanser, Royal Bank, SHI Consulting, and Sanofi Pasteur Limited.

### **History of Innovation Synergy Centre in Markham (ISCM)**

ISCM commenced operation in December 2003 to serve as a "one-stop" centre, operating on a non-profit basis, where senior managers of established businesses could gain access to the expertise (mentors), programs and resources that will help advance their enterprises to the next level. Founding members and financial supporters included the Town of Markham, the National Research Council's Industrial Research Assistance Program, York University, and the Ministry of Economic Development - with the Royal Bank contributing as a founding sponsor.

Leadership for ISCM in 2010 is through a Board of Directors with representatives from the Town of Markham, academia including two members from York University and one from Seneca College, the National Angel Capital Organization, and industry including Motorola, Pond Biofuels and RSS Associates Ltd.

### **YORKbiotech and Innovation Synergy Centre in Markham (ISCM) responded to the provinces call for collaboration in developing the new innovation network**

In December of 2010, the YORKbiotech and ISCM Boards approved the submission of a joint application to the Ministry for a single Regional Innovation Centre for the Region of York. The application includes a business plan that identifies the creation of the Regional Innovation Centre as a new non-profit corporation which is a merger of YORKbiotech and ISCM.

### **Formation of the Regional Innovation Centre Board of Directors**

Both Boards of Directors have approved the dissolution of the existing entities once the new Regional Innovation Centre corporation has been formed. An application to create the new non-profit corporation called the York Regional Innovation Centre has already been filed, with 3 initial directors named in the filing, Peter Pekos, Bryan Tuckey and Andrew Wilkes. A new Board of Directors will be formed with between eight and 15 representatives from government, business, and academic partners, with a first Board meeting scheduled in January 2011. The majority of Board seats will be held by industry representatives. A dedicated permanent Board seat is identified in the business plan for the Regional Municipality of York.

### **Business Plan Development for the Regional Innovation Centre**

The Regional Innovation Centre application and business plan are currently under review by the Ministry of Research and Innovation. Preliminary comments from Ministry staff

suggest the submission is acceptable subject to minor modifications. An announcement of approval by the Ministry of the Regional Innovation Centre is expected in early February.

Once the business plan is approved, the single legal entity will formally become a Regional Innovation Centre and enter into:

- A funding agreement with the Ontario Ministry of Research and Innovation
- Agreements and/or memorandums of understanding with MaRS and/or the Ontario Centre's of Excellence (OCE) and/or other such organizations that may be selected by the Ministry of Research and Innovation

The funding agreement with the Ministry will provide the approved Regional Innovation Centre with up to 75 per cent funding to cover eligible salary, administrative and incidental expenses, up to the maximum amount set out in the funding agreement with the Ministry.

#### **4. ANALYSIS AND OPTIONS**

##### **The York Regional Innovation Centre will serve the needs of a wide range of innovative businesses across the Region**

The Regional Innovation Centre is to provide a unified and complete vision for York Region and a one stop shop resource hub for business acceleration tools, education and services. It will enhance the innovation capacity of the Regions businesses and contribute to the Region's economic growth.

##### **Vision, mission, goals, and strategic objectives of the Regional Innovation Centre**

###### **Vision**

The Regional Innovation Centre is recognized for global excellence in innovation through pioneering new opportunities in technology. It maintains an exceptional global reputation demonstrated by strong industry involvement and a track record of success. Its success rests in a shared sustainable vision, exceptional capacity in development and incubation facilities and the ability to provide world-class client support services. The creative and strong collaborative network allows the Centre to build effective interconnectivity and enable York Region to harness and retain talent for the new economy.

## **Mission**

The Regional Innovation Centre will seize the incredible opportunity to ensure that York Region is recognized as one of the most innovative places in the province of Ontario to work and live.

## **Goals**

It will do this through its visibility as a single point of entry for innovation through its location at the Markham Convergence Centre. The Regional Innovation Centre will provide leadership in connecting business to the resources they need and provide opportunity for building creative relationships among industry, hospital, academia and government that continue to advance an innovative culture.

## **Strategic Objectives**

This innovative culture sets the stage to elevate industry to advance the global competitiveness of our knowledge-based industries and to secure our future prosperity. As a leader for the community, the Regional Innovation Centre aims to excel at the anticipation and analysis of future trends and will be known for its ability to adapt to and harness constant change.

## **The Regional Innovation Centre proposes an industry outreach and engagement strategy across the Region**

The Regional Innovation Centre will have many strategic advantages including its ability to connect with industry partners and to bridge relationships among diverse sectors such as business, academia, science and government. Reaching out to communities across all municipalities within York Region, a collaborative approach will be fostered to develop and sustain economic growth and prosperity by linking related or complimentary initiatives elsewhere to the Regional Innovation Centre.

The Regional Innovation Centre will facilitate innovation in four ways:

- Accessing local champions who have the vision, commitment, perseverance, and leadership skills to lead the process and mobilize others towards involvement
- Develop a resource alliance that brings together the many different interests and stakeholders in the Region to work toward a common vision
- Develop and implement the Regional Innovation Centre strategic plan
- Involve working group members made up of independent business people, entrepreneurs, Fortune 100 and academia to collaborate

**The Regional Innovation Centre will be located at the Markham Convergence Centre to create synergies with other regional business service providers**

The Regional Innovation Centre office will be located at the Markham Convergence Centre and will benefit from co-locating with other regional business service providers including the Innovation York (York University), Markham Board of Trade, the National Research Council's Industrial Research Assistance Program (IRAP), the Ontario Centres of Excellence (OCE), Seneca College, York Angels, York Technology Alliance (YTA), and the proposed future York Regional Innovation Centre Incubator.

Innovation York, a new entity of York University's Office of Research and Innovation was created in November 2010 to expand the reach of innovation across York Region. York University's first formal presence in York Region is through Innovation York.

The Economic Strategy Branch has also secured space at the Markham Convergence Centre for the International Business Development Advisors to improve service delivery to businesses through direct collaboration with the service providers of the Markham Convergence Centre.

**Relationship to Vision 2026**

The Regional Innovation Centre (RIC) supports the two Vision 2026 goals – a Vibrant Economy and Responding to the Needs of our Residents – by supporting innovation, business incubation, continual learning, wellness, and building relationships with public and private partnerships.

**5. FINANCIAL IMPLICATIONS**

**York Region funded YORKbiotech \$20,000 each year from 2006 to 2009**

York Region provided \$20,000 in support to YORKbiotech in each of 2006, 2007, 2008 and 2009 from the approved Planning Department budget. York Region supported YORKbiotech with \$2,500 in 2010 to sponsor the Sanofi Pasteur Venture Challenge.

**Support from York Region for the York RIC is budgeted at \$20,000 in 2011**

The total annual budget for the York RIC is approximately \$1,400,000, according to the latest budget submitted as part of the Business Plan. That budget proposes that \$250,000 of the total will come from Regional/Municipal Government sources. The Region has not received any formal request for funding for the RIC to date.

The proposed 2011 Planning and Development Services budget will include \$20,000 for the York RIC, which will maintain the Region's historic contribution to supporting commercialization efforts in the region.

## **6. LOCAL MUNICIPAL IMPACT**

The Regional Innovation Centre is expected to be a not-for-profit community development corporation at the centre of the Greater Toronto Area. The mission is to act as a catalyst and harness the wealth of intellectual and technical resources. The outcome is to promote economic success and growth of the biotechnology and related industries as a key component of Regional economic development. The Regional Innovation Centre will serve as a research innovation hub for multi-sectoral companies across all nine York Region municipalities.

## **7. CONCLUSION**

A creative and strong collaborative network allows the York Regional Innovation Centre to build effective interconnectivity and enable York Region to harness and retain talent for the new economy. The Regional Innovation Centre will serve multiple-sectors across the Region as a point of connection to services around innovation and commercialization. The office will be located at the Markham Convergence Centre to help create synergies with other Regional business service providers located in the same facility.

The Regional Innovation Centre will have many strategic advantages including its ability to connect with industry partners and to bridge relationships among diverse sectors such as business, academia, science and government. Reaching out to communities across all municipalities within York Region, a collaborative approach will be fostered to develop and sustain economic growth and prosperity.

Council will be updated on the approval status of the Regional Innovation Centre.

For more information on this report, please contact Sharon Vegh, Manager Economic Intelligence and Innovation at (905) 830-4444, Ext. 1509 or Doug Lindeblom, Director, Economic Strategy and Tourism, Ext. 1503.

The Senior Management Group has reviewed this report.