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YORKbiotech PROGRESS REPORT

The Planning and Economic Development Committee recommends the adoption of the recommendation contained in the following report dated April 9, 2008, from the Commissioner of Planning and Development Services:

1. RECOMMENDATION

It is recommended that:

1. This report be received for information.

2. PURPOSE

To present to Council the YORKbiotech Inc. Progress Report.

3. BACKGROUND

3.1 BIOTECHNOLOGY CLUSTER INNOVATION PROGRAM

In June of 2002, the Province of Ontario announced the creation of the Biotechnology Cluster Innovation Program. In April 2003, Council approved participation as a member of the York Regional Biotechnology Cluster consortium (now called YORKbiotech), an informal organization established to develop a regional biotechnology innovation plan and secure funding. The founding consortia members include York Region, The Town of Markham, the National Research Council, and York University. Governance of YORKbiotech is through the Board of Directors of up to twelve members, including representation from each of the founding members.

3.2 MANDATE OF YORKbiotech

YORKbiotech, a not-for-profit community development corporation, is a Regional Innovation Network at the centre of the Greater Toronto Area. The mission of YORKbiotech 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.

4. ANALYSIS AND OPTIONS

The strategic objectives of YORKbiotech include several initiatives under the direction of the Board and Robert Foldes, the Executive Director. They are:

4.1 MEDICAL TECHNOLOGIES SECTOR DEVELOPMENT

Provide leadership in the development of the medical technologies sector

The third annual Convergent Medical Technologies Conference (CMT2007) was held in November 2007. Gold sponsors were Cassels Brock & Blackwell LLP and York University. The Health Technology Exchange (HTX), KPMG, the Ontario Centres of Excellence, and RBC participated as silver sponsors. The Toronto Biotechnology Initiative (TBI) and York Central Hospital supported YORKbiotech as bronze sponsors. Approximately 156 people attended the event with a profit of \$6,000.

The inaugural 2007 “sanofi pasteur Healthcare and Biotechnology Venture Challenge” in collaboration with the Schulich School of Business was completed in 2007. A commercialization workshop was held and the Executive Summaries and Commercialization Plans were judged. The top three finalists provided oral presentations in front of a panel of four judges at YORKbiotech’s Convergent Medical Technologies Conference (CMT2007).

4.2 STRATEGY SESSIONS

Consultative strategy sessions frame the priorities for growth, engagement, and sustainability

The YORKbiotech Board of Directors participated in a strategy meeting facilitated by Argyle Communications on January 18, 2008. The key component was a strategy document indicating priority actions for 2008. These include:

- Branding
- Capital growth options
- Increase membership and member engagement
- Partnership growth options
- Support and services to innovators and promote entrepreneurship

Strengths, Weakness, Opportunities, and Threats (SWOT) analysis diagram is provided as *Attachment 1* which graphically represents the outcome of the Strategy Meeting.

4.3 COMMERCIALIZATION SERVICES AND SUPPORT

Provide commercialization services and support with a focus on health industry

YORKbiotech provided these services and support to small and medium sized enterprises (SME's):

- Speaking opportunities arranged for Arius Research, sanofi pasteur, and York University at the BioNorth Conference in Ottawa
- Linked the University of Toronto Innovations Group to the York Consulting Group
- Recommended financial institutions, hospital-based collaborators, and a contact at Seneca for web design to Pharmax
- Provided Iseehear Inc. with contacts at the Accelerator Centre, Dundee Securities, IBM, Innovation Synergy Centre in Markham, Ontario Teachers Pension Plan, Open Text, the Hospital for Sick Children, York Technology Association, and an angel investor.
- Introduced Lions Peak Capital and York Medtech Partners to Xceed Imaging
- Introduced BioDiscovery Toronto to Cee Tox, Inc.
- Provided a diabetes researcher contact to Elcan Optical Technologies
- Assisted Hemosol BioPhara Inc. in communicating its partnership goals
- Helped MS Relief Ltd. to identify a consultant to develop a Research and Development (R&D) strategy
- Linked a York University researcher to contacts at the Ontario Ministry of Health and Long-Term Care
- Consulted to GenOb Inc., MS Relief, Panisolar, and Torrovap, an independent serial entrepreneur, and to a Sunnybrook Research Institute scientist/entrepreneur

4.4 HOSPITAL RESEARCH AND DEVELOPMENT INITIATIVES

Catalyze hospital research and development initiatives

YORKbiotech met with York Central Hospital in Richmond Hill and Markham-Stouffville Hospital to discuss priorities and implementation of a joint report on areas of potential research and development (R&D) collaboration.

4.5 NETWORK WITH OTHER ORGANIZATIONS

Network with relevant organizations to build capacity

The following are examples of some of YORKbiotech's networking outreach in 2007:

- **BIOTECCanada** – National Biotech Week
- **Health Technology Exchange (HTX)** – Commercializing Medical Devices in the U.S. Mid-Atlantic Market, Business Investment Program

- **Ontario Genomics Institute** – Pre-Commercialization Business Development Fund, Ferocious Beauty: Genome
- **Ontario Product Development Management Association** – Outsourcing Local or Offshore: Product Development Engineering & Design Services Conference
- Western GTA Convergence Centre (**WGTACC**) – Vietnamese Pharmaceutical Mission

4.6 LEVERAGE RESOURCES AND EXPERTISE

Align with other organizations to leverage resources and expertise

- Alignment efforts were discussed with York University and the Innovation Synergy Centre in Markham, an Ontario-Israel Industrial Research and Development Fund, and Western GTA Convergence Centre (WGTACC).
- Western GTA Convergence Centre (WGTACC) and YORKbiotech breakfast panel discussions were held with topics including “Public Financing Options for Emerging Life Science Companies” at the Town of Richmond Hill Council Chambers and “BioGEMS: Bringing a Life Science Company to Success” at the University of Toronto.
- Planning meetings were conducted with the Golden Horseshoe Biosciences Network, the Health Technology Exchange, the TMTA, and the Buffalo Niagara Enterprise for the Cross Border: seeding medical technology partnerships event.

4.7 NATIONAL CENTRE FOR MEDICAL DEVICES DEVELOPMENT

The Ministry of Research and Innovation asked for a proposal development of a National Centre for Medical Device Development (NCMDD)

The National Centre for Medical Device Development Corporation (NCMDD) was incorporated as a federal non-profit corporation in fall 2007. The founding Board of Directors is chaired by John Livey (Town of Markham) and includes representatives from IBM Canada, sanofi Pasteur, MEDEC, and York University.

The NCMDD project will harness the convergence of research strengths in information/computer science, biomedical technologies and micro-fabrication to design and build medical devices.

York University and Japan's Foundation for Biomedical Research and Innovation, located in the city of Kobe, have formalized a memorandum of understanding to promote the development and commercialization of innovative medical devices used to diagnose, treat and even prevent illnesses. The York-Kobe partnership is part of a broader strategy in the development of medical devices that includes the proposed development of a National Centre for Medical Device Development (NCMDD).

The YORKbiotech board has had several high level meetings with the federal and provincial government to discuss the Business Plan and ways in which NCMDD can be funded to move forward.

4.8 SCIENCE IN ACTION YOUTH OUTREACH

Build career opportunity awareness among high school students

The 2007 Science in Action Bus Tour had sixty students participating on September 27th with nine sites being visited: Apotex, Dalton Pharma Services, IBM Canada, Markham-Stouffville Hospital, MDS Sciex, PharmEng Innovations, sanofi pasteur, Vita-tech and York Central Hospital. Students were given location tours and presentations on trends and career opportunities in biotechnology.

Planning is underway for the 2008 Science in Action Bus Tour with sponsorship by the organizing task force consisting of the Region, the Town of Markham, YORKbiotech, and the York Region District School Board.

4.9 FINANCIAL MANAGEMENT

YORKbiotech's finances are managed to balance revenues to expenses

YORKbiotech operates on a fiscal year of April 1 to March 31. Year-end results will be available for the next report to Council in fall 2008. Below are the revenues and expenses for the first three quarters.

Table 1
YORKbiotech Statement of Operations
for the 9 Month Period Ended December 31, 2007

	Actual
Revenues	\$890,880
Expenses	\$799,309
Excess of revenue over expenses	\$ 91,571

4.10 RELATIONSHIP TO VISION 2026

YORKbiotech 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 provided support to YORKbiotech in 2007 with \$20,000, funded in the 2007 Planning and Economic Development Services budget. In-kind contributions for staff participation at committees were approximately \$3,767.33.

6. CONCLUSION

This report provides an outline of the progress of YORKbiotech. In fall 2008, a report on future directions will be prepared for Council.

For more information on this report, please contact Sharon Végh, Program Manager, Economic Strategy at Ext. 1509, or Patrick Draper, Director of Economic Strategy & Tourism at Ext. 1503.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause is included with this report.)