

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MARCH 21, 2023

Item 10, Report No. 14, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on March 21, 2023.

10. VENTURELAB ANNUAL UPDATE

The Committee of the Whole recommends:

- 1. That the recommendations contained in the following report of the City Manager, dated March 8, 2023, be approved; and**
- 2. That the comments of Matt Skynner, Chief Operating Officer, ventureLAB, Steeles Avenue East, Markham, and Communication C1, presentation material, dated March 8, 2023, be received.**

Recommendations

- 1. THAT Council receive ventureLAB's annual update (Attachment 2), evidencing the successful achievement of the key performance indicators set out in Schedule C of the ventureLAB/City of Vaughan 2022-2026 partnership agreement (Attachment 1); and**
- 2. THAT, as per Section 4.4 of the ventureLAB/City of Vaughan 2022-2026 partnership agreement, Council approves the continuation of the partnership in 2023.**

Committee of the Whole (2) Report

DATE: Wednesday, March 8, 2023 **WARD(S):** ALL

TITLE: VENTURELAB ANNUAL UPDATE

FROM:

Nick Spensieri, City Manager

ACTION: DECISION

Purpose

In accordance with the terms of the 2022-2026 partnership agreement between the City of Vaughan and ventureLAB, ventureLAB is providing an annual update on key activities and successes in 2022. This report seeks Council endorsement to continue the partnership with ventureLAB in 2023 to advance ongoing work to catalyze the growth and development of tech and innovation sector in Vaughan.

Report Highlights

- Economic Development has continued to work with ventureLAB, the provincially designated Regional Innovation Centre (RIC) for York Region, to enhance services for innovators and technology companies in Vaughan.
- In 2022, ventureLAB collaborated closely with Economic Development to build innovation capacity, drive job creation and economic growth, and generate an investment pipeline to attract top-tier tech companies from around the globe to Vaughan.
- In March 2023, ventureLAB will open a MedTech lab in Vaughan in partnership with Sterling Industries, which will catalyze the growth of Vaughan's medtech sector by attracting leading start-ups, supporting their growth and development, and raising the profile of Vaughan as a world-class destination for health innovation. This is a key steppingstone to a future ventureLAB facility at the Vaughan Healthcare Centre Precinct (VHCP).
- In 2023, ventureLAB will focus on deepening its presence in Vaughan by activating the MedTech lab and launching new initiatives to grow and build Vaughan's MedTech and automotive clusters.
- Given the past year's successes, the City should continue to deepen the partnership with ventureLAB and build on strategies and activities which support the growth and success of Vaughan's technology, MedTech and automotive tech sectors.

Recommendations

1. THAT Council receive ventureLAB's annual update (Attachment 2), evidencing the successful achievement of the key performance indicators set out in Schedule C of the ventureLAB/City of Vaughan 2022-2026 partnership agreement (Attachment 1); and
2. THAT, as per Section 4.4 of the ventureLAB/City of Vaughan 2022-2026 partnership agreement, Council approves the continuation of the partnership in 2023.

Background

Health and advanced manufacturing innovation are key emerging clusters in Vaughan's economy.

Innovation is a key emerging cluster in Vaughan's economy. There is an opportunity for Economic Development to catalyze economic growth by providing targeted support for

businesses in high-growth industries such as health technology, life sciences, auto technology, software and services, and technology hardware.

York Region is Canada's most dense tech hub, with 4 tech companies per 1,000 residents, and has the highest concentration of tech workforce in the Toronto-Waterloo corridor.

Vaughan is key to the future of York Region's innovation economy, linking the Cortellucci Vaughan Hospital to Canada's top universities and Toronto's renowned research hospitals via the Jane street transit corridor and the Vaughan Metropolitan Centre (VMC) transit hubs.

Growth in the technology sector is a key economic development opportunity and has a significant multiplier effect on the broader economy.

There is a significant opportunity to grow Vaughan's economy and to create jobs by enhancing the support and resources available to emerging companies in the tech and innovation sector. Studies of the multiplier effects in the United States reveal that for each new high-tech job in a city, five additional local jobs are created outside of the high-tech sector, both in skilled occupations (such as professional services and healthcare) and in unskilled occupations (such as retail and food services).

The growth of the innovation sector has a disproportionate effect on local economies. The innovation sector has the largest multiplier of economic sectors: about three times larger than that of manufacturing, for example. Investments in the innovation economy not only ensure the long-term competitiveness of the local tech sector but also produce significant economic growth across the local economy.

For Vaughan to continue its transition from a suburban to urban centre, it is important that Economic Development build local capacity to support emerging sectors within the local economy. Developing and expanding relationships with key innovation partners will help the City generate and retain economic benefits by enhancing support available to local SMEs.

Economic Development has continued to deepen its partnership with ventureLAB, the provincially designated Regional Innovation Centre (RIC) for York Region, to enhance services for innovators and technology companies in Vaughan.

ventureLAB offers advisory services, accelerator programming and access to critical equipment and resources to help technology companies raise capital, recruit and retain talent, commercialize new technology and intellectual property, and acquire customers. ventureLAB's mandate is to support the growth of globally competitive technology companies that grow to scale in York Region and Canada.

In 2022, Council endorsed a renewed partnership agreement between the City and ventureLAB for 2022-2026, for the purpose of expanding resources and support available to Vaughan-based technology companies. This partnership agreement focuses on advancing three strategic objectives:

1. Contribute to the Diversification and Competitiveness of Vaughan's Economy by building capacity for clusters in Health and Advanced Manufacturing.
2. Establish a ventureLAB facility in Vaughan.
3. Promote and profile Vaughan as a hub for entrepreneurship.

ventureLAB is a member of the Vaughan Healthcare Centre Precinct (VHCP) partnership and is contributing to efforts to develop the VHCP into an epicentre for excellence in healthcare and health technology.

As a VHCP partner, ventureLAB contributes to the technology development and commercialization, talent development and innovation goals of the VHCP partnership.

In March 2023, ventureLAB will open a new MedTech lab in Vaughan which will act as a critical magnet for supporting the growth of high-potential medical device companies and attracting them to Vaughan. The new MedTech lab is a significant step along the path to developing the VHCP and offers significant opportunities for entrepreneurs, healthcare practitioners, tech-sector talent and researchers to collaborate to advance the next generation of healthcare and health technology.

Previous Reports/Authority

[REGIONAL INNOVATION CENTRE \(VENTURELAB\) UPDATE – Committee of the Whole, Tuesday, May 07, 2019](#)

[Economic Development Strategic Business Plan 2020-2023](#)

[SUPPORTING VAUGHAN'S INNOVATORS – UPDATE AND NEXT STEPS – Committee of the Whole \(2\), Tuesday, February 8, 2022](#)

Analysis and Options

In 2022, ventureLAB delivered programs, services, and ecosystem development activities to build innovation capacity, drive job creation and catalyze economic growth in the city of Vaughan's technology and innovation sector.

ventureLAB has identified 3 key strategic objectives for the term of the 2022-2026 partnership agreement with the City of Vaughan:

1. Contribute to the Diversification and Competitiveness of Vaughan's Economy by building capacity for clusters in Health and Advanced Manufacturing.
2. Establish a ventureLAB facility in Vaughan.
3. Promote and profile Vaughan as a hub for entrepreneurship.

1. Contribute to the Diversification and Competitiveness of Vaughan's Economy by building capacity for clusters in Health and Advanced Manufacturing.

ventureLAB achieved 3 major capacity-building milestones in Vaughan in 2022:

1. Established a beachhead location in Vaughan at the Pierre Berton Resource library;
2. Secured provincial funding for and started the build of a dedicated MedTech Lab in Vaughan in Concord;
3. Executed a Memorandum of Understanding (MOU) with Mackenzie Health furthering the Vaughan Healthcare Centre Precinct.

These three milestones contribute to the longer-term goal of building capacity for the growth of Vaughan's health technology and advanced manufacturing clusters.

- **Vaughan Innovation Space:** To advance ventureLAB's footprint and impact in Vaughan, ventureLAB partnered with Vaughan Public Libraries to establish a beachhead location at the Pierre Berton Resource Library. This space allowed ventureLAB to provide advisory services, programming and workspace for tech entrepreneurs in Vaughan and to ensure that ventureLAB services were more locally accessible to founders. The beachhead location will now transition out of the Pierre Berton library once the Vaughan MedTech lab officially opens.
- **MedTech Lab:** ventureLAB has partnered with leading medical device contract manufacturer Sterling Industries to establish a State-of-the-Art MedTech Lab at Sterling's Vaughan facility. This new lab received \$2.5 in provincial funding and will become the site of ventureLAB's expanded Hardware Catalyst Initiative and

the MedTech stream of the program. The facility is expected to open with a ribbon-cutting event on March 6, 2023 and will include local and provincial government officials and ventureLAB's network of founders, industry and academic partners. The ventureLAB MedTech Lab and partnership with Sterling Industries and other leading companies in the hardware sector will propel Vaughan into the future of what is possible at the intersection of MedTech, AI and Hardware.

- **Vaughan Healthcare Centre Precinct:** As a next step in the partnership between the City of Vaughan, Mackenzie Health, York University and ventureLAB to develop the Vaughan Healthcare Centre Precinct (VHCP) into a world-class destination for health innovation, ventureLAB has executed a Memorandum of Understanding with Mackenzie Health to establish a permanent ventureLAB Vaughan MedTech Innovation Space in a future Mackenzie Health facility on the hospital expansion lands at the VHCP.

In addition to these capacity-building efforts, ventureLAB has provided advisory services and accelerator programming to Vaughan-based technology start-ups to help them grow, attract investment and retain talent.

2022 Portfolio Metrics:

- **Companies Served:** 6 Vaughan start-ups participated in ventureLAB programs in 2022 and 20 unique Vaughan based start-ups were served by ventureLAB advisors.
- **Capital Raised:** Vaughan-based companies supported by ventureLAB raised \$1.25M in 2022
- **Jobs Created:** Vaughan-based companies supported by ventureLAB created 17 new jobs in 2022
- **Revenue Generated:** Vaughan-based companies supported by ventureLAB generated \$1.45M in revenue

2. Establish a ventureLAB facility in Vaughan.

Vaughan Innovation Space

ventureLAB's new satellite location at the Pierre Berton Resource Library in Vaughan opened in the summer of 2022. ventureLAB leveraged this space to expand its presence in Vaughan and to provide local and direct support to Vaughan-based tech entrepreneurs.

To activate the Pierre Berton space, ventureLAB:

- branded the innovation space with decals;
- executed a social media marketing campaign to drive awareness of and use of the space;
- hosted office hours and a Demo Day in October to attract the local start-up community and activate the space;
- participated in Vaughan Small Business Week (Oct 17- 21, 2022) by hosting a ventureLAB Open House and introductory session in the Pierre Berton Resource Library for York Region tech founders interested in engaging with the Vaughan Tech Ecosystem.

The library space was a necessary and important first step in growing and building ventureLAB's presence in Vaughan.

MedTech Lab at Sterling

ventureLAB secured a \$2.5 million investment from the Government of Ontario through the Ontario Together Fund to establish a MedTech-specific stream of its Hardware Catalyst Initiative (HCI) in partnership with Sterling Industries. The new lab will focus on meeting the unique hardware and semiconductor needs of healthcare companies and will also be the site for delivery of hardware-specific programs and services.

In 2022, ventureLAB focused heavily on acquiring the necessary equipment and resources to build and launch the MedTech Lab. In 2023, ventureLAB's focus will be on growing its presence in Vaughan by attracting MedTech and Automobility start-ups to participate in the HCI program and access the MedTech lab. ventureLAB will continue to build the HCI brand across Canada to attract high-potential start-ups to the lab and to continue to build and grow the MedTech and advanced manufacturing clusters in Vaughan.

In October 2022, ventureLAB released a call for MedTech companies to apply to Cohort 5 of HCI. Of the 11 companies that were admitted into the highly competitive 2-year program, 5 are MedTech companies that will utilize the Vaughan MedTech lab.

3. Promote and profile Vaughan as a hub for entrepreneurship.

In 2022, ventureLAB deployed several marketing and promotional activities to raise the profile of Vaughan as a hub for tech and entrepreneurship, including:

- Established a dedicated website presence for the Vaughan innovation space:
<https://www.venturelab.ca/innovation-space>

- Participated in Small Business Week October 2022.
- Deployed promotional campaigns to activate the Pierre Berton space, including:
 1. A promotional one-pager to raise awareness of the new space and services available in Vaughan
 2. Paid LinkedIn marketing campaigns promoting the Vaughan innovation hub as a coworking, collaboration and meeting space for technology entrepreneurs, with more than 13,000 overall impressions.
 3. Hosted a Vaughan Small Business Week event to raise awareness of ventureLAB services in Vaughan and to promote Vaughan's tech ecosystem, including organic promotion on Instagram, LinkedIn, Twitter and Facebook.
- Supported the staff mission to WebSummit in November 2022, meeting with several international companies on behalf of Vaughan
- Participated in the Collision Conference 2022 VHCP announcement
- Co-authored, with Mayor Bevilacqua, the Innovating Canada article: [The Next Generation of Health Innovation Emerges in the City of Vaughan](#)

In 2022, ventureLAB documented several success stories with Vaughan-based technology companies.

Mech Solutions

Mech Solutions provides one stop services for all 3D printing needs, including 3D printing retailing, 3D printing service, 3D education, mechanical design, simulation, and 3D printing related software. Cloud 3D Print is a R&D project under Mech Solutions. It is a cloud-based software and hardware platform that links up 3D printing workspace and lets users manage the project workflow in a web browser, mobile apps from anywhere around the world.

Mech Solutions joined ventureLAB in October 2020 as part of the Pre-Accelerator Program. Since then, with intensive weekly advisory on the technical and business development, Mech Solutions has made great progress in the past year: steadily increased their revenue, secured several Letters of Intents from prospective customers, gone into beta version of their software hardware integration, secured partnership with printer manufacturer for mass production, and grew their team by 50%.

In April 2022, Mech Solutions was accepted into ventureLAB's Accelerate AI (AAI) Cohort. Through AAI ventureLAB has been accelerating Mech Solutions' development and commercialization, helping attract and retain talent, customer acquisition, access to capital and technological development, with efficient mentorship and access to the Hardware Lab.

SmartCocoon

Providing a micro zoning climate control system that can control each room's temperature in the existing residential houses. The system can save on energy by regulating the airflow in the ducting system also will improve the comfort level of the homeowners.

SmartCocoon is a Vaughan based start-up that is part of ventureLAB's capital investment program. With support from ventureLAB, SmartCocoon doubled their core staff from 2 to 4 full-time employees in 2022. The team now comprises a total of 11 employees. Smart Cocoon generated \$250,000 in reported revenue in Q2 2022.

VCycene

Vcycene is bringing the "green kitchen" to every home by providing cooking lovers and gardening lovers with a better solution to deal with kitchen waste. Unlike other at-home composter devices, Virgo Composter™ turn kitchen waste to mature ready-to-use organic fertilizer, not just actual dirt.

Vcycene joined HCI Cohort 4 in May 2022. Since joining the program, Vcycene has started a research project with Seneca Applied Research. The company grew from 4 to 7 full-time staff within a year (2021-2022) and they have now closed 2 rounds of private funding.

Waygo

Waygo uses computer vision to revolutionize how people interact with indoor spaces. The mobile app offers users an AR-based indoor experience complete with turn-by-turn directions to indoor points of interest, purchasing options in stores - even virtual ads and promotions.

Waygo has partnered with grocery stores, malls, arenas, airports and more to make this possible. The company offers real-time consumer data with actionable insights that they do not currently have access to, as well as SDK packages to include Waygo's technology into their own solutions.

Waygo's employee size increased from 6 to 8 between 2021 and 2022.

In 2022, ventureLAB documented success stories in the MedTech sector which exemplify the type and caliber of company which will be attracted to Vaughan by the new MedTech lab and by HCI programming.

Able Innovations

Able Innovations' ALTA Platform™ focuses on solving the problem of patient transfer in

healthcare today. Where transfers are usually made with three to four health care providers, this technology allows the transfer of patients using only a single operator. This reduces contact between patient and health care workers, limiting risk of infection spread, the burden of time and manpower needed, and the amount of health care worker accidents and injuries. Able Innovations has leveraged hardware to modernize and improve patient health and safety, as well as the health and safety of health care workers in hospitals in an elegant win-win situation.

During COVID-19, with health care staff shortages, Able Innovations' technology gained traction alleviating the toll - both physical and temporal - of the job. Limiting the amount of human resources needed to perform transfers increases frontline workers' safety and gives them back precious time resources while simultaneously reducing some of the physical labour involved to make supine transfers. As part of ventureLAB's Capital Investment Program, Able Innovations gained valuable investment and advisory support and pitched during the MedTech Demo Day.

Enertics

Enertics provides an early health monitoring, diagnostics and predictive maintenance solution of electrical assets, used by industrial and utility customers, with a goal to maximize their life and to minimize the unplanned downtime and associated costs.

Since joining HCI Cohort 2, Enertics has secured \$2M in sales for 2022 and has expanded partnerships with manufacturing and process industry and equipment suppliers.

Child Health Imprints

Child Health Imprints applies IoT, artificial intelligence, and predictive analytics to make an early diagnosis of critical diseases in neonates.

Child Health Imprints became a ventureLAB client in April 2022 as part of ventureLAB's Capital Investment program. The Capital Investment Program has connected the company with Canadian hospitals and partners, helped them navigate the Canadian market and business ecosystem, and guided them to refine their value proposition. Child Health Imprints' solutions are installed in 27 hospitals across 3 countries including India, Singapore, and South Korea. Now, they're getting established in the US and Canadian markets, including a partnership with Toronto's Mount Sinai Hospital. They have also raised \$2,000,000 and have \$50,000 in revenue.

In light of 2022's successes, the City should continue to deepen the partnership with ventureLAB and build on strategies and activities which support the growth and success

of Vaughan's technology sector, with a particular focus on the medtech and automobility tech sectors.

2023 Outlook

In 2023, ventureLAB will focus on deepening its presence in Vaughan by activating the MedTech lab and continuing to grow and build Vaughan's MedTech and automotive clusters. New initiatives in 2023 will include sector-specific roundtables focused on MedTech and the auto sector, as well as innovation challenges to facilitate ecosystem connections and leverage business collaboration opportunities. ventureLAB is also planning to launch a joint co-marketing plan with Economic Development, focused on promoting and attracting companies to the region.

Specific activities to grow the MedTech and auto tech clusters in Vaughan in 2023 include:

- Opening and promoting the innovation space and MedTech Lab at Sterling Industries (Ribbon Cutting on March 6, 2023);
- Vaughan Founder & Industry Round Tables focused on connecting MedTech SME's and industry leaders;
- Hosting investment office hours to attract new ventureLAB clients;
- Hosting investment workshops for ventureLAB's Capital Investment Program;
- Collaborating with Vaughan Economic Development to host Demo Days and foster sector-specific networking for clusters including AI, MedTech, and automobility; and
- Deploying joint marketing and communications initiatives to attract clients to the MedTech space and help build the local MedTech cluster in Vaughan;
- Developing a joint communications plan to raise the profile of the VHCP among industry audiences;
- Leveraging the relationship with ARC at the Sheba Medical Center to advance healthtech collaboration, attract international MedTech companies to Vaughan, and drive MedTech commercialization;
- Supporting Vaughan's application for Ontario Vehicle Innovation Network (OVIN) funding;
- Leveraging connections in the advanced manufacturing and automobility sectors to build and support Vaughan' automotive cluster; and,
- Co-creating a model for Vaughan's support as a partner/sponsor in ventureLAB's annual Hardtech to participate and support in automotive and MedTech-related activities.

Financial Impact

In 2022, Council endorsed a renewed partnership with ventureLAB for 2022-2026. In accordance with the terms of this partnership, ventureLAB reports annually to Council on the three key objectives of the agreement in order to secure approval for the continuation of the partnership.

For 2024-2026, Economic Development will work with Finance to submit a 2024-26 budget request (either operating or project/capital funding) to meet the requirements for the continuation of this partnership agreement in accordance with the payment schedule set out below.

Year	Payment
2022	\$55,000
2023	\$75,000
2024	\$100,000
2025	\$125,000
2026	\$150,000

Broader Regional Impacts/Considerations

Vaughan is uniquely positioned to develop thriving MedTech and automobility tech sectors by building on existing regional partnerships, expanding resources and support for emerging industry leaders, and attracting new companies to invest in Vaughan’s clusters.

Many other municipalities in the GTHA are responding to economic trends by making significant investments in assets and partnerships to support the innovation sector and secure long-term economic prosperity.

Continued investments in expanded services, resources and physical spaces for Vaughan’s technology companies will help Vaughan remain competitive relative to other hubs in the Region. Vaughan is uniquely positioned, by virtue of its prime location and access to transportation corridors within the GTA, density of highly skilled talent, and advancement of strategic initiatives such as the VHCP, to develop dense and prosperous MedTech and automobility tech clusters.

Conclusion

In 2022, ventureLAB delivered services and programs to build innovation capacity, drive job creation and economic growth, and generate an investment pipeline to attract top-

tier tech companies from around the globe to Vaughan. In light of last year's successes and the opportunities to expand on this partnership, particularly with the establishment of ventureLAB's MedTech lab in Vaughan, there is an opportunity to continue collaborating to catalyze the growth of Vaughan's technology ecosystem, particularly in the medtech and automobility tech sectors.

With Council approval, Economic Development will continue the partnership with ventureLAB in 2023.

For more information, please contact: Raphael Costa, Director, Economic Development, ext. 8891

Attachments

1. ventureLAB/City of Vaughan Partnership Agreement (2022-2026)
2. ventureLAB Annual Update Presentation, March 8, 2023

Prepared by

Julie Flesch, Senior Advisor, Strategic Economic Initiatives, ext. 8893
Raphael Costa, Director, Economic Development, ext. 8891

Approved by

A handwritten signature in black ink, appearing to read 'Nick Spensieri', with a long horizontal line extending to the right.

Nick Spensieri, City Manager

FUNDING AGREEMENT

(the “**Agreement**”)

This Agreement is effective as of the 1 day of January, 2022 (the “**Effective Date**”).

BETWEEN:

THE CORPORATION OF THE CITY OF VAUGHAN

(“**CITY**”)

-and-

VENTURELAB REGIONAL INNOVATION CENTRE

(“**VL**”)

(each a “**Party**” and collectively the “**Parties**”)

RECITALS:

1. WHEREAS VL is a leading technology hub that supports tech entrepreneurs and small businesses, with a vision to make York Region a destination of choice for technology firms to create globally competitive companies, building and scaling in Canada;
2. WHEREAS as a leading innovation partner in York Region with a sustainable governance, funding and staffing model, VL works to grow globally competitive tech titans that build-to-scale in Canada;
3. WHEREAS VL manages programs and services that contribute to business growth and innovation, thereby stimulating the economy and strengthening key sectors in York Region and Vaughan, such as advanced manufacturing, hardware and medtech and other emerging technology sectors;
4. WHEREAS the CITY works to make Vaughan a place where entrepreneurship, business, tourism, art and culture prosper and grow, with one of its strategic goals to develop Vaughan as an entrepreneurial, small business and innovation hub;
5. WHEREAS VL and the CITY share a mutual long-term goal to increase technology related entrepreneurship, research and commercialization services, including the development and operation of an innovation lab in Vaughan;
6. WHEREAS VL has partnered with the CITY, York University and Mackenzie Health to establish and operate an innovation lab on CITY-owned lands at the Healthcare Centre Precinct, adjacent to the new Mackenzie Vaughan Hospital;
7. WHEREAS the CITY and VL have planned tech entrepreneurship services, projects and programs that drive-toward achieving mutual goals (the “**Program**”);
8. WHEREAS the CITY desires to formalize a partnership with VL and fund a portion of

the Program by making a financial contribution to VL pursuant to the terms and conditions set out herein; and

In consideration of the covenants, rights and obligations set out below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1.0 SCHEDULES AND ENTIRE AGREEMENT

1.1 The following schedules form part of this Agreement:

Schedule	Description
Schedule "A"	CITY Official Mark
Schedule "B"	VL Mark
Schedule "C"	Partnership Objectives

1.2 This Agreement constitutes the entire agreement between the Parties concerning the Program. There are no warranties, representations, covenants or agreements, expressed or implied, between the parties except those expressly set forth in this Agreement. Any amendments or modifications of this Agreement shall be in writing and executed by the Parties.

2.0 PARTNERSHIP OBJECTIVES AND BENEFITS

2.1 The purpose of the partnership between VL and the CITY is set out in Schedule C "Partnership Objectives". The Parties acknowledge and agree that Schedule C sets out the objectives and key performance indicators to guide activities under this agreement. The intent is to enable the talent, entrepreneurship, and robust industry clusters in Vaughan and to coordinate CITY and VL efforts to scale Vaughan companies into global enterprises.

3.0 TERM

3.1 The term of this Agreement shall commence on the Effective Date and remain in effect until December 31, 2026, unless terminated earlier in accordance with Article 13 of this Agreement (the "Term").

4.0 PAYMENT TERMS

4.1 The CITY shall pay to VL the sum of \$505,000 in accordance with the payment schedule set out below, and VL shall provide the Program hereto:

Year	Payment
2022	\$55,000
2023	\$75,000
2024	\$100,000
2025	\$125,000
2026	\$150,000

- 4.2 Payment will be made by cheque, or electronically, payable to VL for the Program.
- 4.3 The Parties acknowledge and agree that the payments made pursuant to this Agreement are in consideration for only the Program described herein and do not replace, reduce, eliminate or otherwise abate any current obligations, financial or otherwise between the Parties.
- 4.4 The first payment under this agreement shall be made yearly. Subsequent payments to be made at the start of each calendar year, but will be conditional upon:
- (a) successful achievement of the objectives in this Agreement in the preceding calendar year, as evidenced by VL reporting on and meeting, to the satisfaction of the CITY, the key performance indicators set out in Schedule C, and
 - (b) future CITY budget approvals as required.

5.0 USE OF OFFICIAL MARK

- 5.1 The CITY grants VL a non-exclusive, royalty-free, world-wide license to use its Official Mark (as set out in Schedule A) during the Term on marketing, advertising, operation, and promotion of the Program subject to the CITY's consent on the initial use
- 5.2 VL will comply with any guidelines set for the use of the Official Mark. VL will obtain the written approval of the CITY at least five (5) days prior to the use of any marketing or advertising material which uses the Official Mark or refers to CITY in the Program.
- 5.3 In the event VL defaults on any of the obligations set out in this Article, the CITY will have the right to terminate use of the Official Mark immediately upon written notice of such default. The City may, at its sole and absolute discretion, provide a period in which VL may cure the default, during which time VL may continue to use the Official Mark pursuant to this Article.
- 5.4 Upon termination of its rights to use the Official Mark, VL will immediately cease any and all use or display of the Official Mark.

6.0 USE OF VL MARK

- 6.1 VL grants to the CITY a non-exclusive, royalty-free, world-wide license to use VL's Mark (as set out in Schedule B) in association with the operation, advertising and promotion of the Program.
- 6.2 The CITY's use of VL's Mark will be subject to VL's consent. The CITY will comply with any guidelines set by VL for the use of VL's Mark. The CITY will make a reasonable effort to obtain written approval from VL at least forty-eight (48) hours prior to the use of any marketing or advertising material which uses VL's Mark. The Parties acknowledge and agree that under urgent circumstances the CITY may seek such approval on a same-day or several-hour basis, and VL shall use best efforts to provide approval under such circumstances.
- 6.3 The CITY is not obligated to use a particular form of VL's Mark and reserves the right to use a colour or black-and-white version of VL's Mark.
- 6.4 In the event the CITY defaults on any of the conditions set out in the Article of this Agreement, VL has the right to terminate the CITY's right to use VL's Mark after receiving written notice of such default, provided that the CITY is given five (5) business days to cure such default, or such other greater period of time set by VL, after written notice of the default is given.
- 6.5 In the event of termination of the CITY's right to use VL's Mark, the CITY will promptly cease to produce materials that contain VL's Mark. The CITY may continue to use or display materials that contain VL's Mark for a period of up to three (3) months after the date of termination.

7.0 THIRD PARTY AFFILIATION

- 7.1 VL shall not permit any trademark, trade name, emblem, logo or other 'official mark denoting or identifying any third party or any third party's products or services to appear in or otherwise form a part of any marketing or advertising materials which display the CITY's Official Mark without the prior written consent of the CITY.
- 7.2 VL shall not participate in a promotion or activity with a person who is not a party of the Program using the Official Marks or otherwise implying an association with the CITY, or its events, programs, services, and/or facilities without the prior written consent of the CITY.

8.0 PUBLIC ANNOUNCEMENTS

- 8.1 The Parties will not publicly announce the existence or nature of the Program formed under this Agreement until both Parties consent to such announcement.
- 8.2 The Parties will provide reasonable advance notice to each other of public announcements, events and ceremonies respecting activities governed by this Agreement. The Parties will make a reasonable effort to provide an opportunity for the other Party to participate in such announcements, events and ceremonies.

9.0 REPRESENTATIONS AND WARRANTIES

- 9.1 Each of the Parties represents and warrants that the signatories to this Agreement have been duly authorized to execute and deliver this Agreement on its behalf, that the execution, delivery and performance of this Agreement have been duly and validly authorized and that when executed and delivered, this Agreement will constitute a legal, valid and binding obligation enforceable in accordance with its terms.

10.0 NOTICES AND AMENDMENTS

- 10.1 All notices, demands, amendments, or other communications ("Notices") required or permitted by this Agreement, to be given to any Party, shall be in writing and shall be

- (a) delivered either to the individual designated below for such Party, or to an individual having apparent authority to accept deliveries on behalf of such Party at its physical address set out below; or
- (b) sent by registered mail; or
- (c) sent by electronic mail

at or to the applicable addresses or electronic mail addresses set out below or to such other contact, address or electronic mail address as may be designated by a Party from time to time:

VL contact information:

Jane Gertner
3600 Steeles Ave. E
Room E171
Markham, ON L3R 9Z7
jgertner@venturelab.ca

CITY contact information:

Raphael Costa
Vaughan CITY Hall, 2nd Floor
2141 Major Mackenzie Drive
Vaughan, ON L6A 1T1
raphael.costa@vaughan.ca

11.0 DISPUTE RESOLUTION

- 11.1 If a dispute arises concerning the application or interpretation of this Agreement, the Parties will attempt to resolve the matter through negotiation, and may, by mutual consent and at the sole and absolute discretion of the Parties, resolve the matter through mediation with a mutually acceptable mediator or arbitration process in accordance with the *Commercial Arbitration Code* set out in the *Commercial Arbitration Act* (Canada).

12.0 DEFAULT AND TERMINATION

- 12.1 In the event of default by either Party of any material term or condition of this Agreement, and subject to Section 5.3, the defaulting Party will have thirty (30) days after receiving notice of the default to cure the default or to take steps satisfactory to

the other Party to remedy the default, failing which the other Party may terminate this Agreement effective immediately at the end of such thirty (30) day period by providing notice of termination.

12.2 Either Party may terminate this Agreement

- (a) immediately, upon written notice to the other, if the other Party becomes bankrupt or insolvent or enters into liquidation (other than a voluntary liquidation for reconstruction, amalgamation, or similar reorganization) or has a receiver appointed;
- (b) on thirty (30) days prior written notice, if the other Party has ceased to carry on business or undergoes a material change in its business activities; and
- (c) on ten (10) days prior written notice, in the event that the other Party, including its affiliates and representatives, commits or becomes involved in any activity after the date of this Agreement that results in a material reputational risk to either Party, including without limitation activities which cause offense, outrage, ridicule or contempt and which otherwise may negatively affect the reputation of either Party among the public.

12.3 If this Agreement is terminated before the expiration of the Term, and except if it is terminated pursuant to Sections 13.1 and 13.2(c),

- (a) the CITY will receive a pro rata refund of any amounts paid, or pro rata extinguishing of any amounts due, or both as the case may be for any rights or benefits not received by CITY at the time of termination; and
- (b) VL shall make a pro rata payment for any rights or benefits received and not paid for at the time of termination.

13.0 INDEMNITY AND LIMITATION OF LIABILITY

13.1 Each Party will indemnify the other Party, its affiliates, and each of their respective directors, officers, employees, elected officials, agents, successors and assigns from and against any liability, loss, cost, damage, settlement, penalty or expense they may incur, including reasonable legal fees and court costs, as a result of

- (a) the gross negligence or willful misconduct of the indemnifying Party or any agent or contractor acting on its behalf;
- (b) any improper use of the Official Mark (in the case of VL), and VL's Mark (in the case of the CITY); and
- (c) any injuries to persons and/or property sustained at any event or activity held or conducted pursuant to the Program, except to the extent that such injury to property or person was caused by the negligence or misconduct of the other Party or any agent, employee or contractor acting on its behalf.

13.2 In no event shall either Party be liable to the other for any consequential, incidental, special reliance or indirect damages (including without limitation lost revenue and lost profits) arising out of or related to the Program, its cancellation or any changes thereto in location, date or otherwise, whether such claim is based in contract or tort.

13.3 Each Party shall defend and indemnify the other Party and its Indemnified Associates against any third party claim, suit, or proceeding arising out of, related to, or alleging unauthorized disclosure or exposure of personally identifiable information and personal information .

14.0 INSURANCE

14.1 Each Party will be responsible for maintaining a commercially reasonable type and amount of insurance to cover its participation in Program activities. Without limiting the foregoing, each Party will provide and maintain comprehensive general liability insurance coverage in an amount of not less than two million dollars (\$2,000,000.00) per occurrence during the Term.

15.0 ATTENDANCE

15.1 The Parties agree to attend meetings of the VL Board of Directors and CITY Council (or a Standing Committee of Council), if required, to report on the performance of this Agreement, and the Program.

16.0 GENERAL PROVISIONS

16.1 **Construction.** The Parties agree that the terms of this Agreement result from negotiations between them. This Agreement will not be construed in favour of or against either Party by reason of authorship.

16.2 **Agency.** Nothing in this Agreement is to be construed as authorizing one Party to contract for or to incur any obligation on behalf of the other, or to act as agent for the other Party; or creating a joint venture or agency relationship between the Parties.

16.3 **Severability.** If any one or more of the provisions of this Agreement shall be found to be illegal or unenforceable, this Agreement shall remain in full force and effect, and such term or provision shall be deemed severed.

16.4 **Confidentiality.** The data, phrases and circumstances of this Agreement are completely confidential between the Parties and shall not be disclosed to anybody else. Any disclosure in violation shall be deemed a breach of this Agreement. Neither Party shall use confidential information for any purpose other than to facilitate the transactions contemplated by the Agreement.

16.5 **Intellectual Property and Acquired Data.** All right, title, and interest in generated Intellectual Property and Acquired Data will remain the property of the respective Parties who originated it. Both Parties will promptly notify each other if either becomes aware of any potential infringement with generated Intellectual Property and Acquired Data in the performance of the Program.

- 16.6 **Waiver.** No failure by either Party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.
- 16.7 **Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.
- 16.8 **Assignment.** Neither Party may assign this Agreement to another Party, or any part thereof, nor any amount payable there under, without the prior written consent of the other Party.
- 16.9 **Force Majeure.** No delay, failure, or default, other than a failure to pay fees when due, will constitute a breach of this Agreement to the extent caused by acts of war, terrorism, earthquakes, other acts of God or of nature, strikes or other labour disputes, riots or other acts of civil disorder, embargoes, or other causes beyond the performing Party's reasonable control.
- 16.10 **Counterparts.** This Agreement may be executed in one or more counterparts. Each counterpart will be an original, but all such counterparts will constitute a single instrument.
- 16.11 **Morality Clause.** VL, and all its employees, directors and management, is not involved in any situation or occurrence which subjects VL to public scandal, disrepute, widespread contempt, public ridicule, dishonesty, moral turpitude, or which is widely deemed by members of the general public, to embarrass, offend, insult or denigrate individuals or groups, or that will tend to shock, insult or offend the community or public morals or decency or prejudice the CITY in general, including without limitation involvement in obscene publications or hate groups. Failing any of the foregoing, the CITY may terminate the Agreement effective immediately and provide written notice post facto. VL would be responsible for any fees from the CITY's termination of the Agreement.

IN WITNESS WHEREOF the Parties have signed, by their duly authorized representatives:

**VENTURELAB REGIONAL
INNOVATION CENTRE**

**THE CORPORATION OF THE CITY
OF VAUGHAN**

Per: 

Per: 

Name: Melissa Chee
Title: President and CEO

Name: Todd Coles
Title: City Clerk

Date: May 10, 2022

Date:

CITY OF VAUGHAN	
APPROVED BY COUNCIL	
DATE:	May 1, 2019
BY-LAW:	-----
ITEM:	CW Rpt. 14 (9)
INITIAL:	FL

SCHEDULE A
CITY's OFFICIAL MARK



The City of Vaughan logo depicts the clock tower of the municipality's eco-friendly City Hall. This distinctive architectural feature provides an iconic symbol of the City and its development as a sustainable community. The five white lines represent Vaughan's historic centres, symbolizing a continuity with the past since the City's incorporation in 1991. The choice of bright corporate colours recalls a rural heritage and highlights the preservation of green space as the City evolved into a major urban centre. The logo design has a modern flair with clean typography that reflects the City's growth as a vibrant and successful community. The new logo design was approved by Council on May 4, 2010.

The logo typeface is called Gotham. Modern and accessible in terms of legibility, Gotham is a family of geometric sans serif typefaces designed by American type designers Tobias Frere-Jones and Jesse Ragan in 2000.

The City of Vaughan logo should appear in its two-colour version whenever possible. The logo can only appear in blue pantone 294 and green pantone 376. No other brand colour is allowed.

Printing limitations will determine the need for grayscale and one-colour logo options. The reversed one-colour option should only appear on dark solid-coloured backgrounds.

Source: City of Vaughan Logo: Standards of Use. (2010). The Corporation of the City of Vaughan. Vaughan, ON.

SCHEDULE B

VL MARK



SCHEDULE C

PARTNERSHIP OBJECTIVES

1. Rationale/Preamble:

VentureLAB (“VL”) is York Region’s Regional Innovation Centre (RIC). It works to scale technology companies in a variety of sectors, including Hardware, Advanced Manufacturing, Medtech, and other emerging technology sectors.

The City of Vaughan (“CITY”) is home to York Region’s largest economy. With more than 85% of its businesses employing fewer than 20 people, and roughly two-thirds of its firms employing fewer than 10 people, the CITY is a hub for Small Business and Entrepreneurship. Furthermore, the CITY of Vaughan’s talented workforce supplies a large manufacturing sector and is one of the reasons why Mackenzie Health opened the Cortellucci Vaughan Hospital – Canada’s First Smart Hospital – in 2020.

To enable the talent, entrepreneurship, and robust industry clusters in Vaughan, the CITY’s Economic Development Department and VL will coordinate their efforts to scale Vaughan companies into global enterprises.

2. Partnership Objectives:

Through an annual report to Council, ventureLAB will report on the following objectives:

Objectives	1-year Key Performance Indicators	5-year Objectives
<i>Contribute to the Diversification and Competitiveness of Vaughan's Economy by building capacity for clusters in Health and Advanced Manufacturing</i>	<ul style="list-style-type: none"> ● # Business engaged in Vaughan (by sector) ● # Jobs created in Vaughan, by sector ● Funding raised by Vaughan clients ● Revenue generated by Vaughan clients ● IP filed or granted by Vaughan clients ● Establishing a Hardware Catalyst Lab in Vaughan 	<ul style="list-style-type: none"> ● Increase the number of Vaughan businesses accessing vL help resulting in funds raised, jobs created, and IP generated ● Accelerate the progress of Vaughan-based tech clients from “growth” to “scale” stage ● Support Vaughan’s medtech, automotive, and advanced manufacturing cluster-building through strategic partnership and access to capital and funding programs ● Increase Vaughan’s MNEs competitiveness through

		<p>technological and innovation adoption by pairing with vL startup ecosystem</p> <ul style="list-style-type: none"> ● Attract foreign tech SMEs and investment through start-up visa and soft launch programs that are aligned with Vaughan EcDev strategy
<p><i>Establish a ventureLAB facility in Vaughan.</i></p>	<ul style="list-style-type: none"> ● Continue to operate and promote Vaughan Beachhead facility ● # companies accessing the Space by key sector ● # of workshops and mentoring hours in the Space 	<ul style="list-style-type: none"> ● Expand from ventureLAB's existing satellite location in Vaughan into a cutting-edge hardware and medtech innovation space and lab to attract founders, industry leaders, and talent to Vaughan
<p><i>Promote and profile Vaughan as a hub for entrepreneurship.</i></p>	<ul style="list-style-type: none"> ● Promote and profile ventureLAB lab in Vaughan <ul style="list-style-type: none"> ○ Dedicated website presence ● Thought leadership demonstrated through publication of: <ul style="list-style-type: none"> ○ # of Op-Ed/ News stories/ Blog posts/ Vaughan Success stories 	<ul style="list-style-type: none"> ● Promote Vaughan as the Canadian epicenter at the intersection of hardware and health through the publication of stories, thought leadership, media opportunities, highlighting company success stories, commercialization and entrepreneurship

3. Hardware Catalyst Initiative and Tech Undivided Collaborator:

City of Vaughan will become an official Hardware Catalyst Initiative and Tech Undivided Collaboration Partner, and as such, will be formally recognized on the ventureLAB website, and will be mentioned, as appropriate, in press announcements and extended marketing activities.

ventureLAB

Matt Skynner, Chief Operating Officer
Presentation to Vaughan City Council
March 8, 2023

OUR MISSION

WE GROW GLOBALLY COMPETITIVE
TECH TITANS THAT BUILD-TO-SCALE
IN CANADA



\$18M | \$13M

TTL NEW \$ PUBLIC SECTOR | FEDERAL
Since 2019

\$55M | 5X+

PRIVATE SECTOR \$
Industry investing into innovation ecosystem to scale new tech companies

100% REVENUE GROWTH
2019 to 2022

3X | 3X | 8X | 13X

ECONOMIC IMPACT
JOBS | REVENUE | CAPITAL | IP
By Program Companies 2019-2022

62% | 40%
DIVERSE | FEMALE FOUNDERS
in 2022 Program Companies

\$7M
HARDWARE CATALYST INITIATIVE
Canada's only lab and incubator for hardware and semiconductor founders



3X

TEAM GROWTH
2019 to 2022

74 | +33
EMPLOYEE NPS
2019 to 2022

60% | 43%
PERFORMANCE-LED, DIVERSE TEAM
Leadership | Visible Minority

Based on internal DE&I optional survey from 1Q23



Canada's only lab and incubator for founders building hardware and semiconductor-focused products



INVESTMENT FROM GOVERNMENT OF CANADA



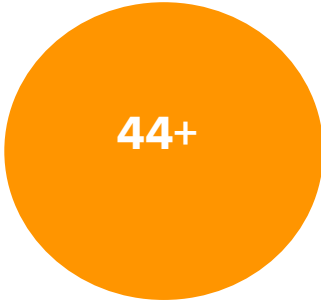
INVESTMENT THROUGH GOVERNMENT OF ONTARIO



INVESTMENT FROM YORK REGION



COMMITTED BY INDUSTRY PARTNERS



GLOBAL PARTNERS

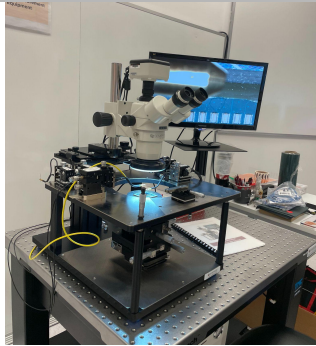
- 59 companies;
- 74 new products commercialized;
- ~\$17.7M in revenue generated;
- 58 new IP created or filed;
- 287 new jobs created

This project is funded in part by the Government of Canada through the Federal Economic Development Agency for Southern Ontario.



TEST & MEASUREMENT

LAB 1



- Electrical + specialized testing
- Semiconductor level analysis

ENVIRONMENTAL, PRE-COMPLIANCE & PROTOTYPING

LAB 2



- Pre-compliance + stress testing
- Prototyping — laser cutter + 3D printer

SERVER FARM

LAB 3



- EDA layout + simulation
- AI, ML, DL development
- 3D modelling + simulation

ventureLAB X Vaughan



**Leaders in Health +
Advanced
Manufacturing**



**A Hardware and
MedTech Innovation
Space**



**The Canadian
Destination for
Hardware and Health
Innovators**

Leaders in Health + Advanced Manufacturing

Vaughan Healthcare Centre Precinct



Mackenzie
Health



A Hardware and MedTech Innovation Space



Hardware Catalyst Initiative to expand with MedTech stream

EP&T Magazine April 12, 2022

Electronics Engineering Medical

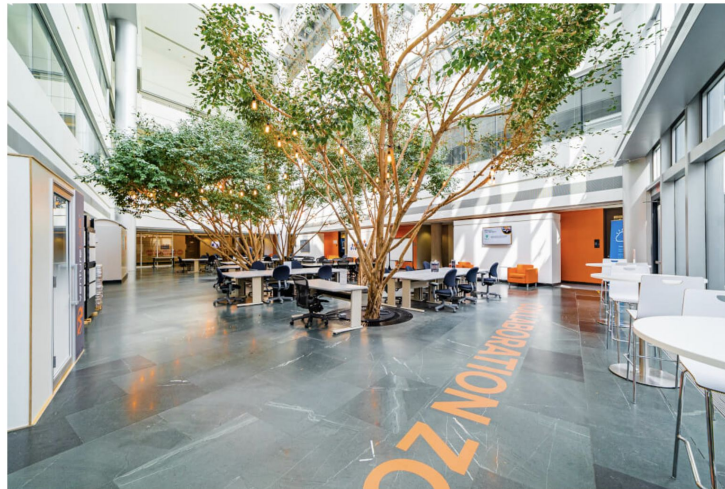
Government funding to fuel Ontario-made medical solutions, build MedTech lab in Vaughan



CANADIAN STARTUP NEWS & TECH INNOVATION

BY JOSH SCOTT / CANADIAN STARTUP NEWS / APRIL 12, 2022

VENTURELAB SECURES \$2.5 MILLION IN PROVINCIAL FUNDING TO EXPAND SEMICONDUCTOR INCUBATOR



Funding enables VentureLab to build a new medtech lab in Vaughan.

ventureLAB @ Vaughan



Vaughan Small Business Week - Open House and Demo Day

Hardware Catalyst Initiative for MedTech

The Canadian Destination for Hardware and Health Innovators



▶▶▶▶▶▶▶▶▶▶
CANADA
CATALYST
PROGRAM



THANK YOU

www.venturelab.ca