

Committee of the Whole Report

DATE: Tuesday, May 07, 2019

WARD(S): ALL

TITLE: REGIONAL INNOVATION CENTRE (VENTURELAB) UPDATE

FROM:

Tim Simmonds, Interim City Manager

ACTION: DECISION

Purpose

Vaughan is a leader in professional, scientific, and technical services in York Region. [ventureLAB](#), York Region's Innovation Centre, works with the Region's nine municipalities to enable this sector. As a contributor to the City of Vaughan's economic development efforts, ventureLAB will update Council on its work to grow the Regional innovation economy, including its recent [pilot](#) with the City of Vaughan. Like the City of Vaughan's Small Business Enterprise Centre (SBEC), managed by Economic and Cultural Development, ventureLAB is part of the Province of Ontario's small business and entrepreneurship support network.

Report Highlights

- The City of Vaughan and ventureLAB are partnered through the Province of Ontario's small business and entrepreneurship support network serving innovation and technology startups.
- The City of Vaughan, its residents, and its businesses, provide a strong base from which to build its innovation ecosystem. This allows the City to leverage and grow its talent base, creating opportunities for economic opportunity and social inclusion.
- In 2019, the City of Vaughan and ventureLAB partnered in two key areas: (1) on a pilot project to deliver Tech Entrepreneurship programming in the City of Vaughan, attracting over fifty people from January – March 2019; and (2) on the Partnership Executive Committee of the Health Precinct Economic Development Opportunities Feasibility Plan.
- The City of Vaughan and ventureLAB are recommending that they continue to collaborate on joint programming in the City of Vaughan.

Recommendations

1. THAT the presentation from ventureLAB's Chief Executive Officer, Melissa Chee, be received; and
2. THAT, staff continue planning, promotion and delivery of tech entrepreneurship support and advisory services and programming in the Vaughan marketplace with key partners, such as ventureLAB.

Background

The City of Vaughan, its residents, and its businesses, provide a strong base from which to build its innovation ecosystem.

The City of Vaughan's Economic Development Strategy, 2010-2020, identified the city as a hub for entrepreneurship. To that end, since 2010 the Vaughan Business Enterprise Centre (VBEC) has supported the start and growth of over 3,500 businesses through its advisory services and entrepreneurship programming. Furthermore, future opportunities are emerging for small businesses and entrepreneurs through the forthcoming Economic Development and Employment Sectors Strategy (2019-23), and projects like the Mackenzie Vaughan Hospital. With the City of Vaughan's support, motivated individuals can start and grow a prosperous business in Vaughan.

Vaughan's residents and workforce have the talent needed to support innovative entrepreneurs. For instance, the percentage of workers in Vaughan with a science, technology, engineering or mathematics (STEM) background is higher than the national average: based on data from the 2016 Census, Vaughan's STEM workforce is 1.32

times more concentrated than the country. Indeed, almost 9% of Vaughan's workforce are employed in natural and applied sciences and related occupations.

Vaughan has a strong entrepreneurial base with diverse sectors for innovative entrepreneurs to do business with. Two-thirds of Vaughan businesses employ fewer than ten people, making them agile and nimble enough to be innovative. Further, Vaughan's economy is diverse. By business establishment count taken from the 2018 York Region Employment Survey, there are six sectors that make up more than ten percent of Vaughan's firms.

The City of Vaughan helps its innovative entrepreneurs as part of a Provincial assistance network that includes ventureLAB, the Ontario Centres of Excellence and post-secondary institutions.

The Province of Ontario deploys the Ontario Centres of Excellence (OCE), the MaRS Discovery District, Eighteen Regional Innovation Centres (RIC), fifty Small Business Enterprise Centres (SBEC), and forty-four University and College based offices to support Ontario's start-ups and scaling entrepreneurs.¹

In the City of Vaughan, Economic and Cultural Development's Small Business and Entrepreneurship branch operates SBEC programming as VBEC. VBEC supports small businesses as they start and grow. It's programming is sector agnostic.

York Region, inclusive of the City of Vaughan, is serviced by ventureLAB for specialized programming for technology entrepreneurs. This programming is sector specific and helps established entrepreneurs scale their businesses in regional innovation specializations. In York Region, ventureLAB focuses on Digital Media and ICT, Digital Health and Devices, Advanced Manufacturing, and FinTech.

Previous Reports/Authority

Small Business and Entrepreneurship Program Update, April 2019.

¹ See: *Building Global Winners: The Expert Review Panel Report on the Ontario Network of Entrepreneurs*. (Fall 2017).

https://www.onebusiness.ca/sites/all/themes/one/assets/ONE_Building_Global_Winners_Report.PDF

Analysis and Options

Given the success of the ventureLAB Vaughan pilot program in Q1 2019, and the relative importance of Vaughan and ventureLAB to the Region's entrepreneurs, staff recommend continuing collaboration with organizations like ventureLAB to service technology and innovation entrepreneurs.

From January to March 2019, ECD engaged ventureLAB to help serve scaling, technology entrepreneurs in Vaughan. The program's goals were to:

- Leverage the City of Vaughan's entrepreneurship and small business services to provide ventureLAB with a soft landing in Vaughan.
- Improve access to RIC to services for its entrepreneurs.

VBEC hosted ventureLAB advisors and seminars across six sessions, welcoming over fifty local registrants. The demand in Vaughan for support for technology focused entrepreneurs is obvious.

ECD provides leading SBEC services in York Region.

Serving York Region's largest employment centre, ECD has managed the largest Provincial entrepreneurship programs in York Region through VBEC. For Summer Company, the City of Vaughan accepted seventeen participants in 2018. The next closest regional allotment was for the Northern Six Municipalities, administered by York Region who received funding for thirteen-fifteen participants. Similarly, the Province granted the City of Vaughan the largest Starter Company Plus allotment. The program ran from January 2017 to March 2019. Vaughan received funding to grant eighty entrepreneurs in that period, while York Region received funding for thirty-four granted participants, with both Markham and Richmond Hill receiving less than York Region.

ventureLAB is a leading Provincial technology hub located in York Region, Canada's densest tech cluster.

ventureLAB works with talented tech entrepreneurs in York Region, Simcoe County, the City of Barrie, Muskoka District, as well as across the GTA and Ontario. It's community of entrepreneurs, innovators, and tech leaders work to create globally competitive tech companies that build-to-scale in Canada in Digital Media and ICT, Digital Health and Devices, Advanced Manufacturing, and FinTech.

Through its programs focused on capital, talent, technology, and customers, ventureLAB has supported over 2,000 tech companies and have helped over 100 companies raise \$104 million in public and private capital. Supporting this work, is a 50,000 square foot ventureLAB innovation hub, the IBM Innovation Space-Markham

Convergence Centre, which is home to nearly fifty tech companies and innovation partners.

Financial Impact

There are no new financial requests associated with this report. Potential additional requests for funding in this program stream shall be presented to Council through the 2020 Business Plan and Budget Cycle or under separate report cover, as required.

Broader Regional Impacts/Considerations

By working with the City of Vaughan, ventureLAB continues to fulfil its regional mandate to service tech entrepreneurs – a vital segment of the local and regional economy.

Conclusion

Vaughan is York Region's largest employment centre with a diverse and talented workforce ready to support the next generation of technology entrepreneurs. Further, the City of Vaughan and ventureLAB are leaders in small business and entrepreneurship support. The successful pilot program that introduced Vaughan's entrepreneurs to ventureLAB services demonstrates the need for continued support.

If approved, the City of Vaughan will support its tech entrepreneurs in partnership with ventureLAB. Programming will be delivered in coincidence with SBEC programming.

For more information, please contact: Raphael Costa, Manager, Small Business and Entrepreneurship, ext. 8891

Attachments

1. Slide Deck

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