

# Committee of the Whole (1) Report

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**DATE:** Tuesday, January 23, 2024

**WARD(S):** ALL

**TITLE:** HEALTH INNOVATION ECOSYSTEM DEVELOPMENT IN CHICAGO

**FROM:**

Nick Spensieri, City Manager

**ACTION:** DECISION

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**Purpose**

Staff is seeking Council authorization to undertake health innovation ecosystem development activities in Chicago to advance the development of Vaughan's MedTech and life sciences sectors and the development of the Vaughan Healthcare Centre Precinct (VHCP).

**Report Highlights**

- Economic Development is seeking Council approval to complete a staff-led mission to Chicago to continue ongoing work to advance the development of the Vaughan Healthcare Centre Precinct (VHCP) by engaging with leading MedTech and life sciences companies, research institutes, and accelerators to generate leads for investment in Vaughan's growing ecosystem.
- Chicago is internationally renowned as a hub for healthcare innovation and a destination of choice for leading MedTech firms. Sites in Chicago were also highlighted as exemplars for the VHCP in the Council-approved VHCP feasibility study.
- Economic Development is collaborating with the Ontario Trade and Investment Office in Chicago, Invest Ontario, Toronto Global, and MedTech Canada to identify potential targets and to arrange meetings with government, institutional, and private sector stakeholders in Chicago.
- A mission to Chicago presents a significant opportunity to build on the momentum and success of Vaughan's ongoing efforts to raise the profile of the VHCP and to generate leads to further engage at conferences such as Collision, WebSummit, and AdvaMed's MedTech conference.

## **Recommendations**

1. THAT, Council approve a mission to Chicago to advance the MedTech and life sciences industries, with a focus on the VHCP, consisting of:
  - a. The Mayor (or a designate); and
  - b. Up to three representatives from the City Manager's Portfolio chosen by the City Manager under delegated authority from Council; and,
  - c. Mayor support staff.
2. THAT staff return to Committee following the mission to report on outcomes and next steps.

## **Background**

***Economic Development is seeking Council approval to complete a staff-led mission to Chicago to continue ongoing work to advance the development of the Vaughan Healthcare Centre Precinct (VHCP) by generating trade and investment leads in Vaughan's MedTech and life sciences sectors and learning about the partnership models employed by successful health innovation destinations.***

The development of the VHCP is advancing along two streams:

1. The development of facilities at the site; and,
2. The development of the health innovation ecosystem and industry.

To advance both programs, Economic Development will benefit from connecting with international companies and organizations leading medical innovation. These engagements will focus on attracting investment to Vaughan's ecosystem and on understanding the partnership models employed by other successful health innovation destinations.

***Chicago is internationally renowned as a hub for healthcare innovation and a destination of choice for leading MedTech firms. Sites in Chicago were also highlighted as exemplars for the VHCP in the Council-approved VHCP feasibility study.***

According to [a 2017 report](#) by the Health Care Council of Chicago (H3), the city holds more than 26,000 healthcare-related companies which employ more than 600,000 healthcare-related employees. It also found that Chicago's healthcare industry comprises an estimated 12.2 percent of Chicago's total economic production.

Chicago is also a hotspot for medical research and innovation. The city boasts 140 medical research centres and the Illinois Medical District, which encompasses 560 acres of medical research facilities, labs, and hospitals.<sup>1</sup> Plus, with more than 90

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<sup>1</sup> <https://medcitynews.com/2017/09/chicago-healthcare/>

coworking spaces and incubators headquartered in Chicago, the city is a magnet for entrepreneurs and startups.

The City of Chicago's involvement in the founding of MATTER, a leading health incubator that supports more than 200 companies in Chicago, was highlighted by the VHCP feasibility study as an example of how government can support the emergence of innovation districts.<sup>2</sup>

***A staff-led mission to Chicago presents an opportunity to engage with leading MedTech and life sciences companies, research institutes, and accelerators to generate leads for investment in Vaughan's growing ecosystem.***

Staff would also aim to gain insight into institutional best practices for facilitating medical research, innovation, and commercialization which are transferrable to the growth of the VHCP as a globally-recognized destination for healthcare excellence.

***A mission to Chicago presents a significant opportunity to build on the momentum and success of Vaughan's ongoing efforts to raise the profile of the VHCP and to generate leads to further engage at conferences such as Collision, WebSummit, and AdvaMed's MedTech conference.***

Economic Development's participation in the Collision and WebSummit conferences largely focused on raising the profile of the VHCP as a leading destination for medical innovation by connecting with prospective investment leads, intergovernmental trade and investment organizations, and leading medical innovation institutions. A mission to Chicago presents an opportunity to build on the relationships Economic Development has developed with leading investment agencies, including the Ontario Trade and Investment in Chicago, to conduct targeted engagement with leading firms and institutions in a globally-recognized ecosystem.

Additionally, AdvaMed is hosting the annual MedTech conference in Toronto in 2024. Activities at the conference offer an opportunity to follow up on leads generated with leading firms, start-ups, and public sector partners engaged during a visit to Chicago. Together, a mission and participation in the MedTech conference are opportunities to deploy a year-long investment attraction strategy with multiple in-person touchpoints.

## **Previous Reports/Authority**

[City of Vaughan Healthcare Centre Precinct Feasibility Study and Partnership – Committee of the Whole \(2\) Report – Wednesday, October 13, 2021](#)

[Vaughan Healthcare Centre Precinct Feasibility Study – Opportunities Assessment – August, 2021](#)

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<sup>2</sup> [Vaughan Healthcare Centre Precinct Existing Conditions Assessment](#), June 23, 2020. p 69.

## **Analysis and Options**

***Economic Development is collaborating with the Ontario Trade and Investment Office in Chicago, Invest Ontario, Toronto Global, and MedTech Canada to identify potential targets and to arrange meetings with government, institutional, and private sector stakeholders in Chicago.***

### **Mission Objectives**

A staff-led mission to Chicago will focus on activities in the following three areas:

#### **1. Trade Development**

Staff will identify cross-border trade opportunities to develop Vaughan's emerging medical device, digital health, and life sciences sectors. Engagement will include technical briefings to trade and investment agencies, local economic development organizations, and government stakeholders to raise the profile of Vaughan's economy and to identify opportunities to promote international trade with Chicago.

#### **2. Investment Attraction**

Staff will partner with the Ontario Trade and Investment Office (OTIO) in Chicago to raise the profile of the VHCP and Vaughan as world-class destinations for health innovation and health talent with Chicago-based firms. Engagement would focus on delivering technical briefings on Vaughan's economy and the VHCP to warm leads identified by OTIO, with a specific focus on medium- to large-medical device manufacturers, life sciences companies, and digital health companies.

#### **3. VHCP and Health Innovation Ecosystem Development**

Staff will coordinate meetings with leading medical research institutions and MedTech accelerators to learn about best practices for facilitating collaboration between educational, healthcare delivery, and private sector partners to catalyze innovation. These engagements would yield insights to support the ongoing development of the VHCP, including partnerships between Mackenzie Health, York University, and ventureLAB.

Additionally, staff will be looking to identify potential collaborators from Chicago who could provide value as international partners to the VHCP or as contributors to the growth of Vaughan's growing MedTech and life sciences sectors.

## Institutional Targets

There are several health innovation institutions and health technology accelerators that Staff will target during a mission to Chicago.

### **MATTER Health**

[MATTER](#) is a global healthcare startup incubator, community nexus and corporate innovation accelerator headquartered. The organization mobilizes a community of entrepreneurs, industry innovators, scientists and clinicians committed to improving health and care for every patient. MATTER was a leading global exemplar identified in the VHCP Feasibility Study.

### **Centre for Healthcare Innovation (CHI)**

[CHI](#) is a non-profit research and educational institute making healthcare more equitable. CHI hosts educational events for global healthcare innovators, conducts high-quality, independent research, and advises organizations to solve strategic healthcare challenges.

### **HIMSS (Healthcare Information and Management Systems Society)**

[HIMSS](#) is a global advisor, thought leader and member-based society committed to reforming the global health ecosystem through the power of information and technology. As a mission-driven nonprofit, HIMSS offers a unique depth and breadth of expertise in health innovation, public policy, workforce development, research and digital health transformation to advise leaders, stakeholders and influencers across the global health ecosystem on best practices.

### **P33 Chicago**

[P33 Chicago](#) is a non-profit focused on driving inclusive growth for Chicago's tech sector. Its "Company Connect" initiative provides a means of driving greater connectivity between Chicago's growth-stage startups and corporations with the goal of creating commercial value for both parties.

### **American Hospital Association (AHA) Centre for Health Innovation**

The [AHA Center for Health Innovation](#) harnesses the collective capabilities of the American Hospital Association to explore, test, improve and deploy resources that make it easy for members to adopt the most innovative health solutions available today and in the pipeline for tomorrow. The Centre has the networking capabilities to attract and engage the right partners to tackle issues big and small. Research experts can be leveraged into game-changing research and development, accelerators can source leading-edge innovations from all around the world, and agile startups can experiment nimbly with new processes and ideas.

## **The Parkinson School of Health Sciences and Public Health - Center for Health Innovation and Entrepreneurship (CHIE)**

[CHIE](#) was created in 2020 as a central hub for scholars, community partners, thought leaders, entrepreneurs, and students to engage in purpose-driven research and education with the goal of reducing health inequities and improving health care delivery for all. The Centre creates opportunities for Loyola University faculty, students and staff to collaborate with community, industry and government on innovative health solutions.

## **The University of Chicago Medicine Centre for Healthcare Delivery Science and Innovation (HDSI)**

[HDSI](#) connects scholars and leaders across the University of Chicago Medicine and beyond to catalyze innovation and discovery, transforming healthcare delivery to enable perfect care. The Center provides research funding, training, logistical support for embedded projects, and opportunities for networking and impact.

### Private Sector Targets

Staff are collaborating with the Ontario Trade and Investment Office in Chicago, Toronto Global, and health advisors from ventureLAB to arrange meetings with medium- to large-sized MedTech, digital health, and life sciences companies in Chicago. Ideal targets are companies with established operations that are actively targeting expansion into Canada. Staff are aiming to meet with executives from companies' operations and facilities, mergers and acquisitions, and innovation divisions.

### Participating Staff

Staff proposes that the following representatives attend the mission to Chicago:

- Mayor Steven Del Duca
- Director, Economic Development
- Senior Advisor, Strategic Economic Initiatives

Staff will also invite partners from Mackenzie Health, York University, and ventureLAB to attend at their own expense. Economic Development staff will coordinate all engagements and logistics associated with the mission.

### Financial Impact

The estimated budget required to have three representatives from the City of Vaughan attend a mission in Chicago is \$9,625. The total cost is an estimated \$16,525, less \$7,000 in approved grant funding from the CanExport funding program. The approved CanExport funding offsets portions of staff and lead generation expenses.

<b>Expense</b>	<b>Unit Cost</b>	<b>Total Cost</b>
Lead Generation		\$8,000
Round-trip airfare	\$1,000/pp	\$4,000
Three nights of accommodations	\$1200/pp	\$4,800
Ground transportation		\$750
Per diem	\$475/pp	\$1,900
<b>Total</b>		<b>\$19,400</b>

There is no new financial impact of these ecosystem development activities. Funding will be allocated from Economic Development’s operating budget with a portion offset by grant funding.

Budget to support the participation of Mayor support staff if required will be provided from the Mayor’s Office budget.

**Operational Impact**

Economic Development will collaborate with Communications, Marketing, and Engagement to update existing sector promotional materials and to share positive outcomes emerging from these ecosystem development activities. No additional departments or areas of the corporation will be impacted.

**Broader Regional Impacts/Considerations**

Vaughan will continue to work in collaboration with regional partners such as York Region, Toronto Global, the Canadian Trade Commissioner Service (TCS), Mackenzie Health, York University, and ventureLAB to promote Vaughan as a world-class destination for health and health innovation. Strong regional partnerships will bolster efforts to position Vaughan as a destination of choice and to grow this emerging sector.

**Conclusion**

To continue ongoing work to advance the development of the Vaughan Healthcare Centre Precinct (VHCP), Economic Development recommends undertaking a mission to Chicago. The purpose of this mission is to generate trade and investment leads for Vaughan’s MedTech and life sciences sectors and to learn about the partnership models employed by successful health innovation destinations.

Upon approval, Economic Development will finalize the itinerary including all logistical requirements and travel-related bookings. The support of Marketing, Communications, and Engagement will be enlisted to create and implement a Communications Plan, and

update targeted marketing collateral focused on the VHCP and Vaughan's emerging health innovation ecosystem.

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

**Attachments**

None.

**Prepared by**

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**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