

Committee of the Whole (2) Report

DATE: Tuesday, June 18, 2024

WARD(S): ALL

TITLE: HEALTH INNOVATION ECOSYSTEM DEVELOPMENT IN
CHICAGO - REVIEW

FROM:

Nick Spensieri, City Manager

ACTION: FOR INFORMATION

Purpose

Earlier in 2024, the City of Vaughan undertook a mission to Chicago to advance the Vaughan Healthcare Centre Precinct (VHCP) and Vaughan's emerging health innovation ecosystem. This report provides a summary of the key takeaways and action items emerging from the successful health innovation mission to Chicago.

Report Highlights

- The 2024 mission to Chicago focused on trade development, investment attraction, and ecosystem development activities to advance the development of the VHCP and Vaughan's health innovation ecosystem.
- During the mission, the delegation successfully connected with a broad array of academic, governmental, industry, healthcare, and innovation organizations from various areas of Chicago's growing health technology ecosystem.
- The mission yielded several key learnings regarding strategies for developing a dense and thriving health innovation ecosystem and coordinated VHCP partnership, including insights for developing a competitive advantage, attracting additional collaborators, and supporting business growth.
- Staff have identified several action items emerging from the mission, including opportunities to collaborate with organizations from Chicago on trade development initiatives, the opportunity to facilitate further coordination between the VHCP partners on solution development activities, and potential agenda items for future provincial and federal advocacy meetings.

Report Highlights continued

- Economic Development will continue to engage with leads identified during the Chicago mission, including exploring opportunities to collaborate with leading economic development and innovation organizations from Chicago's health innovation ecosystem.

Recommendations

1. THAT Council receive the update on the 2024 mission to Chicago and endorse staff's ongoing work to engage with opportunities emerging from the mission.

Background

Economic Development has identified several takeaways and action items related to the development of the Vaughan Healthcare Centre Precinct (VHCP) and Vaughan's emerging health innovation ecosystem emerging from April's health innovation mission to Chicago.

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.¹ Plus, with more than 90 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.²

The purpose of the 2024 mission to Chicago was to continue ongoing work to advance the development of the VHCP by generating trade, investment, and partnership leads in Vaughan's MedTech and life sciences sectors and learning about the partnership models employed by successful health innovation destinations.

The delegation's activities in Chicago focused on the following three areas:

1. Trade Development

Meetings with government representatives in Chicago presented an opportunity to identify cross-border trade opportunities to develop Vaughan's emerging medical device, digital health, and life sciences sectors. Engagements with trade and investment agencies, local economic development organizations, and government stakeholders focused on raising the profile of Vaughan's economy and identifying opportunities to promote international trade with Chicago.

2. Investment Attraction

Staff partnered with the Consulate of Canada 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. Engagements focused 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 coordinated 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 yielded insights to support the ongoing

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

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

development of the VHCP, including partnerships between Mackenzie Health, York University, and ventureLAB.

Additionally, the mission created opportunities 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.

While in Chicago, the delegation met with several governmental, academic, healthcare, industry, and innovation stakeholders from Chicago's health innovation ecosystem.

Government/Economic Development

- Acting Consul-General to Canada in Chicago/Consulate of Canada in Chicago
- Ontario Agent-General in Chicago
- World Business Chicago

Academic

- University of Illinois Chicago (UIC)
- UIC College of Medicine
- Loyola University Parkinson School of Health Sciences and Public Health

Healthcare

- UI Health
- University of Illinois Hospital

MedTech/Life Sciences Industry

- CRB Group
- CBRE
- Tishman Speyer/Breakthrough Properties
- AbbVie Pharma

Innovation Stakeholders/Accelerators

- Institute for Healthcare Delivery Design (HIHDD)
- Portal Innovations
- ChicagoARC
- Polsky Centre for Entrepreneurship and Innovation
- mHub
- MATTER Health
- Loyola University Centre for Health Innovation and Entrepreneurship

Previous Reports/Authority

[Health Innovation Ecosystem Development Activities in Chicago – Committee of the Whole \(1\) Report – January 23, 2024](#)

[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](#)

[Vaughan Healthcare Centre Precinct Feasibility Study: Existing Conditions Assessment – June 2020](#)

Analysis and Options

Key Mission Takeaways

The mission yielded several key learnings regarding strategies for developing a dense and thriving health innovation ecosystem and coordinated VHCP partnership:

- 1. Thriving innovation ecosystems are most competitive when they identify distinct areas of technological focus where they can establish a competitive advantage.**

There is an opportunity for the VHCP partnership to focus specifically on developing, commercializing, and implementing digital health, aging care solutions, and MedTech hardware. This scope of focus would leverage existing resources and assets, such as the ventureLAB Hardware Catalyst Initiative, and areas of expertise, such as Mackenzie Health's focus on integrated technologies and aging care, and York University's focus on primary care, engineering, and health-related research. These areas of focus are complementary to existing health innovation nodes and ecosystems in the region.

- 2. Coordination and collaboration between health innovation organizations to provide comprehensive support to innovators across stages and subsectors has been central to the growth and success of Chicago's health tech ecosystem.**

In this next stage of planning, there is an opportunity for the VHCP partners to coordinate their respective roles in developing, commercializing, and implementing health solutions. Economic Development can play a vital facilitation

role by convening working groups to define each organization's role in achieving the partnership's innovation objectives. This process will support efforts to attract additional partners, collaborators, and resources where opportunities and gaps exist.

3. Regional collaboration and complimentary partnerships across larger geographic areas can help create critical mass for innovation and investment.

There is an opportunity for the VHCP partnership to develop stronger ties with regional stakeholders, including hospitals, innovation hubs, and research institutes, that complement existing initiatives and strengthen the value proposition of the campus beyond the immediate region.

4. Local industry and innovation leaders are critical champions that bolster the growth and success of Chicago's health innovation ecosystem.

There is an opportunity for the VHCP partnership to identify and engage local champions in the GTA region from industry, academia, healthcare, regulatory, and venture capital organizations. These champions can be engaged in an advisory capacity as the partnership continues to develop initiatives and programming, raise the profile of the campus, attract partners, and advocate for further investments in the sector.

5. Innovation destinations thrive when they offer a pipeline of strong market opportunities for health start-ups and scale-ups - access to capital and customers is a critical magnet.

To enhance the value proposition of the VHCP for start-ups and industry leaders, the VHCP partnership should explore models for facilitating the adoption of emerging health tech solutions in the local health system. Economic Development can also work to develop new trade and business opportunities for emerging businesses and explore models for attracting various sources of public and private investment capital to Vaughan.

6. Innovation hubs thrive when they offer physical resources and key amenities that support business growth, facilitate collaboration between stakeholders, and attract talent.

Development of innovation facilities, including office, lab, and meeting spaces for the health tech industry, at the VHCP campus will be an important milestone for catalyzing innovation and the development of new health solutions in Vaughan. Through the business planning process already underway, Economic

Development will explore and determine the most viable models for integrating these amenities into the precinct.

Next Steps and Action Items

- 1. Work is underway to launch the business planning process for innovation catalyst facilities on the remaining developable blocks in the precinct.**

Economic Development is working to release a Request for Information (RFI) in Q3 of this year. Potential collaborators from Chicago's ecosystem can be further engaged through this process to gauge opportunities for partnership and investment attraction.

- 2. Economic Development will explore opportunities to catalyze cross-border trade with Illinois and create opportunities for local innovators to connect with customers and partners in the U.S.**

Staff are exploring partnership and collaboration opportunities with economic development and innovation stakeholders from Chicago, including World Business Chicago, the Trade Commissioner Service in Chicago, ChicagoARC, MATTER, and others.

- 3. Economic Development will explore options for launching an ambassador program to engage local subject matter experts as champions in support of the emerging VHCP ecosystem.**

An ambassador program could engage business and innovation leaders across sectors to act as magnets for investment and capital and as advisors for the development of additional assets in the VHCP. This could also be a vehicle for engaging other regional and national organizations, such as MedTech Canada, Health Canada, the Canadian Hospital Association, and others in the VHCP project, bolstering its regional and national significance.

- 4. Economic Development will coordinate a strategic planning retreat with the VHCP partnership to define respective roles and identify programming opportunities for advancing the strategic goals related to catalyzing health innovation.**

With efforts to develop facilities, including the medical school and long-term care home, at the VHCP campus, there is an opportunity for the partnership to determine specific approaches to collaboration between stakeholders.

Economic Development is coordinating a strategic planning retreat with executives and staff from the VHCP partnership organizations. The target date

for the retreat is September 2024 and the goals of the meeting are to identify programs, staff leads, and timelines for implementation of key initiatives to achieve the strategic objectives of the partnership.

5. **There is an opportunity for Council and Economic Development to pursue advocacy efforts at the provincial and federal levels of government to seek additional support for the development of the regional health innovation ecosystem.**

Contacts in Chicago highlighted the critical role of investment capital in enabling MedTech and Life Sciences innovation. For example, absent a thriving venture capital ecosystem powered by private wealth, there is an opportunity for governments to play a role in seeding ventures by standing up new venture capital funds. Further, there might be a role for the VHCP to play in the Province’s recently announced Health Technology Accelerator Fund, which promises to support the adoption of emerging technologies in Ontario’s health system.

Financial Impact

The mission fell within total budget. The estimated budget required to have four representatives from the City of Vaughan attend the mission in Chicago was \$12,400. The total cost was an estimated \$19,400, less \$7,000 in approved grant funding from the CanExport funding program. The approved CanExport funding offsets portions of staff and lead generation expenses.

Proposed budget:

Expense	Unit Cost	Total Cost
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
Total		\$19,400

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

Operational Impact

None. The proposed mission and next steps are accounted for activities in EcDev's 2024 operational plan.

Broader Regional Impacts/Considerations

Vaughan will continue to collaborate 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

The mission to Chicago yielded several key learnings related to strategies for developing a dense and thriving health innovation ecosystem and coordinated VHCP partnership. Staff will also continue to develop the business case for an innovation catalyst facility in the VHCP, to facilitate collaboration and coordination between the VHCP partners, and to follow up on leads generated during the mission. Finally, staff are coordinating the VHCP strategic planning retreat for a date in September.

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Attachments

None.

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