

## Committee of the Whole (2) Report

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**DATE:** Wednesday, October 13, 2021

**WARD(S):** ALL

**TITLE: CITY OF VAUGHAN HEALTHCARE CENTRE PRECINCT  
FEASIBILITY STUDY AND PARTNERSHIP**

**FROM:**

Nick Spensieri, City Manager

**ACTION:** DECISION

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**Purpose**

To gain Council approval for entering a renewed memorandum of understanding with Mackenzie Health, York University and ventureLAB and to present the findings from the Vaughan Healthcare Centre Precinct (VHCP) feasibility study.

**Report Highlights**

- The consulting consortium for the VHCP Feasibility Study, comprised of urbanMetrics, Sajecki Consulting, Strategy Corp., and the Lura Group, have delivered the final draft of the study to the partnership.
- The study identifies significant Return on Investment for the VHCP, including one-time impacts of more than \$641M in value added to the Canadian economy and opportunities for some 5,300 full-time equivalent employment positions.
- A Memorandum of Understanding is being developed to formalize a new Vaughan Healthcare Partnership (VHP) between Mackenzie Health, York University and ventureLAB to continue work to build a critical mass for a future precinct anchored by facilities for York University, ventureLAB, and other partners.
- Continued partnership will advance work in three areas: (1) Preparing the healthcare workforce of the future; (2) Translating research and data into policy and practice in healthcare; and (3) Commercializing innovation in healthcare.

## **Recommendations**

1. That Committee receive the VHCP feasibility study (Attachment 1) and presentation (Attachment 2) from urbanMetrics Inc.
2. That Committee authorize the Mayor or the City Clerk to enter into a Memorandum of Understanding between the City of Vaughan, Mackenzie Health, York University and ventureLAB to continue the work of the Vaughan Healthcare Partnership, including the Vaughan Healthcare Centre Precinct, in a form satisfactory to the City Solicitor and City Manager.

## **Background**

In early 2021, the Cortellucci Vaughan Hospital began operations. To leverage the Cortellucci Vaughan Hospital and advance Vaughan's community and economy, the City, along with Mackenzie Health, York University, and ventureLAB have partnered to transform the overall Cortellucci Vaughan Hospital Precinct into a destination for the provision of health and healthcare delivery, education, research, innovation, and commercialization.

The Hospital Advisory Task Force has been formed to oversee the development of the vision and priorities for making Vaughan a globally recognized exemplar of a healthy city. The Task Force will meet four times from September 2021 to June 2022.

***The vision for the VHCP is a world-class, health innovation destination that will enhance the City's social and economic vitality.***

The VHCP may include:

- A York University facility that includes a Health Faculty, research, and innovation facilities up to and including a potential medical school and co-location opportunities for other healthcare partners to enhance the continuum of care for the betterment of local Vaughan residents' health
- Expanded Mackenzie Health, Cortellucci Vaughan Hospital facilities as the need for enhanced medical services grows
- A new innovation space for ventureLAB initiatives that connect start-ups and scale-up companies to multi-national enterprises, collaboration opportunities with Mackenzie Health and a connection to the university health sciences development for York University.

***A new Vaughan Healthcare Partnership (VHP) is being developed by the Partnership to make Vaughan a globally recognized exemplar of a Healthy City.***

The consulting consortium for the VHCP Feasibility Study, comprised of UrbanMetrics, Sajecki Consulting, Strategy Corp., and the Lura Group, have delivered the final draft of

the study to the partnership, highlighting the potential economic and community benefits of a full build-out of the VHCP.

#### KEY FINDINGS TO DATE

***The VHCP partnership, planned and implemented at the start of the development process, is unique in Canada.***

In other examples, similar partnerships develop over time. This advances the VHCP, giving the project the opportunity to leverage strong governance from the onset.

***The VHCP's proposed location presents no major challenges to achieving the vision for the facility.***

The emergence of the Vaughan Metropolitan Centre (VMC) is making Vaughan a destination for younger, well-educated individuals and families, and businesses requiring office space. Supported by a desirable location vis-à-vis road infrastructure, the VHCP can advance those trends as another major office destination in Vaughan, alongside the Promenade redevelopment, the transition of Yonge/Steeles, and the Hwy 7 corridor.

An area for improvement, however, is the public transit connection between the VMC and the VHCP. At present, the VHCP is a 25-minute bus ride from the VMC subway station, costing travelers an additional \$4.25 beyond any Toronto Transit Commission (TTC) fares. The completion of the York Region Transit bus hub adjacent to the precinct is expected to improve the situation.

***The City's demographics, including educational attainment and overall growth, are favourable for the development of the VHCP.***

Furthermore, the VHCP can help Vaughan to recapture employment in *Health Care and Social Assistance, Professional, Scientific and Technical Services, and Educational Services* sectors. At present, these represent a relatively small component of the total employment base in Vaughan, at roughly 13%.

***Key in the development of Healthcare Innovation Districts is the partnership of Education, Healthcare, and Innovative Industry. Most examples reviewed include two of the three components. Vaughan has all three.***

Case study research has identified common trends as important factors in ensuring the success of various medical-research and commercialization districts. These include:

- Having an Active Proponent or Proponent Team
- Strong Institutional Collaboration
- Government Involvement to Provide a Sense of Certainty/Mitigate Risk for the Project
- Public-Private Engagement
- Leveraging Location/Geographic Benefits

The consulting group assessed a long list of potential best practice examples and assessed Ontario, Canadian, North American, and International examples.

***Based on a review of other comparable employment nodes across the globe, this partnership is truly unprecedented and will serve as a critical launch pad for concept implementation.***

The VHCP offers a unique value proposition that reflects the ongoing evolution of the City of Vaughan into a major urban centre, leverages the establishment of new transportation and institutional infrastructure in York Region, as well as capitalizes on recent trends and opportunities in the economy relating to healthcare innovation and delivery.

### ***The Partnership can drive significant Return on Investment in the VHCP***

#### One-Time Impacts

- More than \$755 million in value added to the Canadian economy, opportunities for some 6,300 full-time equivalent employment positions and upwards of \$276 million in government revenues; the vast majority of which would accrue directly within the City of Vaughan and surrounding GTA.

#### Recurring Impacts

- Support for a total permanent, on-site employment base of some 1,800 jobs, yielding more than \$350 million in operational output each year (excluding the hospital).

#### Other Benefits

- Opportunities to enhance the municipal profile of the City of Vaughan, attract major anchor institutions, foster a culture of entrepreneurship and innovation, as well as optimize recent and ongoing spending infrastructure, among other intangible benefits.

## MOVING THE VHCP FORWARD

***A new Vaughan Healthcare Partnership (VHP) is being developed by the City of Vaughan, Mackenzie Health, York University and ventureLAB to make Vaughan a globally recognized exemplar of a Healthy City.***

The Partnership is continuing to work in the following areas to build a critical mass for a future precinct anchored by facilities for York University, ventureLAB, and other partners. Work is advancing in three areas:

1. Preparing the healthcare workforce of the future
2. Translating research and data into policy and practice in healthcare
3. Commercializing innovation in healthcare

***The Hospital Advisory Task Force will oversee the development of the vision and priorities for making Vaughan a global exemplar of a healthy city.***

***The feasibility study's recommendations present reasonable and actionable objectives to contribute to Vaughan being a globally recognized exemplar of a Healthy City.***

### **Previous Reports/Authority**

[City of Vaughan Cortelucci Vaughan Hospital Advisory Taskforce – Committee of the Whole \(1\) Report – Tuesday, June 1, 2021](#)

[City of Vaughan news release, announcing the signing of the Memorandum of Understanding by the healthcare precinct partners, dated October 2<sup>nd</sup>, 2019](#)

[Partnership to Advance Economic Development Opportunities in the Vaughan Healthcare Centre Precinct – Committee of the Whole Report – Tuesday, June 4, 2019](#)

### **Analysis and Options**

Based on a review of other comparable employment nodes across the globe, the VHCP partnership is truly unprecedented and will serve as a critical launch pad for concept implementation.

The VHCP offers a unique value proposition that reflects the ongoing evolution of the City of Vaughan into a major urban centre, leverages the establishment of new

transportation and institutional infrastructure in York Region, as well as capitalizes on recent trends and opportunities in the economy relating to healthcare innovation and delivery.

A new Memorandum of Understanding between the City of Vaughan, Mackenzie Health, York University and ventureLAB would allow the partners to continue work to build capacity for a future healthcare precinct and would drive collaboration in the areas of research, education, innovation and commercialization.

The MOU will allow the Partnership to move forward on the seven decision points identified in the feasibility study:

1. Identify a Preferred Implementation/Governance Model;
2. Protect and Maintain a “Hospital First Approach” in all Decision-Making;
3. Adopt a Phased Approach to Vertical Development of the VHCP;
4. Establish Agreements between the City of Vaughan and the VHCP Partners articulating and clarifying the individual roles, responsibilities, and obligations of each Organization;
5. The City of Vaughan to establish separate agreements with each individual stakeholder in the Partnership outlining a relationship of land provision, resources, and other expectations;
6. Stakeholders and partners need to determine their internal funding capacities for the VHCP phases; and
7. The partnership should explore opportunities with various partners (private and public sector) to advance the VHCP.

### **Financial Impact**

There is no financial impact associated with the report.

### **Broader Regional Impacts/Considerations**

Mackenzie Health is a regional organization spanning two municipalities in York Region. The Vaughan Healthcare Precinct will become an important regional asset and major employment node that will create economic opportunity and attract skilled labour from across York Region.

The VHCP offers a unique value proposition that reflects the ongoing evolution of the City of Vaughan into a major urban centre, leverages the establishment of new transportation and institutional infrastructure in York Region, as well as capitalizes on recent trends and opportunities in the economy relating to healthcare innovation and delivery.

The VHCP would also be complementary to other GTHA innovation nodes, including the MaRS Discovery District and University Hospital Network at the south end of the innovation corridor stretching from York Region to downtown Toronto, as well as the McMaster and Waterloo innovation hubs in Hamilton and Waterloo respectively.

Furthermore, the feasibility study recommends that the City of Vaughan and its partners adopt a phased approach to vertical development at the VHCP. A preliminary phase of development would achieve immediate Intra-Regional Significance, and a more aspirational, longer-term build-out of the entire precinct would secure Extra-Regional Significance.

Within the first phase, the VHCP will emerge as an important node for education, research, healthcare service and growing a small business within the region and across the GTA. Following the first phase, the stakeholder members will have the ability to collectively re-evaluate the relationship and gauge how to best advance the VHCP to the second phase of its maturity into a health-innovation cluster of Extra-Regional Significance, recognized across Ontario, Canada, and potentially globally.

## **Conclusion**

It is appropriate that Committee (1) receive the VHCP Feasibility Study and presentation from urbanMetrics Inc.; and (2) that Committee authorize the Mayor or the City Clerk to enter into a Memorandum of Understanding between the City of Vaughan, Mackenzie Health, York University and ventureLAB to continue the work of the Vaughan Healthcare Partnership, including the Vaughan Healthcare Centre Precinct, in a form satisfactory to the City Solicitor and City Manager.

**For more information**, please contact: Raphael Costa, Director, Economic and Cultural Development, Ext. 8891.

## **Attachments**

1. Vaughan Healthcare Centre Precinct Feasibility Study - Opportunities Assessment, urbanMetrics Inc., August 31, 2021
2. Presentation: Vaughan Healthcare Centre Precinct Feasibility Study – Key Findings, urbanMetrics Inc.

## **Prepared by**

Julie Flesch, Economic Development Officer, extension 8893

Raphael Costa, Director, Economic and Cultural Development, extension 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