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February 19, 2014

**COMMUNITY SERVICES – ECONOMIC DEVELOPMENT
INFORMATION REPORT # 2014-07**

TO: Members of Council

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Anita Moore, Commissioner of Corporate Services
Rob Prentice, Commissioner of Development and Infrastructure Services
Members of OLT

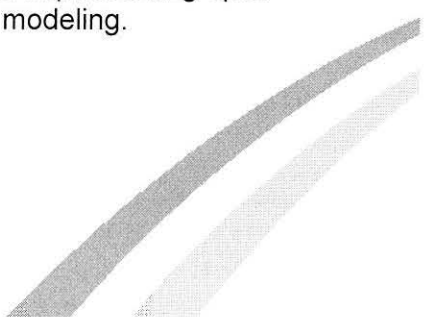
SUBJECT: CreateITNow at Southlake Innovation Incubator

ORIGIN: Community Services – Economic Development

COMMENTS

The purpose of this report is to provide an update with respect to the ongoing collaborative relationship between the Town and Southlake Regional Health Centre around the formation and launch of the CreateITNow at Southlake incubator. CreateITNow does fit within the Economic Sustainability strategic focus area of Council's 2012 – 2014 Strategic Priorities. Specific corporate action in this area involves broadband initiatives and Innovation Centre specifically around exploring opportunities, partnerships, and business cases. In addition, CreateITNow is a key linkage with any Town business case moving forward for a post-secondary presence in the community. In accordance with the Procedure Bylaw, any Member of Council may request this Information Report be placed on an upcoming Committee of the Whole agenda for discussion.

Southlake Regional Health Centre (SRHC), along with its partner organizations, the Town of Newmarket, the Regional Municipality of York, York University, ventureLab and others, intends to launch CreateITNow: Ideas Without Walls Innovation Centre (Centre). CreateITNow will be an innovation and commercialization incubator focused on the health sector. Specifically it will pursue advanced health informatics and analytics, connected medical devices, and connected wellness initiatives. Using an existing SRHC facility, the Centre will house strategic tenants and foster "creative collisions" among health care providers, innovators, entrepreneurs and a wide range of business development resources. The goal of the Centre is to foster the ideation process, identify project-based opportunities, and enable rapid commercialization for promising new developments focused on transforming health and health care. In part the Mission of CreateITNow will be to:

- Foster the development of innovative health informatics applications and products that will fundamentally change the way health care is delivered and accessed, enabling practitioners to do their jobs more effectively, to optimize work flows and processes, to enable consumers to manage their health remotely and interactively, and to be a leader in developing and implementing open data systems for community health management, analytics and predictive modeling.
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- Drive economic development and investment attraction in Newmarket and within York Region by creating new opportunities for entrepreneurial endeavours in emerging areas of health informatics connected devices, and intelligent communities/smart cities.
- Become known as a Centre for test pilot initiatives for existing or new companies for new health products or solutions.

Southlake has cleared, re-built and prepared approximately ten thousand square feet in an existing building with a mixture of defined office space and open space, established a 10 gig symmetrical internet connection and has begun to obtain the computer, phone and office furnishings required to open the space. The name CreateITNow has been established and a logo and building signs have all been created. Southlake has dedicated staff to develop and implement the Centre Vision and is in the process of signing MOU's with the partner organizations, the Town of Newmarket, the Regional Municipality of York, York University and ventureLab. York Region has confirmed their role in the collective partnership through a commitment to help support start-up costs, with financial support from additional organizations expected to be confirmed shortly.

Southlake has also created an initial, formalized approach called "Ecosphere" to identify companies that will work with CreateITNow. This concept was launched for the first time in January of 2013 in collaboration with ventureLAB and York University. This concept creates a startup/SME pipeline for companies that Southlake will put through CreateITNow. The first iteration of the "Ecosphere" in January of 2013 resulted in over 100 companies applying for entrance. Twenty companies were selected to meet with Southlake and five of those companies were chosen to enter into collaboration with Southlake to develop/test their technology.

The second iteration of "Ecosphere" took place on October 30th, 2013 with forty-eight companies vying for twenty spots. Nine companies were selected from this round, and are now in the early stages of the collaboration process with Southlake through CreateITNow.

Overall, this "Ecosphere" will play a foundational part in the development and future sustainability of CreateITNow. The plan is for the chosen companies to use space in CreateITNow as they work to develop their products and solutions with Southlake. Over time the plan is for the successful companies to grow their business such that they can create new companies that will operate in Newmarket. The ultimate goal is to make Newmarket a vibrant "health cluster" of companies.

In addition to the current program targeting GTA/Ontario companies, the Economic Development office has focused on internationalizing "Ecosphere" to maximize local economic benefit. This builds on Newmarket's life sciences marketing program and growing contact network in Europe, specifically Finland and the Netherlands, which has resulted in several emerging companies visiting Newmarket and Southlake in 2013 to investigate business opportunities within Canadian/North American markets. The unique "Ecosphere" model minimizes the risk of market entry and has clearly resonated with these companies.

Southlake is very supportive of this Newmarket approach and would be pleased to use CreateITNow as a facilitator to international companies coming to North America through Newmarket. As part of this international "Ecosphere" the Town would utilize space within the Centre for a "soft landing pad" for international companies to begin to launch their North American operations via Newmarket.

Return on Investment:

In return for anticipated investments made by the Town of Newmarket, York University, the Regional Municipality of York, the following ROI is anticipated:

1. A direct role in advancing the Vision, Mission and Values of CreateITNow, the first hospital based Innovation Centre and Incubator in York Region.
2. Creating space for a “soft landing zone” for International Companies wishing to use Newmarket as their North American entry point. These “zones” would include access to computers, hi-speed internet connections, phones and be provided with appropriate office furnishings. Access to shared space such as teleconferencing rooms would be made available.
3. Assisting CreateITNow to also create “soft landing zones” for Ontario and Canadian companies who want to develop and test new products and who may also be interested in using Newmarket as their base of operations.
4. Helping CreateITNow to build a health cluster of companies in Newmarket who are using Newmarket as their location to develop/test new health care solutions.
5. Helping CreateITNow to expand Southlake’s role as a research and commercialization hospital.
6. Enabling the creation of more high value, knowledge worker jobs in the health care sector.
7. Opportunity to refer and/or opportunity identification, relationship development and project execution for initiatives jointly beneficial to the Town and CreateITNow.
8. Receiving recognition as a founding partner organization for CreateITNow on all collateral materials including web and social media.
9. Recognition in an online presence to promote the Centre and the partner organizations.
10. Ability to participate in innovators summits with access to key personnel from SRHC, led by the SRHC CEO.
11. Participation in partner meetings in which the Town will be invited to participate and be given an opportunity to address general and strategic directions for the Centre.
12. Participation in tenant meetings, to identify, discuss and resolve operational issues relating to the physical space, services and infrastructure.
13. Participation and access to a proposed Open Devices Lab (ODL) and M2M Lab.
14. Signage/plaquing to recognize Founding and/or Sustaining Membership.

Structure:

The Town of Newmarket has an opportunity to be a Founding Member and ultimately a Sustaining Member in order to advance the health innovation agenda. This support will be integral in establishing a “hub” in Newmarket with a specific focus on advanced health informatics and analytics, connected medical devices and connected wellness initiatives. Newmarket also has an opportunity to shape the new variation on “Ecosphere” to target international companies.

On a go-forward basis CreateITNow will be establishing an Advisory Council which will guide its activities. The Sustaining Members will comprise this Council and will each have a vote on the Council. Southlake hopes that the Town will become a Sustaining Member to help drive the health care sector forward as a key component of the Town’s economic development vision.

BUDGET IMPACT

Capital:

As previously referenced in Community Services – Economic Development Information Report #2013-22 dated June 13, 2013, the Town will be contributing \$25,000 for a one time investment to support initial startup costs to be funded from the 2013 Economic Development budget.

This funding commitment will establish the Town of Newmarket as a Founding Member of CreateITNow, and entitle the Town to the recognition of being a Founding Member. Founding Membership will be recognized with appropriate signage/plaquing and in online/web media.

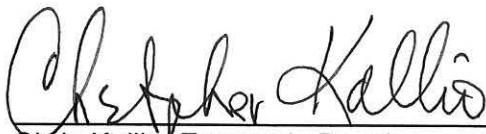
Operating:

The Town of Newmarket is being asked to make an annual funding commitment of twenty-five thousand dollars (\$25,000) for a period of five (5) years. A similar request has already been tabled with the Regional Municipality of York and York University.

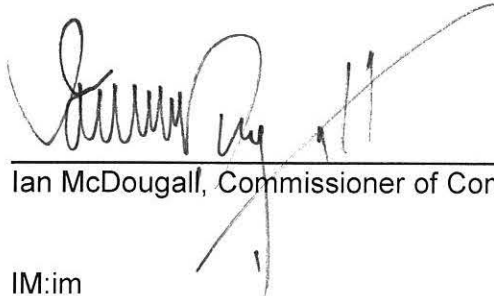
Council approved \$25,000 towards year one operations of CreateITNow at Southlake as part of the 2014 budget process. Any subsequent financial support is contingent upon Council direction through the budget process.

CONTACT

For more information on this report, please contact Chris Kallio, Economic Development Officer (EDO) at ckallio@newmarket.ca or by phone at (905) 953-5131 extension 2.



Chris Kallio, Economic Development Officer



Ian McDougall, Commissioner of Community Services

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