



TO:	CHAIR AND MEMBERS INVESTMENT AND ECONOMIC PROSPERITY COMMITTEE MEETING ON OCTOBER 15, 2013
FROM:	HARVEY FILGER DIRECTOR OF CORPORATE INVESTMENTS AND PARTNERSHIPS MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	London's Medical Innovation and Commercialization Network – Update # 1

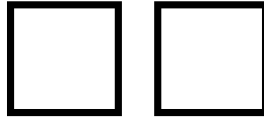
RECOMMENDATIONS

That, on the recommendation of the Director, Corporate Investments and Partnerships and the Managing Director, Corporate Services, Chief Financial Officer and City Treasurer, the following actions **BE TAKEN** regarding the development of London's Medical Innovation and Commercialization Network:

- a) The accompanying draft terms of reference **BE ENDORSED**; and,
- b) In collaboration with St. Joseph's Health Care Foundation, London Health Sciences Foundation, Lawson Health Research Institute, Robarts Research Institute, London Health Sciences Centre, St. Joseph's Health Care and Western University, Civic Administration **BE DIRECTED** to undertake all administrative acts that are necessary to formalize the terms of reference; and,
- c) In collaboration with St. Joseph's Health Care Foundation, London Health Sciences Foundation, Lawson Health Research Institute, Robarts Research Institute, London Health Sciences Centre, St. Joseph's Health Care and Western University, Civic Administration **BE DIRECTED** to undertake all administrative acts that are necessary to develop applications for additional project funding.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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- 1. December 18, 2012: *A Path to Prosperity: Community Business Ideas to Stimulate our Economy*, Investment and Economic Prosperity Committee, Corporate Investments and Partnerships.
- 2. February 19, 2013: *Investment and Economic Prosperity Proposal Assessment Process Update # 2*, Investment and Economic Prosperity Committee, Corporate Investments and Partnerships.
- 3. April 29, 2013: *Investment and Economic Prosperity Project Updates*, Investment and Economic Prosperity Committee, Corporate Investments and Partnerships.
- 4. May 21, 2013: *Investment and Economic Prosperity Projects – Public Input*, Investment and Economic Prosperity Committee, Corporate Investments and Partnerships.



5. July 29, 2013: *London's Medical Innovation and Commercialization Network Vision*. Investment and Economic Prosperity Committee, Corporate Investments and Partnerships

BACKGROUND

Originating from proposals brought forth by St. Joseph's Health Care Foundation and London Health Sciences Foundation through the IEPC prosperity process, a potential medical research fund was presented in the December 18, 2012, *A Path to Prosperity: Community Business Ideas to Stimulate our Economy*.

Through community engagement and consultation with experts in relevant fields, feedback was received and a unique opportunity evolved: London's Medical Innovation and Commercialization Network. This network would build on London's existing competitive advantages in musculoskeletal disease, biomedical devices and image based medicine. The City of London's investment of \$10 million would activate the network and result in the immediate leveraging of \$20 million from Western University. The network will support the goals of City Council through:

- The expected creation of **350 jobs**
- An estimated economic impact of **\$52.5 million**
- The leveraging of investment to a goal of **\$80-\$100 million**

(Appendix A)

This vision was presented to the Investment and Prosperity Committee on July 29, 2013 and on July 30, 2013 Municipal Council resolved:

4. That, on the recommendation of the Managing Director, Corporate Services, Chief Financial Officer and City Treasurer and the Director, Corporate Investments and Partnerships, the following actions be taken with respect to the development of London's Medical Innovation and Commercialization Network:

a) the vision for London's Medical Innovation and Commercialization Network BE SUPPORTED IN PRINCIPLE, subject to the preparation of a governance structure; and,

b) in collaboration with St. Joseph's Health Care Foundation, London Health Sciences Foundation, Lawson Health Research Institute, Robarts Research Institute, London Health Sciences Centre, St. Joseph's Health Care and Western University, the Civic Administration BE DIRECTED to develop a governance structure, as noted in a) above, for the Medical Innovation and Commercialization Network; it being noted that the proposed governance structure will be presented at a future meeting of the Investment and Economic Prosperity Committee;

it being noted that the Investment and Economic Prosperity Committee (IEPC) heard the attached presentation from Dr. Michael Strong, Robarts Research Institute, Dr. David Hill, London Health Sciences Centre and St. Joseph's Health Care, Dan Ross, London Health Sciences Foundation and Michelle Campbell, St. Joseph's Health Care London, with respect to this matter. (4/8/IEPC)



DISCUSSION

The draft terms of reference for London’s Medical Innovation and Commercialization Network (LMIC) are fully presented in Appendix B. The mission and vision of LMIC are defined as follows:

“**Mission:**

The Mission of the London Medical Innovation and Commercialization Network (LMIC Network) is to conduct leading edge research and innovation activities aimed at improving the health and well-being of local, national, and international communities. Simultaneously, through commercialization efforts, economic benefit will be realized for the LMIC Network stakeholders and Southwestern Ontario.

Vision:

To be a leader in inter-disciplinary healthcare research, innovation, and commercialization.” (Appendix B)

The role and responsibilities of the interim Governing Council are described as follows:

“**Role of the Governing Council:**

In the initial stage, to lead and guide the creation of the initial structure of the LMIC Network and its initial business strategy and business plan. Thereafter to oversee and guide the strategic development and effective operationalization of the LMIC Network. It is understood that the initial Governing Council is intended as interim in nature and the structure and membership of the permanent Governing Council will be developed during the business planning process.

Responsibilities of the Governing Council:

1. Oversee and lead, at the senior leadership level, the strategic development and resourcing of the LMIC Network, including the initial development of the business strategy and business plan;
2. Build and maintain the collaborative relationships and partnerships among the LMIC Network partners at all levels;
3. Ensure, through demonstrated collaboration, a sustained focus on a common, synergistic vision for the LMIC Network;
4. Ensure accountability to all current and future LMIC Network's funders;
5. Approve the structure and membership of the LMIC Network Coordinating Committee to execute and be accountable for tactical project development and implementation adhering to prescribed timelines; and
6. Review, assess, and approve projects developed by the LMIC Network Coordinating Committee.

Governing Council Membership:

Membership shall include the following representation from the key partners in the LMIC Network:

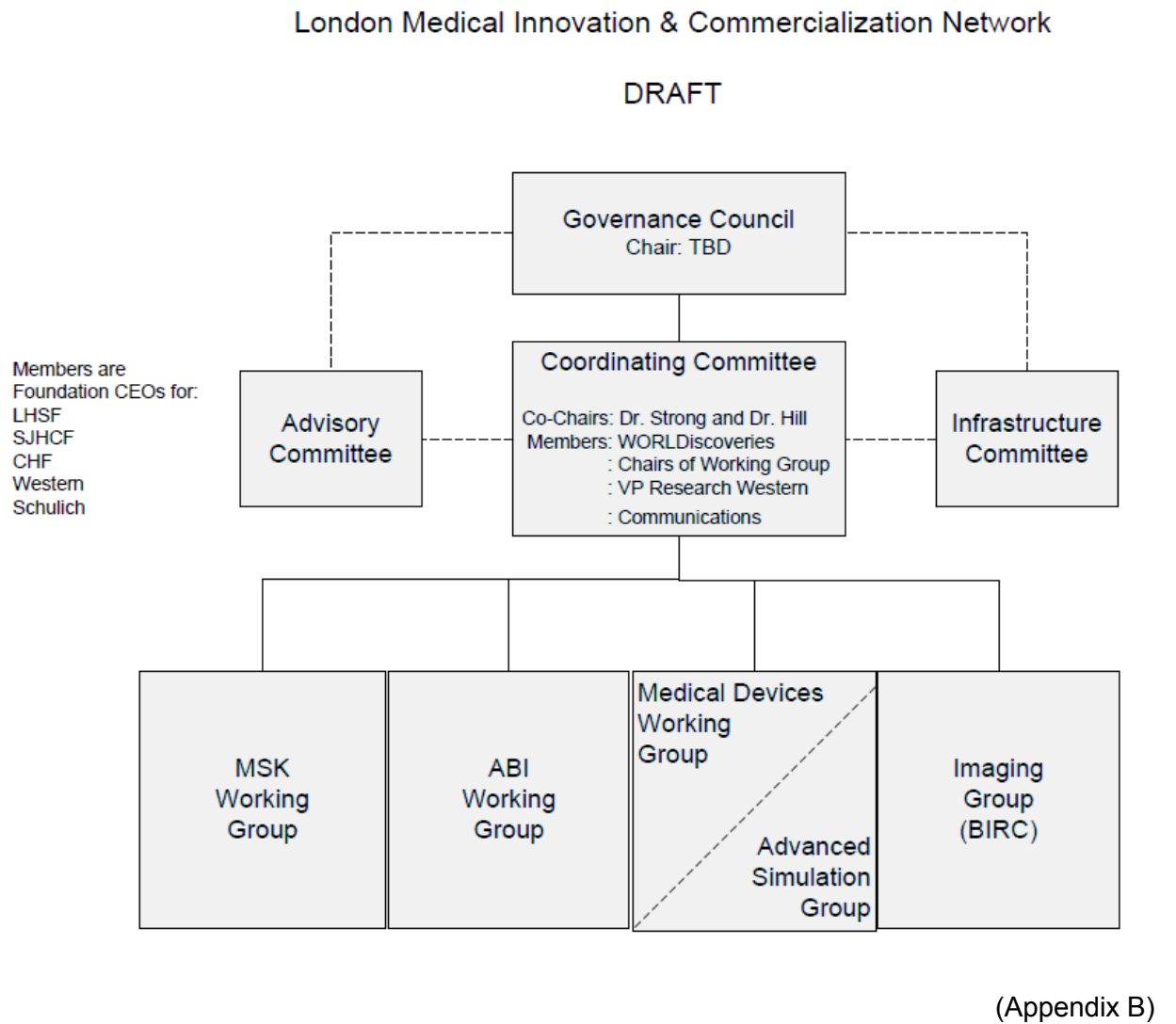
- Member at Large
- City of London - City of London Senior Official (unelected)
- City of London - City of London Community Appointee (TBC)
- Western University - Vice President, Research
- St. Joseph's Health Care, London - President & CEO
- London Health Sciences Centre - President & CEO



Schulich School of Medicine & Dentistry - Dean
Lawson Health Research Institute - Scientific Director”

(Appendix B)

At a preliminary level, the interim Governing Council would interface with other committees of the London Medical Innovation and Commercialization Network in the following manner:



Further to the draft terms of reference: given the nature of the project, its relationship to City finances and the associated importance of financial and return on investment based reporting, it is proposed that the City Treasurer (or designate) represent the City of London on the interim Governing Council as the identified City of London - City of London Senior Official (unelected).

The following are the identified goal and objectives of the Investment and Economic prosperity process:

- Goal:** The Investment and Economic Prosperity Committee (IEPC) is developing a 10-year plan that will move London’s Economy forward faster and ensure long term prosperity for our community.
- Objectives:** Create Jobs; Leverage Investment; Stimulate spin-off benefits; Build beneficial partnerships; Benefit key sectors; Fuel transformational change in London’s economy.



To ensure the IEPC vision is supported through the identified goal and objectives, it is proposed that the Chair of the Investment and Economic Prosperity Committee represent the City of London as the identified City of London - City of London Community Appointee on the interim Governing Council. It is expected that City of London appointees serving on the Governing Council will recommend City of London representatives to serve on the Coordinating Committee.

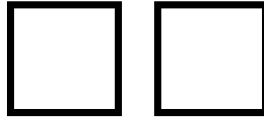
CONCLUSION

To continue the advancement of London’s Medical Innovation and Commercialization Network, it is recommended that the proposed terms of reference be endorsed. In addition, Civic Administration, in association with internal and external partners, be directed to formalize the terms of reference and prepare applications for additional project funding.

PREPARED AND SUBMITTED BY:	PREPARED AND SUBMITTED BY:
CATHY DZIEDZIC SPECIALIST, CORPORATE INVESTMENTS AND PARTNERSHIPS	MAT DALEY SPECIALIST, CORPORATE INVESTMENTS AND PARTNERSHIPS
REVIEWED AND RECOMMENDED BY:	REVIEWED AND RECOMMENDED BY:
HARVEY FILGER DIRECTOR, CORPORATE INVESTMENTS AND PARTNERSHIPS	MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER

cc:

- Dan Ross, President and CEO, London Health Sciences Foundation
- Michelle Campbell, President and CEO, St. Joseph’s Health Care Foundation
- Chris Boucher, Associate Vice President, Development, London Health Sciences Foundation
- Laurel Hardgrove, Campaign Director, St. Joseph’s Health Care Foundation
- Dr. David Hill, Scientific Director, Lawson Health Research Institute
- Dr. Michael Strong, Dean, Schulich School of Medicine and Dentistry, Western University



Appendix A: London's Medical Innovation and Commercialization Network

Our city's leaders in medical innovation – London Health Sciences Centre (LHSC), St. Joseph's Health Care London, Lawson Health Research Institute, Robarts Research Institute and Western University (**Schulich School of Medicine & Dentistry as well as Health Sciences and Engineering**) – are excited to have this opportunity to present a dynamic vision for an unprecedented collaborative research initiative to the City of London's Investment and Economic Prosperity Committee.

We are proposing the development of a new partnership – involving all of these organizations – that will create jobs, improve health care and propel London's economy forward as an international leader in the health sector. **With an investment of \$10 million from the City's Medical Research Fund**, we will leverage our collective strengths in research, patient care, education, training and entrepreneurship to create a robust Medical Innovation and Commercialization Network in London.

The Network will place our city at the leading edge of medical innovation, application and commercialization. Through the novel research that will take place at the convergence of health sciences, life sciences, physical sciences, engineering and imaging, **we will translate medical discovery into products and processes that generate economic and social benefits in our community and beyond.**

The Network will feature three centres of excellence that represent established areas of expertise for London researchers, as well as areas that offer the greatest potential for medical innovation and economic growth:

- A centre for research and innovation in **musculoskeletal disease**, serving as the home for world-leading research and development in bone and joint disorders.
- A **biomedical devices** institute that will house research, innovation and the commercialization of novel disease interventions.
- A centre for innovation in **image-based medicine**, where researchers will develop and test new patient care technologies and techniques to be used around the world.

The Network will build upon the proven track record of research and development success shown by the members of our partnership group. Since 2008, Western, Robarts and Lawson have collectively generated \$24.3 million in commercial income, the fourth-highest such total in Canada; secured 151 issued patents; executed 66 licensing agreements with industry partners; and established 18 new spin-off companies now employing more than 40 people, by far one of the largest clusters of new companies created by a research community in Canada over that time period.

The City's investment of \$10 million will be the catalyst that activates the Network and launches this important medical innovation and commercialization initiative. **Your investment will immediately leverage an additional \$20 million in funding:** \$10 million in matching funds from Western and a fundraising commitment of \$10 million from Western's development team.



This \$30 million in base funding will enable our partnership group to apply for even greater funding in order to meet our overall goal of \$80-100 million. This will include applications to agencies such as the Federal Economic Development Agency for Southern Ontario (which has available funding of \$920 million over five years) and the Canada Foundation for Innovation.

The Network will be critical in leveraging London's strengths as a centre for health and medical innovation and commercialization. It will be developed with a clear intent to serve as a hub for industry partnerships that depend on an integrated innovation and commercialization platform, encompassing internationally respected health care provision, database management and research.

London's Medical Innovation and Commercialization Network will be transformative for our community. Through the Network, we will:

- **Create approximately 350 new jobs.** This includes recruiting to London world-leading scientists, engineers and clinical researchers who will integrate medical discovery with knowledge translation and entrepreneurship. The new jobs – in health sciences, engineering and business – will be full-time, long-term, highly skilled and knowledge-based.

These new knowledge-based workers are estimated to bring a total economic impact of approximately \$52.5 million into the city's economy.

- **Develop unprecedented clinical research hubs at LHSC and St. Joseph's** through the enhancement of internationally recognized clinical research programs. This includes the Hand and Upper Limb Centre (HULC) at St. Joseph's and LHSC's Fowler Kennedy Sport Medicine Clinic and CSTAR (Canadian Surgical Technologies and Advanced Robotics).
- **Provide an immediate boost to London's economy through a significant infrastructure build** – the home of the Network's Convergence Institute – and the related construction jobs.

The redevelopment of Western Discovery Park to create the Convergence Institute will provide the platform for convergent translational (bench-to-bedside) research in the Network's three centres of excellence, including the infrastructure for pre-clinical and clinical research evaluation and the validation of new technologies and techniques in real time.

- **Position London as a world leader in integrated medical research and development** by facilitating collaboration, breaking down traditional silos and capturing the full potential of patient care and commercial opportunities.

For example, a new orthopaedic implant technology could be developed with Engineering and Surface Science Western; it would then be prototyped in the Convergence Institute and clinically tested at LHSC and St. Joseph's. Patenting would occur through WORLDDiscoveries and subsequently the technology would be licensed to a company that would establish itself in the Convergence Institute to further refine and bring the device to market.



- ***Improve patient care for the people of London and Southwestern Ontario*** through advanced research and the development of innovative new medical products and processes. As a centre for the development of new technologies, treatments and models of care, these discoveries will be accessible to the people of London and Southwestern Ontario first.
- ***Develop core business and management expertise*** to shape London’s research agenda – meeting commercial and societal needs, developing business plans and supporting nascent local companies – and enhance interdisciplinary training programs for highly qualified personnel in entrepreneurship and translational research.

Through this work, we will help to recruit new businesses in the health sector to London and continue to support wealth creation for our city’s existing companies.

London’s Medical Innovation and Commercialization Network will be a hub, connecting researchers, clinicians, students, business people and companies – enabling meaningful collaborations and accelerating the introduction of new medical devices into the marketplace. Please see the attached (Figure 1) for a snapshot of the overarching relationships involved in the Network’s development.

Thank you for the opportunity to provide this vision document. We look forward to discussing in further detail an investment of \$10 million from the City’s Medical Research Fund – an investment that will allow London’s health care leaders to develop a creative and convergent research and entrepreneurial environment for medical innovation and commercialization in our city.

Figure 1: The Overarching Relationships

