

March 24, 2019

The Mayor
and Members of Council

Re: Emergent Motion – London Medical Innovation and Commercialization Network

The staff report to the Investment and Economic Prosperity Committee, dated July 21, 2014 (see attached Appendix “A”) lists several conditions that were to be applied prior to the release of the \$10 million grant from the City of London towards the London Medical Innovation and Commercialization Network. Specifically, city monies were to be contingent upon Western University disbursing an immediate grant of \$10 million, followed by an additional \$10 million over 10 years.

Clause 2 on Page 4 of the above-noted staff report states:

“2. That the grant will be repaid if it is not disbursed within five years; subject to the City receiving conformation in a form satisfactory to the City, that Western University has made the Western Funding commitment and that there is a commitment for Fed Dev funding.”

Given the recent announcement regarding the withdrawal by Western University from the London Medical Innovation and Commercialization Network, it is imperative that the City respond to this announcement in a timely manner and I am therefore seeking support of the following motion seeking leave to bring forward an emergent motion:

“That pursuant to section 20.2 of the Council Procedure By-law leave BE GIVEN to introduce an emergent motion regarding the London Medical Innovation and Commercialization Network.”

Should leave be given, I will be seeking support of the following emergent motion given that based on Western University’s recent announcement, there is no possibility of Western University disbursing their previous agreed upon grant of \$20 million and therefore the conditions of the Grant Agreement between The Corporation of the City of London, The London Health Sciences Foundation and the St. Joseph’s Healthcare Foundation as it relates to the London Medical Innovation and Commercialization Network cannot be met:

“That the Civic Administration BE DIRECTED to immediately advise the Governing Council of the London Medical Innovation and Commercialization Network of the City of London’s intention to execute the City’s rights to secure repayment of the \$10 million grant provided to the London Medical Innovation and Commercialization Network as the terms of the Grant Agreement between The Corporation of the City of London, The London Health Sciences Foundation and the St. Joseph’s Healthcare Foundation as it relates to the London Medical Innovation and Commercialization Network cannot be met, as Western University has indicated that they are withdrawing from the London Medical Innovation and Commercialization Network.”

This action is fully in keep with the agreement signed between the City of London and the London Medical Innovation and Commercialization Network.

Respectfully submitted,

Maureen Cassidy,
Councillor, Ward 5

APPENDIX "A"

TO:	CHAIR AND MEMBERS INVESTMENT AND ECONOMIC PROSPERITY COMMITTEE MEETING ON JULY 21, 2014
FROM:	MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	LONDON MEDICAL INNOVATION AND COMMERCIALIZATION NETWORK- GRANT AGREEMENT

RECOMMENDATIONS

That, on the recommendation of the Managing Director, Corporate Services, Chief Financial Officer and City Treasurer, the following actions **BE TAKEN** with respect to the London Medical Innovation and Commercialization Network:

- a) the attached proposed by-law (*Appendix A*) **BE INTRODUCED** at the Council meeting of July 29, 2014 to:
 - (i) authorize and approve a Grant Agreement (*Appendix B*) for the London Medical Innovation and Commercialization Network, attached as Schedule "A" to the by-law; and
 - (ii) authorize the Mayor and the City Clerk to executive the Agreement authorized and approved in a) i), above; and,

- b) the financing for this project, in the amount of \$10 million, **BE APPROVED** as set out in the Sources of Financing Report attached hereto as Appendix "C".

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
6. October 15, 2013: *London’s Medical Innovation and Commercialization Network – Update #1*. 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*” report.

Through community engagement and consultation with experts in relevant fields, feedback was received and a unique opportunity evolved: London Medical Innovation and Commercialization Network (LMICN). 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 will activate the network and result in the immediate leveraging of \$10 million from Western University, and an additional commitment of \$10 million over ten years.

The London Medical Innovation and Commercialization Network vision was presented to the Investment and Prosperity Committee (IEPC) on July 29, 2013, and was supported in principle by Municipal Council on July 30, 2013, subject to the preparation of a governance structure (*Appendix D: Council Resolution- July 30, 2013; Appendix E: LMICN Vision; Appendix F: LMICN Vision Presentation*).

Subsequently, on October 15, 2013, an update staff report presented the “London Medical Innovation and Commercialization Network Governing Council Terms of Reference” draft document, which was accordingly endorsed by Council on October 22, 2013. Staff were directed to undertake all the administrative acts that were necessary to develop applications for additional project funding (*Appendix G: Council Resolution- October 22, 2013*).

In accordance with the draft terms of reference for London Medical Innovation and Commercialization Network (LMICN), the mission and vision of LMICN were 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 H: LMICN Draft Terms of Reference)

Furthermore, an update with respect to the London Medical Innovation and Commercialization Network Strategic Plan was presented to the IEPC Committee in March 2014, and was successively received by Municipal Council on April 1, 2014.

The LMIC Network Strategic Plan identified the following:

London's leaders are seeking to expand upon the community's extensive health care strengths by establishing the LMIC Network as a cross-discipline, world-class enterprise that will initiate, validate, translate and commercialize medical research and discoveries into market-ready health care solutions that generate employment and investment, prosperity and civic pride.

The Game Plan:

1. Converge London's medical research, clinical and commercialization strengths into a series of team-based Medical Innovation Centres.
2. Co-locate the Centres with industry and entrepreneurs into commercialization hubs called Pillars of Medical Research Excellence.
3. The first three Pillars, located at Western Discovery Park, are focused on:
 - I. Musculoskeletal and Brain Health
 - II. Medical Devices and Advanced Simulation
 - III. Bio-Medical ImagingThe Network will then seek to establish, in phases, a medical innovation centre to support each Pillar.
4. Augment existing research capacity with new Research Leaders to help build each Centre.
5. Embed within the Centres local and global industry leaders and utilize London's extensive cache of clinical testing and validation capabilities.
6. Secure initial investment to ignite the Network and establish the 1st Medical Innovation Centre.
7. Establish the necessary governance, coordinating, investment and support structure to deliver this Plan.

The Returns:

- Initiative currently valued at \$124 million.
- Nearly 550¹ new long term jobs in research, industry and early stage companies.
- Estimated \$56² million in value to local economy annually.
- Estimated 140-percent³ Return on Investment.
- Nearly \$60 million in indirect employment.
- Medical advances from phase I alone could help 20 million Canadians and over 1 billion people worldwide suffering from MSK/Brain.

The Benefits:

- New and improved health care products/processes.
- New local industry.
- New entrepreneurs.
- Sustainable employment.
- Advanced medical toolsets.
- Highly skilled workforce.
- Internationally recognition.
- Continued excellence in health care.

(Appendix I: LMICN Strategic Plan Executive Summary; Appendix J: The LMICN Strategic Plan Presentation)

In addition, at its session held on April 1, 2014, Municipal Council requested that the Contribution Agreement for the London Medical Innovation and Commercialization Network be presented to the IEPC Committee, in two or three weeks (*Appendix K: Council Resolution- April 1, 2014*). As

¹ The numbers were updated during the course of the FedDev application, it is now expected that the number of new long term jobs is 550 instead of the previously identified 400 jobs.

² Now expected to contribute an additional \$56 million/year to the local economy, as compared to the previously estimated \$40 million.

³ ROI is now expected to reach 140-percent, as compared to the previously identified ROI of 60-percent.

a result of the above noted recommendation, Tom Corbett of Advocates LLP has been retained by the City to prepare the aforementioned agreement.

DISCUSSION

Agreement Development:

Tom Corbett of Advocates LLP, External Legal Counsel has been instrumental in the development of the form and content of the "London Medical Innovation and Commercialization Network" Grant Agreement.

Agreement Summary:

The Agreement is between The Corporation of the City of London (the "City") and the London Health Sciences Foundation ("LHSF") and St. Joseph's Healthcare Foundation ("SJHCF").

The Recitals to the agreement describe the structure to provide the necessary accountability for the City while, at the same time, maintaining the necessary flexibility for the proponents of the LMICN to adjust the Strategic Plan to achieve its overall goals.

The agreement refers to three phases of the Strategic Plan. The grant will be required, by the agreement, to be applied to capital and equipment costs that are incurred over three phases. The agreement reflects the commitment of Western University to provide \$10 million in funding to match the grant plus the commitment to provide an additional \$10 million over 10 years for the purposes of attracting research leaders to achieve the goals of the Strategic Plan. The agreement also reflects the application for additional government funding of \$20 million.

The agreement requires that any disbursement be made for a purpose consistent with achieving the Economic Benefits Metrics and that LMICN, LHSF and SJHCF provide the necessary information to the City to enable it to determine whether the Economics Benefits Metrics, as described in the agreement, have been achieved.

Also, in order to address the necessity of accountability for the grant and the assessment of the economic benefits to the City and future, the agreement provides for:

1. Payment of the \$10 million grant to LHSF and SJHCF, in equal parts of \$5 million to each. Both are restricted from releasing any portion of the grant without the consent of the City Treasurer. That consent will only be provided, in the sole discretion of the City, upon the satisfaction of specific conditions, including:
 - a. The settlement of the governance structure to the satisfaction of the City such that there are clearly accountable persons or entities responsible for management of all funds and assets of the LMICN;
 - b. Provision of a budget to the City outlining funding requirements of the LMICN and the sources of that funding, including confirmation that Western University has funded its commitment and that there is commitment for additional government funding;
 - c. That any disbursement of the grant must be consistent with the Strategic Plan and achieving the Economic Benefits and will only be used for the purposes of acquisition, improvement or construction of capital property or equipment;
 - d. That any disbursement shall only be made for a valid municipal purpose and will not be used to assist, directly or indirectly, any manufacturing business or commercial enterprise.
2. That the grant will be repaid if it is not disbursed within five years; subject to the City receiving confirmation, in a form satisfactory to the City, that Western University has made the Western Funding commitment and that there is a commitment for the Fed Dev funding.

3. Annual reporting by LMICN, including obligations to supply additional information as requested by the City, for the purposes of assessing success in achieving the Economic Benefits.

The Grant Agreement, attached in Appendix B, stipulates the following:

- Western University, Lawson Health Research Institute, London Health Sciences Centre, St. Joseph's Health Care London, LHSF and SJHCF have created the London Medical Innovation & Commercialization Network, a collaborative and cooperative initiative among them, intended to materially advance innovation and industry in London's healthcare sector, (the preceding entities and this endeavour are referred to below as "LMICN").
- By resolution of Council of the City made July 30, 2013, Council resolved to support, in principle, the vision for LMICN. That vision included investing by way of grant the sum of \$10.0 million from the City's Economic Development Reserve Fund for the LMICN (the "Grant"). The support was subject to the preparation of a governance structure for LMICN, which structure would include the structure to control financial activity and transactions associated with LMICN, including the disbursement of any grant from the City.
- By resolution of Council of the City made October 22, 2013, Council endorsed terms of reference for LMICN, including proposed governance, and directed City administration to undertake administrative acts to formalize the terms of reference and develop applications for additional project funding.
- This agreement is intended to describe the structure to control the financial activity associated with the Grant and to assist with the applications for additional project funding by reflecting the financial commitment of the City to the LMICN.
- LMICN has prepared a strategic plan, which has been reviewed by the City, describing its strategy to promote and fund the creation of a network that will initiate and commercialize medical research and discoveries into healthcare solutions that will generate economic development in London, including employment and investment (the "Strategic Plan"). The Strategic Plan envisages a cluster of three complementary medical innovation centres, intended to be developed at the Western Discovery Park at Western University (*Refer to Appendix I: LMICN Strategic Plan Executive Summary; Appendix J: LMICN Strategic Plan Presentation*).
- The Grant shall be applied to the capital and equipment costs associated with Phase 1, Phase 2 and Phase 3.
- The Grant will permit LMICN to secure the commitment of Western University for \$10 million in funding to match the Grant and Western University shall commit to provide an additional \$10.0 million over 10 years (collectively, the "Western Funding Commitment").
- Western has made an application to FedDev Ontario under its Southern Ontario Prosperity Initiatives Program for a grant of \$20 million to assist in the creation of the physical and business infrastructure contemplated by Phase I of the Strategic Plan. It is anticipated that the Grant will assist the securing of the FedDev funding (the "FedDev funding").
- The City is given powers by the *Municipal Act, 2001* for the purpose of providing good government and, as part of good government, the City has jurisdiction to promote economic development.
- The Strategic Plan identifies potential economic benefits (the "Economic Benefits") of the LMICN to the City.
- The Strategic Plan also identifies benefits to residents of the City, including increasing the level of healthcare and improving patient care.

- The City intends to assess the Economic Benefits of the Grant through assessment of various indicators (the "Economic Benefits Metrics").
- Under section 107(1) of the *Municipal Act, 2001*, and subject to section 106 of the *Municipal Act, 2001*, the City may make a grant for any purpose that it considers to be in the interests of the City, provided such purpose is consistent with its mandate to provide good government.
- The City has determined that the Grant does not constitute a prohibited provision of assistance, either directly or indirectly, to any manufacturing business or other industrial or commercial enterprise, contrary to section 106 of the *Municipal Act, 2001* and that the Grant, and this agreement, do not involve a municipal capital facility within the meaning of section 110 of the *Municipal Act, 2001*.

(Refer to 'Appendix B: Grant Agreement', for the full and complete agreement)

Financial Implications:

The 2014 Council approved budget included a projected drawdown from the Economic Development Reserve Fund for the London Medical Innovation and Commercialization Network of \$7 M, \$2 M and \$1 M in 2014 to 2016 respectively. The current grant agreement requires \$10 M in 2014. This amount can be accommodated from the Economic Development Reserve Fund in 2014, with a projected balance of \$4.2 million.

The City will pay the Grant of \$10 million, in equal parts of \$5 million to each of LHSF and SJHSF, in trust, not to be released to anyone, in whole or in part, without the consent in writing of the City Treasurer and Chief Financial Officer (the City CFO), or such other person as may be designated, in writing, by the City CFO for that specific purpose.

See **Appendix C** for the supporting Source of Financing.

CONCLUSION

The LMICN Strategic Plan is in a state of flux. Therefore, it is of considerable importance that, as every disbursement of the \$10.0 million is made by the Foundations, from trust, that the disbursement be assessed for valid municipal purpose. The agreement is drafted to ensure that the administration has the ability to do that assessment before any disbursement by the Foundations.

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

cc:

Thomas Corbett, External Legal Counsel, Advocates LLP

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

Alan Dunbar, Manager, Financial Planning & Policy

Appendices:

Appendix A: Proposed By-Law

Appendix B: Grant Agreement

Appendix C: Source of Financing

Appendix D: Council Resolution- July 30, 2013

Appendix E: LMICN Vision

Appendix F: LMICN Vision Presentation

Appendix G: Council Resolution- October 22, 2013

Appendix H: LMICN Draft Terms of Reference

Appendix I: LMICN Strategic Plan Executive Summary

Appendix J: LMICN Strategic Plan Presentation

Appendix K: Council Resolution- April 1, 2014

Appendix A: Proposed By-Law

Bill No.

2014

By-law No. A.-

A By-law to authorize and approve a grant agreement between The Corporation of the City of London, The London Health Sciences Foundation and the St. Joseph's Healthcare Foundation as it relates to the London Medical Innovation & Commercialization Network; and to authorize the Mayor and the City Clerk to execute the Agreement.

WHEREAS subsection 5(3) of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS the Municipal Council wishes to enter into an Agreement with The London Health Sciences Foundation and the St. Joseph's Healthcare Foundation as it relates to the granting of monies to assist in the establishment of the London Medical Innovation & Commercialization Network

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Agreement to be entered into between The Corporation of the City of London and The London Health Sciences Foundation and the St. Joseph's Healthcare Foundation for a grant towards the establishment of the London Medical Innovation & Commercialization Network, attached as Schedule "A" to this By-law, is hereby authorized and approved.
2. The Mayor and the City Clerk are hereby authorized to execute the Agreement approved under section 1 above.
3. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council on July 29, 2014.

J. Baechler
Mayor

Catharine Saunders
City Clerk

First Reading - July 29, 2014
Second Reading - July 29, 2014
Third Reading - July 29, 2014

Appendix B: Grant Agreement

THIS AGREEMENT MADE AS OF THE DAY OF JULY, 2014

Between:

THE CORPORATION OF THE CITY OF LONDON (the "City")

and

THE LONDON HEALTH SCIENCES FOUNDATION ("LHSF")

and

ST. JOSEPH'S HEALTHCARE FOUNDATION ("SJHCF")

WHEREAS:

- Western University, Lawson Health Research Institute, London Health Sciences Centre, St. Joseph's Health Care London, LHSF and SJHCF have created the London Medical Innovation & Commercialization Network, a collaborative and cooperative initiative among them, intended to materially advance innovation and industry in London's healthcare sector, (the preceding entities and this endeavour are referred to below as "LMICN").
- By resolution of Council of the City made July 30, 2013, Council resolved to support, in principle, the vision for LMICN. That vision included investing by way of grant the sum of \$10.0 million from the City's Economic Development Reserve Fund for the LMICN (the "Grant"). The support was subject to the preparation of a governance structure for LMICN, which structure would include the structure to control financial activity and transactions associated with LMICN, including the disbursement of any grant from the City.
- By resolution of Council of the City made October 22, 2013, Council endorsed terms of reference for LMICN, including proposed governance, and directed City administration to undertake administrative acts to formalize the terms of reference and develop applications for additional project funding.
- This agreement is intended to describe the structure to control the financial activity associated with the Grant and to assist with the applications for additional project funding by reflecting the financial commitment of the City to the LMICN.

- LMICN has prepared a strategic plan, which has been reviewed by the City, describing its strategy to promote and fund the creation of a network that will initiate and commercialize medical research and discoveries into healthcare solutions that will generate economic development in London, including employment and investment (the "Strategic Plan"). The Strategic Plan envisages a cluster of three complementary medical innovation centres, intended to be developed at the Western Discovery Park at Western University, as follows:
 - a. "Phase 1": the Centre for Musculoskeletal and Brain Health, to be located in a two-story addition, of approximately 50,000 ft.², to the Stiller Centre at Western Discovery Park intended to accommodate the LMICN, the Fowler-Kennedy Sport Medicine Clinic and with space for industry partners and developing commercial enterprises associated with the LMICN strategic plan;
 - b. "Phase 2": the Centre for Bio-Medical Devices and Advanced Simulation, to be located in Windermere Manor, a portion of which will be renovated for the purpose and in an addition to Windermere Manor, of approximately 30,000 ft.²; and
 - c. "Phase 3": The Centre for Bio-Medical Imaging, to be located in a new building, of approximately 40,000 ft.², at Western Discovery Park.

- The Grant shall be applied to the capital and equipment costs associated with Phase 1, Phase 2 and Phase 3.

- The Grant will permit LMICN to secure the commitment of Western University for \$10 million in funding to match the Grant and Western University shall commit to provide an additional \$10.0 million over 10 years (collectively, the "Western Funding Commitment"), for the purposes of:
 - a. Assisting in the attraction and/or retention of recognized research leaders and high quality research personnel who will be responsible for meeting the job creation, commercialization and other objectives outlined in the Strategic Plan. Such leaders and personnel may be designated as Chairs for recruitment and fundraising purposes; and
 - b. Provide such leaders and personnel, over a reasonable and determined period of time, with the financial and human capital necessary to deliver their respective Strategic Plan objectives, and such further and other outcomes as may be reasonably identified in the recruitment and hiring process

- Western has made an application to FedDev Ontario under its Southern Ontario Prosperity Initiatives Program for a grant of \$20 million to assist in the creation of the physical and business infrastructure contemplated by Phase I of the Strategic Plan. It is anticipated that the Grant will assist the securing of the FedDev funding (the "FedDev funding").

- The City is given powers by the *Municipal Act, 2001* for the purpose of providing good government and, as part of good government, the City has jurisdiction to promote economic development.

- The Strategic Plan identifies potential economic benefits (the "Economic Benefits") of the LMICN to the City that include:
 - a. The creation of an estimated 550 full-time, sustainable jobs;
 - b. Creation of an estimated annual economic impact of approximately \$56.0 million in the City's economy associated with these new jobs;
 - c. Develop clinical research hubs through the enhancement of recognized clinical research programs and create medical research infrastructure in order to position the City as a significant location for the commercialization of medical technologies;
 - d. Develop business and management expertise for medical research, which will support commercial and business needs, enhancing the development of new business in the health sector.
- The Strategic Plan also identifies benefits to residents of the City, including increasing the level of healthcare and improving patient care.
- The City intends to assess the Economic Benefits of the Grant through assessment of various indicators (the "Economic Benefits Metrics"), including:
 - a. The number of full-time, sustainable jobs created by the implementation of the Strategic Plan by the LMICN;
 - b. The amount of additional investment in the LMICN, including government, institutional, fundraising and private sector investment;
 - c. The number of new businesses that are established in the Discovery Park and/or London as a result of the access to the LMICN and the physical and human resources created or attracted by the LMICN;
 - d. Increases in assessment in the City for non-institutional properties created or fostered by the LMICN;
 - e. Increases in building permit activity in the City created or fostered by the LMICN.
- Under section 107(1) of the *Municipal Act, 2001*, and subject to section 106 of the *Municipal Act, 2001*, the City may make a grant for any purpose that it considers to be in the interests of the City, provided such purpose is consistent with its mandate to provide good government.
- The City has determined that the Grant does not constitute a prohibited provision of assistance, either directly or indirectly, to any manufacturing business or other industrial or commercial enterprise, contrary to section 106 of the *Municipal Act, 2001* and that the Grant, and this agreement, do not involve a municipal capital facility within the meaning of section 110 of the *Municipal Act, 2001*.

THIS AGREEMENT WITNESSES THAT in consideration of the mutual covenants contained herein, and other good and valuable consideration, the parties agree as follows:

1. The parties represent and warrant to the other that the recitals to this agreement are true and correct to the best of their respective beliefs as of the date of the making of this agreement and agree that the recitals form an integral part of this agreement.
2. The City will pay the Grant of \$10.0 million, in equal parts of \$5.0 million to each of LHSF and SJHCF, in trust, not to be released to anyone, in whole or in part, without the consent in writing of the City Treasurer and Chief Financial Officer (the "City CFO"), or such other person as may be designated, in writing, by the City CFO for that specific purpose.
3. The consent of the City CFO to the disbursement of any part of the Grant (the "Disbursement") will be provided if, in the sole discretion of the City, the following conditions are satisfied:
 - a. The structure and governance of the LMICN has been settled to the satisfaction of the City such that the LMICN is properly and professionally administered and accountable, maintains a bank account in the City at a Canadian chartered bank in compliance with all applicable regulation and proper governance of the LMICN is established such that there will be clearly accountable persons or entities responsible for the receipt, management and disbursements of all funds and assets of the LMICN (collectively, the "Governance");
 - b. The City will be provided with any and all documents and information necessary to satisfy the City that proper Governance of the LMICN has been established. The City shall be entitled, in addition to any documentation or information provided, such additional documents or information as necessary to satisfy the City on the Governance upon request;
 - c. The City will be provided with a budget of the LMICN, as may be amended from time to time, outlining the anticipated funding requirements of the LMICN and the anticipated sources by which those funding requirements will be met (the "Budget");
 - d. The Disbursement shall only be made if it is consistent with the Budget;
 - e. Any Disbursement shall be made to the bank account of the LMICN as established pursuant to the Governance;
 - f. The City has received confirmation, in a form satisfactory to the City, that Western University has made the Western Funding Commitment and that there is a commitment for the FedDev funding;
 - g. The Disbursement shall only be made for a purpose consistent with the Strategic Plan of the LMICN, provided that the Strategic Plan, as amended, in place at the time of the Disbursement is such that the Disbursement is consistent with utilizing the Disbursement to achieve the Economic Benefits Metrics;

- h. The LMICN is in a position, by virtue of the Governance, to supply the information to the City to assess the achieving of the Economic Benefits Metrics;
 - i. The Disbursement shall only be made for the purpose of acquisition, improvement or construction of capital property or equipment, or expenses or costs ancillary to such purpose;
 - j. The Disbursement shall only be made for a valid municipal purpose and will not constitute assistance, directly or indirectly, for any manufacturing business or other industrial or commercial enterprise prohibited by the *Municipal Act, 2001*;
 - k. There are adequate financial controls in place with LMICN, pursuant to the Governance, to ensure the accuracy, completeness and auditability of the use of the Grant such that it can be established that the Grant was used for the purposes permitted by this agreement;
 - l. That LMICN has procured such insurance coverage as may be reasonably required, given the scope of its activities.
4. LHSF and SJHCF shall each repay the Grant to the City in the event that the Grant, or any portion of it, is not disbursed, as permitted by this agreement, within five years of the date of this agreement. Any repayment will include any accrued interest not applied by LHSF and SJHCF, as set out below, or otherwise disbursed as permitted by this agreement.
5. LHSF and SJHCF shall hold the Grant in an interest-bearing account at a Canadian chartered Bank until Disbursement. Any interest may be applied by LHSF and SJHCF to address any reasonable and proper administrative costs, or expenses, incurred by LHSF and SJHCF carrying out their obligations under this agreement, provided that LMICN agrees, in writing, to the application before the interest is so applied. Unless so applied, any other application of accrued interest is subject to the terms of this agreement relating to Disbursement.
6. LHSF and SJHCF shall require the contractual commitment of the LMICN, as a condition of the Disbursement of any part of the Grant, to provide the following:
- a. An annual report to the City CFO, for at least five years after the full Disbursement of the Grant, outlining its success in the achieving of the Economic Benefits Metrics; and
 - b. Independent of the annual report requirement above, that LMICN provide such information in its possession to the City, as the City may request of the LMICN, acting reasonably, to assist the City assess the achieving of the Economic Benefits Metrics. It is understood that such requests will be made periodically by the City for maximum period of up to 10 years.

7. LHSF and SJHCF shall require the contractual commitment of the LMICN, prior to any Disbursement, to:
 - a. Provide, within 90 days after the LMICN's first fiscal year-end, annual financial and other reporting, in writing, to the City describing the progress of the LMICN in achieving the objects of the Strategic Plan.
 - b. For the purpose of ensuring compliance with the terms of this agreement, the City or its agents may, on reasonable notice and during regular business hours, inspect the accounts, records books and data of the LMICN related to the Grant.
8. LHSF and SJHCF shall provide to the City, at any time, upon request in writing made by the City CFO, an accounting, with full supporting documentation, for the Grant and any Disbursement of the Grant or any part of it.
9. LHSF and SJHCF shall indemnify and save harmless the City from all costs, claims, actions, demands and damages arising from the operations of the LMICN, except to the extent such costs, claims, actions, demands and damages are caused or contributed to by the actions, omissions or negligence of the City, its employees, servants, agents or those persons for whom the City is responsible in law. For the purposes hereof, matters arising from the operation of the LMICN shall extend to any matter, directly or indirectly relating to the LMICN, including, without limitation, injuries suffered by any person while using the facilities of the LMICN. This indemnity shall survive termination of this agreement for a period of five (5) years.
10. No partnership is created by this agreement. Nothing contained in this agreement shall or shall be deemed to constitute the parties partners or agents or any other relationship whereby either could be held liable for any act or omission of the other. None of the parties shall have any authority to act for the other, except as specifically set out above, or incur any obligation or responsibility on behalf of the other.
11. This agreement contains the entire agreement and understanding between the parties and supersedes all prior and contemporaneous oral or written agreements and representations. Any amendments shall be in writing and signed by all parties.
12. This agreement shall not be assigned without the written consent of the parties.
13. This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.
14. All notices or other communications under this agreement shall be given in writing by personal delivery or facsimile addressed to the person named below:

To the City:

City Clerk
300 Dufferin Ave.
P.O. Box 5035, London, Ontario, N6A 4L9
Facsimile: 519-

To LHSF:

XXXXXXXXXXXX

To SJHCF:

XXXXXXXXXXXX

IN WITNESS WHEREOF the parties have executed this Agreement by their duly authorized signing officers, as of the above date.

THE CORPORATION OF THE CITY OF LONDON

Per: _____, Mayor

Per: _____, City Clerk

THE LONDON HEALTH SCIENCES FOUNDATION

Per: I have authority to bind the Foundation

ST. JOSEPH'S HEALTHCARE FOUNDATION

Per: I have authority to bind the Foundation

Appendix C: Source of Financing

APPENDIX 'C'

Chair and Members
Investment and Economic Prosperity Committee

#14131
July 14, 2014
(Approve New Project)

**RE: London Medical Innovation and Commercialization Network
New Capital Budget Project No. GG1722**

FINANCE DEPARTMENT REPORT ON THE SOURCES OF FINANCING:

Finance Department confirms that the total cost of this project cannot be accommodated within the financing available for it in the Capital Works Budget. The detailed source of financing for this project is:

<u>ESTIMATED EXPENDITURES</u>	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>This Submission</u>
Capital Grant	\$0	\$10,000,000	\$10,000,000
NET ESTIMATED EXPENDITURES	\$0	\$10,000,000	\$10,000,000
<u>SOURCE OF FINANCING</u>			
Drawdown from Economic Development Reserve Fund	1) \$0	\$10,000,000	\$10,000,000
TOTAL FINANCING	\$0	\$10,000,000	\$10,000,000

- 1) The 2014 Council approved budget included a projected drawdown from the Economic Development Reserve Fund for the London Medical Innovation and Commercialization Network of \$7 M, \$2 M and \$1 M in 2014 to 2016 respectively. The current grant agreement requires \$10 M in 2014. This amount can be accommodated from the Economic Development Reserve Fund in 2014, with a projected balance of \$4.2 million.

EH


Larry Palarchio
Director of Financial Planning & Policy

Appendix D: Council Resolution- July 30, 2013

July 31, 2013

M. Hayward

Managing Director, Corporate Services, Chief Financial Officer and City Treasurer

H. Filger

Director, Corporate Investments and Partnerships

I hereby certify that the Municipal Council, at its session held on July 30, 2013 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)

C. Saunders

City Clerk

/rr

cc: C. Boucher, Associate Vice President, Development, London Health Sciences Foundation,
747 Baseline Road East, London, Ontario, N6C 2R6

L. Hardgrove, Campaign Director, St. Joseph's Health Care Foundation, Parkwood
Hospital, B2131, 801 Commissioners Road East, London, Ontario, N6C 5J1

A. Zuidema, City Manager

M. Daley, Specialist II - Corporate Investments & Partnerships

C. Dziedzic, Specialist II - Corporate Investments & Partnerships

By email:

Dr. M. Strong, Interim Scientific Director, Robarts Research Institute,
Michael.Strong@schulich.uwo.ca

Dr. D. Hill, Vice President, Research, London Health Sciences Centre & St. Joseph's
Health Care, David.Hill@lhrionhealth.ca

D. Ross, President & CEO, London Health Sciences Foundation, Dan.Ross@lhsc.on.ca

M. Campbell, President & CEO, St. Joseph's Health Care,
Michelle.Campbell@sjhc.london.on.ca

Appendix E: LMICN Vision

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 orthopedic 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 WORLDiscoveries 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.

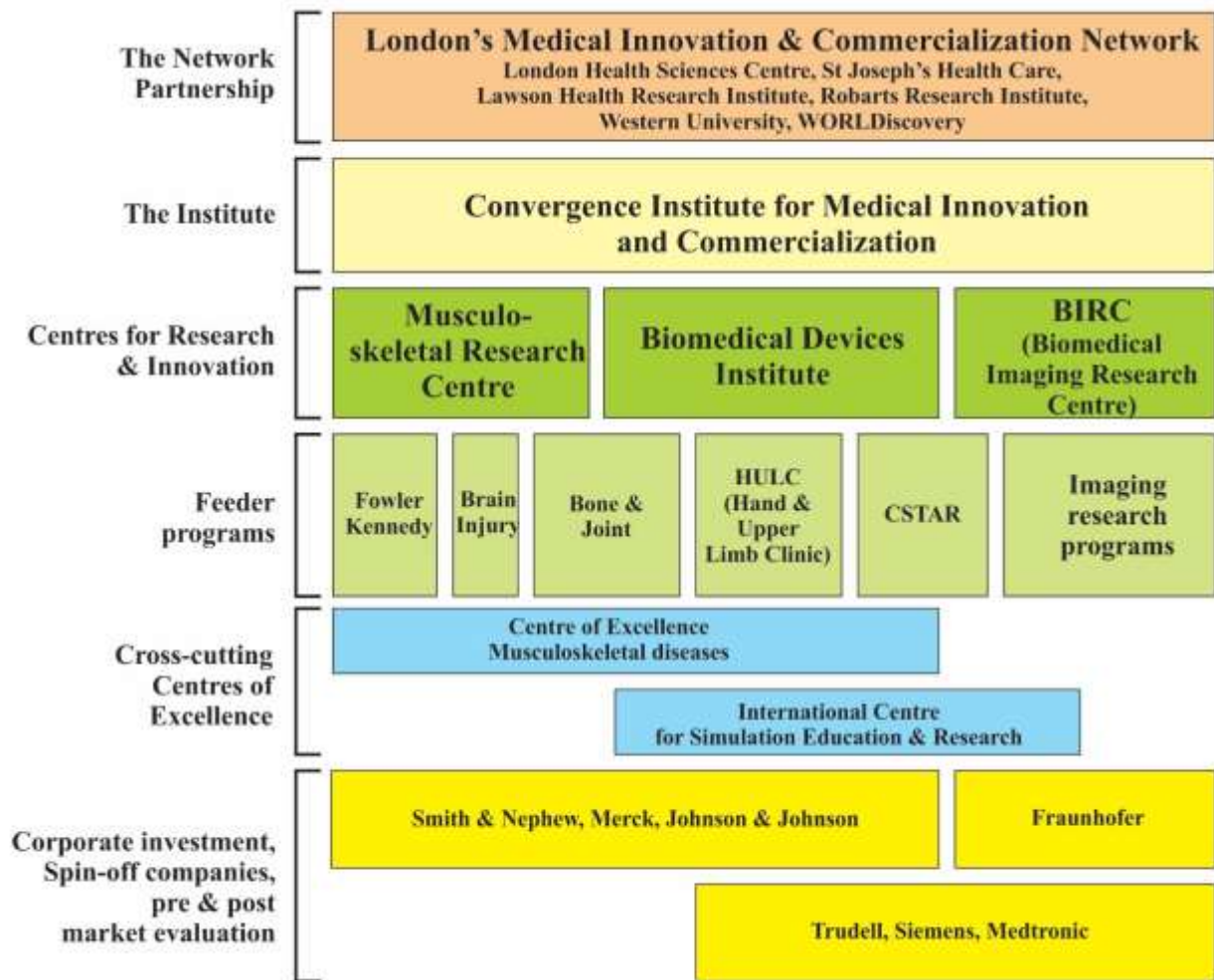
- ***Develop core business and management expertise*** to shape London's research agenda – meeting commercial and societal needs, developing business plans and supporting nascent local companies – and enhance interdisciplinary training programs for highly qualified personnel in entrepreneurship and translational 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



An Opportunity for the City of London:

**London's Medical Innovation and
Commercialization Network**

How we got here

St. Joseph's Health Care London & London Health Sciences Centre championed unique, institutionally-based proposals early in the IEPC process

London's new Medical Research Fund created through IEPC has been the catalyst for development of a unique and much larger *leveraging* opportunity around medical research for London that includes the hospitals *and* Western University

Today, we present a collaborative opportunity that has naturally evolved through the IEPC process; one that brings together a common, synergistic vision and creates larger economic opportunities for all of our institutions and for our city

The Partners

London's health sector has come together in a true partnership that builds on our collective strengths in health care and research to create jobs and economic impact for London

- London Health Sciences Centre & Foundation
- St Joseph's Health Care & Foundation
- Lawson Health Research Institute
- Robarts Research Institute
- Western University
 - Schulich School of Medicine & Dentistry
 - Faculty of Health Sciences
 - Faculty of Engineering

The Partners

London's health sector has come together in a true partnership that builds on our collective strengths in health care and research to create jobs and economic impact for London

- London Health Sciences Centre & Foundation
- St Joseph's Health Care & Foundation
- Lawson Health Research Institute
- Robarts Research Institute
- Western University
 - Schulich School of Medicine & Dentistry
 - Faculty of Health Sciences
 - Faculty of Engineering
- **City of London**

Our Presentation Team

Dr Michael Strong
Dean Schulich School of
Medicine & Dentistry
Interim Scientific Director,
Robarts Research Institute

Dr David Hill
Scientific Director, Lawson
Health Research Institute
Vice President, Research
London Health Sciences Centre &
St. Joseph's Health Care

Dan Ross
President & CEO
London Health Sciences
Foundation

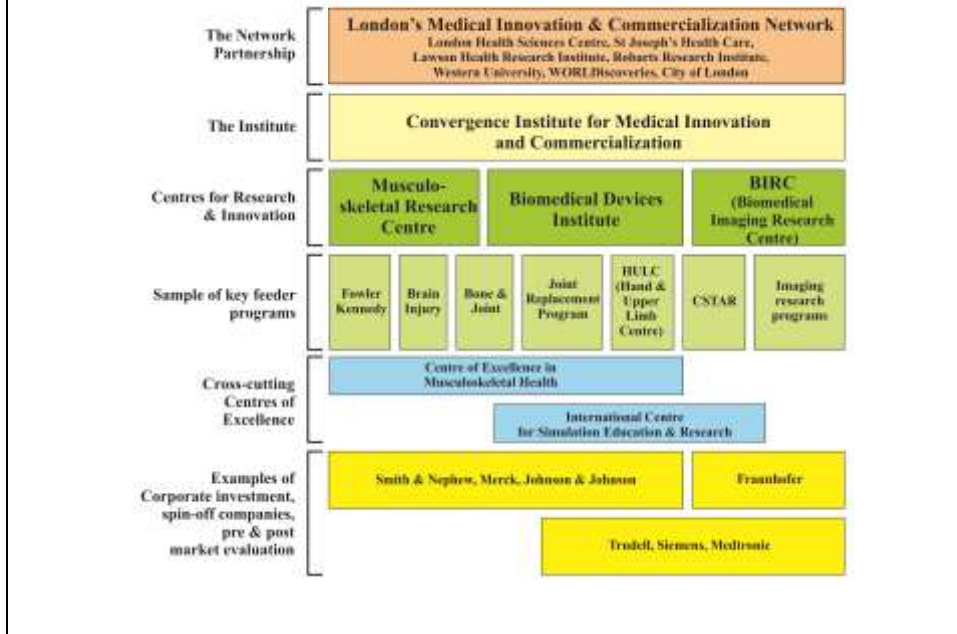
Michelle M. Campbell
President & CEO
St. Joseph's Health Care
Foundation
Vice-President – Fund
Development
St. Joseph's Health Care London

The vision

**An interdisciplinary
collaborative network
of research excellence
that will place London
at the leading edge of
translational research
medical innovation,
application, and
commercialization**



The overarching relationships



A proven track record in commercialization

Since 2008, Robarts, Lawson & Western have collectively:

- generated \$24.3 million in commercial income (4th highest in Canada)
- secured 151 Issued patents world-wide
- executed 66 licensing agreements
- established 18 new spin-off companies employing more than 40 people



A proven track record in economic impact

Using the Lawson Health Research Institute as an example:

- **Currently employs 1,200 individuals with approximately \$25M in earnings paid out to Londoners annually and \$15M in annual revenue generated in the local economy**
- **Approximately \$21M in external services purchased annually**
- **The imaging program (BIRC) alone has brought in over \$100M in new equipment funding through provincial and national competitions**

Creating 350+ new jobs

- **Immediate impact of construction**
- **Create new knowledge-based, sustainable jobs through:**
 - **the recruitment of leading scientists, engineers and clinical researchers at the convergence of life sciences, physical sciences, engineering and imaging**
 - **attracting biotechnology based industry, including medical devices, to an integrated research & development centre**
 - **350 high paying professional jobs in London**

Economic stimulation

- **Provide an immediate boost to the London economy through a significant infrastructure build of a value of 75 – 80M**
- **Provision of core business and management expertise**
- **Provision of seed-capital for “open and distributive” innovation concepts**
- **52.5M in sustainable long term revenue generation based on current hiring projections**

Infrastructure development

- **Development of national and international centres of excellence that reflect the existing strengths of the health sector**
- **Enhanced interdisciplinary programs for high quality personnel (HQP) in entrepreneurship and translational research**
- **Development of a core physical space/presence to facilitate “convergence” and define the niche**
- **Infrastructure for pre-clinical and clinical evaluation and validation of new techniques (in real time)**

The enablers

Patient Care

- World class hospitals and clinical facilities working towards a common goal
- Advanced patient registry and database management
- Fowler Kennedy Clinic
- Hand and Upper Limb Centre (HULC)

Research

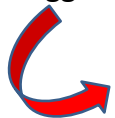
- CSTAR and developing Schulich International Simulation Education initiative
- GLP-accredited pre-clinical testing animal facility
- National leader in musculoskeletal research
- Western research excellence clusters program

Business Development

- WORLDiscoveries
- Ivey Centre for Health Innovation
- TechAlliance, CIMTec, LEDC
- Stiller incubation centre

The funding opportunity (80 – 100M)

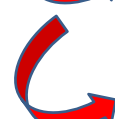
Your investment of 10M from the Medical Research fund will trigger:



An immediate match of \$10M from Western University



A commitment to raise another \$10M from Western University



A Fed Dev application (currently 920M over 5 years – the timing is right for London to aggressively pursue these funds)



A CFI infrastructure application

The Convergence Institute



Meeting the City of London & IEPC expectations

Business retention, growth & attraction <ul style="list-style-type: none">- industry linkages, spin-off company opportunities- entrepreneurial opportunities	✓
Retain & attract talent <ul style="list-style-type: none">- youth opportunities- attract educated professionals critical to a knowledge-based economy	✓
Develop labour force <ul style="list-style-type: none">- builds infrastructure and fuels educational opportunities	✓
Community economic development <ul style="list-style-type: none">- immediate & sustainable economic impact	✓
Visitor attraction <ul style="list-style-type: none">- heightened profile & reputational enhancement- health and wellness reputational enhancement	✓
International differentiation	✓

Appendix G: Council Resolution- October 22, 2013

October 23, 2013

M. Hayward

Managing Director, Corporate Services and City Treasurer, Chief Financial Officer

H. Filger

Director of Corporate Investments and Partnerships

I hereby certify that the Municipal Council, at its session held on October 22, 2013 resolved:

7. 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 with respect to the development of London's Medical Innovation and Commercialization Network:

- a) the draft London Medical Innovation and Commercialization Network Governing Council Terms of Reference, as appended to the staff report dated October 15, 2013, BE ENDORSED;
- 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 undertake all the administrative acts that are necessary to formalize the above-noted 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, the Civic Administration BE DIRECTED to undertake all the administrative acts that are necessary to develop applications for additional project funding;

it being noted that the Investment and Economic Prosperity Committee heard a verbal update from D. Ross, President and CEO, London Health Sciences Foundation and D. Hill, Scientific Director, Lawson Health Research Institute, with respect to this matter. (7/12/IEPC)

C. Saunders

City Clerk

/rr

cc: Dan Ross, President and CEO, London Health Sciences Foundation, 747 Base Line Road East, London, Ontario, N6C 2R6

Michelle Campbell, President and CEO, St. Joseph's Health Care Foundation, Parkwood Hospital, Room B2131, 801 Commissioners Road East, London, Ontario, N6C 5J1

Chris Boucher, Associate Vice President, Development, London Health Sciences Foundation, 747 Base Line Road East, London, Ontario, N6C 2R6

Laurel Hardgrove, Campaign Director, St. Joseph's Health Care Foundation, Parkwood Hospital, Room B2131, 801 Commissioners Road East, London, Ontario, N6C 5J1

Dr. David Hill, Scientific Director, Lawson Health Research Institute, **750 Base Line Road**, Suite 300, London, Ontario, N6C 2R5

Dr. Michael Strong, Dean, Schulich School of Medicine and Dentistry, Western University, 1151 Richmond Street, London, Ontario, N6A 3K6

M. Daley, Specialist II - Corporate Investments & Partnerships

C. Dziedzic, Specialist II - Corporate Investments & Partnerships

Appendix H: LMICN Draft Terms of Reference

London Medical Innovation & Commercialization Network Governing Council

Terms of Reference

Background

Through research that will take place at the convergence of life sciences, physical sciences, engineering and imaging, the London Medical Innovation & Commercialization Network (LMIC Network) will translate medical discovery into products and processes that generate economic and social benefits in our communities locally, nationally and internationally. An innovative collaboration that includes The City of London, Western University, St. Joseph's Health Care London, London Health Sciences Centre ("the hospitals"), Schulich School of Medicine & Dentistry, Lawson Health Research Institute, and Roberts Research, the LMIC Network will bring together four foci of research and innovation into a Convergence Institute. The research and innovation foci are established areas of expertise where researchers from diverse disciplines come together in an interdisciplinary manner to perform translational research, develop innovative procedures and products, test their clinical application and commercialize their discoveries. In doing so, the expertise of otherwise separate entities are brought together in true partnership, building on collective strength in health care and research while simultaneously creating jobs and positively contributing to the economic growth in our community.

The LMIC Network is made up of the following four foci for research and innovation:

- A bone and joint innovation foci, which will be the home of world-leading musculoskeletal and orthopaedic research and development;
- A biomedical device institute coupled with an international simulation program, where researchers will develop and test new globally-significant patient care technologies and assistive devices;
- A Biomedical Imaging Research Centre (BIRC), where researchers will develop and test new patient care imaging technologies and techniques to be used around the world; and
- A traumatic brain injuries program, where researchers will lead the scientific understanding of the basic mechanisms involved in brain disease, acquired brain injury, and outcomes.

Meaning of Terms of Reference:

These Terms of Reference are meant to reflect the common intention of all partners. Although the Terms of Reference are not legally binding, they do represent values, approaches, and goals that are supported in good faith by all partners. As far as possible, these Terms of Reference propose

processes that are open, consultative, and collaborative and that also aim to produce desired outcomes.

Amendments to Terms of Reference:

Amendments to these Terms of Reference may be made at any time, by the Governing Council, in the same manner as these Terms of Reference were reviewed and affirmed.

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.

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:

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.

Decision-Making Model:

Adopting a network governance model, the Governing Council will, through all discussions and deliberations, focus on establishing, fostering and growing a network that is organized on the basis of mutual benefit for all parties. Recognizing the multi-disciplinary and multi-institutional make-up of the LMIC Network, decisions will be reached on a consensus basis. Consensus is defined as “a general agreement among a group of people that occurs when the entire group can support a decision without compromising important needs or values”. Consensus is achieved according to the following principles:

- a) Inclusive participation;
- b) Respect for diverse, multi-disciplinary, multi-institutional interests; and
- c) Accountability

The demonstration of consensus shall be documented in the meeting minutes.

A minimum number of 6 (six) Governing Council members, or their alternate (see section ‘Alternate Members’), and the Chair are required for consensus decision making.

Each partner group must be represented to contribute to the consensus decision making process.

Risk Management:

As a guideline, the Governing Council will follow “Best Practices” methodologies for managing risk, generally consisting of the following steps:

1. Identify potential risk(s)
2. Perform risk assessment(s)
3. Develop and document a plan for managing/mitigating identified risk(s)
4. Implement the plan(s)
5. Assess the outcome(s)
6. Repeat Steps 3, 4 and 5 if necessary.

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

Members of the LMIC Governing Council understand and agree to the time and participation requirements of their role.

Alternate Members:

Should a member be unable to attend a meeting, he or she must appoint an alternate to attend on their behalf. Alternates must have the ability and authority to speak and participate in consensus decision making on behalf of the member they represent.

Chair:

The Governing Council will be chaired by the Member at Large selected by the members of the governing committee.

Term of Membership:

Initial members of the Governing Council will serve for a term of one year or until the permanent Governing Council is appointed through the business planning process.

Frequency of Meetings:

At the call of the Governing Council Chair.

Agenda & Minutes:

The agenda, minutes and supporting documentation will be sent to members electronically three to five business days in advance of a Governing Council meeting. A list of action items will be sent to the Governing Council members the day following a meeting and the action items will also be captured in the minutes.

Resources:

Administrative support for the Governing Council will be provided by a member of the staff from the Dean's office, Schulich School of Medicine & Dentistry.

Reporting:

Each Governing Council member, as the senior leadership representative of their respective organization will be accountable for advising their respective Board of Directors (for the hospitals and Lawson Health Research Institute [both hospital boards]), their Provost and President (for Schulich School of Medicine & Dentistry and Western), and their Council and Mayor (for The City of London) of items of importance that may require their input or approval or as information only.

Conflict of Interest:

A Governing Council member who believes, or has reasonable grounds to believe, that he/she has a potential or real conflict of interest with a particular matter, must:

- a) Disclose the nature of the conflict of interest by reporting it directly to the Chair of the Governing Council;
- b) The disclosure must be reported in the minutes of the meeting;
- c) Withdraw from the matter or decision-making process that constitutes the conflict of interest;
- d) If the matter is such that the remaining members do not constitute a quorum, the remaining members shall be deemed as an appropriate quorum.

Approvals:

Add signature & date lines for each member to sign (titles and names to be entered below signature lines)

Date of Adoption of Terms of Reference:**Date of Last Review:**

London Medical Innovation & Commercialization Network Strategic Plan

Executive Summary

March 2014



London Medical Innovation & Commercialization Network Strategic Plan

Executive Summary

In an effort to materially advance innovation and industry in London's health care sector, leaders from across the city's health care community have united around a single vision and a common purpose, namely to harness the expertise of some of the world's top clinicians and scientists together with entrepreneurs and industry leaders to create a hub of innovation and a collaborative team-based network that will focus on resolving some of the world's more challenging health care problems and then commercializing these advances for economic and social gain.

This new \$124 million enterprise is called the London Medical Innovation & Commercialization (LMIC) Network and in a manner befit of such renowned, medically-intensive communities worldwide¹, London's health care sector is uniquely positioned to realize this vision and in doing so contribute immensely to a healthier world and a wealthier local economy.

Specifically, London's leaders seek to expand upon the community's extensive health care strengths by establishing the LMIC Network as a cross-discipline, world-class enterprise that will initiate, validate, translate and commercialize medical research and discoveries into market-ready health care solutions that generate employment and investment, prosperity and civic pride.



To accomplish this vision, the Network has set for itself six goals.

1. Create a series of integrated, team-based, medical innovation and commercialization hubs called Pillars² at strategic sites across the city that will capitalize on London's strength in health care delivery and research.
2. Add quantifiable economic value to London's economy, attract new industry and help create new knowledge-based, long-term jobs.
3. Collaborate with London's impressive hospital network and cache of health care assets to create better patient outcomes.

¹ Mayo Clinic, Cleveland Clinic

² A Network Pillar is a cluster of research and commercialization expertise in select fields of study that when co-located together lends itself to team building, innovation, problem-solving and the advancement of products and processes for social and economic good.

4. Create opportunities for long-term youth employment and local business.
5. Improve patient care locally, nationally and globally.
6. Operate the Network in a sound and financially self-sustaining manner.

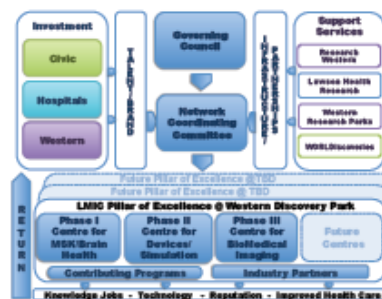
To accomplish these goals, the Network will begin by:

1. Converging London's existing research, clinical and commercialization strengths into a series of intense, team-based Medical Innovation Centres that, when co-located together, will serve as the LMIC Network's Pillars of Medical Research Excellence. The first such Pillar, which is earmarked for Western Discovery Park, is comprised of three new, complementary Medical Innovation Centres that will be clustered and commissioned in phases. They are:

- Phase I: The Centre for Musculoskeletal and Brain Health,
- Phase II: The Centre for Bio-Medical Devices and Advanced Simulation,
- Phase III: The Centre for Bio-Medical Imaging.

2. Augmenting existing research capacity and expertise with new Research Leaders to build a world-class, entrepreneurially-driven, research and innovation enterprise.
3. Surrounding the Network with reputed commercial companies at the global and early stage level, a cache of the community's top clinical testing and translational programs and a strong support infrastructure all contributing to problem resolution and improved health care.

4. Securing the first \$37 million cash investment needed to ignite the Network and deliver Phase I of this Strategic Plan, and the first of the three Medical Innovation Centres.



5. Enabling the Network and ensure its success through an inclusive and committed governance, coordinating, investment and support infrastructure.

The three Medical Innovation Centres selected to help kick start the first Pillar within the Network: Musculoskeletal and Brain Health, BioMedical Devices and Advanced Simulation and BioMedical Imaging, were determined by:

- the depth of the existing research teams and complementary fields of study,
- their accessibility to the translational, testing and validation strength of the various contributing programs within London's research hospitals,

- the number of industry partners that are already seeking opportunities to better interact with the research teams and even co-locate with them and,
- the team's proven ability to translate their research into innovative health care solutions that can be commercialized for economic and social benefit.

The returns from this potential opportunity are substantial and sustainable. The Strategic Plan conservatively estimates that the first Pillar will:

- Lead to the creation of nearly 400 new long-term jobs in the community.
- Contribute nearly \$40 million/year in value to the local economy.
- Generate an impressive Return on Investment of 60-percent.

Moreover, as outlined in the summary table below, the potential number of direct new jobs, new revenue and reputation-earning technologies and new investment in local infrastructure is quantifiable, measurable, and significant.

Economic Contributor	YR5	YR7	YR10
Direct New Jobs			
- Research	60	111	150
- Industry Co-Location	50	84	122
- Early Stage/Entrepreneurial	19	56	116
Total Direct New Jobs (#)	129	251	388
New Licensed Technologies (#)	25	55	103
Infrastructure Investment (\$ millions)	58.5		

The Medical Innovation Centres, by virtue of the research that they are conducting, also have an opportunity to materially contribute to the improved health and well-being of nearly 20 million Canadians and over 1 billion people worldwide.

Overall, the LMIC Network is committed to blending London's roster of research excellence with global commercial interests and local business ingenuity to create positive social outcomes, including:

- new and improved health care products and processes,
- new local industry, entrepreneurs, and employment,
- advanced medical talent, tools and technology.

The Network will also establish itself as the national hub and premier destination for this work, allowing it to attract and retain the best and the brightest minds while trumpeting the community's brand and reputation across the country and around the world.

London's rich health care legacy and extensive array of medical and research assets has uniquely positioned the community to seize this opportunity and allow it to assume a place among the global leaders in health care. London now needs to act on this plan and deliver on its promise.

London Medical Innovation & Commercialization Network Strategic Plan

Acknowledgements

Below is a partial list of the many contributors to the preparation of this Plan.

Mr. Chris	Boucher
Dr. Arthur	Brown
Ms. Michelle	Campbell
Dr. John	Capone
Ms. Lyndsay	Caslick
Dr. Amit	Chakma
Ms. Susan	Crowley
Mr. Mat	Daley
Dr. Janice	Deakin
Dr. John	Denstedt
Dr. Jeff	Dixon
Dr. Tim	Doherty
Ms. Nicole	Farrell
Dr. Aaron	Fenster
Dr. Denise	Figlewicz
Mr. Harvey	Filger
Dr. Doug	Fraser
Mr. Murray	Glendining
Ms. Michelle	Hancock
Mr. Martin	Hayward
Dr. David	Hill
Dr. David	Holdsworth
Dr. Andrew	Hrymak
Mr. Dave	Humphreys
Dr. Tom	Jenkyn
Mr. Peter	Johnson
Dr. Gillian	Kernaghan
Dr. Peter	Kleinstiver
Ms. Gitta	Kulczycki
Dr. Robert	Litchfield
Dr. Steve	MacDonald
Dr. Gordon	MacDonald
Mr. John	MacFarlane
Mr. Dwayne	Martins
Ms. Lori	Matheson
Mr. Paul	Paolatto
Ms. Jennifer	Parraga
Dr. Bryce	Pickard
Ms. Mary Ann	Pollmann-Mudryj
Dr. Mike	Poulter
Dr. Frank	Prato
Ms. Therese	Quigley
Mr. Dan	Ross
Dr. Kevin	Shoemaker
Mr. Dan	Sinai
Mr. Clarke	Singer
Dr. Cal	Stiller
Dr. Michael	Strong
Mr. Joe	Swan
Mr. David	Tweddell
Dr. Jim	Weese
Mr. Peter	White
Mayor & City Council	



The MRF Challenge

1. Leverage London's impressive medical research and health care assets to attract investment and create wealth and prosperity.
2. Attract innovators and industry to drive job growth.
3. Create opportunities for youth employment, entrepreneurship and local business.
4. Expand London's reputation on the world stage.
5. Improve patient care both at home and abroad.

The Response

Advance innovation and industry in London's health care sector by:

- **Assembling some of the world's top clinicians and scientists and blending them with industry and entrepreneurs to create innovation teams**
- **Focusing these teams on resolving some the world's more challenging health care problems**
- **Commercializing these advances for economic and social gain.**

The Game Plan

- 1. Converge London's medical research, clinical and commercialization strengths into a series of team-based Medical Innovation Centres.**
- 2. Co-locate the Centres with industry and entrepreneurs into commercialization hubs called Pillars of Medical Research Excellence.**
- 3. The 1st Pillar, located at Western Discovery Park begins with three Centres focused on:**
 - I. Musculoskeletal and Brain Health**
 - II. Medical Devices and Advanced Simulation**
 - III. BioMedical Imaging**

The Game Plan (continued)

4. Augment existing research capacity with new Research Leaders to help build each Centre.
5. Embed within the Centres local and global industry leaders and utilize London's extensive cache of clinical testing and validation capabilities.
6. Secure initial investment to ignite the Network and establish the 1st Medical Innovation Centre.
7. Establish the necessary governance, coordinating, investment and support structure to deliver this Plan.

June-14

The LMIC Network

The Returns

- Initiative currently valued at \$124 million. (12x)
- Nearly 400 new long term jobs in research, industry and early stage companies.
- Estimated \$40 million in value to local economy annually.
- Estimated 60-percent Return on Investment.
- Nearly \$60 million in indirect employment.
- Medical advances from phase I alone could help 20 million Canadians and over 1 billion people worldwide suffering from MSK/Brain impediments.

June-14

The LMIC Network

The Benefits

- New and improved health care products/processes.
- New local industry.
- New entrepreneurs.
- Sustainable employment.
- Advanced medical toolsets.
- Highly skilled workforce.
- Internationally recognition.
- Continued excellence in health care.

June-14

The LMIC Network

Implementation Steps

- Strategic Plan completed and approved.
- Fed Dev application completed and submitted.
- Initial operating structure established.
- Contribution Agreement undergoing legal review.
- Centre-specific Plans undergoing further refinement.
- Additional funding apps, fundraising underway.
- Research Leader targeting/recruitment underway.
- Industry partner targeting/recruitment underway.

Groundbreaking Target: Fall 2014

June-14

The LMIC Network

Appendix K: Council Resolution- April 1, 2014

April 2, 2014

M. Hayward

Managing Director, Corporate Services and City Treasurer, Chief Financial Officer

I hereby certify that the Municipal Council, at its session held on April 1, 2014 resolved:

7. That the following actions be taken with respect to the London Medical Innovation and Commercialization Network Update:

- a) the attached Executive Summary and presentation dated March 2014, from Dan Ross, President and CEO, London Health Sciences Foundation and Paul Paolatto, Executive Director, WORLDiscoveries and Western Research Parks, with respect to an update on the London Medical Innovation and Commercialization Network, BE RECEIVED, with enthusiasm; and,
- b) the Contribution Agreement for the London Medical Innovation and Commercialization Network, BE PRESENTED to the Investment and Economic Prosperity Committee (IEPC), in two to three weeks.

(7/5/IEPC)

C. Saunders

City Clerk

/rr

cc: D. Ross, President and CEO, London Health Sciences Foundation, 747 Base Line Rd East, London, Ontario, N6C 2R6 P. Paolatto, Executive Director, WORLDiscoveries and Western

Research Parks, 100 Collip Circle, Suite 105, The Gordon Mogenson Building, London, ON
N6G 4X8