

The Regional Municipality of York

Committee of the Whole
Planning and Economic Development
April 7, 2022

Report of the Commissioner of Corporate Services and Chief Planner

ventureLAB 2021 Results

1. Recommendation

The Regional Clerk circulate this report to the Ministry of Economic Development, Job Creation and Trade, ventureLAB and the local municipalities.

2. Summary

This report provides Council with an update on ventureLAB's 2021 activities and results.

Key Points:

- ventureLAB, York Region's provincially recognized Regional Innovation Centre continued to support economic development and job growth through its services to the entrepreneurial tech community in 2021
- ventureLAB successfully secured an additional [\\$4.73 million in funding from the Federal Economic Development Agency for Southern Ontario](#) (FedDev Ontario) to expand the [Hardware Catalyst Initiative](#) making the total nearly \$10 million
- Council approved \$1.5 million over five years to further expand ventureLAB's HCI and attract foreign hardware and semiconductor related companies to York Region

3. Background

ventureLAB is the Region's provincially recognized Regional Innovation Centre

Founded in 2011, ventureLAB is the Region's provincially recognized Regional Innovation Centre. The service area covered by ventureLAB includes all 9 municipalities in the Region, Simcoe County and Muskoka District. Due to its proximity to Toronto and a "no wrong door" practice ventureLAB also services clients based in the City of Toronto.

ventureLAB is a not-for-profit organization that is part of a collaborative provincial innovation and entrepreneurship network called the [Ontario Network of Entrepreneurs \(ONE\)](#). The network comprises 17 Regional Innovation Centres and 47 Small Business Enterprise

Centres, including four Small Business Enterprise Centres located in Markham, Richmond Hill, Vaughan, and Newmarket that serves the northern six municipalities.

As part of ONE, ventureLAB is mandated to advise and develop talented entrepreneurs to build world-class growth companies in Ontario. ventureLAB develops and delivers programs and services that target technology-based entrepreneurs starting and growing global enterprises. York Region is a founding member of ventureLAB, provides annual funding for program delivery and holds a seat on the Board of Directors.

Nearly \$12 million in Federal funding has led to the launch and expansion of two signature programs since 2020

ventureLAB's program offerings cater to tech entrepreneurs at different stages of development with varying needs. ventureLAB has leveraged funding from the Federal government to launch and expand two signature programs: The Hardware Catalyst Initiative and Tech Undivided.

The Hardware Catalyst Initiative is regarded as Canada's only hardware and silicon focused lab and incubator. The program received \$5 million in 2020 and an additional \$4.73 million in 2021 through the Federal Economic Development Agency for Southern Ontario (FedDev Ontario). The Hardware Catalyst Initiative enables small and medium-sized tech enterprises to accelerate commercialization while growing their businesses.

Tech Undivided helps to bridge gender and diversity gaps by better supporting women founders and leaders who are underrepresented within the tech sector. This initiative has received \$2 million in support through FedDev Ontario as part of the Women Entrepreneurship Strategy.

4. Analysis

ventureLAB continued to add value to the Region's economy in 2021

York Region has provided nearly \$1.6 million in core and program funding to ventureLAB since 2011. During this time, ventureLAB has helped 3,100 businesses create over 4,700 jobs across all service areas. This includes assisting 1,100 businesses and creating over 2,000 jobs in York Region, along with supporting these companies in raising more than \$80 million in private and public investment. In 2021, ventureLAB's programs have had tremendous results and serve in the long-term to drive innovation capacity.

2021 Highlights of the ventureLAB programming include:

- **Digital Main Street:** ventureLAB continued to support the Digital Main Street initiative in 2021 as the delivery agent in the Region, working closely with local Chambers of Commerce/Boards of Trade and the Small Business Enterprise Centres to execute innovation challenges to address business needs during the COVID-19 pandemic. The winning solutions (EAIGLE Inc., Wrmth, and inField Solutions) were implemented across 42 main street businesses, including 19 from York Region, and supported the maintenance of 153 full-time jobs.

- **[Capital Investment Program](#):** This program works with scale-ready companies to establish a long-term capital strategy by providing them with guidance and expertise through the entire fundraising process. From refining investment pitches to connecting founders with strategically aligned investors, the Capital Investment Program enables long-term success and business sustainability. The program expanded nationally to assist 64 companies in 2021. The participants successfully raised a record \$118 million in public and private funds, with 13 York Region-based participants accounting for \$10.18 million in total funds raised.
- **HardTech Conference:** Launched in June 2021 as the new annual signature tech event, replacing the Made in York Region event, the HardTech Conference is the first ever hardware focused tech conference for innovators, leaders and hardware enthusiasts. The sold-out conference was held over two days and had over 330 attendees from seven countries, eight sessions, 23 partners, 25 speakers and judges, and \$100,000 in cash and in-kind prize for the HardTech Pitch Competition (including \$10,000 from the [Entrepreneurship and Innovation Fund](#)).
- **Hardware Catalyst Initiative:** Onboarded 16 companies in two cohorts and engaged 18 new partners. Leveraging Hardware Catalyst Initiative success, ventureLAB led the founding of [Canada's Semiconductor Council](#) in May 2021. This group has declared an intent to lead the development of a national semiconductor strategy and action plan.
- **Tech Undivided:** ventureLAB onboarded 12 businesses in two cohorts and engaged eight new partners. These companies collectively generated \$1.67 million in revenue, raised \$3.88 million in capital, and created 40 jobs.

ventureLAB continued to support businesses from across York Region and results reflect ongoing recovery efforts from COVID-19 impacts

ventureLAB regularly conducts outreach and engagement activities with businesses across York Region. In 2021, 49 York Region based companies took advantage of ventureLAB programs. A summary of registered clients from 2019 to 2021 is shown in Table 1.

Table 1
New Registered Clients in York Region from 2019 to 2021

Year	2019	2020	2021
TOTAL	60	37	49

The overall number of new registered clients increased in 2021 compared to 2020, reflecting a partial recovery from the impacts of the COVID-19 pandemic. ventureLAB continues to assist the community and businesses to successfully navigate through the changing business landscape.

ventureLAB dispersed funding and supported 12 organizations through the Entrepreneurship and Innovation Fund in 2021

The Entrepreneurship and Innovation Fund is administered by ventureLAB on behalf of York Region. The fund was first launched in the fall of 2019 with an annual commitment of \$100,000. It continues to drive innovation and entrepreneurship throughout the Region by supporting high potential initiatives from early-stage start-ups, accelerators, incubators and community partners. Since its launch, a total of \$300,000 has been awarded to recipients through the program's three funding streams: Community Partners, Small Business & Entrepreneurs and a Pitch Competition (part of the HardTech Conference). In 2021, more than 70 applications were received and 12 organizations moved forward to receive funding. Based on these funding recipients, an anticipated 123 jobs were created or maintained. A full list of funding recipients for 2021 is found in Attachment 1.

Council approved \$1.5 million to support the expansion of the Hardware Catalyst Initiative and establishment of a soft-landing program for foreign-based hardware companies

Since its launch in 2020, ventureLAB accepted 24 companies into the Hardware Catalyst Initiative from over 90 applications (including several from outside of Canada), which led to the creation of 79 new jobs, the commercialization of 25 new products and 12 new patents. In [November 2021](#), Council authorized up to \$1.5 million from the Innovation Investment Fund to support the expansion of the Hardware Catalyst Initiative and to enable the attraction of foreign hardware and semiconductor companies to the Region. This five-year funding commitment will commence in 2022 and is expected to onboard 34 new domestic and foreign businesses, enabling the creation of 145 new jobs in the Region.

5. Financial

Annual \$250,000 funding for ventureLAB is included in the Region's approved annual budget to deliver core services and for the Entrepreneurship and Innovation Fund. New in 2022 is a contribution of \$341,470 from the Innovation Investment Fund to support the expansion of the Hardware Catalyst Initiative and the creation of a "soft landing" program to enable foreign-based hardware companies to establish operations in the Region. This is the first of five annual payments for this purpose.

6. Local Impact

ventureLAB serves as an innovation and commercialization hub for technology companies in York Region across all nine local municipalities. ventureLAB delivers services and activities to businesses to promote economic success and growth of enterprises looking to commercialize products and services. These services complement the work of local economic development teams and support overall network development which includes the four Small Business Enterprise Centres as well as innovation hubs and business accelerators across the Region.

7. Conclusion

Regional Innovation Centres across the Province, like ventureLAB, continue to support development and delivery of programs and services that target technology-based entrepreneurs seeking to start or grow a business. ventureLAB is a key delivery partner with the Region and plays a critical role with innovation initiatives that will help drive Regional economic growth and job creation. By taking a leadership role in supporting Canada's semiconductor hardware capacity, ventureLAB intends to positively impact a broad range of industries in York Region, across Ontario and throughout Canada.

For more information on this report, please contact Jonathan Wheatle, Director at 1-877-464-9675 ext. 71503. Accessible formats or communication supports are available upon request.

Recommended by:



Paul Freeman, MCIP, RPP
Chief Planner



Dino Basso
Commissioner of Corporate Services

Approved for Submission:



Bruce Macgregor
Chief Administrative Officer

March 24, 2022
Attachments (1)
13663637