



**ECONOMIC AND CREATIVE
DEVELOPMENT
MEMORANDUM**

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TO: MAYOR A. NUTTALL AND MEMBERS OF COUNCIL

FROM: S. SCHLICHTER, DIRECTOR, ECONOMIC AND CREATIVE DEVELOPMENT, EXT. 5036

WARD: ALL

NOTED: B. ARANIYASUNDARAN, P.ENG, PMP, GENERAL MANAGER OF INFRASTRUCTURE AND GROWTH MANAGEMENT

M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RE: REGIONAL INNOVATION CENTRE APPLICATION – SANDBOX CENTRE REQUEST

DATE: JUNE 19TH, 2024

The purpose of this Memorandum is to provide members of Council with an update concerning the Call for Proposals issued by the Ministry of Economic Development, Job Creation and Trade (MEDJCT) in follow-up to the Provincial budget announcement that allocated funding for the creation of a Regional Innovation Centre (RIC) in Barrie and the associated planned application from the Sandox.

Regional Innovation Centre Background

Regional Innovation Centres (RIC) help Ontario's entrepreneurs and innovators succeed in international markets by helping them work through the challenges of developing their ideas to make them marketable and attract talent, capital and customers. RICs are a catalyst for innovation in their communities with a primary goal of connecting the ecosystem (academic, institutional and industry) and streamlining regional support for entrepreneurs.

There are 17 RICs in Ontario varying in size and sector focus, however, the closest RIC to Barrie is 92 kms south, located in Markham and the closest RIC to the north being nearly 250 kms away in North Bay. With these RICs being based in different municipalities and regions, the core service offerings are not delivered within the Simcoe County catchment area, resulting in different regional priorities that do not align with Central Ontario's urban-rural focus.

The economic impact of a provincially-supported RIC in Barrie is expected to be substantial both in Barrie and across the broader region, contributing to employment, an increase in the number of firms, GDP growth, intellectual property development, the emergence of high potential companies, and the commercialization of products.

On March 26th, 2024, the Ontario budget announcement included an investment of \$1 million per year starting in 2024-25 in the Ontario RIC network. This funding announcement included the launch of a new RIC in Barrie.

On June 10th, 2024, the province issued a call for proposals for establishing a Barrie RIC, with a submission deadline of July 9th, 2024.

Municipal or regional economic development agencies, Small Business Centres, Angel investor organizations and post-secondary institutions are ineligible to apply.

Role of the Sandbox Centre

The Sandbox has announced their intent to apply to serve as the Regional Innovation Centre for Barrie and have provided correspondence to Council to that effect, along with a request for funding to support the completion of their submission.

Sandbox's foundational business plan and business case for its establishment is rooted in RIC-like programming and services, such as scaling early-stage and medium-sized companies, IP and commercialization. They have established core services that are in line with RIC wrap-around supports that bring connectivity to their founders including peer circles, early-stage entrepreneurs-in-residence and an online platform.

Sandbox has established their physical presence in the core of downtown Barrie, facilitated through the use of city-provided space, creating a home for entrepreneurs and founders with training, hot desk space and mentorship opportunities.

Sandbox have been diversifying their revenue streams to support their operating model. By having a corporate sponsor model and member model that are typical in a RIC to support revenue generation, this shows the Province that they are able to leverage and operate beyond any provincial contribution.

Invest Barrie staff have been involved in the community consultation stage, supporting MEDJCT in sharing information to the broader eco-system, and providing input into the regional business case for an innovation network. In addition, the Georgian College Henry Bernick Entrepreneurship Centre has been

Sandbox Governance Structure

Sandbox has identified that should it be successful in its application, changes to their Board composition and overall governance will be required to align with the skills and expertise reflective of a RIC and to strategically guide the growth of the RIC in Barrie.

Sandbox Funding Request

The Sandbox Centre has requested support from the City in the form of a letter of support to MEDJCT as part of the submission package along with funding of up to \$25,000 to support with formalizing their written application and guidance with the development of the proposal.

The detailed submission requirements include a program program delivery plan, business plan and methodology, a full suite of KPI's and associated measurement tools, budget, marketing and contingency plans all related to the goals of a Regional Innovation Centre.

Given the magnitude of application and scope of requirements in the call for proposals and the July 9th deadline, the Sandbox is requesting additional financial support from the City of Barrie to engage a professional consultant with RIC business plan development experience to help guide the application to completion.

Staff in Economic and Creative Development intend to continue support of the Sandbox Centre in completing their application and will have the opportunity to review in advance of submission. Any future impacts or support of the Sandbox Centre as the RIC will be brought forward to General Committee as required for consideration.