

RESEARCH PARK ECONOMIC DEVELOPMENT OPPORTUNITIES - OPTIONS AND ACTIONS

RECOMMENDATION

That the March 22, 2023, Urban Planning and Economy report UPE01185, be received for information.

Requested Council Action	For Information		
ConnectEdmonton's Guiding Principle	ConnectEdmonton Strategic Goals		
CONNECTED This unifies our work to achieve our strategic goals.	Regional Prosperity		
City Plan Values	THRIVE		
City Plan Big City Move(s)	Catalyze and Converge	Relationship to Council's Strategic Priorities	Economic Growth
Corporate Business Plan	Transforming for the Future		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none"> • The City Plan • Economic Action Plan 		
Related Council Discussions	<ul style="list-style-type: none"> • CR_1578, Edmonton Research Park - Proposed Change in Vision, Executive Committee, August 19, 2014 • CR_1619, Edmonton Research Park - Revised Business Models, Governance Options and Financial Implications, Executive Committee, January 20, 2015 • CR_3130, Edmonton Research Park - Operating Requirements, City Council, November 27, 2015 • CR_8373, Edmonton Research Park Surrender Agreement, City Council, October 19, 2020 • FCS00541, Future Use of Research Park Buildings, Executive Committee, June 28, 2021 / City Council, July 5, 2021 • FCS00886, Edmonton Research Park Overview (K. Tang), Executive Committee, March 23, 2022 • FCS00737, City-Owned Research Park Buildings Competitive Public Offering Update, Executive Committee, March 23, 2022 		

RESEARCH PARK ECONOMIC DEVELOPMENT OPPORTUNITIES - OPTIONS AND ACTIONS

Previous Council/Committee Action

At the March 23, 2022, Executive Committee meeting, the following motion passed:

That Administration engage with businesses in the Research Park and government funded economic development partners to provide options and actions to advance economic development opportunities including but not limited to life science, research and development in the Edmonton Research Park in alignment with the principles in the Economic Action Plan and return to Committee.

Executive Summary

- The City-owned land in the Edmonton Research Park (ERP) is mostly sold and/or developed and there are limited governance opportunities to impact new development. Future opportunities lie primarily with business retention and expansion.
- This report reviews what Administration heard through engagement, highlighting stakeholder feedback that the infrastructure, governance and vision of the ERP should be modernized.
- ERP stakeholders identified a number of options and actions to advance economic development opportunities. The fulsome list can be found in Attachment 1.
- From this list, Administration identified four actions that the City could reasonably implement:
 1. Convene a multi-stakeholder advisory group.
 2. Develop and clearly communicate a vision statement that reflects a modern research park to help promote business retention and expansion opportunities.
 3. Draft a strategy to maximize land use, in particular for the Southlands area, in alignment with The City Plan and the existing restrictive covenant.
 4. Improve the awareness and understanding of the restrictive covenant.
- Without further direction, Administration will implement Action 1, while continuing to manage the park in its capacity as Park Authority and continuing to support ERP stakeholders through current business support and investment attraction.
- If Committee desires to pursue Action 2, 3 and 4, Administration requires direction because the actions exceed the City's responsibilities as Park Authority.

REPORT

At the March 23, 2022 Executive Committee meeting, the City finalized the process to sell two City-owned buildings that are located in the ERP: the Advanced Technology Centre (ATC) and Research Centre 1 (RC1). At this meeting, ERP stakeholders expressed concerns to Executive Committee regarding the park's current state. Executive Committee directed Administration to undertake engagement to identify options and actions to support economic development in the ERP.

RESEARCH PARK ECONOMIC DEVELOPMENT OPPORTUNITIES - OPTIONS AND ACTIONS

Edmonton Research Park (ERP) Background

The ERP is a 104 hectare plot of land located south of 23 Avenue NW between 91 Street NW and Parsons Road. The ERP was created to promote research and advanced technology in the city. The ERP has a history of successful research and development companies creating made-in-Edmonton products and services. Currently, businesses located in the ERP are advancing research and development in many sectors, including medicine, biotechnology, software, life sciences, engineering, manufacturing, nanotechnology and clean energy.

Through its biotech land lease program, the City provides support to ERP businesses. The biotech lease allows qualified biotech companies to lease land for \$1 per year with a 10-year option to buy the land at market price at the time the lease was signed. As of 2022, 96 per cent of available lands through the program are developed or committed to future development. On-site programming, previously delivered by Edmonton Economic Development Corporation, is no longer available. The programming included targeted info-sessions, on-site access to experts and professionals and networking events.

Restrictive Covenant

A restrictive covenant registered on ERP properties includes the Edmonton Research Park Development Standards and Design Guidelines (Attachment 2) and intends to "create and maintain an outstanding environment for performing research-based activity." The restrictive covenant includes regulations that control the planning, construction, maintenance and use of land and buildings within the park. The regulations contained within the restrictive covenant are equal to, or more restrictive, than the Industrial Business Zone regulations of the Edmonton Zoning Bylaw 12800 and the proposed Business Employment Zone of the draft Zoning Bylaw.

The Development Standards and Design Guidelines describe the responsibilities of the Park Authority. The Park Authority was created "to develop, market and manage research parks in Edmonton, and to engage in activities intended to promote research and advanced technology enterprise in the City." The Park Authority's main function is to regulate development in ERP by executing land sales and lease agreements and setting policy. Administration assumed the role of Park Authority in 2020 through the Financial and Corporate Services report CR_8373 Edmonton Research Park Surrender Agreement, presented at the October 19, 2020, City Council meeting.

Options and Actions Within the City's Jurisdiction

Administration engaged stakeholders (detailed in this report's Community Insights section) to compile options and actions identified by the community. Attachment 1 provides a fulsome list of the options and actions proposed by the ERP stakeholders to advance economic development opportunities. Administration identified the party best suited to implement each action, priority rankings to reflect how many stakeholders identified the action and/or indicated its relative priority and then estimated the magnitude of the cost to implement.

From the suggested actions, Administration identified four potential actions. Administration will implement Action 1 as it falls within the City's responsibility as Park Authority, as identified in the

RESEARCH PARK ECONOMIC DEVELOPMENT OPPORTUNITIES - OPTIONS AND ACTIONS

restrictive covenant. Executive Committee direction is required to implement Actions 2 to 4 because those actions exceed Administration's responsibility as Park Authority.

The options and actions identified in this report closely reflect the recommendations made in Attachment 2 of the January 20, 2015, Executive Committee report CR_ 1619 Edmonton Research Park - Revised Business Models, Governance Options and Financial Implications. These recommendations did not receive funding in the 2015-2018 budget cycle.

1. Convene a Multi-stakeholder Advisory Group for the ERP

Administration heard the desire to have a multi-stakeholder advisory group to provide guidance on economic development in the ERP. Suggested membership includes: members of post-secondaries, ERP stakeholders, economic development organizations and community organizations that serve equity-deserving groups.

The advisory group could support the advancement of economic development in the research park by making recommendations on and/or implement the following actions suggested by ERP stakeholders:

- Create a modernized vision for the ERP.
- Coordinate and support events and networking opportunities to foster community development and innovation in the ERP.
- Create opportunities for economic development organizations to have an onsite presence in the ERP to provide services directly to businesses.
- Inform where and what types of investments could be made in outdoor amenities such as sidewalks, gathering spaces and natural areas.
- Identify if programming or incentives tailored to the ERP would advance economic development, and if so, what they could be.

The City will support this group as a facilitator and the solutions will likely be community led.

2. Modernize and Clearly Communicate the Vision for the Edmonton Research Park (ERP)

While the restrictive covenant outlines the general objective of the ERP, a vision statement is not clearly defined or communicated. While the majority of the land in the ERP is either developed or sold, there are still business retention and expansion opportunities as companies grow and properties change hands. A vision statement, supported by a communications strategy, would inspire action toward shared goals and would articulate to stakeholders and potential investors why the ERP is an asset.

3. Create a Strategy to Maximize Land Use in the ERP in alignment with The City Plan

Nearly all of the shovel-ready land in the ERP is developed or is committed for future development. This strategy would seek to increase development on existing parcels as may be permitted under the current restrictive covenant guidelines and seek solutions to developing the Southlands portion of the ERP. Increasing intensity on existing parcels would likely take the form of the construction of mixed-use buildings on vacant lots.

RESEARCH PARK ECONOMIC DEVELOPMENT OPPORTUNITIES - OPTIONS AND ACTIONS

The Southlands refers to the southern half of the ERP lands and is owned by the Government of Alberta. The land is largely unserviced, does not have a restrictive covenant registered against its title(s) and requires the City to initiate discussions with the Government of Alberta. This area potentially holds the most opportunity for future economic development outcomes.

4. Educate ERP Building Owners and Tenants on the Restrictive Covenant

Engagement revealed stakeholder awareness and understanding of the restrictive covenant is generally low. Communicating the process as to how the City as Park Authority determines compliance with the restrictive covenant would enhance the understanding of what type of business activities are permitted in the park, enabling further economic development opportunities.

Budget / Financial Implications

Should Executive Committee direct Administration to pursue any of the actions or options identified in this report, Administration would conduct a detailed cost analysis and return to Executive Committee with any new financial or budget implications. Council approval would be required for any potential financial or budget implications.

COMMUNITY INSIGHTS

Administration heard diverse perspectives on how best to guide economic development. Overall, stakeholders noted the infrastructure and restrictive covenant guidelines are dated, with limited updates since the ERP's inception in the 1980-90s. Stakeholders also told Administration that the ERP does not have a clear vision. While some stakeholders suggested the restrictive covenant be removed completely to enable the free market to determine the ERP's future development, Administration overwhelmingly heard that maintaining the ERP as a research park would provide the most benefit to Edmonton. The full engagement methodology and findings from each phase are found in Attachments 3-5.

GBA+

Administration completed a GBA+ assessment to inform engagement and analysis. Through the engagement process, Administration sought insight to ensure the ERP is a diverse, inclusive and equitable place to do business. The engagement resulted in the following findings:

- Raising awareness of the ERP amongst diverse groups of people could increase the diversity of business ownership in the ERP.
- 76 per cent of respondents to the survey detailed in Attachment 3 said they felt people of all cultures and backgrounds could succeed at the park and feel valued at the ERP.
- Stakeholders feel the ERP is very culturally diverse but lacks gender diversity as very few women work within the ERP.

Recommendations related specifically to GBA+ are as follows:

RESEARCH PARK ECONOMIC DEVELOPMENT OPPORTUNITIES - OPTIONS AND ACTIONS

- Consider community development organizations as part of the proposed advisory committee to provide diversity, inclusion and equity perspectives to the vision, strategy and program development in the ERP.
- Increase awareness of the ERP with more diverse groups of people, specifically women, by engaging with economic development organizations or industry groups who work with entrepreneurs from equity-deserving groups.

ATTACHMENTS

1. Complete List of Options and Actions Identified Through Engagement
2. Restrictive Covenant Development Standards and Design Guidelines
3. Edmonton Research Park What We Heard Report - Phase 1
4. Edmonton Research Park What We Heard Report - Phase 2
5. Edmonton Research Park What We Heard Report - Phase 3