

SUMMARY OF BIOTECH LEASING PROGRAM

In 1996, there were a number of vacant land parcels at the Edmonton Research and Development Park (Park). Economic Development Edmonton (EDE) was delegated authority to market and sell or lease these lands, to occupants devoting a minimum portion of their activity within the Park to research and development. The sale or lease of parcels were to be at market value.

The Park is subject to Development Standards and Design Guidelines (Restrictive Covenant), registered on the lands in 1990. The Restrictive Covenant sets a research requirement area within the Park (south of 23 Avenue and east of Parsons road), such that research and development activity must exceed a minimum of 15 per cent of the total activity on the site.

In 1997, EDE brought forth a motion to allow below market leasing of lands to companies proposing to develop biotech facilities / labs on a site located within the Park, and the motion was approved by City council on October 28, 1997. Special consideration was given to the biotechnology industry due to the substantial financial incentives then offered by other municipalities. Attracting biotechnology companies was highly competitive.

The approved biotechnology leasing program allows for the below market lease of lands, for an initial 10-year period, to allow an enterprise to build its facility and reach commercial operation. During this initial 10-year period, the tenant may lease the lands for \$1 per year, and is granted an option to purchase the lands at a market sale price negotiated at the commencement of the lease. If the tenant does not purchase the land during the initial lease term, the lease will convert to a market rate lease for the lands in an undeveloped state (land lease).

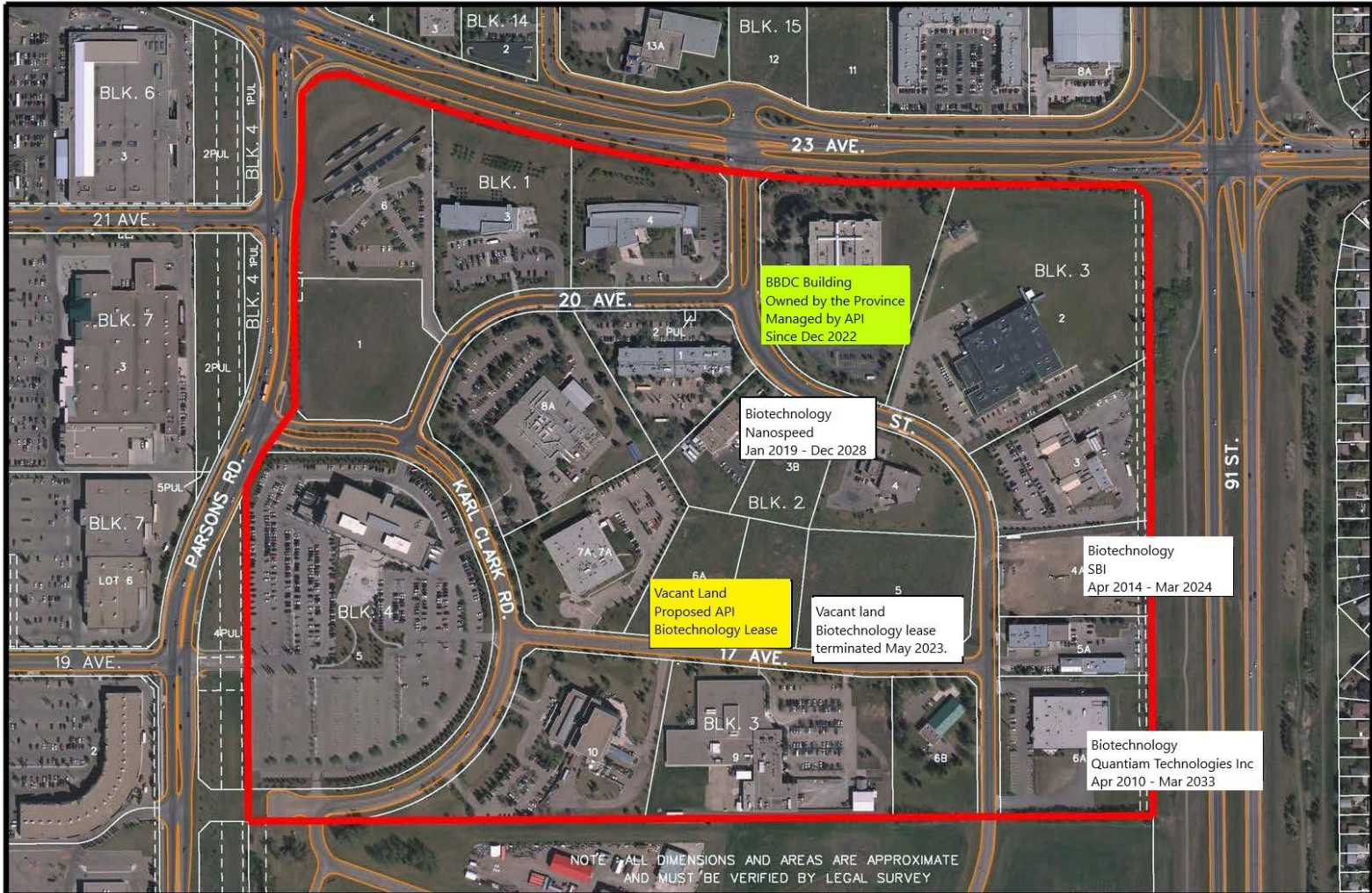
In December 2020, the agreement between the City and EDE (then known as Edmonton Economic Development Corporation or EEDC), was terminated and authority to lease or sell the remaining ERP lands was returned to the City. City Administration has been honouring the Biotech Lease Program due to the success that it has achieved to date. The Program is restricted to the Research Park.

As shown on the following map of the research intense area of the Park, the current status of biotechnology leasing is:

- SBI BioEnergy Inc, initial lease term April 2014 to March 2024. The tenant has expressed an interest to continue on a market rate lease until it is able to purchase the land.

Attachment 4

- Quantiam Technologies Inc, initial lease term April 2010 to March 2020. Executive Committee granted a lease extension to March 2023 (May 2019, CR_6979). The lease was extended at market rate in April 2023. The tenant has since exercised their option to purchase the lands.
- 1715940 Alberta Inc, operating as Nanospeed Diagnostics Inc, initial lease term January 2019 to December 2028. The tenant completed construction of its facility in 2022. The tenant started in the Park by leasing office and lab space at the City owned Advanced Technology Centre and grew within the Park to its current day operation.
- Applied Pharmaceutical Innovation (API), proposal to lease lots 6A and 6B on 17 Avenue, under this August 30, 2023, Financial and Corporate Services report FCS01899. This tenant now manages the Biotechnology Business Development Building (BBDC) within the Park. If successful, it will build its Applied Life Science Campus, to include a manufacturing facility for the Canadian Critical Drug Initiative (CCDI) and additional lab components to support current and future clients and tenants of the BBDC building.
- Vacant Land (Lot 5 on 17 Avenue). This lot has been under biotechnology lease a few times, but tenants have not been successful in achieving the predevelopment conditions. API has expressed interest and a proposal to lease may be returning to Executive Committee in Q4 2023.



REAL ESTATE
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EDMONTON RESEARCH AND DEVELOPMENT PARK

(APPROX. AREA =44.92 ha)

