

SUMMARY OF BIOTECH LEASING PROGRAM

In 1996, there were a number of vacant land parcels at the Edmonton Research and Development Park (ERP). 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 ERP to research and development. The sale or lease of parcels were to be at market value.

The ERP 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 ERP (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 ERP, 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 ERP.

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

- SBI BioEnergy Inc, initial lease term April 2014 to March 2024. The tenant has exercised its option to continue the lease until March 2034, now at a market land only lease rate, until it is able to purchase the land. The tenant can opt

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to purchase the land, at the 2014 guaranteed price, at any time during the extension.

- 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 ERP by leasing office and lab space at the Advanced Technology Centre, and grew within the ERP to its current day operation.
- Applied Pharmaceutical Innovation (API), initial lease term August 2023 to December 2033. The tenant is in progress of building its facility.
- Applied Pharmaceutical Innovation (API), proposal to lease the last available lot, under this June 19, 2024, Financial and Corporate Services report FCS02378. API currently manages the Biotechnology Business Development Building (BBDC) within the ERP, co-chairs the ERP Advisory Committee, serves as the ERP Steward, and has commenced development on the land adjacent to this proposed lease land. If successful, API will expand its Applied Life Science Campus currently under development.

