



Backgrounder – Discovery Parks Trust

Discovery Parks is a social enterprise whose mission is to improve the support and facilities for technology and scientific research and development within the province of BC. Discovery Parks Trust is BC's leading operator of office and laboratory research space for the technology and life science sectors. By housing spin-off companies and those seeking to develop strong relationships with post-secondary institutions, Discovery Parks' multi-tenant facilities provide an essential bridge between industry and academia in BC for knowledge and technology transfer.

As a private enterprise, Discovery Parks is able to maintain market discipline and efficiency, keep debt and financial risk away from governments and institutions, and ensure the relatively-fast decision making necessary to successfully develop and operate commercial real estate assets. Because DPT exists for the benefit of its partner institutions rather than private investors, its profits are returned to the universities to fund further research.

In total, over \$12.6 million in cash has been returned to Discovery Parks beneficiaries to fund academic research while also building over 500,000 sq ft of technology and knowledge transfer facilities on the beneficiaries' campuses. These facilities house spin-off companies as well as companies wishing to build stronger relationships with the academic institutions. In turn, these companies create jobs including co-operative education and intern positions for the science and technology-oriented knowledge workers being produced by the schools.

Key to Discovery Parks' success is that it acts as a risk-transfer mechanism for the academic institutions by assuming the business risk for projects. Discovery Parks leases the land from the universities, secures private financing, builds the physical structures, and operates the building – including maintenance and tenant acquisition and servicing. Discovery Parks has built a important relationships with a number of major institutional investors allowing them to successfully leverage their balance sheet.

A particular focus for Discovery Parks is supporting small and start-up companies. These companies are typically seen as high risk for commercial landlords because they have no commercial track record, often require small footprints in early days, but often with requirements for expensive wet and dry lab tenant improvement and they often require flexibility in their leasing arrangements as they grow and prosper.

Discovery Parks was founded nearly 30 years ago by the visionary Dr. Patrick McGeer, then Minister of Education for the Province of BC. The provincial government endowed Discovery Parks with 80 acres of land in Burnaby (now known as Discovery Place) and funded the construction of a 100,000-square-foot incubator. By investing in Discovery Parks, and leveraging its commercial market expertise, the Province has helped to create a vibrant technology industry in BC - one with a strong community footprint and where BC post-secondary institutions have developed a global reputation for technology transfer leadership.

Discovery Place, the original endowment, is home to several major technology firms including Electronic Arts Canada, Kodak Graphic Communications (former CREO), Xenon Pharmaceuticals, HSBC's global e-commerce development centre, MDS's research labs, and the Open Learning Agency. Discovery Place is also home to a number of smaller firms housed in multi-tenant facilities.

Discovery Parks has made a strong commitment to environmental sustainability is a national leader in Green building development. Discovery Parks was responsible for building Canada's first LEED-certified lab building in 2003 and its latest site, Discovery Green in Burnaby, meets high LEED-Gold Standards. Sustainability features within Discovery Green include rainwater harvesting, variant refrigerant flow technology for low-cost heating and cooling, zero greenhouse gas emissions, high-efficiency lighting, and use of locally made and recycled materials wherever possible.

This focus on green buildings helps BC's technology companies attract and retain talented workers. Incorporating elements such as abundant natural lighting, green spaces and outdoor walking paths into the building design provides a high-quality work environment, while the sustainability ethos appeals to the socially responsible modern worker.

Between 1992 and 2006, Discovery Parks:

- Invested more than \$22 million of cash equity in research parks in BC, helping to drive BC's thriving knowledge economy.
- Pioneered the design, financing, construction and leasing of cost-effective, flexible spaces for spin-off companies on campus – a model that is now used across North America
- Developed, operated and owned seven technology transfer buildings on campuses belonging to four beneficiary institutions
- Provided more than \$12.5 million in cash transfers from the net operating profits of real estate to fund academic R&D
- Transferred virtually all legal, financial and political risks away from the beneficiary institutions while encouraging and aiding their technology-transfer operations
- Kept all debt off-book to the government and therefore unfunded by BC taxpayers
- Provided a unique and successful business model for other Research Parks
- Was awarded the coveted Best Science Park Award from the Association of University Research Parks in 2002, the only non-U.S. recipient ever to receive this award
- Directly and indirectly created nearly 2 million square feet of high-tech space to promote the growth of BC's technology industry