



Backgrounder – Discovery Parks Trust

Discovery Parks Trust (DPT) is a social enterprise focused on providing supportive infrastructure to BC's scientific research and technology development communities. By housing spin-off companies and those seeking to develop strong relationships with post-secondary institutions, Discovery Parks' multitenant facilities provide an essential bridge for knowledge and technology transfer between industry and academia in BC.

As BC's leading operator of office and laboratory research space for the technology and life sciences sectors, Discovery Parks focuses on supporting start-up companies. Often viewed as high-risk for landlords due to their lack of commercial track record, these companies require a different style of landlord. While often requiring small footprints in their early days, these companies often need expensive wet and dry lab tenant improvements, as well as flexibility in their leasing arrangements as they prosper and grow and require more space.

Key to Discovery Parks' success as a partner to academia is its role as a risk-transfer mechanism for the academic institutions – assuming the business risk for infrastructure projects. Discovery Parks leases the land from the universities, secures private financing, builds the physical structures and manages building operations – including maintenance and tenant acquisition and servicing. Discovery Parks has established important relationships with a number of major institutional investors, allowing them to successfully leverage their balance sheets.

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 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, Discovery Parks has returned more than \$12.6 million in cash to its beneficiaries to fund academic research while also building over 500,000 square feet 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, the companies create jobs including cooperative education and intern positions for the science and technology-oriented students who will become the next generation of highly skilled workers that drive the knowledge economy.

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 business incubator. By investing in Discovery Parks and leveraging its commercial market expertise, the Province has helped to create a vibrant technology industry in BC. As a result, BC's 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 multitenant facilities.

Discovery Parks has made a strong commitment to environmental sustainability and is a national leader in green building development. Discovery Parks built Canada's first LEED-certified lab in 2003, and its latest site, DiscoveryGreen in Burnaby, meets LEED-Gold standards. DiscoveryGreen's sustainability features include rainwater harvesting, variant refrigerant flow technology for low-cost heating and cooling, zero greenhouse gas emissions, high-efficiency lighting, and the 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 2007, Discovery Parks:

- Invested more than \$22 million of cash equity in BC Research Parks, 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 Outstanding Research/Science Park Achievement Award from the Association of University Research Parks in 2002, the only non-U.S. organization 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