

Innovation Place Newsletter
April, 2002 Edition

**Highlights of the 2001
Innovation Place
Economic Impact Study**

- The total combined economic impact of Saskatoon and Regina research parks equals \$389.1 million, or 1.16% of Saskatchewan's total GDP.
- Direct and indirect employment generated in Saskatchewan by the two research parks totals 5,900 jobs.
- Approximately two out of three tenants in both the Saskatoon and Regina research parks have plans to expand in the near future.

New study measures combined economic impact of Saskatoon and Regina research parks

Saskatchewan's two research parks contributed almost \$390 million to the provincial economy in 2001, according to an independent study by university researchers. The U of S University Studies Group has analyzed the economic impact of Innovation Place bi-annually over the past decade. The study conducted in November and December of 2001, with the help of the Office of Resource Planning at the University of Regina, is the first to include the economic activity of the Regina Research Park with that of Innovation Place. Together, Innovation Place in Saskatoon and the Regina Research Park are home to 140 tenants, employing almost 2,800 people and boasting a combined area of more than 120,000 square metres (1.3 million square feet). The parks, adjacent to the province's two universities, are owned and operated by the Saskatchewan Opportunities Corporation (SOCO).

Eldon Lautermilch, Minister Responsible for SOCO, says, "Our research parks are a shining example of how Saskatchewan can compete with the world, particularly in the advanced technology sector. Here at home, we all benefit from the jobs they create and the money they add to our economy."

The statistics generated by the newly released 2001 survey are very encouraging to the administrators of Saskatchewan's research parks.

Nigel Howard, President and CEO of SOCO, says, "Both our research parks have seen significant growth in the past few years and this study confirms their tenants' impact is growing too. In addition, almost two-thirds of the tenants said they plan to expand in the near future, which shows tremendous confidence in the benefits research parks have to offer."

The economic impact of the parks' activities is determined by statistics provided by the tenants and administrators, including the purchase of goods and services and staff salaries. According to the 2001 study, the total combined economic impact of the research parks in Saskatoon and Regina upon the province of Saskatchewan is \$389.1 million, equal to just over one per cent of the province's total Gross Domestic Product (GDP).

Doug Tastad, Vice-President of SOCO's Research Parks Division, says, "These numbers are a real indication of how important the province's research park activity is to the Saskatchewan economy as a whole."

The results reflect a substantial increase since 1999, the last time the study was conducted. At that time, Innovation Place generated \$217 million in economic activity. The Regina Research Park was under construction in 1999 so its economic activity was not included.

Employment figures for both research parks were equally impressive, says Austin Beggs, Innovation Place Marketing Manager. Direct employment at the research park in Saskatoon totaled just under 2,000 jobs, while 750 direct jobs were generated by the research park in Regina.

University researchers also determined an additional 3,100 jobs are created indirectly in the province through the presence of the two research parks. For every direct job created at the research park, economists estimate that one additional job is created somewhere else in the community in terms of eventual economic impact.

"These same multipliers have been used in our previous economic impact studies, but we're now starting to see the huge cumulative impact of operating two research parks," says Beggs.

The economic impact study also measures direct local expenditures by research park tenants, including the purchases of goods and services and net payroll. "The statistics indicate a significant increase in direct local expenditures by the tenants of Innovation Place. The 2001 survey showed a \$23 million increase in direct local expenditures over the previous survey conducted in 1999," says Bill Sitter, General Manager of Innovation Place.

In 2001, direct local expenditures made by the companies of Innovation Place within Saskatoon totaled \$133 million. When purchases made within the province are included, the total rises to \$150.2 million for the Saskatoon research park alone.

The numbers generated by the research park in Regina are even more impressive. Ken Loepky, General Manager of the Regina research park, says that direct local expenditures by those companies responding to the survey totaled \$81.7 million. The Regina research park's direct economic impact on the province, including provincial purchases and net payroll, equaled \$85.6 million.

Here again, this economic activity has a multiplier effect for every dollar spent of \$1.43 in the city and \$1.65 for the province. This means that Innovation Place generated roughly \$190 million in the Saskatoon economy, and, in turn, almost \$250 million in the provincial economy in 2001. The research park in Regina contributed almost \$120 million to the Regina economy, the lion's share of the approximate \$140 million injected into the provincial economy.

"The numbers from the research park in Regina were very positive and indicate what a large impact proportionately that we're having upon the local economy in Regina as well as our contributions to the provincial economy. All of those numbers were very pleasant surprises, even better than we thought," says Loepky.

Another facet of the survey measured tenant satisfaction, and here again, both research parks earned very positive endorsements. Of those CEOs located in the Saskatoon research park who responded to the survey, 99 per cent stated they would strongly recommend Innovation Place to potential tenants. Close to 71 per cent of CEOs located at the research park in Regina also stated they would recommend the park to potential tenants.

Research park administrators were also encouraged by the responses of research park tenants to the question: Does your organization have plans to expand in the near future? Of the companies answering this question from the Saskatoon research park, 59 per cent responded positively. Companies located at the research park in Regina echoed this response, with 60 per cent of companies stating that they have plans to expand in the near future.

"It's heartening to learn how optimistic our tenants are about the future," says Tastad. "It's particularly good to know when you realize that these responses were received in November and December 2001, following a severe downturn in the economy and in particular, the technology sector."

With the majority of tenants indicating plans for future growth, all indications point to continued construction of new facilities and amenities at the research parks in both cities.

"Innovation Place in both cities will continue to respond to the demand for additional space by our existing tenants and from new tenants. Both parks are at 95 per cent occupancy at present, so additional growth will be required, based upon additional confirmation of our tenants' needs," says Beggs.

"When you examine the tenant satisfaction numbers and the optimistic predictions for the future, there's every reason to believe that the continued growth of the research parks in both cities will be able to be maintained into the future," says Tastad.

Petroleum Technology Research Centre advances research directives

It has been 21 months since the official opening of the \$11 million Petroleum Technology Research Centre (PTRC), the first organization to locate in the research park in Regina. In that brief period of time, the research organization has already made great strides towards developing advanced techniques to enhance production and value of Saskatchewan's oil resources.

PTRC is the result of a partnership formed among the Saskatchewan Research Council, the University of Regina, Saskatchewan Energy and Mines and Natural Resources Canada. At PTRC, professors and graduate students from the U of R's Petroleum Engineering Group join forces with expert researchers from the Saskatchewan Research Council's Petroleum Research Branch to conduct basic and applied research into new oil recovery technologies. Roland Moberg, P.Eng., general manager of PTRC, says, "On the U of R side of the PTRC building, we now have six professors in place. The equipment purchased through a Canadian Fund for Innovation grant has been installed and the labs have been organized. The professors have already launched a number of basic research projects and recruited graduate students to work on these projects."

RESEARCH PROJECTS

Applied research is conducted by the Saskatchewan Research Council. "All of their labs are now set up and commissioned. They are working on a number of research projects, building on their research experience working on heavy oil recovery," says Moberg.

One of the major research thrusts of PTRC is the Weyburn CO₂ monitoring project, says Moberg, which examines the sequestration of carbon dioxide from an environmental perspective.

"It's a \$20-million plus research project involving researchers from around the world, including the U.S., Canada and Europe. Funding for the research project has been sourced from the U.S. Department of Energy, Natural Resources Canada, Saskatchewan Energy and Mines, the Alberta government as well as a number of industry partners. The purpose of that project is to determine the long-term fate of carbon dioxide in geologic formations. This project piggybacks on a CO₂ oil recovery project in Weyburn."

Another research project launched by PTRC is the Vapex project, which examines the effectiveness of recovering heavy oil utilizing a blend of propane and methane.

"Again, PTRC is working with a number of research providers and funders from industry and governments on the Vapex project," says Moberg.

Heavy oil extraction is particularly challenging to the oil industry, says Moberg. "These reservoirs tend to be thin and it can be very challenging to recover. This clearly is one of our key research thrusts."

Moberg says that PTRC is currently developing a five-year operating plan and is seeking approval for an additional five-year funding term from NRCAN and Saskatchewan Energy and Mines.

"This is something we've been busy working on over the past few months," says Moberg. "We're taking a more detailed look at the areas of research that we'll be focusing in on and the projects we'll be working on."

INDUSTRY INVOLVEMENT

The success of PTRC is dependent on the involvement of industry partners, both in helping to steer the research and as funding participants. Ultimately, the new generation of oil recovery technologies developed by PTRC will be utilized by industry clients to increase production and lower operating costs.

"Our objective is to get our research to the field as quickly as possible, piloting technologies in the field and ultimately benefiting the petroleum industry," says Moberg.

Industry support to date has been very encouraging, according to Moberg. "In January, we had a series of meetings with industry in Calgary to find out what their concerns and priorities are. Those were very well attended."

Just recently, a meeting held in Calgary to launch the next phase of the Vapex project attracted over 90 members of the petroleum industry.

"We also invited industry participants in Calgary to attend a joint presentation hosted by 'Team PTRC,' comprised of representatives from Natural Resources Canada, Saskatchewan Energy and Mines, the University of Regina and the Saskatchewan Research Council. It was an opportunity to meet with industry, and again we had very good response."

On February 13, PTRC invited the Minister of Energy Andrew Thompson to meet with the Petroleum Production V-P Breakfast Club in Calgary, with very good results.

"We're active in our marketing and developing our plans to go forward. I'm very encouraged by where we're at now and see all kinds of opportunities to develop our expertise in a number of areas," says Moberg.

Who's new to Sask. research park community?

New to the research park community in Regina is:

- National Centre for Sustainable Urban Environmental Management, located at 220 - 6 Research Drive. Contact Gerald Fiske at (306) 787-4887, or e-mail: fiske@SRC.sk.ca .

New to Innovation Place in Saskatoon is:

- Dupont Canada, with offices at 105J - 111 Research Drive. Contact Alick Mulenga.

Please note the following changes of address for these companies located at Innovation Place in Saskatoon:

- BlackSun Inc. has relocated to 217 - 116 Research Drive.
- Modern Digital Communications has relocated to 119 - 116 Research Drive.

McNair Business Development Inc. launches "Xnets"

There has been a flurry of activity within McNair Business Development Inc. (MBD) since the successful redesign and launch of Dow AgroSciences Canada's new Extranets in November 2001. Dow AgroSciences is a recognized leader in Canada's agricultural industry and has made a long-term investment in business-driven web technology. The Extranet approach to

customized information delivery, with exciting new creative elements and applications, will provide the nation's producers with news and updates that are relevant to their specific farm business situations.

Dow AgroSciences Canada Inc. challenged MBD to develop an Extranet that would filter relevant data to client and corporate communities with significantly different information needs. MBD responded by creating fully customized Producer, Retailer, Sales Representative, and Administration "XNet" profiles in a time period of one week.

The new communication and business tools have provided Dow AgroSciences with a means of more effective online communication with their clients and remote staff. Based on the success of this project, Dow AgroSciences asked MBD to build additional enhancements to be launched in the first quarter of 2002.

MBD has a number of other projects scheduled this quarter as well. Stay tuned for updates on their work with the Regina Health District, Louis Dreyfus Canada, Aginonet Canada, SPMC and ISC.

MBD is a member of the research park community in Regina, with headquarters at 2 Research Drive. The company provides business-enabling professional services and technologies to corporate clients across Canada and the U.S. from offices in Regina, Saskatoon and Calgary. For more information on MBD, visit www.mcnairbd.com.

SaskTel partners with Critical Telecom

On February 11, SaskTel announced they would deploy Critical Telecom's FiberLINK solution. FiberLINK will allow SaskTel to extend the reach of its ADSL network to better meet the growing demand for broadband services from residential and business subscribers. FiberLINK will be deployed in both urban and rural areas of the province of Saskatchewan to enable more subscribers to access broadband services.

Critical Telecom Corp. got its start as a contract engineering firm, offering custom electronics design and manufacturing. Over the years, the company developed an increasing expertise in research, development and project management in custom electronics, creating a telecommunications division in the mid-1990s. From that time forward, Critical Telecom has pursued its vision to supply the telecommunications industry with high quality products and solutions to meet the increasing technology demands of this growing market. The company is located at Innovation Place, at 116 - 116 Research Drive.

Critical Telecom is also pleased to announce the appointment of Tim Jackson to its board of directors. Jackson is a partner at Tech Capital Partners Inc., a company that manages \$35 million in two venture capital funds. Prior to co-founding Tech Capital Partners, Jackson was Chief Financial Officer of PixStream Incorporated.

IASP hosts world STP conference

The International Association of Science Parks (IASP) will hold its 19th World Conference on Science and Technology Parks (STP) from Sept. 3 to 6, 2002, at the Quebec City Convention Centre.

The official host of the conference is the Quebec Metro High Tech Park, acting on behalf of the Quebec Research Parks and Technopolis Association.

The conference theme is "Toward a New Agenda: Business, Social and Urban Development Impacts." Three subthemes will be explored: the socio-political aspects of Science and Technology Parks; STPs in the urban environment; STP management models, business and economic aspects.

For more information, access the IASP website at: www.iaspquebec2002.com

