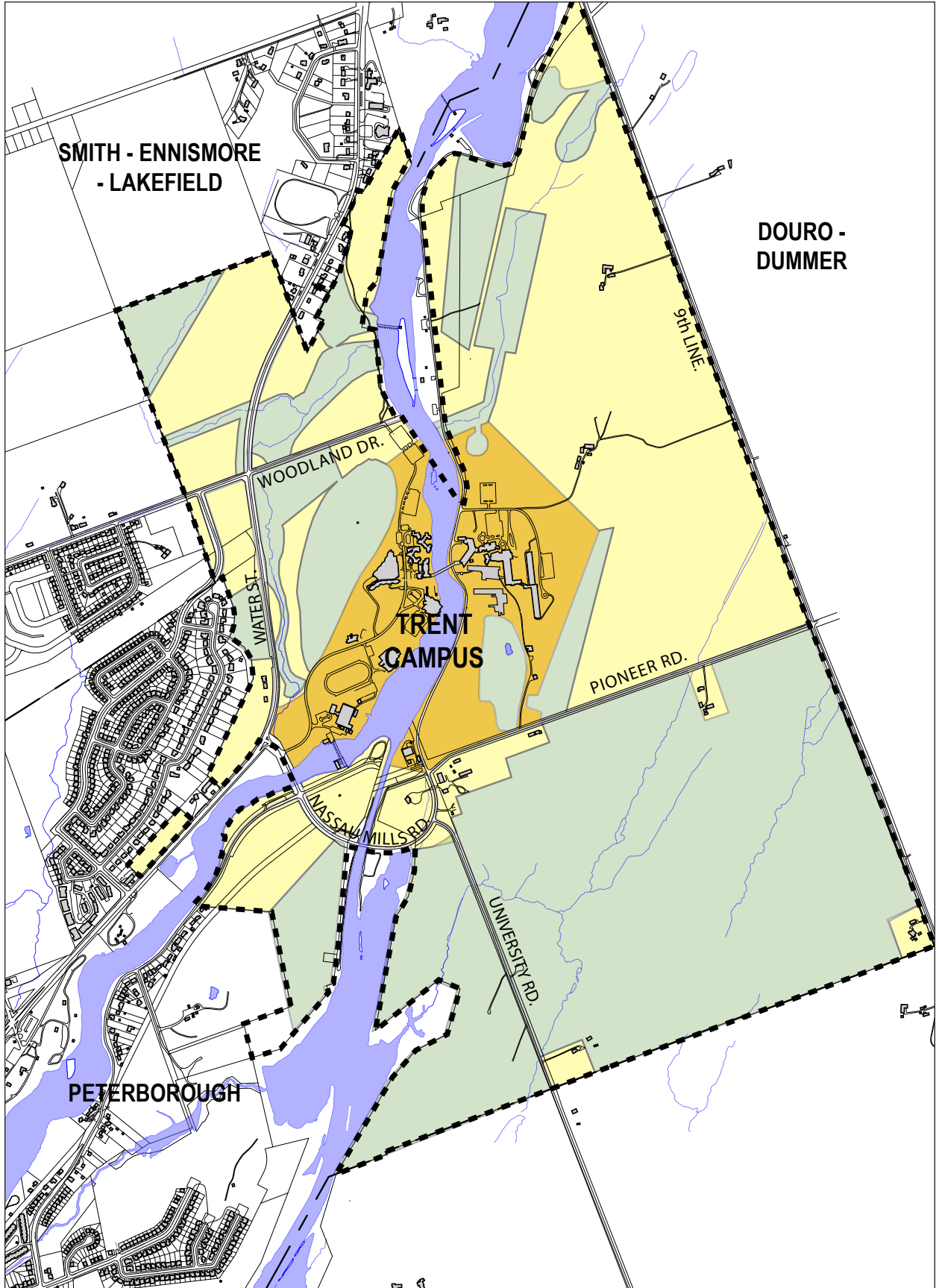


Part I

Background & Context

Endowment Lands Master Plan
Trent University



Board Approved Trent University Zones

The Study Area

Trent University occupies approximately 591 hectares (1,460 acres) of land located in the north-eastern end of the City of Peterborough. Near the geographic centre are the campus and its environs which occupy approximately 60 hectares (150 acres). Encircling the Core Campus, is the vast extents of the remaining lands in Trent's ownership which display a variety of characteristics ranging from former farm fields to wooded areas to urban hinterland.

Trent University began to accumulate land holdings shortly after the founding of the institution in 1964. The purchase of the lands was viewed as an investment for the fledgling University to support future growth and provide opportunity for a future source of revenue. Of the land holdings today, approximately 294 hectares (727 acres) have been identified as Nature Areas and another 226 hectares (559 acres) as the Endowment Lands.

This Master Plan emerges at a poignant time in Trent's history, as the urban extents of Peterborough are beginning to reach and surround the perimeters of the once remote university. The Endowment Lands' viability as a source of revenue for the University is now attainable. Trent University needs a plan and strategy to bring this purpose to light.

The primary focus of the Master Plan is to determine the most appropriate approach to the long-term development of the approximately 226 hectares identified as Endowment Lands. However, because these lands occupy such a significant amount of Trent's holdings and because they surround and weave between the Core Campus and Nature Areas, the review and assessment of the Endowment Lands and their potential obliges a thoughtful consideration of their context.

Consequently, a substantial component of the Endowment Lands Master Plan process and outcome deal with all of the University's lands, including the Core Campus and Nature Areas. This ensures that decisions are made within a cohesive and coordinated framework; a framework rooted in the fundamental guiding principle that the whole of Trent University's lands must be considered in an integrated fashion.

Board Approved Trent University Zone Areas

	HA	Acres
University Lands *	590.9	1460.0
Total Core Campus Area	64.3	158.9
Nature Areas	294.0	726.5
Endowment Land Area	232.5	574.6

* Number excludes the areas of major public road right-of-ways



The Planning Process

Workplan and Timeline

The Endowment Lands master planning process was initiated in the Spring of 2005. On April 15th, and again on the 20th and 21st, Office for Urbanism and CBRE Consulting undertook a series of stakeholder interviews to discuss the future of the Trent University Endowment Lands. Over the course of 3 days, a number of stakeholder groups were consulted ranging from students, staff and faculty to municipal and regional staff and representatives.

This consultation was part of the first phase (Reconnaissance, Opportunities & Constraints Analysis) of a three phased master planning process that was intended to provide insight into the important contextual conditions and priorities which may inform the Endowment Lands Master Plan.

The interviews were intended to introduce the study process and to elicit perspectives and insights from all participants in relation to the future of the Endowment Lands. Participants spoke of the current strengths and weaknesses of the University and its surroundings, and identified opportunities and constraints.

On June 22nd, Trent University hosted a Public Open House in the Great Hall of Champlain College. The Open House was part of the second phase of the Master Planning process (Developing the Master Plan). It was intended to gather public feedback on the Structuring Principles and Proposed Draft Structure Plan, prior to the development of the Draft Master Plan and more detailed Parcel Plan.

The Open House was attended by approximately 40 – 50 people, all of whom had the opportunity to wander the room, explore a series of large format panels and talk with members of the Consultant Team and University. The panels provided a background to the Endowment Lands and master planning process, a summary of the stakeholder interviews, opportunities and constraints analysis and a precedent study. A final panel concluded with the presentation of 6 Structuring Principles and a Proposed Draft Structure Plan.

Using a similar format, a second Open House was held on October 13th as part of the third phase of the Master Planning process (Drafting and Finalizing the Plan). In addition to the panels presented at the first Open House, the following materials were presented: Draft Endowment Lands Master Planning Principles; panels illustrating the location, character, potential uses and guidelines for each Character Area; comparable developments from other Canadian Universities were provided for reference; and a conceptual rendering of the full build-out of the Endowment Lands.

At key moments throughout the drafting of the plan, drafts of the document were vetted through the Department of Physical Resources, with input from the Board of Governors and its Property and Finance Committee.

Planning Approach

Integrated

The Endowment Lands surround the academic campus, which is renowned for its architecture and natural setting. As the lands also form an armature around the campus and occupy access points into it, they have a significant influence on the image and profile of the University. The Endowment Lands Master Plan seeks to integrate all the University's lands within a cohesive vision. Consideration for appropriate interfacing with the campus and nature areas while providing for enhanced connectivity are imperative to the Plan.

Implementation Oriented

The Peterborough context has many assets, but it also has certain marketable challenges. Trent University has long-term objectives as well as short-term financial needs. The Master Plan seeks to meet short-term needs without compromising long-term interests. Strategies that tap into potential opportunities that may not have local precedents is a key consideration to this end. Ultimately, the Master Plan seeks to clearly guide the long-term evolution of the Endowment Lands with effective implementation strategies that can direct appropriate development and guide decision-making despite, or in light of, ever changing market conditions.

Profile Enhancing

As with the Core Campus and Nature Areas, the Endowment Lands have the capacity to enhance the profile of the University. The type of uses and the quality of development can have a significant impact on how the overall University context is experienced. Furthermore, promoting excellence can further distinguish the University and affirm its stewardship of its lands, while minimizing potential negative reactions. Strategic locations with high visibility are important sites for greater quality control; guidelines have been employed to encourage the character of development that will continually enhance what is already an identifiable, high-quality campus setting.

Effective Communications and Strategic Decision-Making

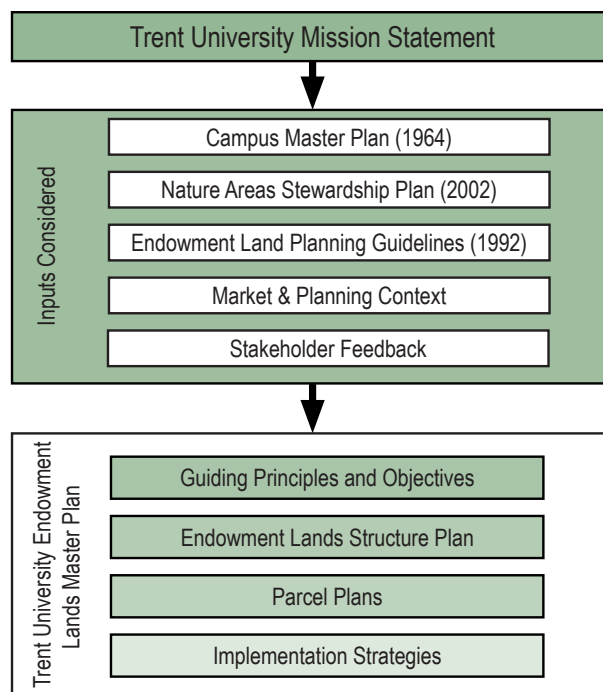
Other Universities have had difficulty justifying decisions made in regard to their Endowment Lands. This Master Plan seeks to be comprehensive such that it identifies a forthright vision that can be used as an open guide when soliciting investment, when evaluating proposals, and when consulting with constituencies in the future. The Master Plan seeks to be clear, and it presents a strategic decision-making framework.

Value Adding

Certain decisions can have the potential to tremendously impact the value of land. As such, it is necessary to strategically phase interventions to maximize the value of land in the future, and to understand the tradeoffs between immediate revenue gains and long-term opportunities. Furthermore, the approach to land development opportunities recognizes the need to balance multiple goals such as increases in revenue, university profile, and sustainability.

Building on a Hierarchy of Plans

The Master Plan seeks to build upon a tremendous body of existing work and direction. The Guiding Principles and Objectives for the Endowment Lands are derived from the Trent University Mission Statement. While the Guiding Principles and Objectives establish a broader picture of the Endowment Lands in the future, the vision is made coherent through the Structure Plan which is a framework for development. Parcel Plans identify potential land uses and guidelines for development tailored to specific locations. Stemming from the University's Mission Statement, this hierarchy of plans provides a transparent link between the vision of the University and the development of its Endowment Lands.



Consultation Events and Outcomes

Meeting with Student Leaders - April 21st, 2005

Student Leaders were invited to participate in an introductory session, wherein they were asked to identify what they treasure and would like to see protected about Trent University, as well as opportunities that the Endowment Lands may provide. The rural-like setting of Trent, as supported by the natural areas, were identified as imperative to the character of the University. The scale of Trent, its “smallness”, the college system, and the good access to Faculty were all touted as existing strengths. Students identified opportunities related to: the need for intermediate/senior student/faculty housing; the lack of local services and amenities in close proximity to the campus year round; the possibility of creating a “heart” or “campus village” that could serve as an animated hub; improved connections on & off campus; and the prospect of amenities that cater to visitors/parents.

Stakeholder Interviews

Participants in the interviews spoke highly of the intimate character and culture of Trent University but felt that there was a need for greater choice of accommodation close to campus and a corresponding need for social opportunities, services and amenities in better proximity to the core campus, such as an inn, high end restaurant/extended conferencing facilities.

While the Endowment Lands are recognized as contributing to the breathtaking natural setting of Trent, it was generally accepted that in certain locations and with sensitive planning and design the time is right to consider development opportunities that will both enhance the university setting and respond to mounting fiscal needs.

Interviewees appreciated the need to balance the University’s short and long term interests but stressed that any use of the lands should strive to be exemplar in nature and consistent with the academic mission of the University.

Open House One - June 22nd, 2005

At the first Open House, the response was cautiously favourable. Participants agreed with the structuring principles, agreed that the foundation of the Endowment

Lands Master Plan should begin with the proposed Nature Areas, and expressed a need to ensure sensitive development and adequate buffering so as to minimize the impact of development. It was suggested that poorly designed development along Water St. would create a poor impression of both the City and University.

Students who had participated in the stakeholder interviews were pleased that many of their concerns had been addressed and stressed the importance of further student consultation. While many neighbouring residents attended, most came to voice their opposition to an issue that was beyond the scope of the process.

Concern with respect to the Endowment Lands Master Plan focused upon where development could take place, around what form it should take. A number of participants requested further clarification of the suggested uses.

In addition, it was requested that we provide an opportunity for feedback when students return in the fall. The second Open House, held in October 2005, was a response to this request.

Meeting with Student Leaders - July 23rd, 2005

This meeting was specifically designed in response to a request for further opportunities for students to participate in the planning process. Student leaders, including co-chairs of the colleges, student council representatives, and shinerama coordinators, were invited to participate in a discussion about the planning process, precedents from other Canadian universities, and the draft Structure Plan. The importance of getting back to their constituencies with respect to informing them that this study is underway was stressed, and they were directed to the website for more information and as a good means of conveying additional information. The panels from Open House One were presented.

Open House Two - October 13th ,2005

The second Open House was intended to obtain feedback from students and faculty who may have been unable to participate in some of the previously held events. Over 40 people attended the Open House, approximately one third of whom were students.

The response to the second Open House was similar to that of the first. There was general support for many of

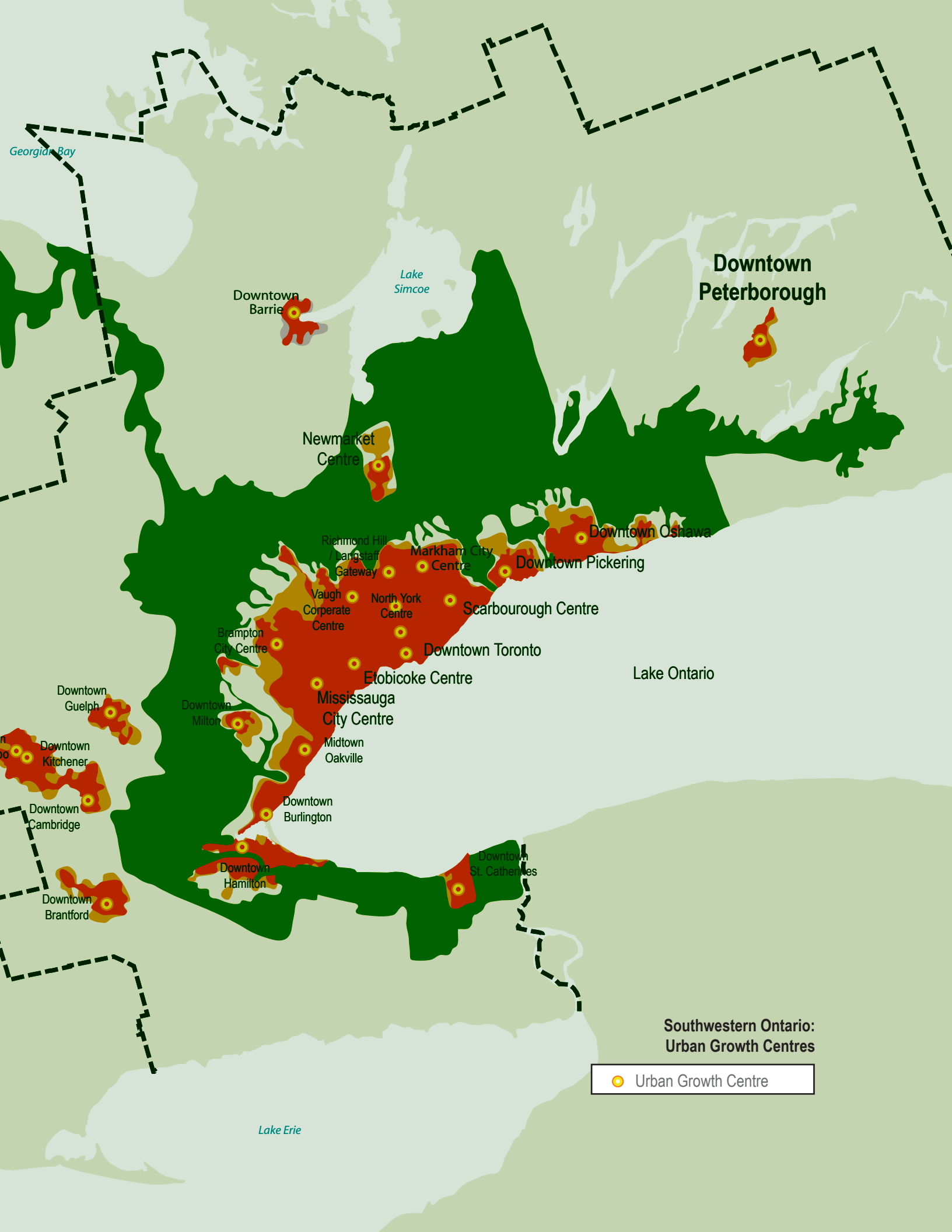


the structuring principles presented and in particular for the enshrinement of many of the proposed nature areas, application of green buffers and corridors and extension of the rotary trail. Concern was raised about the University Villages. Participants were concerned about the impact that development would have on the campus and whether or not the University would ensure the high quality of development specified within the plan.

Champlain College Student Response

Following the Open House, the Champlain College Cabinet and the members of the Champlain College Student Body provided a formal response on October 26th commenting on the Plan. The following are some of the issues identified that had no priority but were received / heard ;

- Clarity about the vision for the lands and the protection of Trent University;
- Clarity about the timeline for development was requested;
- A clear set of principles that defines the allotment of any potential revenue was requested;
- Trent University must create a clear set of principles that defines the allotment of any potential revenue.



Planning Context: Factors & Trends

The extent of the opportunity for development of Trent University's Endowment Lands is best understood in the context of Provincial, Regional and Local trends. While inconclusive, these trends, when considered in light of existing market conditions, point to some key considerations that have shaped the Parcel Plan (Part III).

The Province and Beyond

Places to Grow Plan for Ontario

Ontario's Ministry of Public Infrastructure and Renewal reports that within the next 25 years, approximately four million new residents will call Ontario home, of which 90 per cent will settle in the Greater Golden Horseshoe. The Province's Places to Grow legislation intends to direct development to existing urban areas with corresponding limits to the development of rural areas outside of designated urban boundaries. Passed in 2005, this legislation will precipitate increased development pressure in the foreseeable future for Peterborough, which is explicitly designated as a centre where future growth will be directed. Trent University sits within Peterborough's urban growth boundary ensuring that it is well positioned to capitalize on the area's projected growth as the surrounding city intensifies and available lands diminish.

Smart Growth

Years of unabated urban sprawl has resulted in dismal urban environments that are now beginning to be understood as a root of broad societal, economic, environmental and health issues. Among other things, sprawl has led to inefficiently allocated public infrastructure and services, increased commute times, and produced urban environments that strain social cohesion, thereby diminishing the very quality of life this form of development purportedly serves. Urban planners, academics and now municipalities have heralded Smart Growth as a contemporary measure to mitigate the adverse impacts of sprawl and its associated costs.

Policies such as the Places to Grow Act (2005) are congruent with Smart Growth and will begin to shape the type of development experienced in Peterborough and other municipalities in Ontario by promoting higher

densities within urban boundaries and protecting established agricultural and environmentally significant areas. Trent should anticipate alternative development standards and a significant shift in consumer choices.

New Urbanism

What began as a relatively obscure movement in the United States intended to counter sprawling development with new communities that recall the urban scale, pattern and architecture of charming nostalgic "small towns", has evolved into a global phenomenon. Today, New Urbanism is premised on reintroducing the best and proven principles of traditional town planning, including: pedestrian oriented street patterns and standards; clearly defined neighbourhoods that are scaled to the five minute walk and perform like "villages" containing a mix of uses and a variety of housing types; the preeminence of public buildings strategically located as orienting landmarks and to provide a source of civic pride; and a high quality public realm comprised of street framed open spaces and appealing streetscapes.

Ontario is one of the leading regions in the application of New Urbanism principles. Initially a preoccupation advocated by a handful of municipalities, this approach has now been embraced by the development industry. Despite remarkably higher densities and significantly less private amenity space, new urbanist communities have outperformed conventional subdivisions in appreciating land value by up to 30%. These communities are demonstrating a growing segment of the market that is willing to make trade-offs in the amount of dwelling space so as to live in well designed environments. Some municipalities are now only permitting developments designed to the principles of new urbanism because they are more efficient to service while enhancing the quality of the urban environment. New Urbanism would be especially fitting for Trent because both are rooted in the same fundamental design principles.



New Urbanism: Seaside, Florida



New Urbanism: Angus Glen, Markham



New Urbanism: Morrison Common, Oakville



New Urbanism: Prospect, Colorado

The Aging Demographic

According to Statistics Canada, seniors as a percentage of the population will increase over the next several years in Ontario. Between 1971 and 2016, the percentage of seniors in the population is predicted to almost double, from 8.3 % in 1971 to 16.2% in 2016. This demographic shift presents an opportunity to capitalize on an increasing demand for retirement communities. A lifestyle community is a model that has been successfully implemented across North America and on university lands. These developments are built on the principle of providing high quality living standards in close proximity to support services. Because retirees have greater flexibility in the location they choose to live and the setting is of a higher priority, Trent can offer a tremendously attractive option that can offer prestige and natural beauty and yet remain within close proximity of major urban centres.

Tourism

Tourism has increasingly become a significant source of economic development for many municipalities, especially smaller centres that cannot compete for industries but can offer attractions with broad appeal. Shifts in demographics, growing cultural and environmental awareness and the tremendous appeal for the novel and unique have spawned a diversifying tourism industry. The convenience of day trips, the appeal of scenic heritage and cultural landscapes, the rise of architecture as an attraction in and of itself, extreme sport and recreation and the growth in eco-tourism are examples that Trent can capitalize on. Very few locations in Canada and perhaps the world can claim to have the same assemblage of contemporary architecture, a canal with recreational boating traffic and the abundance of natural beauty and rural landscapes for a backdrop, as that afforded by Trent University.

International Students

Citizenship and Immigration Canada (CIC) recently expanded two pilot initiatives to help make schools outside Montréal, Toronto and Vancouver attract international students. The first allows international students to work off-campus while completing their studies and the second allows students to work for two years, rather than one year, after their graduation (applicable to schools outside Montréal, Toronto and Vancouver to help spread the benefits of immigration to more of Canada's regions). Given these

programs, the high quality of life, the reputable educational opportunities, and the tightening border security in the USA, Canadian universities are and will increasingly continue to be a destination for international students. A potential increased influx of international students to Trent University will require greater on-campus support and services as well as diversified housing choices. Cultural difference and limited local familiarity means that foreign students look to remain on or in close proximity to the campus and they will seek out universities that can best facilitate self-reliance.

Increasing University Competitiveness

In the increasing competitiveness between Universities to attract students and faculty, a growing emphasis is being placed on the quality of university life and campus setting as qualities as important as academic considerations. The Endowment Lands Master Plan provides Trent University with an opportunity to not only rethink its image and reposition itself in relation to other Canadian universities; it also provides an opportunity to enhance the services and amenities it provides. The context of the University can be greatly enhanced through the use of these lands, thereby compensating for some of the shortcomings of a small university located on the periphery of a small city.

The City and the Region

Land Availability

On a regional basis, there is a significant amount of developable land available, both serviced and unserviced. However, given that the availability of land within the existing urban growth boundary is finite, the Trent University Endowment Lands will be well positioned to draw on increasing development pressures as available lands diminish.

Robust Growth Forecasted

Forecasted growth suggests that the region will continue to develop as a diversified economy and populace. Land use decisions for the Endowment Lands should be in keeping with objectives for providing high quality of life and for providing employment, services and amenities that will serve a broad demographic and a diverse population.

Affordable Housing Alternatives

There is an existing and growing demand for affordable housing alternatives in the region. This demand is fueled by demographic shifts that continue to transform the make of the Canadian household, immigration and an aging populous in need of affordable housing that is more suitable to their needs and less demanding for upkeep and maintenance. These trends not only translate to the desirability of higher densities, they are also leading to new forms of housing types and hybrids that are congruent with contemporary circumstance such as energy efficiency. With limited opportunities for higher density and more affordable housing choices elsewhere, the Endowment Lands can provide for these housing needs, which would also be suitable for student living.

Localized Development Industry Players

Currently, the Peterborough region is dominated by local development industry players that operate within a relatively narrow realm of experience and understanding of potential. Operating within the sphere alone may force short term compromises that risk long term value potential. If a key objective for Trent University is to initiate a high quality standard of development that breaks with local conventions, it will need to lead the market. It may be necessary to consider recruiting leaders in the development industry from elsewhere to encourage them to participate in the Trent context.

Emerging Interest in Secondary Markets

Policies such as Places to Grow and growing number of retirees in search of modest scaled cities are generating recognition that what were deemed secondary markets, such as Peterborough, present, and increasingly will continue to present, strong development opportunities. Although currently there is relatively modest development taking place in Peterborough, developers based in other jurisdictions, particularly Toronto, are beginning to comb opportunities in secondary markets and are watching trends closely. However, interest will likely focus primarily in southwest Peterborough - unless incentives and the marketing strategy lures investment interest to Trent's Endowment lands.



Downtown Peterborough

Downtown Peterborough

As with many similarly scaled cities, the historic downtown of Peterborough has been forced into a tenuous situation by the large format commercial developments on the periphery of the city. Consequently, the City has grown cautious about the location and extent of new commercial development. Trent is fortunate that the City has designated significant portions of the Endowment Lands for commercial uses. These uses are to serve the convenience needs of the surrounding community with sensitivity to competing interests with the Downtown. With trends pointing to the reemergence of the historic downtown, Peterborough's downtown could be expected to strengthen in the future. This may possibly open up new commercial opportunities for the Endowment Lands at some point in the longer-term.



Trent University Setting

Trent University and its Environs

Setting

Trent University is located in a tranquil rural and natural context, much of which is provided by the Endowment Lands themselves. It straddles an important north-south road, is on a scenic river, and is in proximity to recreational trails. Further, the Trent Canal traverses through the University's lands and is a leisurely boating route to Port Severn, adding to the appealing character of the area.

This setting is treasured by faculty and students alike – respect for this setting is imperative to attracting development, and at the same time offers the defining characteristic and amenity upon which the success of the development will likely hinge.

Adjacent Urban Development

Although the City of Peterborough is currently growing at a relatively slow rate, urban development adjacent to and surrounding the University lands is imminent. The City's Official Plan designates residential uses for significant portions of the southwest extents of the University's Endowment Lands which are also adjacent to approved but yet to be developed residential subdivisions. This adjacency has already presented increasing development pressure on Trent's most southerly land holdings.

Affordability of Land

Relative to other areas in the Greater Golden Horseshoe, land in the City of Peterborough is affordable. Continued rising land costs elsewhere will make this region more attractive for both business and housing. Even as increasing development pressure may eventually shift land values upwards, Trent University has the opportunity to continue to offer affordable land as an incentive to attract the type and quality of development it desires.

Inconsistent Servicing and Access to Lands

Only land in close proximity to already built out urban areas is serviced, generally along Water Street. Significant areas of the Endowment Lands, primarily on the east side of the river, remain unserviced and inaccessible. Roads are either substandard, of limited capacity or unpaved. However, major improvements to the road network are proposed that will include a new and widened bridge for Nassau Mills Road and a “ring road” around the campus. These site conditions will influence the current and future value of lands and will influence the logical sequencing of development. Existing pressures and the likely initial phases of development will take place in the southwest and much of the development potential for the east side of the Endowment Lands will hinge on proposed infrastructure improvements taking place.

Commercial and Community Services Uses

On campus and for the surrounding communities there is a shortage of community and commercial services. In part this is due to the smallness of Trent – it is difficult to support more extensive services year-round such as a café or a pharmacy without a larger and consistent consumer base. Consequently, these uses need to serve a large community and need to be visibly placed along a major access route to be viable. Some of the uses that have been identified as necessary for the Trent community include pharmacies, restaurants, fast-food outlets, coffee shops, pubs, bank or bank machine, medical services, computer store, grocery store, health food store, convenience store, hair salon, travel agency, dry cleaners and laundromat, florist, bookstore, photocopy/print store, financial services office, and a car sharing operation.

Research and the DNA Cluster

In addition to being recognized as the top undergraduate university in Canada for research, the University’s DNA Cluster will likely draw attention and interest for other research facilities. To further facilitate this, Trent should consider the nuances of the research and innovation community and their needs to function and thrive. Campus settings are exceptionally successful models that facilitate shared resources which would greatly benefit smaller entities and at the same time encourage synergies and opportunities for interaction with students. High quality common areas and amenities in close proximity such as an inn and restaurants provide for business needs and can enhance the working environment.



GOS

GREEK FOOD
AT ITS BEST

P
2H
9 AM - 5 PM

R
LOADING ZONE
NO PARKING

OPEN

ASIAN
GROCERY STORE

Mazz's Music

H

Market Assessment

The following market assessment provides a high level overview of the opportunities and constraints present in the Peterborough context. Suggestions are made that point to the ways in which the rather weak market conditions in Peterborough can be accommodated.

Residential Development Land

Land values depend on level of servicing, planning approvals, and whether they are freehold or leasehold. Values range from between \$25k – 50k an acre, depending on densities achieved. Pre-zoning for a Life Style Community (at 10 units/acre) can achieve as much as \$100k an acre in Peterborough. Residential development opportunities are limited relative to markets linked to the GTA – the absorption rate in Peterborough is currently relatively low. Shifting demographic and lifestyle trends combined with Provincial policy constraints on expanding urban areas may generate greater demand and value in the future.

However a few innovative alternatives exist, as drawn from precedents of university lands elsewhere:

University Staff, Faculty and Graduate Student Housing

A variety of unique models exist that recognize a University can meet a variety of objectives by providing affordable housing for staff, faculty and students. The University could develop or have builders develop housing on leased land that is specifically designed for University staff and faculty. Some of the units could also incorporate graduate student quarters with enclosed suites and a separate entrance that generates rental revenue to the house owner, with tenants being cleared and supplied through the University. The University could also provide staff and faculty purchasers with a mortgage (which could be from a financial institution and backed by the University as guarantor and employer of the buyer). This provides an affordable form of ownership, and encourages ownership in a context where buyers might otherwise be wary of a ground lease. Furthermore, Trent achieves multiple

goals by generating revenue through granting ground leases for housing while providing affordable housing for the University community and providing cost affordable attractive graduate students quarters without incurring capital costs or maintenance expense.

Lifestyle Centres

The University could partner with a lifestyle centre developer (residential developments geared to retirees and seniors). The model employed at the University of Guelph's Village by the Arboretum involves a nominal ground lease to a private developer who is fully responsible for obtaining all municipal approvals, financing and developing a community of over 800 rental units of which the revenue is split 50/50 between the University and the developer.

Retail Development Land

With respect to retail, Peterborough is often considered a test market. It has larger than average amount of retail per capita than other Ontario cities, and a larger percentage of disposable income spent on retail. However, the average salary is lower than in other Ontario cities. There is a skilled labour force, and a high percentage of employees are bilingual.

The value of any retail development land is first a function of the coverage that is achievable and the uses that are permitted. The City of Peterborough is known for being quite restrictive and controlling on the location and uses of retail throughout the city. If a parcel can be zoned to provide a wide variety of uses (in Peterborough this would be a modified C7 zoning) and 30% coverage could be achieved in a plaza style project, land values for a well located parcel can be as high as \$200,000 an acre. If the zoning is more restrictive in use and coverage, the values can be more in the range of \$100,000 an acre.

In the established plazas, rental asking rates are \$12 per square foot. In newer plazas and big- box buildings, rental rates are - \$15 - \$18 per square foot. There has been a significant increase in the number of big box retailers

in the last 4-5 years including Future Shop, Chapters, HomeSense, Home Depot, Winners, a Shoppers Super Store, and a new 140,000 square foot Walmart is to be constructed. Loblaws also has plans for a 160,000 square foot store.

Employment Lands

The municipality, landlords and business owners market Peterborough as being 28 minutes from the 401 and one hour from Toronto. They also frequently compare their economic numbers to similar sized cities such as London, Guelph and Kitchener - suggesting they are on the same footing. However, Peterborough is not afforded the same advantages that being west and south of Toronto provide. Access to multiple transportation corridors, as well as proximity to a critical mass of industry, larger institutions, a variety of living choices, and large US cities provides these cities with competitive advantages.

Still, Peterborough provides the best option for new offices and operations to the east and within reasonable distance of Toronto and the Greater Golden Horseshoe Area. However, the economic environment has rarely been present to justify building new office or industrial buildings for users in Peterborough. Furthermore, any new operation or facility would likely locate in the southwest part of the city closest to the major transportation corridors.

The office market is dominated by institutional users and there are only a few office towers with a low demand for more. The office vacancy rate is steady at around 10.0% which is relatively high, although there are no major pockets of vacancy in the office market. There has traditionally been no precedent to build on spec in the Peterborough market. Though recently, new call centres have used considerable existing office space inventory with approximately 2,000 - 2,500 call centre employees in the City, there is no sign of shifting momentum in supply and demand that would suggest that there is a new trend.

Asking rates range from \$7 - \$12 per square foot for A class buildings (low of \$5 per square foot for conversion-type space to a high of \$14 per square foot for high-end office space). This is far below the rents required to justify building a new building. Additional rent (taxes, utilities, maintenance etc.) ranges from \$7.50 - \$10.00

per square foot.

Though Peterborough has lower utility and land costs than other comparable sized urban areas in South Western Ontario, other urban locations are closer to Highway 401 and offer industrial land at \$40,000 an acre, (excluding development charges). There is also plenty of industrial and office land still available for development, such as the 265 acre Peterborough Industrial Park and the Major Bennet Business Park, both of which are being aggressively marketed by the Peterborough Economic Development Corporation.

Consequently, Trent University faces significant hurdles to attract office commercial and/or industrial development, other than that which can be generated by the University itself.

R&D Development Land

There currently is no specific zoning for R&D parks in Peterborough, which makes it difficult to estimate the potential density that could be achieved. However, given the amount of available land in the Peterborough area, private sector entities would likely only want to occupy a single level facility or the ground floor of a multi-level facility with University facilities on floors above. The value for these lands, on this basis, would therefore be comparable to industrial land at \$50,000 - \$60,000 an acre.

A Technology or Research & Development Park could be similar to the Innovation Park at the University of Calgary which, amongst various projects, has successfully developed a 120,000 square foot business incubation centre on leased land. This facility is adjacent to the campus, is functionally connected with graduate students undertaking research with private sector tenants, and provides positive cash flow after debt service. This is one of the best examples in Canada of a physical and functionally integrated private partnership at a University. The model and financial structure is one that could potentially be duplicated at Trent. The Technology Park is operated by a not for profit entity (being a three way partnership of Calgary Innovations, the City of Calgary and the Chamber of Commerce) specifically formed for this purpose.

Land is leased to developers at a nominal amount of \$5,000 per acre, plus a one time up front charge of

\$75,000 as a contribution to services in place. The basis of the lease is that they will be able to either develop buildings themselves such as the Incubation Centre or attract others to build either sharing in the cash flow from the completed project or using rent free space in buildings. The Incubation Centre was built using a \$1.5 million dollar private donation that was in turn matched by the Province of Alberta. A charitable receipt was provided to the donor through the City of Calgary. This same ability for cities to provide charitable receipts exists across Canada and can be duplicated at Trent, if required. The rest of the project was conventionally debt financed though a first mortgage payable by Calgary Innovations. The result has been a positive cash flowing asset after debt service that provides an average return of 12% annually on the \$3 million contributed by the donor and the Province. Further, being able to track and display the return on equity has allowed the University to attract other donors.

Hotel

The University's meeting and sporting facilities in concert with the canal, the natural setting and an emerging research and innovation campus could attract a hotel developer. Other universities have been successful at developing hotels for similar purposes. Medium grade hotels cost in the range of \$150,000 - \$175,000 per room to build in the GTA, of which between 10 and 15% is normally attributed to land costs. The land costs in GTA communities are at retail development values of approximately \$800,000 - to \$1 million an acre. Given Peterborough's retail land prices at the high end being \$200,000, the cost to build including land would be more in the range of \$135,000 per room. This includes land, building and all furniture Fixtures and equipment (FF&E). If convention or significant restaurant facilities are included the costs would be driven up by \$5,000 - \$10,000 per room depending on the size.

Golf Course Residential

Golf Course communities require on average at least 200 acres in order to accommodate a golf course and areas for residential development. A study conducted by Harvard Business School several years ago stated that golf course lots provide an upswing of approx.. \$15K per lot (US). This number is now higher and likely in the \$25,000 - \$30,000 per lot range. The biggest lot premiums come from water, then golf, then parkland. Generally you would not pay more than \$15K per acre for golf course lands, with construction

costs anywhere from \$150,000 per hole to \$500,000 per hole for upper echelon courses. Golf courses often cannot carry their debt service effectively or reliably. A certain portion of the golf course costs is therefore recaptured in the increased price of housing surrounding the course. The premium attached to a golf course community lot can be as high as 100% which would bring it in line with the lifestyle community land prices of \$100,000 an acre for the residential acres to be developed.

This would be risky in that courses are increasingly struggling to stay afloat. Further, this use would be considered a poor fit for the culture of Trent University.



Hyatt Hotel, University of Illinois



Village by the Arboretum - Lifestyle Community, Guelph



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