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# Post-Secondary Promises: What Do Ontario Municipalities Expect to Realize from University Satellite Campuses?

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Post-Secondary Promises: What do Ontario Municipalities Expect to Realize  
from University Satellite Campuses?

MPA Research Report

Submitted to

The Local Government Program  
Department of Political Science  
The University of Western Ontario  
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**Executive Summary:**

Ontario municipalities have embraced the attraction of a university satellite campus to their locale as a silver bullet for economic development and prosperity. Satellite campuses are thought to bring a wide range of benefits to local communities including but not limited to; economic investment, employment opportunities, research and development spin-offs, attraction and retention of talent and increased community vitality. Over the last 30 years, the Ontario government has focused on expanding the post-secondary system in an effort to position the province as a leader in the knowledge economy. The Province has made accessibility a key priority and has supported satellite campus developments to accommodate new growth. The municipal interest in university satellite campuses has only increased as a result of the provincial commitment in 2011 and the renewal of this promise in 2013, to build three new primarily undergraduate campuses or 60,000 new post-secondary spaces. Additional funds have also been promised for major capital expansions within the system, providing an opportunity for further proliferation of the satellite campus model across Ontario.

This paper illuminates the topic of the local impact of satellite campuses by focusing on the motivations of municipalities in pursuing a campus, and the expected benefits that they intend to realize from these developments. Through the review of four recent case studies; Laurier Brantford, Lakehead Orillia, McMaster Burlington and UWaterloo Stratford and the application of a diverse range of literature, a number of conclusions are made. It is clear that university satellite campuses are pursued by a municipality as a developmental policy, as their expected benefits far exceed their perceived cost to the community. The more specialized campus developments also tend to seek higher-order objectives from these campus developments including a focus on the creative elements

of talent, technology and tolerance, and enduring partnerships with public and private sector partners. The case studies also suggest that the motivation of the municipality tends to influence their expected benefits, and that municipalities expect to realize different sets of benefits from the satellite campus and decentralized faculty campus models. Some additional observations are drawn from the individual case studies which include; the possibility for a shift in expected benefits as the campus matures, the impact of funding arrangements from senior levels of government on expected benefits and the varying degrees of mutuality between partners in post-secondary attraction efforts.

The conclusions in this paper are meant to set the stage for further evaluation and discussion of the realization of benefits from satellite campus developments. To date, there has been limited academic discussion of the local impact of satellite campuses despite the rapid expansion of these campuses across Ontario. There is an additional opportunity to use the findings in this paper to comment on the current request for proposal process which is currently under way as a result of the provincial government's commitments to post-secondary expansion. For some communities, the motivation for attracting a new campus development will stem from the desire to seize an economic development opportunity. The expected benefits desired by municipalities from the location of a new campus will likely converge around the criteria dictated by the Province. Finally, three general conclusions are made for the process moving forward. These include the fact that municipalities must be willing to make substantial financial contributions to attract a campus development, that there will be a continued focus on institutions that offer benefits beyond those of economic impact and employment and that municipalities are likely to continue to think of universities as a "silver bullet" until more comprehensive evaluation of campus developments are undertaken.

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## **Introduction:**

The Province of Ontario is a leader among OECD countries in post-secondary education attainment, as more than 65 percent of the population has a post-secondary degree.<sup>1</sup> Post-secondary education in Ontario is delivered by both public and private institutions and the system consists of two dominant delivery models, colleges and universities.<sup>2</sup> Ontario's publically funded post-secondary system is comprised of 20 universities and 24 colleges.<sup>3</sup> This paper will focus on Ontario's universities and more specifically on satellite campus developments, which have been largely established to accommodate continued growth in the system over the past 50 years. The first university satellite campuses were established by the provincial government in the mid 1970s and the growth model has continued to be dominant in Ontario to the current day.<sup>4</sup> At the time of writing there are ten satellite campuses that deliver undergraduate programming as well as a large number of satellite professional schools across the Province.<sup>5</sup> The satellite campus model has proven to be an effective way for universities to expand their operations thereby increasing the accessibility of post-secondary education, while controlling the growth of their existing or main campus operations.

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<sup>1</sup> Ministry of Training, Colleges and Universities, "Promoting Innovation in Ontario's Colleges and Universities," press release, December 4, 2013, <http://news.ontario.ca/tcu/en/2013/12/promoting-innovation-in-ontarios-colleges-and-universities.html>.

<sup>2</sup> Glen Jones, "Setting the stage on garbage cans and institutional collaboration" (Conference Presentation at Three New Campuses for Ontario: A Symposium on Options, Challenges and Opportunities, Higher Education Group, Ontario Institute for Studies in Education, Toronto, ON, February 7, 2012) 7.

<sup>3</sup> "About Ontario's Universities", Ministry of Colleges, Training and Universities, Accessed June 18, 2014, <http://www.tcu.gov.on.ca/pepg/audiences/universities/univers.html>.

<sup>4</sup> Ontario Confederation of University Faculty Associations, "Policy Position on Satellite Campus", October 3, 2009, 2.

<sup>5</sup> "Browse/Select Programs", Ontario University Application Centre, Accessed June 20, 2014, [http://webapp.ouac.on.ca/webapp/browse\\_uni.d2w/report?ident=CAT\\_DSP&cgmenbr=189449&cgrfnbr=190192&substack=c190192;&action=&admcat=&xyz=30D8EB95](http://webapp.ouac.on.ca/webapp/browse_uni.d2w/report?ident=CAT_DSP&cgmenbr=189449&cgrfnbr=190192&substack=c190192;&action=&admcat=&xyz=30D8EB95).

From a municipal perspective, the establishment of a satellite campus offers desirable economic, social and political benefits. While post-secondary institutions have traditionally been acknowledged as a valuable community asset, their desirability has intensified largely in response to the transition to the knowledge economy. Major provincial investments in the post-secondary system over the last eleven years have also greatly contributed to competition among Ontario municipalities, especially those in urban areas, to attract a satellite campus development.<sup>6</sup> A major capital policy framework outlining formal criteria for satellite campus developments was released in December 2013. The release of this framework increased the level of competition between municipalities that were seeking an institutional partner. The impact of this policy has not been fully realized, as the formal proposal process is still underway. One significant change that has resulted from the policy was the requirement for all interested municipalities to have an institutional partner, being an accredited post-secondary educational institution. Prior to the policy there were municipalities without an institutional partner that would lobby the Province to locate a university within their boundaries. A number of municipalities and their institutional partners are currently engaged in post-secondary attraction campaigns, in response to a 2015 Budget promise to create three new primarily undergraduate campuses. Some of the municipalities that have indicated strong interest in a university satellite campus development include the Town of Milton, City of Barrie, City of Brampton, City of Markham and the City of Niagara Falls.

This paper will explore the motivations of municipalities with respect to satellite campuses and the expected benefits that they intend to realize from these developments. The analysis will gain insight from a literature review of diverse fields

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<sup>6</sup> Ken Coates, "The Politics of Higher Education", The Agenda Podcast, Toronto: Ontario, June 24, 2014.



such as local political economy, regional economic development and the municipal-post secondary relationship. Using a case study approach, four established satellite campus developments within Ontario will be analyzed to draw conclusions about their specific motivations and the benefits that they intended to realize from their engagement with the institutional partner. Two forms of university developments will be studied, including the traditional satellite campus model used at Laurier Brantford and Lakehead Orillia and the decentralized faculty model employed in the McMaster Burlington and University of Waterloo Stratford Campuses. A more comprehensive definition of traditional and decentralized faculty campuses is included as part of the analysis, however, these models are best distinguished by the number of faculties housed at the institution and the availability of ancillary services. Conclusions about the motivations and expected benefits will be linked back to insight from the literature and will inform the analysis and recommendations for further research.

It is important to understand both the motivations and expected benefits associated with university satellite campus developments for distinct reasons. By understanding a municipality's motivation for pursuing a satellite campus development, conclusions can be made about whether the municipality's rationale dictated the type of institution that was sought. Ontario municipalities have pursued two types of campuses; the traditional satellite campus model and decentralized faculty campuses. On preliminary examination it appears that the more specialized institutions tend to be located in medium to large urban centres. Whereas, urban communities outside of the Greater Toronto Area have pursued more traditional satellite campuses focused on liberal arts and science programming. This may suggest that municipalities in large urban centres seek institutions that strengthen their appeal to the creative and entrepreneurial classes, while municipalities in smaller urban areas such as Orillia and Brantford pursue the campus as

a developmental policy and for objectives such as youth retention. This paper will examine these hypotheses further through analysing the various case studies. Secondly, knowing more about the benefits that municipalities expected to realize from a satellite campus provides the opportunity at a later date to assess the realization of these benefits. This information is especially important in the Ontario context where little has been written about the various satellite campus developments and their objectives. In summary, the case studies will delve further into two focus areas which include the motivations of municipalities with respect to the satellite campus project and the benefits that municipalities expected to realize from this endeavour.

### **Background:**

Post-secondary education is a matter of provincial jurisdiction. Therefore, a municipality's ability to attract a post-secondary institution is dependent on provincial approval. Provincial control over post-secondary institutions is exercised in two main ways; through legislation and funding. First, the Province must endorse the institution. Subsection 13(3) (a) of the *Ministry of Training, Colleges and Universities Act* enables the Minister to endorse eligible or approved institutions by regulation.<sup>7</sup> Programming at the campus is also subject to the Minister's approval under Subsection 13(3) (b).<sup>8</sup> This means that all programs offered at the institution must be accredited before they are offered by a recognized public institution. In terms of funding, the cost associated with new campus developments requires that funds be secured from upper levels of government. Funding contributions tend to be tied to an institutional fit with Provincial objectives. For example, in 2006 the Province of Ontario committed \$7.5 million dollars

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<sup>7</sup> *Ministry of Training, Colleges and Universities Act*, R.S.O 1990, Chapter M19, Subsection 13(3)(a), [http://www.e-laws.gov.on.ca/html/statutes/english/elaws\\_statutes\\_90m19\\_e.htm](http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_90m19_e.htm).

<sup>8</sup> *Ibid*, Subsection 13(3)(b).

to the Michael G. Degroote Medical school expansion for campuses in Kitchener and St. Catherines.<sup>9</sup> Both communities had been identified as experiencing critical doctor shortages, and thus the campuses were seen as a mechanism to attract and train qualified medical professionals in these regions. Provincial developments over the last 30 years to be discussed below support the continuance of increased control by the Province over satellite campus expansions.

The provincial policy developments related to post-secondary expansion over the last 30 years can be characterized by ad-hoc decision making and a lack of system planning. Glen Jones, Ontario Research Chair in Post-Secondary Education Policy and Measurement uses the garbage can theory to describe the decision making process which has historically occurred in the post-secondary portfolio. Garbage can theory is a decision making theory that likens an organization to a garbage can where solutions and problems are dumped by participants as they are generated, and the choices made depend on a complex interplay of the variables.<sup>10</sup> Jones applies garbage can theory when he provides that post-secondary expansion decisions have been made in an environment where there are “separate streams of participants, problems, solutions and choice opportunities”.<sup>11</sup> Participants range from regional actors, to institutional representatives, private sector partners and provincial officials who all have particular views of the problems and solutions facing post-secondary education.<sup>12</sup> He provides specific examples of the types of problems associated with post-secondary expansion decisions which include a predicted increase in demand for post-secondary, expense of

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<sup>9</sup> McMaster University Health Sciences Faculty, “Degroote medical school to open satellite campuses” *McMaster Faculty of Health Sciences Newsmagazine* 4, no. 1 (2006): 1, [http://fhs.mcmaster.ca/main/documents/network\\_spring2006.pdf](http://fhs.mcmaster.ca/main/documents/network_spring2006.pdf).

<sup>10</sup> Michael D. Cohen, James Marsh and Johan P. Olsen, (1972), “A Garbage Can Model of Institutional Choice” *Administrative Science Quarterly* 17(1):2.

<sup>11</sup> Glen Jones, Setting the stage on garbage cans and institutional collaboration, 17.

<sup>12</sup> *Ibid*, 18.

the current model of institution, quality of education, limited institutional diversity and underserved regions of Ontario.<sup>13</sup> Jones notes that the dominant solution to the diverse range of problems identified at the provincial level has been the creation of satellite or decentralized faculty campuses. Jones' use of the garbage can model is important because the problems that are generated through this model can influence the university attraction proposals developed by municipalities. For example, if accessibility of post-secondary education makes its way onto the provincial political agenda, municipalities looking to attract an institution will likely emphasize factors such as their post-secondary attainment rates, distance from existing post-secondary institutions and underserved populations. Therefore, the problems generated by participants at the local, provincial and institutional levels, and the political 'flavour of the week', help to shape the perceived benefits cited by municipalities. A brief overview of the provincial developments over the last 25 years will illustrate the uncertain and competitive environment that has faced municipalities with university satellite campus attraction ambitions.

**History of Provincial Post-Secondary Developments (1990-Current):**

The development of university campuses from the late 1990's to early 2000's was rather limited, as a majority of the government's post-secondary funding went to establish the University of Ontario Institute of Technology (UOIT) in 2002.<sup>14</sup> The Laurier Brantford satellite campus, which was established in 1999 received capital funding solely from the municipality and did not garner provincial investments until later in its development.<sup>15</sup> From 2004 to 2007 the new satellite campus developments largely resulted from

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<sup>13</sup> Ibid, 19.

<sup>14</sup> Leo Groarke, *Reinventing Brantford: A University Comes Downtown*, (Toronto: University of Toronto Press, 2009), 213.

<sup>15</sup> Ibid, 205.

decisions by existing institutions to relocate single faculties and create decentralized faculty campuses in downtown areas. Dr. Robert Rosehart, President of Wilfrid Laurier University provided a rationale for these types of single faculty developments stating that “main campuses are full and municipalities have a considerable amount of available money to fund satellite campuses in downtown sites”.<sup>16</sup> Decentralized faculty campuses are also typically subject to fewer constraints from the provincial government, as programming is already approved. Therefore, negotiations around a new campus can take place between municipalities and the institution. The UW School of Architecture in Cambridge, Laurier School of Social Work and UW School of Pharmacy are examples of institutions that were established between 2004 and 2007.

The current wave of interest in satellite campuses largely emerged as a recovery strategy from the great recession which occurred in 2009. Municipalities, especially those which had experienced a substantial loss of industrial employment, were in search of a solution to stabilize the local economy.<sup>17</sup> The Michael C. Degroote Medical School Campus in Kitchener and UW Stratford Campus are two key examples of urban campuses that opened in 2010 and were intended to serve as a catalyst for local development. These campus developments were followed by a number of campaigns by municipalities across the Greater Toronto Area, to provide greater access to post-secondary education in this rapidly growing region.

After years of relatively modest growth, the announcement of the Province’s five year post-secondary education plan in 2011 generated a great deal of uncertainty around satellite campus developments. The announcement clearly represented an attempt by

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<sup>16</sup> Lindsay Woodside, “Perceptions of Change in the Urban Core: A Case Study of a Satellite Campus in Kitchener, Ontario,” (Masters Thesis, Wilfrid Laurier University, 2007) 15.

<sup>17</sup> Ibid, 14.

the Province to rein in the institutional growth that had been occurring. On May 2011, John Milloy the Minister of Training, Colleges and Universities announced that the Province would be developing a policy for the location of future satellite campuses. He stated that the government, with careful attention to growth plans, would identify key areas where post-secondary institutions are needed and would work with partners to develop the best model.<sup>18</sup> The rationale for this change was articulated by saying that although new institutions are a source of prosperity for local communities, the planning of their location has not always been consistent with provincial interests or used to highlight areas of institutional excellence.<sup>19</sup> This announcement followed remarks made in the media that indicated that Lakehead Orillia was a satellite campus project which went against the government's interests.<sup>20</sup> A \$13 million investment by the Federal Government in 2009 was not matched by the province and instead was left to local levels of government and Lakehead to assume the costs of the Orillia expansion.<sup>21</sup> The distance between the Orillia campus and the main campus has reportedly resulted in institutional governance challenges.<sup>22</sup>

The Speech from the Throne in November 2011, promised the creation of 60,000 new spaces in colleges and universities and that the Province would move forward with the selection of three new post-secondary institution sites for undergraduate campuses.<sup>23</sup> In response to this announcement, municipalities across the province ramped up their

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<sup>18</sup> John Milloy, Minister of Training, Colleges and Universities, Address at the Canadian Club. *Check Against Delivery*, May 30, 2011, 5, <http://www.cou.on.ca/news/commentary---events/commentary/commentary-pdfs/minister-milloy-at-the-canadian-club---putting-stu>.

<sup>19</sup> Ibid, 4.

<sup>20</sup> Elizabeth Church, "Universities seek Toronto's undergraduates", *The Globe and Mail*, September 7, 2009, <http://www.theglobeandmail.com/news/national/universities-seek-torontos-undergraduates/article4284869/>.

<sup>21</sup> Ibid.

<sup>22</sup> Teviah Moro, "Courtyard's Cue to LakeheadU", *The Orillia Packet*, September 10, 2009, <http://www.orilliapacket.com/2009/09/10/courtyards-cue-to-lakehead-u>.

<sup>23</sup> Ottawa Citizen, Ontario Speech From the Throne, November 22, 2011, <http://blogs.ottawacitizen.com/2011/11/22/the-ontario-speech-from-the-throne/>.

campaigns to attract one of the three new institutions. However, the promise was short lived as the 2012 election and the prorogation of the legislature in February 2013 put into question the government’s commitment to further expansion of the post-secondary sector. It was not until December of 2013 when a satellite campus policy was released that expansion plans were reconfirmed. The policy outlined the criteria for capital improvements or expansions and the formal request for proposal process to be followed. At the time of writing, the deadline for the submission of letters of intent has passed which means the process of awarding capital expansion funds is underway. From this review of events it should be clear that municipalities that have been pursuing satellite campuses have been subject to a rapidly changing environment and uncertain conditions. Despite a high degree of uncertainty and periods of provincial inaction, many Ontario municipalities remain committed to attracting a post-secondary institution and have continued to invest in these initiatives. Therefore it is important to draw upon diverse literature to better understand the motivations of municipalities with respect to satellite campuses and the benefits they expect to receive from these developments.

**Literature Review:**

Education is increasingly being recognized as the “foundation of the success of today’s increasingly global market place”. Post-secondary education is becoming an “indicator of people’s ability to compete in the job market, thereby increasing their economic prosperity and the opportunities encountered in the burgeoning knowledge based economy”<sup>24</sup>. The expansion of post-secondary institutions, particularly universities, has been fuelled by the dominance of the knowledge economy. Frank and Meyer speak to the dominance of the university model by saying that in a knowledge economy, “society

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<sup>24</sup> Ina Freeman and Michael Thomas, (2005) “Consumerism in Education: A Comparison Between Canada and the UK”, *International Journal of Education Management* 19 (2): 155.

is organized around the university's abstracted and universalized understandings of the world and its degree-certified graduates".<sup>25</sup> Therefore the attraction of a university or post-secondary institution has become a priority among municipalities that wish to exploit the advantages of a creative class city and intelligent community. The focus on the knowledge economy has led to an "explosion in the development of satellite or branch-plant campuses both in suburban and urban centres".<sup>26</sup> While university satellite campuses are certainly not a new concept, their coverage in the academic literature is rather limited. Some literature on the activities of American university branch campuses is available but the structure of the American post-secondary system varies quite considerably from the Canadian model, making comparisons very difficult to draw. This review will focus on the local political economy literature to understand the motivations of municipalities in seeking a university satellite campus. It will then use literature on the municipal and post-secondary relationship and the regional economic impact of universities to develop a better understanding of the potential benefits resulting from the policy choice to attract an institution.

In determining a municipality's rationale for engaging in the attraction of a post-secondary institution we can look to Harvey Molotch's analysis of the city as a "growth machine". Molotch provides that cities exist in a nested fashion and that each community looks to "enhance the land-use potential of the parcels of land with which it is associated".<sup>27</sup> The prospect of attracting a university campus is favourable for the aggregate land interests within a city and therefore government "is used to gain those

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<sup>25</sup> David John Frank and John W. Meyer, (2007), "University Expansion and the Knowledge Society", *Theory and Society* 36(4): 288.

<sup>26</sup> Freeman and Thomas, *Consumerism in Education*, 154.

<sup>27</sup> Harvey Molotch, (1976) "The City as a Growth Machine: Toward a Political Economy of Place", *American Journal of Sociology*, 82(2): 310.



resources which will enhance the [city's] growth potential".<sup>28</sup> University attraction initiatives tend to engage a broad range of partners in the public, private and non-profit sectors as well as in the community. Molotoch would explain the participation of multiple partners as collusion among competing groups to achieve a "common land enhancement scheme".<sup>29</sup> Peterson acknowledges a broader objective for cities in his book "City Limits" when he provides that cities in an industrial society seek to "improve their position in all three systems of stratification – economic, social and political".<sup>30</sup> In an effort to improve their economic position cities pursue developmental policies which he describes as "local programs which enhance the economic position of a community in its competition with others". Developmental policies generate "economic effects [that] are greater than their cost to community residents".<sup>31</sup> In applying Peterson's theory it is suggested that by engaging in efforts to attract a post-secondary satellite campus, municipalities are engaging in a developmental policy. Peterson offers some insight on why the attraction of a university satellite campus tends to be publically palatable, despite the major costs associated with the project when he says that the major evaluative criteria for policy choices is their conductivity to the community's economic prosperity.<sup>32</sup> Therefore, the attraction of a satellite university campus is widely declared in a municipality's interest and therefore justifies the large number of Ontario municipalities that are actively seeking these institutions.

The creative cities literature suggests additional motives for a city's interest in attracting a post-secondary institution. Florida provides that post-industrial cities which look to achieve regional prosperity must cultivate the three Ts; talent, technology and

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<sup>28</sup> Molotoch, *The City as a Growth Machine*, 311.

<sup>29</sup> *Ibid.*

<sup>30</sup> Paul E. Peterson, "City Limits", (Chicago: University of Chicago Press, 1981), 22.

<sup>31</sup> *Ibid.*, 42.

<sup>32</sup> Peterson, *City Limits*, 30.

tolerance.<sup>33</sup> He maintains that large research universities by their nature play important roles across all three Ts. With respect to talent, research universities affect its development directly through educating and developing the skills of students and future leaders. These institutions also act as “indirect magnets that encourage highly educated, talented and entrepreneurial people and firms to locate nearby, in part to draw on the university’s resources”.<sup>34</sup> Universities are characterized by Florida as “hotbeds of invention and spin-off companies” and actively undertake research and development work that contributes to technological innovation.<sup>35</sup> Finally, large research universities help to shape a “regional environment open to new ideas and diversity”, thereby contributing to greater tolerance.<sup>36</sup>

The theoretical foundation to explain the rationale for a municipality’s engagement in post-secondary attraction efforts has been set out above. A municipality is likened to a growth machine, engaged in a pursuit of developmental policy or may be seeking to secure its position as a creative city in the knowledge economy. Therefore, the second component of the review will focus on understanding the benefits realized by municipalities with an institutional presence. In an effort to “leverage the emerging knowledge-based economy in their regions” municipalities may pursue the attraction of post-secondary institutions to benefit from the eight economic development impacts identified by Goldstein, Maier and Luger. These impacts include “the creation of knowledge, human capital creation, transfer of existing know-how, technological innovation, capital investment, regional leadership, knowledge infrastructure production

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<sup>33</sup> Florida et. al., The University and the creative economy, December 2006, 2, <http://creativeclassgroup.com/rfcgdb/articles/University%20For%20City%20and%20Community%204.pdf>.

<sup>34</sup> Ibid.

<sup>35</sup> Ibid.

<sup>36</sup> Ibid.

and influence on regional milieu.”<sup>37</sup> While a good number of these impacts are straightforward, the latter two would benefit from further explanation. Smith further provides that knowledge infrastructure production refers to “the stock of knowledge together with the institutional and organizational components that support its growth and application”.<sup>38</sup> Influence on regional milieu is further described as the contributions that a university makes to the atmosphere and environment of a municipality, both negative and positive.<sup>39</sup> Positive impacts on the atmosphere could include a vibrant arts and culture scene or high levels of community engagement, whereas negative impacts relate more to town and gown type issues including conflict between students and permanent residents.

Public policymakers often emphasize the key role of universities in modernizing cities. In post-industrial cities universities are viewed as “natural agents of a seamless local economic development transition from a declining economy to a prosperous learning economy”.<sup>40</sup> Siemiatycki summarizes the three dimensions of a university’s participation in a local economy. These three dimensions include the university as a research and development engine in a triple helix arrangement, its strong influence in the production of a creative city and its role as rooted institution – an employer, land developer and magnet for economic investment.<sup>41</sup> Gertler, however, cautions the extent to which

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<sup>37</sup> Joshua Drucker and Harvey Goldstein, (2006), “Assessing the Regional Economic Development Impacts of Universities: A Review of Current Approaches”, *Economic Development Quarterly*, 20(1): 22.

<sup>38</sup> Smith, K. (1997). “Economic infrastructures and innovation systems”. In C. Edquist (Ed.), *Technologies, institutions and organizations* (pp. 86-106). London: Frances Pinter.

<sup>39</sup> Joshua Drucker and Harvey Goldstein, *Economic Development Impacts of Universities on Regions: Do Size and Distance Matter?*, 23.

<sup>40</sup> Kenney, M. and D. Patton (2006) “The co evolution of technologies and institutions: Silicon Valley as the iconic high technology cluster.” In P. Braunerhjelm and M.P. Feldman (eds.), *Cluster genesis: technology-based industrial development*, Oxford University Press, Oxford.

<sup>41</sup> Siemiatycki, E. (2013). “A Smooth Ride? From Industrial to Creative Urbanism in Oshawa, Ontario” *International Journal of Urban and Regional Research*, 37(5): 1767.

universities have an impact on economic growth, as he sees the university playing a “supporting, not...causal, role in the emergence of innovative firms”.<sup>42</sup>

In a summary of research on the local role of universities, Shields outlines a number of additional benefits that can arise from the municipal post-secondary relationship. These benefits include potential for mutuality, the university as a development and revitalization anchor, increased vibrancy and increased capacity for innovation.<sup>43</sup> Shields offers a contrarian opinion when he states that the evidence does not suggest a “guaranteed positive effect by post-secondary institutions” and that attention to mutuality is key to realizing potential benefits.<sup>44</sup> Shield’s definition of mutuality refers to “engagement that is participatory or partnership based between post-secondary institutions, communities and non-educational organizations in the public and private sectors.”<sup>45</sup> Meaningful engagement with private and public sector partners is thereby deemed important to ensuring greater realization of expected benefits.

Much of the literature reviewed with respect to universities has been conducted in locales where an established main campus of a post-secondary institution exists. This paper will apply the theoretical framework to case analysis of several Ontario university satellite campuses which have been established within the last 20 years. This analysis will not only fill a void in the research literature, but will also provide the opportunity to reflect on the motivation of municipalities in pursuing a satellite campus as well as the expected benefits realized from these developments. It will reflect on whether the

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<sup>42</sup> Gertler, M. (2010), “Rules of the game: the place of institutions in regional economic change.” *Regional Studies* 44(1): 8.

<sup>43</sup> Shields, R, (2014), “What Do We Find in Recent Studies of the Municipal and Post-Secondary Institution Relationship”, Conference Paper, Prepared for the Conference Board of Canada Quality Network of Universities meeting, February 6-7, 2014: Edmonton, Canada, 3-6.

<sup>44</sup> Ibid, 1.

<sup>45</sup> Ibid, 2.

motivations and expected benefits in the literature are consistent for both the decentralized faculty and satellite campus models. A brief description of the satellite campus models will therefore precede the case study analysis.

**Satellite Campus Typologies:**

It is important to make the distinction between the two types of post-secondary campus expansion models that have been dominant in Ontario over the past 25 years. These models include satellite campuses and decentralized faculty locations. Distinguishing between the two forms of campuses is important as they may lead to a difference in expected benefits from the municipality. The cases which are examined as part of the analysis will include both models and further exploration of any differences in perceived benefits will be explored.

The first type of campus is a satellite or branch campus. These institutions are typically distinct from the main institution. Examples of satellite campuses include U of T Scarborough, U of T Mississauga, Laurier Brantford, Lakehead Orillia and Trent Oshawa. Satellite campuses are usually under a joint governance structure and have support facilities located on the campus grounds. Some examples of support facilities include student residences, student life centres, athletic facilities and libraries. These facilities are not necessarily owned by the institution and can also be provided through partnership with the city and or other community stakeholders (e.g. non-profit or for-profit enterprises). One example of a satellite campus that relies on the use of community facilities is Trent University Oshawa, where the campus is located adjacent to the city's Civic Recreation Complex. The two facilities share joint parking arrangements and have

an agreement in place to allow for student use of the complex.<sup>46</sup>

A second model for campus expansions has been the decentralized faculty. These institutions typically house one faculty within the main institution and are located in a standalone facility independent of the main campus. These institutions are typically located closer to the host institution than a distinct satellite campus. They may be located within the same municipality or in nearby jurisdictions. Examples of decentralized faculties include McMaster's Degroote School of Business in Burlington, UWaterloo Stratford, University of Ontario Institute of Technology Downtown Campus, UWaterloo School of Architecture in Cambridge and the UW School of Pharmacy and Laurier School of Social Work in Kitchener. A greater number of decentralized faculty locations have been established over the last 25 years. This is because as long as the institution's program offerings are accredited and sufficient capital and operating support are available, universities may pursue expansion projects without approval from the Ministry. Municipalities are also willing to provide financial incentives and land donations, thereby making it very attractive for universities to expand beyond their campus boundaries. The institution's establishing act provides authority to purchase, acquire and hold property and also to sell, convey, mortgage or dispose of property as occasion may require. The act also provides the institution with "all powers necessary and incidental to the satisfaction and furtherance of its objects as a University."<sup>47</sup> These powers enable the university to be a powerful land developer within a municipality.

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<sup>46</sup> City of Oshawa, Report to Development Services Committee, Request from Trent University for the City to Initiate an Amendment to the Oshawa Official Plan to Permit University Uses in the Southeast Quadrant of Thornton Road South and King Street West, May 4, 2011.

<sup>47</sup> "University of Waterloo Act", University of Waterloo, Accessed June 15, 2014, <https://uwaterloo.ca/secretariat-general-counsel/governance/university-waterloo-act>.

## **Methodology:**

This paper will use two sets of case studies to gain further insight on the motivations and expected benefits that municipalities intend to realize from satellite campus developments. Case studies were selected as the preferred method for their ability to effectively capture the complexity and tell the unique story of each municipality's experience with a post-secondary attraction campaign. Analysis of each of the types of campuses will occur independently in order to gain a sense of whether the motivations and expected benefits differ based on the type of campus pursued. The findings section will tie the two sets of case studies together through general conclusions on the motivations and types of benefits desired by municipalities.

The information contained in the case studies was drawn from secondary materials from municipalities, post-secondary institutions and local media. Reliance on secondary materials was preferred as it provides a more objective means of evaluating the expected benefits articulated by municipalities during the period in which they secured the respective post-secondary institution. Primary interviews may have enhanced the depth of the analysis, however, the coordination of key respondents and the potential for more subjective responses were seen as drawbacks of this approach.

The selection of cases occurred with a focus on key characteristics such as institutional type, date of establishment and availability of secondary information sources. With respect to institutional type, two satellite campus and two decentralized faculty examples were chosen with the intention of illuminating any differences in expected benefits between the models. The cases range in their establishment dates from 1999 to 2010 which allows for a broad analysis of the provincial policy impact and municipal trends over the 11 year period. Finally, availability of

secondary sources was also considered in the selection of cases. The amount of publically available records had a major impact on the cases that were selected. In efforts to seek information from a universe of cases it was apparent that municipalities had vastly different reporting practices for satellite campus projects. While some municipalities authored several public reports, others maintained that a large component of the project was discussed and approved in closed session, and therefore could not be released publically. Further discussion of the availability of information will occur in the case studies.

### **Case Studies:**

#### *Laurier Brantford – Brantford, Ontario*

The City of Brantford is a mid-size municipality located in Southwestern Ontario. In 1998 the population in Brantford was approximately 85,000 persons.<sup>48</sup> Brantford's once thriving manufacturing sector had long been in decline and the city's Mayor at the time was made famous for acknowledging the city's downtown as the worst in Canada.<sup>49</sup> The city's downtown was plagued with derelict buildings, elevated levels of crime and revitalization efforts had been largely unsuccessful.<sup>50</sup> Brantford had a lengthy history of post-secondary attraction efforts, before finally securing a satellite campus of Wilfrid Laurier University in 1998. The city's university aspirations were well supported by a group of prominent citizens including three university professors that had organized into the Grand Valley Educational Society (GVES). This group focused a great deal of its efforts on establishing a private university in the city and

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<sup>48</sup> City of Brantford, Population & Household Summary: Census 2006, Accessed June 10, 2014, <http://www.brantford.ca/Population%20Projections%20%20Documents/CityofBrantfordDemographicsFinal.pdf>.

<sup>49</sup> Francis Ball, "FOB: No Longer the Worst Downtown in Canada" *Brantford Expositor*, June 24, 2013, <http://www.brantfordexpositor.ca/2013/06/24/fob-no-longer-the-worst-downtown-in-canada>.

<sup>50</sup> Greg Mercer, "Laurier Gambled on a Ghost Town – and Won" *The Record*, March 28, 2014, <http://www.therecord.com/news-story/4437345-laurier-gambled-on-a-ghost-town-and-won/>.



had entertained a number of proposals over the years, including one prominent proposal to expand Mohawk College's operations.<sup>51</sup> Throughout the various proposals received, community groups and political actors had articulated several key concerns about the need for a university. The two most prominent goals were the retention of youth and increasing lower than average university attainment rates among residents of the city and surrounding counties.<sup>52</sup>

Wilfrid Laurier University's first indication of interest in a Brantford campus was formally expressed when the university submitted a bid for a vacant site just outside of Downtown Brantford, known as the IComm Building. The IComm Building was erected in 1990 by Bell Canada to host a telecommunications museum.<sup>53</sup> When Bell pulled out of the project, the city was left to foot the bill and find a use for the facility.<sup>54</sup> A new campus for Wilfrid Laurier University (WLU) was among the proposals considered but ultimately the city sold the building to a charity casino operator.<sup>55</sup> Brantford's mayor responded to public criticism over the sale by saying "Council had to act on the sure bet of a casino rather than waiting to see if the university idea would become reality".<sup>56</sup> To the surprise of some community members, Laurier continued its plans to pursue a Brantford campus, and worked with the GVES and other community members to find an appropriate site for the school. In April 1998 a steering committee was formed with representation from the city and the Brant University Committee and a proposal specific to WLU was drafted. Within the proposal the city clearly articulated concern around its position as "one of the largest communities in Ontario in terms of population without a

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<sup>51</sup> John Starkley, "Brantford needs a university" *Brantford Expositor*, November 9, 1997.

<sup>52</sup> Ibid.

<sup>53</sup> Karen Dearlove, "Community History, Active Historians and Activism" *Left History* 15(1), 2010-2011, <http://pi.library.yorku.ca/ojs/index.php/lh/article/viewFile/35823/32542>.

<sup>54</sup> Ibid.

<sup>55</sup> Susan Gamble, "WLU still interested in City", *Brantford Expositor*, March 3, 1998.

<sup>56</sup> Ibid.

university”.<sup>57</sup> This proposal also clearly outlined the benefits that the city expected from the project which are outlined in Figure 1. These expected benefits were focused in five key areas which included youth retention, improvement in university attainment levels, reduced cost and accessibility of university education for Brantford residents, economic benefits and vitality and reputational impact.<sup>58</sup> The proposal set out a phased approach to development where phase one would include a downtown campus around Victoria Park and historic buildings suitable for university purposes would be procured and renovated.<sup>59</sup> Support facilities such as access to the performing arts centre, city recreation facilities and the city’s library were also mentioned. Phase two was to consist of a green field campus of approximately 50 acres in size. The GVES, city and other community partners committed to fundraising to “construct university facilities of approximately 30,000 square feet” for phase two of the development.<sup>60</sup> Six conditions, as set out in Figure 2 formed part of the initial agreement.

<b>Benefits of a Wilfrid Laurier University Campus in Brantford</b>
1. Retention of youth
2. Improvements in post-secondary education attainment
3. Reduced education costs for students living at home
4. Economic benefits of direct jobs created and spin offs of new businesses established to service the needs of the students and university; and
5. Improved image and vitality to the community

Figure 1: Steering Committee Proposal to WLU  
 Source: Brant University Committee and the City of Brantford, Proposal to locate a University in Brantford, April 1998.

<sup>57</sup> Brant University Committee and the City of Brantford, “Proposal to WLU to locate a university in Brantford”, April 1998.

<sup>58</sup> Ibid, 4.

<sup>59</sup> Ibid, 4.

<sup>60</sup> Ibid, 8.

<b>Benchmarks to be achieved – WLU Brantford Campus</b>
In return for the above financial and community package it is expected that the university will commit to:
1. Establish a presence in the community by September 1, 1999
2. Offering a distinctive full university degree program within the community by September 1, 1999 such that students would be able to obtain a university degree without leaving the community
3. Set up the operations of the Brantford campus as a federated independent college with autonomy and independent decision making capabilities within 10 years
4. Give 12 months' notice of any changes or reductions to curriculum or programs to be offered in Brantford
5. Make an annual report to the community on the University progress
6. Ensure active community involvement and participation in the University

Figure 2: Terms of proposed agreement: WLU and Brantford University Steering Committee  
 Source: Brant University Committee and the City of Brantford, Proposal to locate a University in Brantford, April 1998.

The benchmarks set by the City of Brantford provide more detail about the types of benefits that the city intended to realize from Laurier. It appears that the city was seeking an active community partner with the autonomy to make local decisions over matters such as campus development and programming. The priority of securing an institution that could contribute to the retention of young people was once again mentioned as being very important.

After years of working towards a university, Wilfrid Laurier Brantford Campus opened in 1999. The campus consisted of one building, one academic program, 39 students and two full-time faculty members.<sup>61</sup> It has since grown to 2700 students and five faculties of academic programming. The campus has remained downtown and over \$130 million has been invested in the city's core, including \$21 million from the City of Brantford.<sup>62</sup>

<sup>61</sup> "Strategic Plan, Office of the Senior Executive", Laurier Brantford, October 2012, [http://www.wlu.ca/homepage.php?grp\\_id=12875](http://www.wlu.ca/homepage.php?grp_id=12875).

<sup>62</sup> Lewington, Jennifer, "Students Bring New Vitality to Brantford's Core", *The Globe and Mail*, June 4, 2012, <http://www.theglobeandmail.com/report-on-business/industry-news/property-report/students-bring-new-vitality-to-brantfords-core/article4229574/>.

### *Lakehead Orillia - Orillia, Ontario*

The City of Orillia is located in Simcoe County in the heart of Ontario's cottage country. In 2006 the city had a population of approximately 30,259 residents.<sup>63</sup> The five most dominant sectors in Orillia include retail trade, health care and social assistance, construction, other services and professional, scientific and technical services.<sup>64</sup> Similar to other Ontario cities, Orillia's economy had undergone a transition shifting away from manufacturing to service and knowledge sector jobs. The community's economy is also heavily impacted by seasonality, as a large number of seasonal residents and cottagers reside in the city. Orillia is also well-known for having a vibrant arts and culture sector.

Similar to Brantford, Orillia also had a long-standing history of trying to attract a university to the area. Orillia's attempts date back to the 1960s where a proposal was put forward to build Simcoe College, a university that was to be operated by Waterloo Lutheran University.<sup>65</sup> The land was purchased, but fundraising efforts fell short and the university never came to fruition.<sup>66</sup> In 2005 the opportunity to secure a university satellite campus presented itself once again, when the Lakehead University Board of Governors approved an Orillia campus expansion as a strategic objective. The municipality had struck a Mayor's University Task Force in October

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<sup>63</sup> Statistics Canada, 2011 Census Focus on Geography Series – Census Agglomeration of Orillia, Last Modified April 21, 2014, <http://www12.statcan.gc.ca/census-recensement/2011/as-sa/fogs-spg/Facts-cma-eng.cfm?LANG=Eng&GK=CMA&GC=569>.

<sup>64</sup> City of Orillia, Doing Business in Orillia – Key Industries, Accessed July 7, 2014, <http://www.orillia.ca/en/doingbusinessinorillia/keyindustries.asp>.

<sup>65</sup> Randy Richmond, "The Orillia Spirit: An Illustrated History of Orillia" *Dundurn Press*, 1996, 106, [http://books.google.ca/books?id=W5dbJU5P6cC&pg=PA17&lpg=PA17&dq=orillia+university+attraction&source=bl&ots=kSeMHXD\\_R9&sig=RGb83ZTvJOz2B2mfbhgQsUyTcC8&hl=en&sa=X&ei=JrzCU7C3LeresAS5VIEY&ved=0CF8Q6AEwCQ#v=onepage&q=university&f=false](http://books.google.ca/books?id=W5dbJU5P6cC&pg=PA17&lpg=PA17&dq=orillia+university+attraction&source=bl&ots=kSeMHXD_R9&sig=RGb83ZTvJOz2B2mfbhgQsUyTcC8&hl=en&sa=X&ei=JrzCU7C3LeresAS5VIEY&ved=0CF8Q6AEwCQ#v=onepage&q=university&f=false).

<sup>66</sup> "History of the Huronia Regional Centre", Ministry of Community and Social Services, Accessed June 28, 2014, [http://www.mcsc.gov.on.ca/en/mcscs/programs/developmental/HRC\\_history.aspx](http://www.mcsc.gov.on.ca/en/mcscs/programs/developmental/HRC_history.aspx).

2004 that was tasked with the goal of bringing a university to the city.<sup>67</sup> Upon securing an initial commitment from Lakehead, a temporary downtown location was established. The focus of the post-secondary committee then shifted to implementation and securing a more permanent campus presence within the municipality's boundaries. The preferred site was the former Huronia Campus Lands which had been vacant since the closure of the institutional facilities in 2004.<sup>68</sup> Both the Ontario Provincial Police and Georgian College also had involvement with the site, thus the implementation committee led by the city saw the Huronia Lands as an opportunity to create a multi-purpose development.<sup>69</sup> The details around negotiations with the Province over the use of the Huronia Campus lands have not been made public. It is widely speculated that the provincial government disagreed with the Lakehead proposal. A consulting report prepared for the Province by the Courtyard Group, which did not explicitly mention the Lakehead Orillia proposal strongly discouraged the establishment of universities far from their home campus due to potential governance challenges.<sup>70</sup> Despite the setback, the municipality and Lakehead forged ahead with plans to bring a permanent satellite campus to Orillia. In 2009 the Federal Government announced \$13 million in funding for a permanent campus location of Lakehead University in Orillia. Both the city and Simcoe County were other major financial contributors to the project. The city committed a total of \$10 million to the project which included capital contributions of \$500,000 annually for ten years as well as 85 acres of serviced land, valued at \$5 million.<sup>71</sup> Financial contributions to the university project were made possible through a separate tax levy of 1% in 2008 and a second 1% levy in 2009.<sup>72</sup> Building permit fees for the

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<sup>67</sup> November 10, 2005 letter from Mayor's University Task Force to County of Simcoe, re: Lakehead University Project, November 2005.

<sup>68</sup> Orillia Mayor's University Task Force, Letter to County of Simcoe Council, November 10, 2005, 1-2, [http://www.simcoe.ca/ws\\_cos/groups/public/@pub-cos-sta-com/documents/agenda\\_documents/wscos\\_021889.pdf](http://www.simcoe.ca/ws_cos/groups/public/@pub-cos-sta-com/documents/agenda_documents/wscos_021889.pdf).

<sup>69</sup> Ibid, 2.

<sup>70</sup> "\$13 Million for Academic Building at Lakehead Orillia Campus", Academia Group, September 4, 2009, <http://academica.ca/top-ten/13-million-academic-building-lakehead-orillia-campus>.

<sup>71</sup> City of Orillia, Lakehead University Project Team Report, Municipal Support for Lakehead University, January 8, 2008, 1.

<sup>72</sup> Ibid, 1.

facility were also waived for phase 1 of the campus construction.<sup>73</sup> The County contributed \$500,000 in financial support for the project.<sup>74</sup>

The municipality only briefly outlined some of the expected benefits to be realized from the Lakehead campus in Council reports, stating that “Council members have not raised to date any questions about the cost/benefit of such an investment, and therefore we have undertaken no analysis of this aspect of the undertaking”.<sup>75</sup> In a January 2008 report, general social and community benefits were acknowledged as important intangible benefits associated with the proposed campus development. The same report also spoke to the benefit of having a multi-faculty campus rather than single faculty campuses which had been developed in other communities.<sup>76</sup> The city had also cited its interest in finding a partner that was willing to work with their existing post-secondary institution, Georgian College. Comparative data on municipal financial contributions and annual impacts of other institutions were used to benchmark the proposed financial contribution and potential economic benefit. A more comprehensive outline of the benefits of the university for Orillia and Simcoe County was articulated by Lakehead University in their business case. Some of the benefits included providing the skills and knowledge to transition the local workforce to the knowledge economy, increasing post-secondary attainment rates from 13% to the provincial average of 25% and creating direct and indirect jobs within Simcoe County.<sup>77</sup> The business case also revealed a strong interest from Lakehead University to locate within Orillia due to its proximity to the Greater Toronto Area and potential to offset declining revenues at the main campus in Thunder Bay.

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<sup>73</sup> Ibid.

<sup>74</sup> Lakehead University, Update for Simcoe County Council, October 2009, [http://www.simcoe.ca/ws\\_cos/groups/public/@pub-cos-sta-com/documents/agenda\\_documents/wscos\\_021093.pdf](http://www.simcoe.ca/ws_cos/groups/public/@pub-cos-sta-com/documents/agenda_documents/wscos_021093.pdf).

<sup>75</sup> Lakehead University Project Team Report, Municipal support for Lakehead University, 2.

<sup>76</sup> Ibid, 3.

<sup>77</sup> Lakehead University Orillia, Lakehead University - Orillia Campus Plan 2009-2013, 4.

In the eight years that Lakehead has been operating in Orillia, the campus has grown from a small downtown site with 131 students to a stand-alone campus with 1,300 students.<sup>78</sup> The university still has some facilities located downtown including a learning commons in the Heritage Place building, however most of the facilities are now located at the permanent site.

### *Analysis of Satellite Campus Models – Laurier Brantford and Lakehead Orillia*

The cases of Laurier Brantford and Lakehead Orillia share some similar characteristics which makes them an interesting pairing for analysis. Some of the shared characteristics of both communities include their established history of post-secondary attraction efforts, existing college presence in both communities and engaged community actors. The level and type of engagement varied in both communities, as in Brantford it was more externally-driven by associations such as the GVES and Brant University Committee. These committees had essentially driven the process for securing a university, even before the city became engaged. In Orillia the Mayor's task force was the primary means through which engagement was coordinated. The task force appears to have been a politically-driven entity that largely resulted in response to interest from Lakehead.

Both campuses also had trouble securing provincial capital support at the outset of the project and required a significant municipal contribution to ensure plans could come to fruition. It seems reasonable that high levels of community support would be needed to justify this investment and therefore these communities would make an effort to articulate these benefits to the public. This has largely occurred in the Laurier Brantford case where groups like the GVES and the Social Planning Council have conducted public surveys, drafted several proposals and

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<sup>78</sup> Lakehead University Orillia, Lakehead University - Orillia Campus Plan 2013-2018, <https://www.lakeheadu.ca/sites/default/files/uploads/249/MediaOrillia/Campus%20Plan%20-%20Final%20DraftMay282013.pdf>.

communications materials related to the benefits of post-secondary institutions in Brantford. Orillia's engagement efforts were less robust and consisted of the engagement of select partners through the Mayor's task force and periodic progress and economic impact reports.

Both municipalities show congruence with Peterson's developmental policy theory as through securing a post-secondary institution they looked to improve their competitive position across economic, social and political systems. In Brantford's case, years of an ailing manufacturing sector and downtown decline provided the opportunity to use a university as a catalyst for economic, social and political prosperity. Brantford's position as a city plagued with economic and social issues made the university into a lucrative project where the associated costs were perceived as less significant than the overall value to the community. In more direct terms the university was an easy sell in Brantford. As the campus has matured, it is possible that a common land enhancement scheme could be emerging in the Downtown.<sup>79</sup> The most significant partners within the regime seem to be those with a direct property interest, including student housing developers, business owners, the university and the city. As the city has invested in excess of \$21 million in the university and additional funds into public infrastructure such as Harmony Square and the future downtown YMCA it continues to pursue growth machine objectives.

Orillia was also dealing with a transitioning economy and looked to capitalize on its strengths in culture, arts and heritage moving forward. Supporting documents in Orillia, such as the city's Cultural Plan developed in 2005 suggest that the city had strong creative ambitions.<sup>80</sup> However, the implementation of the campus more closely resembles developmental policy. This is

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<sup>79</sup> Jennifer Lewington, "Students Bring New Vitality to Brantford's Core", *The Globe and Mail*, June 4, 2012, <http://www.theglobeandmail.com/report-on-business/industry-news/property-report/students-bring-new-vitality-to-brantfords-core/article4229574/>.

<sup>80</sup> City of Orillia, A Cultural Plan for the City of Orillia, November 2005, <http://www.orillia.ca/en/visitorillia/resources/CulturalPlanforCityofOrillia.pdf>.



supported by the fact that staff in a project report indicated no need to perform a comprehensive cost-benefit analysis for the project, as it had unanimous support among political actors. With the exception of some periodic reporting on project developments, the city left the articulation of expected benefits to Lakehead University. It seems as though for Orillia, the prospect of finally securing a university was desired at all costs. While the economic and social benefits of a university are likely being realized in Orillia, if the city had truly been seeking to enhance its creative capacity, an integrated campus within a vibrant district such as the downtown might have been pursued. Instead, the university was developed on a greenfield site on the west side of Highway 11 where it intersects with Highway 12. The location of Lakehead's campus in business park on the fringe of the city shows some congruence with Molotch's growth machine theory. While the exact details are not known, it is likely that the city saw an opportunity to expedite servicing, and increase the growth potential and land values in the business park, through the location of a university.

Overall, the satellite campus developments in Brantford and Orillia seem to have pursued three main objectives; the attraction and retention of youth, increased post-secondary attainment rates and economic and employment impacts. While Laurier Brantford has become a best-practice example for urban revitalization, the initial agreement between the institution and the city provides that the downtown campus was originally supposed to be a small component of a vision centered around a greenfield campus. Therefore, the benefits associated with Laurier Brantford have shifted to focus more on urban revitalization, as the campus has matured. Both campus proposals strongly focus on attaining one of the three benefits identified by Siemiatycki which is the university as a rooted institution. More specifically the university is a "major employer, land developer and attractor of various types of external capital".<sup>81</sup> Both Brantford and

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<sup>81</sup> Elliot Siemiatycki, (2013), "A Smooth Ride? From Industrial to Creative Urbanism in Oshawa, Ontario", *International Journal of Urban and Regional Research* 37(5):1769.

Orillia are municipalities that have been hard hit by the shift away from manufacturing and therefore the prospect of gaining a university was a highly significant economic development opportunity for these communities. Orillia in its analysis and accompanying municipal documents did mention some creative city ambitions. However the isolated location of the campus may serve to limit the overall impact on the community.

### *McMaster Burlington, Burlington, Ontario*

The City of Burlington is located within Halton Region and in 2009 when the Degroote School of Business officially opened, the city had a population of 165,000. The city has been identified as an urban growth centre under the *Places to Grow Act* and is projected to grow to a population of 198,165 by 2031.<sup>82</sup> Burlington has a diverse economy with major employers across industries such as advanced manufacturing, business and financial services, information communications technology and life and earth sciences.<sup>83</sup>

In 2003, Mayor Rob Maclsaac presented a report to the Community Development Committee which outlined the benefits of locating a post-secondary institution in Burlington.<sup>84</sup> Burlington's Council responded by establishing a Mayor's task force on post-secondary education in 2004. The task force was responsible for establishing the vision and selection criteria for a post-secondary institution in the city.<sup>85</sup> By July 2004 a formal press release announced McMaster's interest in Burlington and the goal of establishing a campus in the city within three years.<sup>86</sup> This

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<sup>82</sup> City of Burlington, Report to the Community Development Committee, PL-1/08, Burlington Intensification Study, January 31, 2008, <http://cms.burlington.ca/AssetFactory.aspx?did=7974>.

<sup>83</sup> Burlington Economic Development Corporation, Economic Snapshot, Accessed July 5, 2014, <http://www.bedc.ca/WhyBurlington/EconomicSnapshot>.

<sup>84</sup> City of Burlington, Community Development and Budget & Strategic Planning Committee, A report providing an update on the activities of the Mayor's Task Force for Post-Secondary Education M0-02-04, May 21, 2004, 2.

<sup>85</sup> McMaster University, "The City of Burlington and McMaster University work together to bring a campus to Burlington", News Release, July 29, 2004, [http://www.mcmaster.ca/opr/html/opr/media/main/NewsReleases/2004/NR\\_burlington.html](http://www.mcmaster.ca/opr/html/opr/media/main/NewsReleases/2004/NR_burlington.html).

<sup>86</sup> Ibid.

press release also provided that the city and University would work together to determine the preferred concept for the campus. Research and consultation was undertaken to ensure that the campus would reflect the needs of future students, faculty and the larger community.<sup>87</sup> In a 2007 report, the proposed site for the campus was stated to be in Downtown Burlington and by 2008 the proposed site had moved to a greenfield site directly off Highway 403. An article praising the building's design provides that the original plans were for a mixed-use development downtown Burlington with an integrated transit link and municipal parking.<sup>88</sup> However, when the project complexity heightened the alternate site at South Service Road and Highway 403 was chosen.<sup>89</sup> It also reveals that the site was a voluntary donation from an anonymous donor.<sup>90</sup> Financial support in the amount of \$10 million was also received from Ron Joyce, co-founder of Tim Horton's.<sup>91</sup>

In July 2008 a Regional Economic Impact study was conducted for the city by Deloitte and Touche to outline the economic benefits associated with the proposed McMaster University DeGroot Centre for Advanced Management Studies. The municipality actively referred to the benefits articulated in this study in staff reports, local media publications such as Perspectives or City Talk Burlington and City communications. The benefits identified in the Deloitte report fell into four main categories. This information is contained in Figure 3. Burlington identified four key areas where expected benefits were to be realized. These areas included the attraction and retention of talent, innovation capacity, cluster development and positively supporting and driving the municipality's and region's economic development agenda. The municipality sought

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<sup>87</sup> Ibid.

<sup>88</sup> Munro, Neil and Kathryn Denney, "Fast tracking green design – The Ron Joyce Centre – Degroote School of Business McMaster University", *Sustainable Architecture and Building Magazine*, April 2, 2013, <http://www.sabmagazine.com/blog/2013/04/02/fast-tracking-green-design-the-ron-joyce-centre-degroote-school-of-business-mcmaster-university/>.

<sup>89</sup> Ibid.

<sup>90</sup> Ibid.

<sup>91</sup> "Halton Taxpayers Asked to Fund Burlington Mac Campus", *Burlington Post*, January 16, 2009, <http://www.insidehalton.com/news-story/2936263-halton-taxpayers-asked-to-fund-burlington-mac-campus/>

an integrated partner that would complement its strategic business clusters, encourage innovation and develop local talent. All of the identified objectives were linked back to the city and region's economic development and strategic plans. Additional quantitative figures were calculated for the spending and employment impacts during the construction and operational phases of the project. Impacts from construction of the facility were estimated at \$44 million in direct spending and \$21 million in employment benefits. \$42.3 million in spending impacts and \$32.3 million in employment impacts were expected to arise out of operations.<sup>92</sup>

<b>Economic Impacts Identified for McMaster-Burlington Campus</b>	
<b>1. Attracting and retaining talent</b>	<ul style="list-style-type: none"> <li>-Provide Burlington and Halton with a pool of experiential trained managers in fields that align directly with the current business profile of the city and region</li> <li>-Co-operative education program allows Burlington and Halton based companies access to young professionals to develop their human resource potential and cost-effective means of evaluating prospective future employees</li> <li>-Enhance the business skill set and address the executive training needs of local/regional businesses and boards through local training and seminars</li> <li>-Allow the city and region to achieve the goals in their strategic plan relating to talent and investment attraction</li> </ul>
<b>2. Innovation Building</b>	<ul style="list-style-type: none"> <li>-Providing the city and region with access to one of Canada's leading research institutions in established and emerging areas of study</li> <li>-Provide Burlington and Halton Region businesses with access to a diverse pool of highly educated researchers, faculty, students and research institutions across a broad range of disciplines to assist in / collaborate on the development, testing and commercialization of new ideas, business practices, skills and technologies</li> </ul>
<b>3. Cluster Development</b>	<ul style="list-style-type: none"> <li>-McMaster's business plan identified a focus on the establishment of linkages with area business and other McMaster faculties, facilitating the transfer of knowledge and ideas between groups across a broad range of disciplines</li> <li>-Further support and influence the development and expansion of economic clusters in a number of sectors, including financial services, health care, life sciences, etc.</li> </ul>
<b>4. Positively supporting and driving Burlington and Halton Region's economic development agenda</b>	<ul style="list-style-type: none"> <li>-Further cement the region and city's reputation as a location of choice for business</li> <li>-Facilitate Halton Region and the City of Burlington in offering a competitive business environment that supports entrepreneurialism, skills development and facilitates the shift to higher value added businesses</li> <li>-Academic offerings and relationships with the local business community will assist the city and region in planning for continued growth and prosperity</li> </ul>

Figure 3: Economic Impact of McMaster-Burlington

Source: Adapted from Deloitte and Touche – Economic Impact Analysis, October 2008

<sup>92</sup> Deloitte and Touche, Economic Impact of the DeGroot School of Business Centre for Advanced Management Studies, October 2008.

Burlington engaged in a comprehensive exercise to identify the vision of its post-secondary task force and the selection criteria for the successful institutional partner. This information is contained in Figures 3A and 3B. Some of the expected benefits mentioned are the increase in the knowledge base and skills of citizens and enhancing the community capacity for creativity, innovation and entrepreneurship. Burlington, unlike the other cases reviewed, stated in the May 2004 report that it had multiple institutions that had submitted expressions of interest to the committee. The exercise of defining the vision and selection criteria enabled the municipality to find the best fit among interested institutions.

<b>Mayor's Post-Secondary Task Force – Vision</b>
1. Burlington's future prosperity depends on the knowledge of its people
2. A post-secondary institutional presence in Burlington will enhance the knowledge base and skills of our citizens, and will also increase the capacity of our community for creativity, innovation and entrepreneurship
3. The city will shape this growth by taking strategic steps with partners towards the development of a major educational institution in Burlington

Figure 3A: Vision of Burlington's Mayor's Post-Secondary Task Force  
 Source: City of Burlington, Report to Community Development and Budget & Strategic Planning Committee, M0-02-04, May 21, 2004

<b>Mayor's Post-Secondary Task Force - Selection Criteria</b>
1. Capital requirements of the project (nature of and practical or not)
2. Is the proposal aligned with our local need/fit and are we aligned or fit with our partner's long-term strategy and plan
3. A potential partner needs to be flexible and open
4. The degree of integration with the community
5. Is the proposal open to multiple players at any time
6. Does the proposal meet our broad learning objective
7. The proposal must contain uniqueness, a distinguishing factor, bring recognition, and set the standard of excellence
8. A successful partner must have experience and a successful track record
9. The proposal elevates the profile of Burlington

Figure 3B: Campus Selection Criteria - Burlington's Mayor's Post-Secondary Task Force  
 Source: City of Burlington, Report to Community Development and Budget & Strategic Planning Committee, M0-02-04, May 21, 2004

The Ron Joyce Centre of the Degroote School of Business opened in September 2010. The building is 90,000 square feet and achieved LEED gold certification for its environmental

conscious design. It is described as a hub for “academic and economic collaboration in Burlington and Halton Region”.<sup>93</sup>

### *UWaterloo Stratford, Stratford Ontario*

The City of Stratford is located in Southwestern Ontario and is known for its vibrant arts and cultural sector. Stratford has a population of approximately 30,000 residents and has experienced moderate population growth of 4.1% over the six year census period.<sup>94</sup> Since 1997, the city had been in pursuit of a post-secondary partner and had articulated this interest through their Strategic Plan.<sup>95</sup> As early as 2003, the municipality started seeking out an institutional partner and by 2004, negotiations between UWaterloo and the city started to progress.<sup>96</sup> The city put together a project team to move the project forward. In 2006 a memorandum of agreement was signed with the University of Waterloo and the Stratford Festival to explore the possibility of having a liberal arts college in Stratford.<sup>97</sup> Further research into academic programming revealed an emerging need for digital media research and expertise. The final proposal called for a “Stratford Institute” which included academic programming, conference facilities and high-tech research and development. Programming was initially supposed to be focused at the graduate level with subsequent expansion into undergraduate programming.

The Stratford campus received \$10 million in funding and the donation of the proposed site by the city, \$10 million from the provincial government, \$10 million from a private sector partner

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<sup>93</sup> McMaster University, Ron Joyce Centre, Accessed July 7, 2014, <http://rjc.degroote.mcmaster.ca/>

<sup>94</sup> City of Stratford, Demographic Profile, 2011, <http://www.stratfordcanada.ca/en/dobusiness/demographicprofile.asp>.

<sup>95</sup> Mayor Dan Mathieson, Personal Interview, Monday November 25, 2013.

<sup>96</sup> Kelley Teahen, “University of Waterloo’s Stratford Adventure”, *Alumni Waterloo*, <https://uwaterloo.ca/alumni/university-waterloos-stratford-adventure>.

<sup>97</sup> Ibid.

OpenText and \$5.75 million from the federal government for programming under the Federal Centre of Excellence designation.<sup>98</sup> The project's most prominent private sector partner, OpenText has not simply limited its involvement to funding. OpenText is actively involved with the institution as the company's software is used as the platform for digital media research and the company actively provides Masters' students with project work and cooperative work term arrangements.<sup>99</sup> The Stratford example is arguably the most progressive partnership arrangement between private and public sector partners that had been established over the 15 year time period.

There were a minimal amount of public reports and documents available prior to the university's establishment that outlined motivations and expected benefits. Similar to Burlington, the City of Stratford also procured the services of a consulting firm to assess the expected economic impact of the facility. The study identified four key objectives for the Stratford Institute which are featured in Figure 4. The four benefits ranged from creating an innovative and collaborative environment for digital media stakeholders, fostering innovation, collaboration and commercialization, inspiring digital innovation in new and existing businesses and becoming a regional leader for digital media excellence. Stratford aspired to be an innovative hub for digital media stakeholders where innovative research and commercialization ventures would take place. Outside of these objectives, most of the study was focused on the direct spending and employment impacts of the construction and operations of the facility. The total economic impact of the facility was projected to be \$89.2 million from construction and \$42.9 million from operations.<sup>100</sup>

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<sup>98</sup> Mayor Dan Mathieson, Personal Interview, Monday November 25, 2013.

<sup>99</sup> University of Waterloo, "University of Waterloo Stratford Campus opens new building to house digital media programs and foster innovation", Media release, October 16, 2012, <https://uwaterloo.ca/news/news/university-waterloo-stratford-campus-opens-new-building>.

<sup>100</sup> Deloitte and Touche, City of Stratford – Economic Impact Study: UW Stratford Institute, November 2008.

<b>Objectives of the Stratford Institute</b>
1. Create an environment where business, venture capitalists, researchers, entrepreneurs, artists and inventors alike are drawn together to explore and expand the global possibilities of digital media;
2. Foster innovation, collaboration and commercialization based on the intersection of science, technology, creativity and commerce;
3. Inspire digital innovation in new and existing businesses, with an emphasis on creating globally competitive firms, employees, products and services; and
4. Provide provincial, regional and national leadership in the intersection of global business and digital media.

Figure 4: Objectives of the Stratford Institute

Source: City of Stratford – Economic Impact Study

### *Analysis of Decentralized Faculty Campus Model – McMaster Burlington & UWaterloo Stratford*

The cases of McMaster Burlington and UWaterloo Stratford have some consistent traits which make for another useful comparison. Both municipalities actively articulated their interest in a post-secondary institution through their strategic plan, steering committees and project teams led implementation and consultants prepared a comprehensive economic impact analysis for both developments. Both communities had no existing post-secondary presence within the municipality, but were within close proximity (50km) to a major institution.

The motivation for pursuing a post-secondary partner in both Burlington and Stratford appears to be more closely linked to creative class objectives which include talent, tolerance and technology. Burlington's proposal focuses on talent and technology citing the development of the talent pool in key regional clusters, enhancing the research and innovation capacity, and cluster development as a few of the key benefits to be realized from the university. The city's proposal is also unique in its reference to municipal strategic plan linkages for both Halton Region and Burlington. Stratford had the added objective of trying to transition its economy while building upon the existing strength of its arts and culture sector. The lack of public information available related to the campus development makes evaluating the municipality's



objectives more difficult. It appears that the expected benefits were focused on developing and enhancing both talent and technology. The municipality and the university narrowed in on digital media and looked to create a development hub for major stakeholders in this field, enhance the research and development infrastructure and establish the institution and municipality as a leader in this field. The city's proposal specifically mentioned fostering commercialization of research which is widely discussed in the literature as a potential benefit of major research based post-secondary institutions. The benefits sought by Burlington are fairly consistent with the eight types cited by Goldstein, Mayer and Luger and the three dimensions provided by Siemiatycki. These include "knowledge creation, human capital enhancement, transfer of existing know-how, technological innovation, capital investment, regional leadership, knowledge infrastructure production and influence on regional milieu."<sup>101</sup> Burlington had the most sophisticated assessment of benefits, likely because of its size and available resourcing. Their proposal spoke specifically to the linkages between the institution and the achievement of regional and city strategic planning objectives.

Both of these municipalities felt it was necessary to have a comprehensive impact study conducted to gauge the economic impact of the campus on the community. These studies may have been explicitly requested by Council or authorized by staff as a prudent measure of presenting the proposal to Council. An additional reason for the study may be that the municipality needed to justify the specialized nature of programming offered by the institution with further study. An economic impact study may also strengthen the municipality's position when advocating for federal and provincial funding. Such as study is not required to receive funding and across the four cases UWaterloo Stratford and Orillia received funding from upper levels of government, while Brantford and Burlington did not.

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<sup>101</sup> Drucker and Goldstein, *Assessing the Regional Economic Development Impacts of Universities*, 22.

## **Findings:**

The motivations of various municipalities with respect to satellite campuses vary from pursuit of developmental policy to seeking to enhance talent, tolerance and technology in the pursuit of a creative city. The growth machine thesis was not determined in part to be the primary motivation for any of the case studies, and likely has greater influence in the university's expansion plans. The closest example of the growth machine thesis would be Orillia's placement of the Lakehead campus in a local business park which then justified plans to expedite servicing to the land, thereby increasing the availability of serviced land and accompanying land values. With no details released on the rationale behind the new location of the campus, it is difficult to make this conclusion with certainty.

All of the cases indicate that a university was pursued for broader economic, social and cultural benefits. True developmental policy deems that the effects of a post-secondary campus are greater than the cost to residents. In applying this to the four case studies, the expected benefits of a post-secondary institution would prove to be desirable at any cost or at least within the range of what other communities had paid. This rationale was the most compelling for the satellite campus developments in Brantford and Orillia. Both cities largely pursued the economic and employment benefits, ability to attract and retain young people and increased attainment rates within their locales. In these communities the university was valued as a rooted institution, for its role as an employer, land developer and magnet for economic investment. The two communities that pursued decentralized faculties, Burlington and Stratford, went further with their pursuit of benefits. While they saw the economic effects of a university as significant, they took further steps to rationalize the cost to Council and the community. While this could be a reflection of the maturity of practice in these communities or access to resources it may also be due to the fact that these communities were pursuing specialized institutions, so further study

was needed to ensure the right type of institution was being pursued. Once institutions are developed economic impact studies become standard practice, usually as a means of justifying the sustained impact that an institution has on a community. In the cases of Burlington and Stratford, it may be the case that the solid justification of the economic impact allowed these communities to pursue further objectives including the establishment of a university as a research and development engine in a triple helix arrangement and strong influencer in the production of a creative city. Burlington through the activities of its Mayor's Post-Secondary Task Force, underwent an exercise to identify the city's key sectors and to ensure that programming would enhance these targeted areas. Stratford targeted a specialized institution that would further build upon the community's unique arts and culture sector. In effect, Stratford identified its strengths as a community and worked with Waterloo to build an institution with programming geared specifically towards this sector. The creation of the Stratford Institute as a digital media arts hub not only garnered support from both federal and provincial governments, but also from private sector partners. What is especially interesting is that Brantford, Orillia and Stratford all faced a similar issue of the post-industrial decline and the need to transition the local workforce. While Brantford and Orillia sought general arts and sciences campuses as their solution, Stratford chose to focus its efforts on leveraging an existing industry. There are many influential factors that are absent from this review of benefits. Some of these influential factors include the degree of influence exercised by the institutional partner, the relationships and nature of negotiations between decision makers at the university and municipality and other influential political decisions made by the Province.

One further observation was that the degree and nature of partnership varied for all four case examples. Shields refers to this as mutuality, or a sustained partnership between multiple stakeholders across the private and public sectors. A brief description of the desired level of partnership will illustrate the differences in expected mutuality across the four cases studies.

The City of Brantford, desired an autonomous institutional partner and expected the institution to notify the municipality 12 months in advance of programming changes. This likely arose out of the fact that the right mix of programming was key to attracting students to Laurier's Brantford campus as opposed to the main campus in Waterloo. Some dissenters had blamed Laurier Brantford's focus on liberal arts education as contributing to its initial problems attracting and retaining students.<sup>102</sup> Therefore, the city's partnership with Laurier was one of ensuring the success of the institution and eventually evolved into a downtown revitalization initiative.

Mutuality in the case of Orillia is more difficult to determine with the limited information available, however, it appears to have been related more to the campus' development. The city desired a partner to work with Georgian College, as well as a partner that would improve the economic, social and cultural environments of the city. Both the Burlington and Stratford cases appeared to desire a more involved and sustaining partnership with their post-secondary institutions. In the case of Burlington, the municipality specifically identified sectors where the post-secondary institution could contribute to the municipality's and region's economic development efforts. The Stratford case extended the desired partnership to a specific private-sector investor, OpenText. The specialized institutions tended to desire higher degrees of mutuality between partners as they created more of a direct link between the function of the campus and the municipality's interests.

Each of the case studies provided unique contributions to the discussion of motivations and benefits. Laurier Brantford clearly illustrated that the benefits sought by a municipality can change as the campus matures. Whereas Brantford initially pursued the campus to realize the benefits of a rooted institution, it has now become one of the most successful cases of downtown revitalization across Ontario. Lakehead Orillia demonstrated the impact that funding decisions from higher levels of government can have on university attraction plans. Although

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<sup>102</sup> Leo Groarke, *Reinventing Brantford*, 96.

Orillia had a committed partner in Lakehead, the provincial government did not actively support plans for a university in the city. The initial proposal would have meant a multi-purpose campus located just outside of the city core; instead the end result was a campus on the opposite side of a major highway in an isolated business park. While the campus still may be beneficial for Orillia, a more amenable location would have likely led to greater community impact. The McMaster Burlington case offered a more advanced proposal of benefits with ties to the municipality's and region's strategic objectives, the identification of strategic clusters and a variety of communication activities to generate awareness of the expected benefits among stakeholders and residents. The locational decisions of the campus still remain unclear, as details of the shift from a downtown campus to commuter campus have not been revealed. Finally, the UWaterloo Stratford case is the closest example of a triple-helix arrangement where government, private business and a university collaborate in an innovative and beneficial arrangement. Stratford was another case where there was limited information available on the expected benefits and motivation of the municipality. Information of this kind was limited to the economic impact study, therefore making the city's intentions somewhat difficult to analyze.

### **Conclusion:**

It is clear from the analysis that while all the communities studied see a university as a beneficial investment, they tend to seek varied benefits from the establishment of a satellite campus. Their motivations also tended to influence the types of benefits that they looked to realize. It appears that the two communities that pursued a university as a developmental policy were focused on the benefits of the university as a rooted institution. This refers to the university's role as a major employer, land developer and catalyst for development. Additional local benefits were also important to these communities, which including increasing post-secondary attainment rates and attracting and retaining young people within the community.

This compares to the two municipalities that attracted a more specialized institution. It appears that the two municipalities which sought to attract specialized institutions were seeking benefits stemming from the university as a research and development institution or innovative hub for identified sectors and the enhancement of the creative environment. These municipalities desired an institution that would enhance talent, tolerance and technology and build upon their existing strengths as a community. In answering the questions posed at the beginning of this paper, it does appear that the rationale of the municipality influenced the benefits that were sought, and that different types of benefits were expected from satellite campuses versus decentralized faculty institutions.

The conclusions in this paper can provide some important insight to municipalities that are currently engaged in the competitive bidding process for three new Ontario university campuses. The provincial implementation of a formal request for proposal process for major capital improvements and new institutions will impact both the motivation and expected benefits to be realized by participating municipalities. Discussion of the impact on motivation and expected benefits will be followed by some general conclusions about the post-secondary attraction process moving forward.

Historically, municipalities seeking post-secondary institutions have had a strong vested interest in securing a campus. Securing a campus was a long-term pursuit, spanning over years, even decades before it was realized. The new process may have the effect of encouraging municipalities to pursue an institution to seize an available opportunity. This paper has confirmed the fact that municipalities tend to see the pursuit of universities as a developmental policy, providing much greater overall benefits than their cost to the community. Therefore, communities that have sufficient financial capacity may engage in an attraction campaign simply because the expected benefits of doing so are too attractive to ignore. This may also mean that

municipalities with more resources will dominate the competitive process. The profile around the commitment to post-secondary expansion will ensure that a large number of municipalities continue to engage in efforts to bring an institution to their locale.

In terms of the expected benefits from a campus, the major capital expansion policy framework defines five criteria on which campus expansion projects will be evaluated. These included “strategic management of long-term enrolment growth and sustainability; differentiation, sustainability and accountability; economic impact; quality, innovation and competitiveness; and affordability for students and the Province”.<sup>103</sup> While this paper suggests that municipalities have historically desired different types of benefits from the two campus models, this is likely to become less relevant under the new policy. Municipalities and their institutional partners are likely to focus their proposals around the consistent set of criteria articulated by the Province.

Three general conclusions can be made about the process moving forward. The first conclusion is that communities that are seeking a university must be prepared to make a substantive financial commitment to their respective institutional partner. Financial contributions, land donations, joint use agreements for facilities and economic development grant programs are just some of the benefits that municipalities have used to incentivize institutions. Locational incentives have become increasingly relevant to institutions under the satellite campus policy, as competition for an institution has heightened. In York Region for example, York University entertained bids from six of the nine lower-tier municipalities, before selecting Markham as the preferred site. York Region municipalities reportedly offered benefits such as highly desirable parcels of land located within close proximity to major transit hubs, financial support and other

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<sup>103</sup> Ministry of Colleges, Training and Universities, *Major Capital Expansion Policy Framework*, December 2013, 14.

benefits which were not made public, in their efforts to secure a York University Campus.<sup>104</sup> The competitive nature of the bidding process has generally led to institutions having a number of municipalities to choose from, when establishing a new campus. Municipalities must also be prepared for the increasingly likely event that provincial and federal capital funds are not secured or reliable, and must reach out to other public and private sector partners to secure financing. Partnerships will continue to be the dominant way in which funding is secured.

Secondly, we are likely to see a continued focus on campuses that provide benefits beyond economic and employment impacts, favouring more specialized institutions that leverage a local strength. Until the release of the policy in 2013, decisions on post-secondary campus expansion have been made in an ad hoc manner, as campus proposals have come forward. The new process has been designed to lead to improved decision-making, through the definition of set criteria. This does not necessarily mean that proposals that cite higher-order benefits will necessarily attain them, but that the sophistication of proposals is likely to increase. For municipalities this means a need to clearly define their “local competitive advantage” or “value proposition” and finding an institutional partner that has the expertise to take advantage of the opportunity.

Current trends suggest that municipalities will continue to see satellite campuses as a silver bullet for economic development purposes. Historically, evaluation of the benefits of satellite campuses has been limited to economic factors such as spending and employment impacts rather than a comprehensive review of the attainment of expected benefits. The paper has confirmed that municipalities seek a wide range of benefits from a university partnership and that a campus development is assumed to be a positive addition to any community in which it is

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<sup>104</sup> Amanda Persico, “Being Urban Transit Focused Set Markham Apart in YorkU Bid”, Markham Economist & Sun, June 24, 2014, <http://www.yorkregion.com/news-story/4596072-being-urban-transit-focused-set-markham-apart-in-york-u-bid/>.



located. It is highly unlikely that this practice will change with the new process, as an even greater number of municipalities are expected to participate in the competitive process for a university. In addition, it is quite possible that municipalities that are unsuccessful in the provincial process will continue to work with a partner to bring some kind of institutional presence to their community. This will likely result in a substantial increase in the number of decentralized faculty campuses. There are some preliminary signs that further evaluation of established satellite campuses is needed. Recently, the University of Guelph announced the closure of two satellite campus developments in Alfred and Kemptville.<sup>105</sup> Further to this, Algoma University has suspended recruitment of students for enrolment at the university's satellite campus in St. Thomas.<sup>106</sup> While these campuses have received much less profile than the case study developments, they may be indicative of further challenges ahead.

### **Further Research:**

This paper sets the groundwork for additional research to occur, with respect to municipalities and their interest in attracting university satellite campuses. Through the discussion of the motivations and expected benefits that municipalities intend to realize from these institutions, there is an opportunity in future research to evaluate the realization of expected benefits. The paper further demonstrates a need to examine both satellite campus developments and decentralized faculty campuses as municipalities seek different packages of benefits from the two models. The importance of this research should not be understated, as the expansion of satellite campuses continues to occur in Ontario and municipalities tend to see these institutions as a solution for economic development. While it is easy to argue that a satellite campus will

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<sup>105</sup> "University of Guelph Closing Two Satellite Campuses", *The Canadian Press*, March 13, 2014, [http://www.thestar.com/news/queenspark/2014/03/13/university\\_of\\_guelph\\_closing\\_2\\_satellite\\_campuses.html](http://www.thestar.com/news/queenspark/2014/03/13/university_of_guelph_closing_2_satellite_campuses.html).

<sup>106</sup> Algoma University, Algoma at St. Thomas, Accessed July 30, 2014, <http://www.algomau.ca/stthomas/>.

have a positive impact on a municipality, the larger question of the overall benefit of satellite campuses to the system as a whole need to be considered. These questions also fall outside the scope of the current research and align more closely with research on post-secondary system planning in Ontario. Siemiatycki poses a cautionary argument about further expansion of satellite campuses when he says that “if every mid-size city tries to create a local knowledge economy through the establishment of a university, cities will surely begin to compete with each other in a zero-sum game for the attraction of capital and people.”<sup>107</sup> Therefore, more critical evaluation of the satellite campuses and decentralized faculty campuses established to date can shape better campus projects moving forward.

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<sup>107</sup> Siemiatycki, *A Smooth Ride? From Industrial to Creative Urbanism in Oshawa, Ontario, 1769*.

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