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REAL ESTATE

## HOOPP invests \$300M in city's ACC Park

By RICH LETKEMAN

City planners and developers in Mississauga are abuzz with news that Healthcare of Ontario Pension Plan will build another 1.1-million square feet in seven new office buildings in the Airport Corporate Centre, or "ACC Park".

In the space of about six months, and very soon after attracting Target Stores as a 200,000-square-foot tenant in its newest Aero Centre tower, HOOPP has purchased 33 acres and started planning preliminaries for a \$300-million office and retail campus that will triple its digs in the ACC.

The project is another chapter in the fund's commitment to LEED-Gold environmental building standards and to the premium quality they offer to corporate tenants.

The site is on Eglinton Ave. west of Renforth, along the north side of the Toronto boundary. "It's the largest empty property left in Mississauga's ACC district," says HOOPP's senior portfolio manager, Lisa Lafave.

Each building will be 125,000 to 250,000 square feet, built over an estimated time line of five to seven years. They are classified as "speculative" investments, but their LEED status and high-performance work environments are receiving high status in office markets.

"Although there is a retail strip (Centennial Park Plaza) across the street, our big departure this time around is to incorporate 75,000 square feet of restaurant and service establishments in the district, on our property but outside the office towers," said Lafave.

"There has been almost no focus on retail in the past, and our tenants in the Aero Centre buildings frequently complain about that. Attracting tenants has become more challenging."

HOOPP owns six office buildings (the Aero Centre), accounting for 600,000 square feet or about 13 per cent of all floor space in Mississauga's high-density ACC office cluster.

Designs for the retail businesses are underway and they will be the project's first phase, according to Lafave.

"We're in dialogue with the City to amend zoning requirements into a format that will work, and that's predominantly one-storey."

Planners for the restaurant campus are John D. Rogers and Associates. Architects for the office buildings are Sweeny Sterling Finlayson & Co Architects (widely known in the GTA as "&Co" due to its very large staff of architects).

As a rare occurrence in the Pearson International zone, lunch and dining options will begin to come out of their hotel-lobby hiding places and take the form of what Lafave sees as a visible and pedestrian-friendly streetscape.

"We want to make it human, with open spaces, patios, landscaping, clustered buildings, entertainment potential, water features, wide sidewalks fronting on the north side of Eglinton Avenue, and maybe even the occasional street musician during the summer."

She mentioned other possibilities such as a bank, a fitness club, a career service, a courier office, a travel agent.

"We also want to break up the otherwise giant parking lots, but of course we have to meet the City's mandatory landscaping and parking ratios."

The sunken station of Mississauga's BRT (bus rapid transit system) station will take shape within two years immediately adjacent to the Eglinton-and-Spectrum Way building site.

"This is a tremendous amenity for people who work in the district and for [travellers

who need to get around]," she said.

(Mississauga's BRT is an 18-kilometre section of the 100-kilometre BRT corridor linking municipalities from Oakville to Pickering, with Toronto in the middle.)

It's not easy to work one's way around existing zoning by-laws when the City's District Plans are highly detailed, or at least restrictive. Lafave and the chief architect, John Gillanders are pushing for single-storey designs in a two-storey zoning environment, and a mix of small and large stand-alone buildings as opposed to cafes within office buildings.

"It's too difficult to coordinate two-storey buildings with tenant needs, or to link spaces that may not lease up properly into something that's walkable and doesn't look like a ['60s-style] strip plaza," she said.

"It's been demonstrated many times that cafes in office buildings are non-performers. It's also a fact that people would much rather [take a pleasant promenade to a restaurant or even a side trip into Centennial Park] rather than get into their cars and drive."

For air travellers, it could also mean trashing the car rental the next time around. "But for that to work," she said, "we need a certain critical mass of dining and other services in the neighbourhood."

Not only are Lafave and her consultants grappling with zoning issues for the "perfect mix", but they are discussing plans with retailers across the street to complement their branding mix.

Restaurateurs and invited retailers are expressing extreme interest, according to David Bradbeer of BPI Consultants, and he expects the majority of the 75,000 square feet of commercial space to be fully leased by April.

"Food courts are non-existent in ACC," said John Rogers of JDR & Associates. "This development will become a focal point and even a destination for the entire airport corporate community."

## Building a global platform for Mississauga

As we start a new year with new hope and aspirations for ourselves, so too does the City's Economic Development Office (EDO). As we enter the second year of implementing our 10-year Economic Development Strategy, the Economic Development Office is one step closer to becoming a global business magnet.

The Economic Development Strategy represents the overall vision and desired outcomes from a strategic planning process and presents a view of the type of community that Mississauga could become. This is where the development and attraction of talent is central to success, where the city is recognized for its innovation and leadership in an emerging economy, and where the city itself is promoted nationally and internationally for its capabilities and success.

To help EDO achieve these outcomes, City Council received our new international marketing strategy entitled, "Mississauga - Canada's Global Investment Destination: An International Marketing Strategy", prepared by consultants MillierDickinsonBlais Inc. The report presents an over-arching theme for the city to embrace in its international marketing efforts. This theme attempts to capture the most significant elements of Mississauga that influence the city's current identity and convey them in a way that differentiates Mississauga from its competition.

In order to understand Mississauga's value proposition for target sector marketing and investment attraction, the report probes the



The Development Team. Spectrum Square, the new development going in the Matheson/Eglinton area has already begun with Phase 1 expected to be completed in 2013. The space is 1.1 million sq. ft. Pictured here is the development team photographed in front of the Aero V Centre. (L-R) Jeff Flemington vice-president, principal Avison Young Brokerage, leasing broker; John Rogers, John D. Rogers and Associates, planner; Gord Laschinger Antalis Capital Limited principal real estate consultant; Joe Almeida vice-president, principal Avison Young, broker; Lisa Lafave senior portfolio manager HOOPP Healthcare of Ontario Pension Plan, owner; John Gillanders Sweeny Sterling Finlayson & Co. Architects, architect, and David Bradbeer BPI Consultants, project manager. Photo Stephen Uhraney

As a pension fund, HOOPP checked out of 2010 with ROIs that outperformed most major Canadian pension funds, ringing in 13.7 per cent gains compared with quite a few industry negatives.

The fund near the end of 2011 was believed to be pushing the \$40-billion mark on colour bars.

At the close of 2010, HOOPP was one per cent above the "100" threshold in terms of full coverage for its 260,000 members and

370 organizations in the healthcare industry. This more or less mimicked 2009's performance.

OTPP, the teachers' plan in Ontario, was only 90.3-per cent-funded at the end of 2010 in spite of 14-per cent ROIs, and this fund now is reported to be worth about \$120-billion.

Retired teachers are noticeably older than average Canadian retirees and this affects costs, according to the Globe & Mail.

### LARRY PETOVELLO

#### CITY FILE



many current assets that are already available to our thriving business community of over 55,000. Today, Mississauga offers its businesses an extensive web of high-revenue international companies that are located within its borders, a well-developed transportation network, a robust and reliable telecommunications infrastructure, quality of place and lifestyle and a supportive business environment that promotes and nurtures domestic and international partnerships. All this will help enhance the city's global presence.

The International Marketing Strategy further develops a marketing approach that takes into consideration a number of variables. After this extensive analysis of

Mississauga's foreign direct investment (FDI) potential, the following key international marketing opportunities emerged: to use Mississauga's local multicultural population to leverage connections; to encourage the development of entrepreneurial ventures that use international connections; to utilize Mississauga's "local" multinational businesses to become champions and recruit other divisions within their corporate structures; to target fast growing economies such as Brazil, Russia, India and China (BRIC Nations) who are becoming increasingly important drivers of FDI; and lastly, to leverage Mississauga's location as an international multimodal hub and a driver of goods and passenger movement in and out of Canada.

Given these new opportunities, an international marketing action plan has been developed and will be reviewed and implemented over the next five years. The International Marketing Strategy will help guide the City's Economic Development Office's strategic initiatives and actions and supports the goal for Mississauga to become a global business magnet. This means a city where people and businesses arrive, prosper, and connect, a city that has the potential to become Canada's global investment destination.

For more information about Mississauga's International Marketing Strategy, view the report on-line at: [www.mississauga.ca/economicdevelopmentstrategy](http://www.mississauga.ca/economicdevelopmentstrategy).

Larry Petovello is director of economic development for the City of Mississauga