

Imperial Oil moving Calgary office out of downtown Quarry Park location move beginning in 2014

BY MARIO TONEGUZZI, CALGARY HERALD SEPTEMBER 28, 2012



Rendering of planned new Imperial Oil head office in Quarry Park.

Photograph by: Gavin Young, Calgary Herald

CALGARY — Imperial Oil announced Friday plans to relocate its downtown Calgary offices to a campus-style office complex in southeast Calgary to consolidate and support its growing operations.

The complex will be located on a 20-acre site in Quarry Park and will bring together Imperial staff from several downtown Calgary office locations. It will contain five low-rise office buildings with 800,000 total square feet of office space, support facilities, food service, wellness centre and other employee amenities, said Imperial Oil.

“Imperial has embarked on a decade-long period of substantial growth and expansion. This new campus will provide an opportunity to consolidate our Calgary offices in one location, offer additional

space for our growing workforce and provide a superior working environment for our people,” said Paul Masschelin, senior vice-president of finance and administration for Imperial Oil, in a statement. “The complex will be constructed to high standards of energy efficiency and environmental stewardship, and will promote new opportunities for employee collaboration in their daily work.”

Employees will move in two phases, beginning in 2014. Full occupancy is expected in 2016.

The company currently has about 2,300 Calgary employees spread over three downtown buildings in Calgary’s downtown.

Imperial currently leases office space in Fifth Avenue Place, on 2nd Street S.W., which used to be known as Esso Plaza. The company leases space in both towers on the site, as well as space at BP Centre, across the street.

Pius Rolheiser, spokesman for Imperial Oil, said the Quarry Park location will have capacity for up to 3,000 employees.

“The capacity to grow and to accommodate future growth was an important consideration,” he said, adding cost was an important consideration as well but it wasn’t the only one.

“Imperial’s a company that plans to be here for decades to come. We’re just getting ready to start up the Kearn project which will operate for 40 to 50 years ... This new office complex gives us the flexibility and the room, the space, to support our growth in operations for a long time into the future.”

Cody Clayton, president of Remington Development Corporation, said the move by Imperial “signifies a massive change in the way people think of real estate for commercial real estate.”

“Obviously Calgary has been a very downtown-focused real estate market when it comes to oil and gas and to have someone of Imperial Oil’s stature choose Quarry Park to us says a lot,” said Clayton. “It immediately qualifies Quarry Park as a real alternative to companies. In the past, we’ve had other oil and gas companies look out here. We haven’t had success with them.

“But I think by now having Imperial actually make the decision to come out here, there will be others that will look at this and seriously consider it.”

Clayton said in other markets, such as Houston and Dallas, many oil companies have gone to a campus-style setting for their offices.

“People aren’t looking for necessarily being on the 50th floor of an office tower downtown,” he said.

Susan Thompson, business development manager for real estate for Calgary Economic Development, said it’s great news that Imperial is growing enough that it feels the need to develop its own facility.

“At this point, to be honest, it’s a good thing for the downtown considering (the new) Eighth Avenue Place (tower) is fully committed and they don’t start moving in until 2014 and (another project) City Centre doesn’t have tenants really taking occupancy until about the end of 2015, start of 2016,” said

Thompson. “And all our forecasts are telling us our vacancy is going to be pretty tight downtown. So if Imperial Oil leaves that actually frees up some space.”

A trend to moving outside a downtown core is often spurred by companies taking advantage of low land prices, shorter development times, lower rents, plenty of parking and the ability to offer more amenities to their employees, added Thompson.

Greg Kwong, executive vice-president and regional managing director of commercial real estate firm CBRE Limited in Calgary, described the move as “huge” and could spark other oil companies to look outside the core for possible office space.

“It would be on scale with when they announced The Bow — the size of the building and the impact on the market,” he said. “It’s the first major oil company to move outside the core. But if you look at it on the grand scheme of things other major markets, oil and gas markets, like Houston and Dallas, there are many oil and gas firms located out in the suburbs.”

Quarry Park consists of 385 acres. It has 1.2 million square feet of office space already built of which there is only 1.5 per cent vacancy. There is potential for another two million square feet of office space that can be built, including the Imperial Oil project.

It also has 100,000 square feet of retail space and Remington is planning a hotel for the site.

On the residential side, about 200 single-family residences have been built and are occupied. There’s another 60 town houses built with about 40 occupied. There’s also a 144-unit rental apartment that is under construction and anticipated to be completed for the summer of next year.

Also, Remington has plans for a five-building condo project of 175 units. The first two buildings are under construction with 68 units.

Clayton said Remington also has land for another 60 town houses and 1,500 multi-family units as well as 50 vacant single-family residential lots.

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