

Ewart: Imperial Oil faces urban-suburban challenge

BY STEPHEN EWART, CALGARY HERALD OCTOBER 2, 2012 1:15 PM



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

Photograph by: Gavin Young, Calgary Herald

To hear Imperial Oil extol the virtues of the site for its new corporate headquarters in southeast Calgary sounds a lot like an episode of HGTV's real estate show *Urban Suburban*.

The show pits brother and sister realtors against each other in Canadian cities to prove "the suburbs aren't all cookie cutter houses and soccer moms" or downtown doesn't have to mean "a huge mortgage and no living space" as they find a family its dream home. Imperial's Pius Rolheiser sums up the rationale behind the historic move from the urban core to suburban Quarry Park as well as any reality TV homebuyer.

"We looked at it every possible angle - the economic aspects, the transportation aspects, the workspace-flexibility aspects and we came to the conclusion this is the best approach to give us the

flexibility, the creativity and the space that will support our operations and growth for as far out into the future as we can see," he explains.

Roll credits, cue the theme music and that's a wrap!

Unfortunately, this is staid, all-business Imperial Oil; the drama of "the decision" won't be coming to reality TV any time soon.

The announcement that Imperial would move its headquarters from Calgary's traditional down-town core last Friday was a surprise in an oil and gas sector which has tradition-ally been a close-knit com-munity that's worked in close proximity. It is a major reason Calgary - a city of one million in the middle of wide-open prairie - has one of the most congested central cores in North America.

If any company was going to make the move, Imperial was a likely choice.

"If you're big enough company you can do it, you can be a trendsetter," says Chris Ollenberger, executive vice-president of commercial real estate developer OPUS Corp.

Imperial has always moved to its own beat in the industry. It is the oldest oil company in Canada and traditionally the biggest. The company - controlled by Exxon or its predecessors since 1898 - started out in London, Ont., 132 years ago when southwestern Ontario was the heart of Canada's oil and gas industry. The company only moved its headquarters from Toronto to Calgary in 2005 and hasn't had an impressive head office in Fifth Avenue Place.

About 365 executives had moved to Calgary to join the rest of the staff spread over four buildings downtown.

"I had a fellow employee suggest that this would be the difference between renting and owning where you live," Rolheiser says. "Certainly part of the reason for doing this was to give us a space that was our own."

In Toronto, the company's distinctive 23-storey head office was built in 1957 in a leafy midtown neighbourhood well away from Bay Street and the city's financial district. The new campus style headquarters with five low-rise buildings promises to be just as impressive as it fronts onto a canal linked to the nearby Bow River. The site will be home to as many as 3,000 workers beginning in 2014. The relocation was prompted by a decade-long growth plan that will see Imperial's production double to almost 600,000 barrels of oil a day by 2020.

As opposed to companies like Encana and Cenovus Energy that rent space in The Bow, the 60-storey tower that just opened downtown, Imperial will own the buildings at Quarry Park. The company describes the location as 16 kilometres from downtown, but it can also be located five kilometres south from Lynnview Ridge, where Imperial operated an oil refinery from 1923 to 1975. Chain-link fences with No Trespassing signs surround the over-grown neighbourhood where Imperial and governments have agreed to spend millions to clean up contaminated soil over 25 years.

Just a short drive south along 18th Street SE and the construction site called Quarry Park South

Campus rattles with the sounds of construction; a dozen tandem dump trucks kick up dust as earthmoving equipment digs deep into the ground. Since the weekend, one construction crane has gone up and now towers over the site as another is stacked nearby ready to be assembled.

Imperial has not revealed a price for the new complex but Quarry Park is a high-rent district at the western edge of the sprawling industrial park that southeast Calgary has become in the last two decades. The development fills in a brownfield space between the Riverbend and Douglasdale and is home to companies like Bayer, Cardel and Jacobs Engineering. With close to 5,000 workers it's already a major satellite for companies outside the core.

Ollenberger predicts more will follow.

"Imperial Oil won't be the last but I don't think it's going to be a mass exodus."

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