



# Urban Land Institute Alberta

## Competitive Calgary Symposium: Innovation, Investment, Diversification

**8 November 2017. East Village, Calgary.**

Calgary faces challenges. Significant restructuring in the energy sector has left a large gap in the city's economy and particularly, the downtown office market, which is now over 25% vacant with 12 million square feet empty.

In November 2017, ULI Alberta brought together office owners, tenants, a tech company, city planners, housing developers, politicians, developers, architects, academics and others to have a frank discussion of the problems, solutions, and opportunities facing the city.

An open, panel-led discussion, followed an invitation only Executive Round Table. The panel, moderated by college professor and newly-elected city councilor Jyoti Gondek was comprised of:

- Bryan De Lottinville, Founder & CEO of Benevity (Calgary based tech start-up with over 400 employees)
- Reid Henry, President & CEO of cSpace Projects (develops multi-disciplinary creative workspaces)
- Rob Blackwell, VP Investments & Asset Management, Aspen Properties

Calgary's strengths of having high levels of volunteerism, a solid work ethic, and entrepreneurial "get things done" mentality were identified alongside the great local amenities, relative housing affordability (compared to Vancouver, Toronto and other North America gateway cities) and the strong past track record of attracting newcomers to the city. These attributes provide a solid foundation around which to build a more economically diversified city.

Moderator Jyoti asked the panel how to bring new investment and people to Calgary.

As Reid Henry, expressed it, *"Explore what good urbanism is. Learn what the expectations are for living in a global city in the 21<sup>st</sup> century, and put Calgary in that context."*

Indeed, the panel did just that, and more.

All recognized that for Calgary, a key challenge will be remaking the downtown core into a place where non-energy companies and their employees want to be. Currently, the downtown district largely empties at 5pm. Many of the streets (save for Stephen Avenue Walk) are uninviting both day or night, owing to a lack of retail and restaurants, and in some cases poor street lights and sidewalks.

Rob, an office landlord, commented on how the focus historically for most landlords was how to cram more 10'X15' offices into a floor. Integrating technology or improving the overall worker experience were not a focus. Today, some landlords are scrambling to add amenities such as fitness centres and wellness opportunities such as yoga. However, panelists Bryan and Rob pointed out that **this will not be enough** if the broader neighbourhood is not where the talent wants to be.

Creative talent—broadly defined—prefers to be in dynamic urban environments with residential, fitness, retail, restaurants, workplaces, and more. Reid pointed out artists are looking for inspiration; they also want to be in proximity to other artists, whether for that inspiration or to collaborate with.

The group also discussed how Amazon's RFP for a second headquarters (HQ2) reinforces this tech employer and worker preference; the Amazon requirement is for a "pedestrian friendly" urban or downtown campus. With or without Amazon, if Calgary is to expand its nascent tech sector into an economic driver, and attract other growth sectors, reimagining the downtown is essential.

The empty office space in downtown Calgary presents an opportunity. Half of the vacancy is in older buildings, which could be repurposed or demolished. At the earlier Round Table event, the group discussed creating a 20 year vision for downtown Calgary—an overarching plan that could be broken into manageable components. Components of this 20 year vision could include bringing more university activity into the core, adding student housing, creating market and non-market housing—all of which would support more street level retail, café and restaurant activity—make the downtown more walkable, urban and inviting.

The panel also went beyond normal urban planning topics, noting the need to educate a creative, knowledge economy and technology workforce. Calgary has numerous STEM graduates, but they tend toward being petro chemical engineers, geologists—not computer scientists. Calgary and Alberta could prioritize offering more spaces in computer science in related university and technical college programs. Bryan De Lottinville believes this re-education of Albertans for the 21<sup>st</sup> century economy needs to start in elementary school, where currently, based on his son's experience, the emphasis is still teaching via rote memorization rather than concepts. Benevity currently has close to 60 job opportunities which requires specific technical skills and is difficult to find the talent despite the current unemployment rate.

Panelists pointed out that creativity, innovation and solutions happen when people from different backgrounds collaborate. Urban spaces offer that rich, cross-pollinating environment—as did this event.

**ULI would like to thank the event Sponsors GWL Realty Advisors and RJC Engineers as well as all other annual sponsors for supporting important dialogue and initiatives to ensure we create and sustain thriving communities across Alberta.**

*Write up by Wendy Waters, ULI British Columbia Chair of Mission Advancement & Senior Director, Research Services & Strategy GWL Realty Advisors*