

# Massive project set for Eau Claire

## Hotel, condo, office towers part of complex

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CALGARY HERALD

One of North America's largest investors, owners and managers of commercial real estate is planning a massive redevelopment of a downtown Calgary block in the Eau Claire district that would include a hotel, a condominium tower and a 40-45 storey office tower, the Herald has learned.

**Cadillac Fairview** on Thursday purchased the 50 per cent interest Calgary-based **Aspen Properties** had in the block located between 2nd and 3rd Street S.W. and 2nd and 3rd Avenues. The two companies previously had joint ownership of the block known as the City Centre project.

John Sullivan, executive vice-president of development for Cadillac Fairview, said the company is thinking of a mixed-use project "which would include office, residential and potentially hotel."

He said the office development would be about one million square feet and the residential and hotel would be about half a million square feet.

"We're working with the city on our development permit as we speak," said Sullivan. "And we hope to have that done by the end of the year — by fall. And we would hope to get going on the whole project next year."

He said the company hopes to have the project completed by 2010 or 2011.

The office component would be one tower of between 40 to 45 storeys. Sullivan said the residential component would probably be one tower tied into the hotel. He said he couldn't comment on the hotel proposal.

Neither Sullivan or Scott Hutcheson, president and chief executive of Aspen, would disclose financial details of the transaction.

"Cadillac Fairview has purchased our interest. They now own the block," said Hutcheson.

"We owned the block. We took it through the development permit phases eight years ago, sold 50 per cent to Cadillac and we are now going to focus our energy on (the Calgary Tower) site."

"Cadillac will focus their energy on the City Centre site."

Aspen has redevelopment plans for the block that houses the Calgary Tower to include three new office towers totaling more than one million square feet.

Aspen purchased the City Centre block in 1998. Cadillac Fairview purchased a 50 per cent interest with Aspen in January 1999.

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JOHN SULLIVAN, EXECUTIVE VP,  
CADILLAC FAIRVIEW.



"They've been great partners. It's been a great relationship. It's nothing to do with anything other than we've grown and we don't have unlimited capital and (the Calgary Tower block) is a big project for us and we don't have unlimited time," added Hutcheson.

Mike Gigliuk, director of research for Alberta for **CB Richard Ellis**, said a typical downtown city block is about 140,000 square feet and the value would range from between \$600 to \$800 per square foot. A typical downtown block would be valued between \$84 million to \$112 million, he said.

Tod Hughes, president of **Avison Young Commercial Real Estate** (Alberta), said the City Centre block is a good location.