

O T T A W A BUSINESS JOURNAL

The power to build business

Developer east-end bound

By Roman Zakaluzny, Ottawa Business Journal Staff
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For Forum Leasehold Partners Inc.'s founder and president Richard Abboud, Ottawa is a tempting place to build, and its eastern edge an especially appealing place to start.

The developer behind the Orleans Town Centre and Shenkman Arts Centre sat down with the *OBJ* last week, when the Toronto-based builder was in town for a day. It was a homecoming of sorts for the Gloucester High School alumnus and former Blackburn Hamlet resident whose four-year-old firm is well-acquainted with Ottawa, the city being a Canadian leader in public-private partnerships and Forum having racked up \$500-million worth of P3 work in four years.

Mr. Abboud discussed the appeal of Ottawa, and why he's plowing ahead with plans for a second new hotel in the east end.



Richard Abboud of Forum Leasehold Partners Inc.
(Photo by Darren Brown, OBJ)

OBJ: Construction at the Shenkman Arts Centre is about 30 per cent finished. Are you on schedule?

ABBOUD: I'd say we're ahead of schedule.

OBJ: Are there any green building aspects to this project?

ABBOUD: Absolutely. The Arts Centre is LEED silver. And we expect all of the commercial development on the west side to be LEED-certifiable.

OBJ: After the arts centre is done, what will residents see built next?

ABBOUD: I think they'll see . . . an 80- to 100-room hotel. After that is a senior's retirement home, and shortly after that a senior's condominium, along with some retail to support it. Residents can expect to see some 300 units of varied housing forms, which we'll do in joint venture with a local stickbuilder (or woodframe builder).

There are two office buildings to be built on the west side, and we'll go ahead with those once we have a tenant in hand.

OBJ: The announcement a few weeks ago of a three-star Days Inn at St. Joseph and Tenth Line was probably a surprise for you, considering your plans for a hotel. Did the rug get pulled out from under you?

ABBOUD: The land is entitled land, so the owner's entitled to go ahead with the hotel. We wouldn't expect anyone to do anything other than that. Given its size and given it's a Days Inn, we think both our products can succeed quite successfully in the market.

OBJ: How do your hotel plans differ?

ABBOUD: It'll be higher end than a Days Inn, and probably have more of an extended-stay feature to it, (meaning) larger rooms to accommodate people who tend to stay more than one night.

OBJ: Can the market support a second hotel in Orleans right now?

ABBOUD: We believe it can, yes.

OBJ: What led you to believe that?

ABBOUD: Hope (laughs). We have done market studies, and do believe it's feasible . . . There's a community of 110,000 people here. The hotels on the cusp of this market are all doing reasonably well, and our market study believes that both hotels can succeed.

OBJ: Do you have any pre-leases signed for the office space?

ABBOUD: We haven't even started (pre-leasing). These are two 80,000-square-foot buildings. We can build approximately 160,000 square feet, so that's something that's going to follow . . . We're hopeful that we can see something happen there in 2010.

OBJ: What does a Toronto-area developer find tempting about Orleans, a community of just 110,000?

ABBOUD: It's an interesting question. Our original attraction to the project was the opportunity to build a town centre, and to do it with sponsorship through a public-private partnership (P3). Given our relationship with the City of Ottawa and having already completed a P3, and my personal origins from the east end of Ottawa, the project seemed to make sense.

OBJ: Is it the fact that you're from here or is it the potential to make money?

ABBOUD: At the end of the day, there are two things that are attractive about Ottawa: its tremendous stability, given the employment that's supported by the government and the opportunity to build for government and the attraction of that stable income. The second thing that I find attractive is that the City of Ottawa is the national leader in P3s, which is an area that we've been active in. They've set up an office with a specific focus on P3s, and have put confident and committed people in place to do that.

OBJ: Where else have you done P3s?

ABBOUD: We've built for Ontario Power Generation, an office building. We have a joint venture with the City of Hamilton. And we're currently building on the Ontario service centres – they're selling all the service centres on the 400-series highways. We don't know how big it is yet, it's hard to say, but it's a sizeable transaction.

OBJ: Why are Orleans and east Ottawa having so much difficulty getting off the ground?

ABBOUD: It's difficult for me to say exactly why it's had difficulty. I'm excited about what we're doing here. I think we'll meet with quite a bit of success. It's really about the opportunity, this mixed-use development of scale creates through the intensification that we're putting in place.

OBJ: What does the future hold in terms of commercial development in Ottawa's east end?

ABBOUD: I really like the density of this town centre. I really like the live-work-play opportunity, I think it's quite unique and in itself, will redefine the centre and the hub of Orleans.

