



KIRKUP'S VELOCITY IN EXPANSION MODE

WOODS, SEBASTIAN AT GOOGLE GRAND OPENING



KEN MCLAUGHLIN ON REGION'S "GENOME"

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## PAUL SALVINI

Accelerator Centre CEO, along with past NSERC chair and honoured historian answer the question: "Are we innovative?"

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**Invention & Commercialization in the Waterloo Area**

## “AN ADDRESS FOR THE INTERNET OF THINGS”

The changes brought to Kitchener-Waterloo by the construction of the ION Light Rail Transit system may be the big news in town – but this is not by any means the only news. A lot of attention is being given to the repurposing of buildings near the LRT – such as the new Google facility in Kitchener – and the construction of new buildings – including the office building at Waterloo Town Square – but there is also a lot of activity not directly related to LRT changes.

Kitchener Mayor Berry Vrbancic suggests that the dynamism in the core is “contagious”, and he points to several major developments in Kitchener that will continue to re-shape the city. And only one of them is on the LRT route.

Regional Chair Ken Seiling agrees, telling Exchange, “The impact is not just in the corridor”

Included on Vrbancic’s list are the former Budd Automotive site on Homer Watson Boulevard, the Lear plant on Manitou Drive which closed in November, the venerable Schneider’s facility on Courtland Avenue, and the newly announced Catalyst 137 facility on Glasgow Street. Of these four major development opportunities, only the Schneider’s property is close to the LRT line.

Vrbancic – and, it might seem, the entire start-up community in the Region – is pumped about Catalyst 137, a 450,000 square foot facility. It’s the former Dominion Tire and Rubber Company that a three-man partnership is repurposing into what is being described as “a world-class space for makers.”

Miovision founder Kurtis McBride is one of the principals involved in Catalyst 137, along with Mike Bierstock and Frank Voisin. At an unveiling of the plans for the new facility, McBride pointed to a gap in facilities for maturing hardware start-ups in the region. There are several excellent incubator centres in KW, he said, but there are very limited options for hardware start-ups that succeed and grow.

McBride noted that there is a lack of “maker space... manufacturing and warehousing space” available.

This is not old-style manufacturing, by the way. McBride and his partners are creating a space for the future. As he expressed it, “We need an address for the Internet of Things. It’s undeniable that there is a cluster forming in Waterloo around IoT... we have the opportunity to be world-leading in that area.”

Bierstock has been working on the Catalyst 137 project for about two years; the plan is for the facility to open in 2017. He said, “We’re trying to develop this building as a catalyst.... Much more of an ecosystem than a building.”

Catalyst 137 sits on 24 acres, and the partners stressed a feature not usually discussed with core area facilities – parking. There will be space for 1,200 cars.

McBride noted that Miovision moved four times in its first five years, after “graduating” from the Accelerator Centre. That drains energy and impetus, he said. The new facility is intended to provide however much space a tenant needs at the various stages of their growth.

Mike Kirkup, who heads the University of Waterloo’s Velocity Centre, was at the launch, and said that Catalyst 137 meets a real need. “We’re creating so many companies that are coming out, and they really need 1500 to 3500 square feet.”

Catalyst 137 is making waves with its niche-filling mandate, but as Vrbancic underlines, opportunities abound throughout the city.

The future of the other three properties the Mayor mentioned will be quite dissimilar, he suggests. The Lear plant will probably stay in the manufacturing sector. “I believe that building is going to be re-purposed from a manufacturing point of view... that building will come back to life in its traditional form.”

On the other hand, says the Mayor, the Schneider’s property will undergo “significant reengineering.” He calls it “a unique asset... an opportunity to be transformative for our community, anticipating “a blend of advanced manufacturing, offices, residential, and commercial.... a neighbourhood.”

Vrbancic says the Schneider’s property presents “a unique opportunity for the right developer to re-purpose some of the existing buildings.”

Both the Schneider’s and the Budd properties “have attracted interest from across North America and overseas, as well as from people in the community and elsewhere in Canada,” he said, adding, “I’m hoping they take into account the legacy of the company and the responsibility to the community and sell it to someone with a great vision and the wherewithal to develop that vision.”

The Budd property, on the other hand, will probably not be sold as a complete piece. “I anticipate they will sell it off in components,” said the Mayor. He noted



From left, Frank Voisin, Mike Bierstock, and Kurtis McBride of Catalyst 137.

that 40 acres of the property are zoned industrial, 25, retail, and three acres, office/retail. As well, the city owns adjacent property currently used as soccer fields, which “could be repurposed if the deal was there.”

Repurposing is a common theme when it comes to development in the region. And according to Mike Polzl, Broker of Record at Cushman & Wakefield Waterloo Region, businesses looking for office space are opting either for completely repurposed spaces, or brand new facilities. He told Exchange, “Retrofits and newly built buildings,” he says. “That’s what most of the clients are asking for.”

Polzl says that while completely retrofitted buildings are popular with many clients, ICI tenants are less and less interested in facilities that are aging, without up to the minute retrofits. Occupants are increasingly interested in efficiency – energy efficiency, but also “efficient occupiable area,” he says. “Buildings have to be more mean and lean.” According to Polzl, the overriding trend is toward “maximizing the opportunity for many employees to occupy the least amount of square footage... but not compromise the quality of the environment.” He quantifies that by suggesting that in the recent past, the benchmark was around 300 square feet per employee – that figure has moved down, to 100 to 150 square feet. While not every company is looking for the same kind of facility, few, he says, are choosing 20 or 40-year-old buildings that have “an old, obsolete design.”

Peter Benninger, of Coldwell Banker Peter Benninger Realty says that new office construction is becoming more active in Kitchener-Waterloo. And he adds that there is a definite focus on making necessary changes to accommodate growth in the tech sector. He told Exchange that landlords need to be willing to invest dollars in their properties to accommodate needs of their tenants. Benninger describes the rush to repurpose brick and beam buildings as “a flood”.

Kitchener’s mayor agrees: “The whole downtown continues to be an area of growth... there’s a lot of interest in it. Our innovation district is expanding.” Vrbancic sees no end in sight. “These are national and global names and brands – they send a signal out to the broader market that there’s something happening here.” – Paul Knowles

## NEW GOOGLE HEADQUARTERS A NOD TO THE PAST, A GLIMPSE OF THE FUTURE

“We opened for business in Kitchener-Waterloo just 10 years ago, with four employees. Today, we’re 400.” That, in a nutshell, is the story of Google in Waterloo Region, as told by Sam Sebastian, Country Manager, Google Canada. Sebastian was speaking at the official opening of Google’s new Canadian engineering headquarters, the restored Breithaupt Block building.

He was joined by a raft of dignitaries, including Canadian Prime Minister Justin Trudeau, who told the audience, “It’s really amazing to see the innovative, forward thinking, hardworking proud Canadians gathered here, participating not just in success in KW and the area, but success around the world – the innovation, the entrepreneurship that comes out of here.... Businesses like Google harness the incredible talent and capabilities of Canadians.”

Canada-wide, Google has a team of 700 in four offices, the majority in KW. Said Sebastian, “Our investment in Canada, in the Region, is for the long term. We have tripled our space by moving into this building. And we are very bullish on the continuing growth of this engineering team and the investment in Canada.”

Steven Woods, Google Canada’s Director of Engineering, who is responsible for the company’s Waterloo Region operations, commented that the new facility was