

Business

in Calgary

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Magnum Opus

Three men, a vision and the skill to make it happen
are behind Calgary's **OPUS** Building Canada

BY CAMIE LEARD

PHOTO BY MATHIESON AND
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Joe Shannon, Willard Olauson and Hannes Kovac of OPUS



Opus 8

As the sun sets on another beautiful summer in Calgary and the leaves turn all shades of orange the cry of southbound geese and the hint of frost in the air suggest the vibrancy of summer will soon settle into the frigid slumber of winter.

But this is Boomtown and demand for space waits for no one – not even Old Man Winter. The cranes in this skyline will not be heading south this year – or next for that matter. Construction is in full bloom in Calgary and at the heart of the activity is OPUS Building Canada's latest chef d'oeuvre – OPUS 8 at 607 8th Avenue SW.

It's been a good year for OPUS with the development of OPUS 8 and the announcement of three more massive projects at Stampede Station, OPUS II and the CPA lands at the fringe of the East Village that will add to the 20 million square feet the company has developed over the years. And with two veterans and a sharp and energetic up-and-comer at the helm, it looks like OPUS is headed for a sunny future.

The Veterans

Founded in 1983, OPUS was born into the most devastating real estate crash the city had ever seen. While most developers were struggling to stay afloat, OPUS was spreading its wings and preparing to fly.

Willard Olauson, a Saskatchewan farm boy turned engineer had worked for a number of developers in Ontario and Calgary and learned the ins and outs of the development business from the ground up. Not one to be stuck behind a desk, Olauson took a hands-on approach to engineering.

"Most engineers are white collar," says Olauson. "I was a blue collar engineer. I learned how the business worked and how it didn't work. I saw how ineffective the system could be with strong unions and an adversarial approach to development."

Armed with some valuable lessons, Olauson formed a small development company called Trojan with some partners in 1979. In 1981, Olauson sold his interest in Trojan and took some time out



Stampede Station

to ponder his next move. Trojan then became a victim of the recession and Olauson bought it back at a discount in 1982 renaming it OPUS.

A couple of years later, a financial consultant and friend from the Trojan days, Joe Shannon, bought out Olauson's initial four partners to the second and only other partner in the firm. Shannon's experience in banking and financing in natural resources and real estate brought valuable expertise on the finance side of the business while Olauson's engineering know-how rounded out the design and construction end. But the fact remained – they were in the pit of a ruinous recession and things were beginning to look bleak. And then GM rolled through the door.

OPUS 8

607 8th Avenue SW

Rentable Floor Area

Main floor (retail):	12,254 sq.ft.
2nd floor (retail):	13,856 sq.ft.
3rd - 11th floor:	20,387 sq.ft.
12th floor:	19,903 sq.ft.
14th floor:	17,636 sq.ft.
Total:	247,124 sq.ft.

- Brokers protected
- Walking distance to LRT
- Additional parking available (Centennial Parkade and 8th Avenue)
- Numerous restaurants and amenities
- +15 connected
- Fibre optic connectivity

Occupancy: June 2007

“They needed a large distribution centre built in Edmonton and they needed it fast,” says Olauson. “They’d never done a building without a contract, but they were in a hurry, so they drew up a pur-

Stampede Station

211 and 233 13th Avenue SE

Phase I Rentable Floor Area

Main floor:	13,418 sq.ft.
+15 Level:	22,421 sq.ft.
3rd - 8th floor:	18,008 sq.ft.
9th floor:	16,703 sq.ft.
Total:	160,591 sq.ft.

Phase II Rentable Floor Area

Main floor:	5,919 sq.ft.
5th - 17th floor:	22,968 sq.ft.
18th floor:	17,597 sq.ft.
Total:	322,097 sq.ft.

- Direct access to LRT Station
- Excellent exposure to Macleod Trail
- Large parkade
- Close proximity to hotel/entertainment facility across street at Stampede Park
- Retail amenities
- Conference Centre at Stampede
- Walking distance to Talisman Centre (fitness facility)
- Additional service retail on ground floor of adjacent residential development

Substantial Completion: Phase I - Q4 2008
Phase II - Q2 2009

chase order for a 264,000 square foot facility and that was it.” That purchase order still hangs in Joe Shannon’s office as a reminder of the early days and of the integrity of doing business on a handshake – something Olauson and Shannon did for many years.

“It’s typically Calgarian to do business on a handshake,” says Olauson. “I think the Texans must have brought that kind of mentality here. But as the business became more complex and there were more levels of investment there was a lot less hand shaking and a lot more paperwork.”

Slowly but surely, the province came out of recession and OPUS steadily grew with the economy. Taking the lessons he’d learned on the jobsites of Ontario, Olauson and Shannon pioneered a signature way of developing projects known as the design-build method.

“The design-build method is basically taking a team approach to a development as opposed to an adversarial one,” says Olauson.

The process eliminates the step-by-step approach used in traditional architect/contractor building modes and replaces it with a unified approach that involves all facets of the project simultaneously. By centrally coordinating all processes and doing them at the same time whenever possible, OPUS avoids the modifications that tend to plague linear-managed projects.

The method also eliminates conflicts and communication gaps that can lead to scheduling and budget overruns. It ensures a smooth interface among all aspects of office planning and design, right through to construction and completion. It helps achieve maximum quality by guarding the integrity of the original concept throughout the entire project.

Using this method, OPUS built both buildings and the business to include offices in Calgary, Edmonton, Vancouver and Los Angeles with strong affiliations in Toronto. By 1997, Olauson, Shannon and their company had settled into a successful growing business. That’s when an enthusiastic Austrian named Hannes

Kovac showed up at their door ready to learn and inject some new ideas and energy into the company.

The Up-and-Comer

Sharing the hometown of Graz, Austria with Governorator Arnold Schwarzenegger, Hannes Kovac set his sights big on Canada.

“California was already conquered, so I chose Alberta instead,” he laughs. While politics does not appear to be on Kovac’s to-do list, no one can question the 39-year-old’s ambition.

Born the son of a lawyer/entrepreneur, Kovac had an early exposure to the business world. But when his family immigrated to Canada in 1986, he chose to stay the summer in Vancouver then

By the summer of 1997, Kovac was settled in Vancouver and growing roots. But Olauson and Shannon had other plans for the ambitious young man.

return to Europe to pursue his law degree. After graduating, Kovac worked numerous jobs throughout the European Union from document researcher to windsurfing instructor. But Canada’s call echoed in his ears long after his family returned to Austria in 1988.

“I always felt I had missed out on a great opportunity in Canada,” says Kovac. “So, in 1995 I moved back to Vancouver to get my start in the real estate business.”

Of course as Canada was coming out of a recession, and despite his father’s extensive list of contacts, the opportunities weren’t exactly golden. Kovac took a job in construction to make ends meet.

“I had a law degree, I speak German, English, Spanish, French and Dutch,” he laughs. “But I soon realized my hands weren’t as talented as my head – so I moved to project management.”

OPUS II Interplex Business Park 2535 3rd Avenue SE

Rentable Floor Area

Main floor:	15,887
2nd floor:	27,849 sq.ft.
3rd floor:	30,442 sq.ft.
5th - 7th floor:	30,225 sq.ft.
8th floor:	29,498 sq.ft.
Total:	224,556 sq.ft.

- 5 minutes to downtown
- 15 minutes to airport
- Walking distance to LRT
- 1.0 Acres recreational park
- Great view of downtown and Rocky Mountains
- Close to retail amenities, daycare and fitness facilities
- 3 access points (2 traffic light controlled)
- Fibre optic connectivity

Substantial Completion: Q4 - 2008

CPA Lands 428 6th Avenue SE

Rentable Floor Area

Main floor:	32,293 sq.ft.
2nd floor:	32,809 sq.ft.
3rd - 4th floor:	29,812 sq.ft.
5th - 14th floor:	21,870 sq.ft.
15th - 16th floor:	18,443 sq.ft.

Total Building Area: 380,312 sq.ft.

- Full block development site
- High profile exposure in East Village
- Adjacent to Bow Valley College (under re-development and expansion)
- Close proximity to City Hall, Harry Hays Building and planned U of C downtown campus
- Mixed-use site with eastern portion of site to be developed as residential

Occupancy: 2009



OPUS II Interplex Business Park

Kovac took brokers, property management and sales courses at UBC and soon got a job with a real estate developer who had remembered Kovac's father and hoped to cash in on his financing contacts.

"When he realized that wasn't going to happen, he fired me," says Kovac. "I was actually quite devastated. So, I had two options: go back to Austria with my tail between my legs and sneak in the back door in the middle of the night or find another opportunity."

Kovac chose the latter and started going through his father's contact list again, which is where he came across the name of Willard Olauson and OPUS.

"I had actually written him when I just arrived in Canada, but he didn't even respond to my letter," he laughs. "But I called OPUS again and asked if they needed help with their projects in Vancouver on a consulting basis." It turns out they did and Kovac began his relationship with OPUS on a development project in Richmond.

By the summer of 1997, Kovac was settled in Vancouver and growing roots. But Olauson and Shannon had other plans for the ambitious young man.

"They called me to come for an interview in Calgary and asked if I wanted to move here," explains Kovac. "But after two years in Vancouver, I finally felt I had soil under my feet. So I said no."

Perhaps it was gut instinct, or maybe it was the call of the mountains, or it could have been good old-fashioned ambition, but Kovac rethought his decision and made the move to Calgary in November 1997.

"It was freezing and everything was brown and the sky was grey and overcast and I thought, 'What have I done?'" he recalls. "But I knew I wanted to learn and I became very focused on my job."

He bought into OPUS becoming the third partner in the firm and was made vice-president of operations.

He's also become one of Calgary's most colourful business char-

acters thanks to stunts like repelling down a tower dressed as Batman the day his son was born and, more recently forking out a \$10,000 reward and a \$3,000 donation to the Alberta Children's Hospital (not to mention the cost of full-page ads in the Herald and the Sun) for the safe return of his Golden Retriever, Rocco (who is home safe and sound).

But while Kovac has certainly caught Calgary's attention with his personality, his business acumen has kept him squarely on the list of Calgary's most likely to succeed. With a combination of fierce competitiveness, a penchant for learning and an unbridled desire to succeed, he has helped grow the company by almost 10 times since 1997.

"Of course the economy helped, but I hope I had something to do with it," he says. "I came into this company with no real estate experience other than exposure to the family business. But I've been so fortunate to be able to learn from guys like

Willard and Joe."

Kovac says the combination of Olauson's construction and engineering expertise and Shannon's strength on the financing end of the business has given him a well-rounded approach to development.

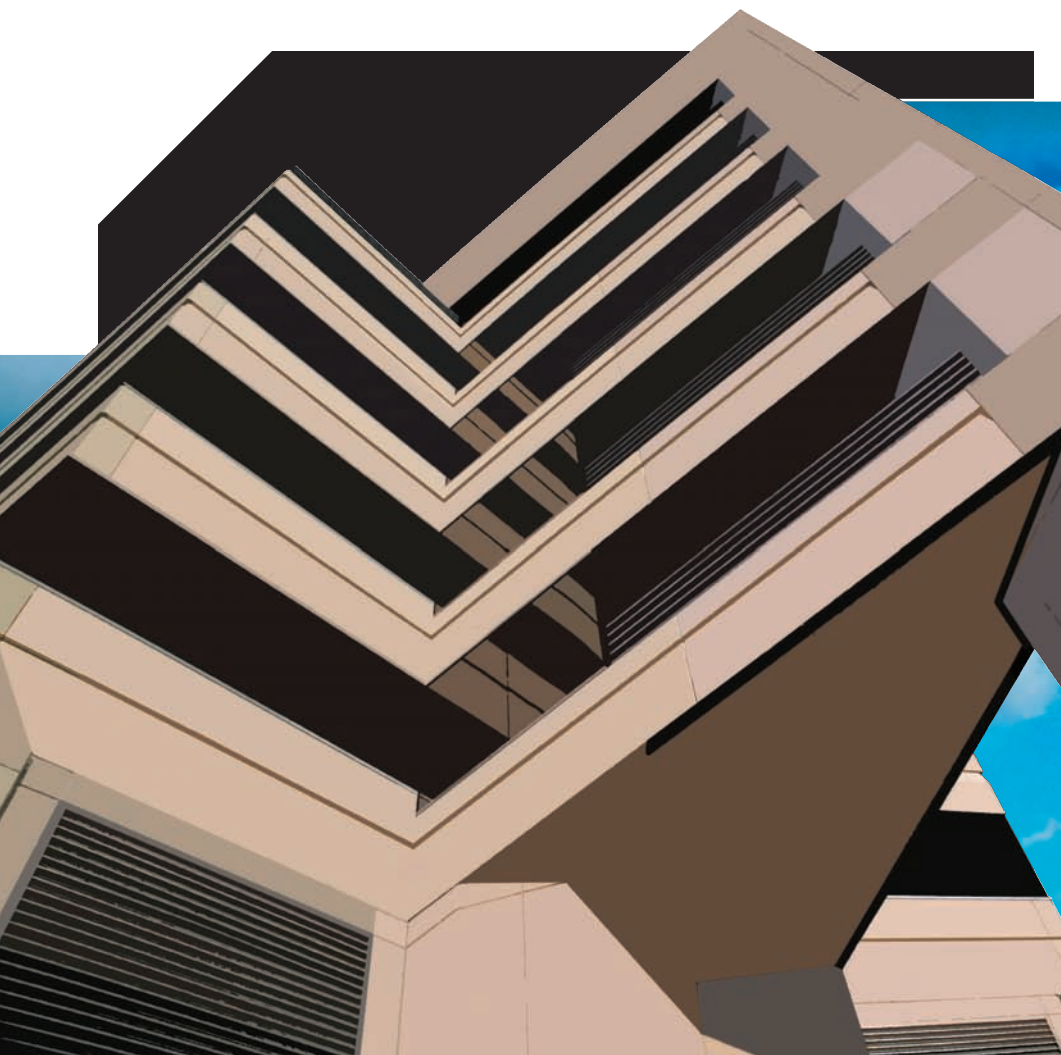
"They complement each other very well and I got the benefit of both – Joe on the technical and financing side and Willard on the sales, marketing and construction side," says Kovac.

The combination of the two veterans and the up-and-comer has been a winning one and as Olauson and Shannon start to ponder the possibilities of perhaps, one-day, partially retiring. "We'll probably never fully retire," laughs Olauson. Kovac is being groomed to take over the day-to-day operations of OPUS.

In the meantime, the three partners are working full throttle with a number of major downtown and suburban projects on the go either as owners, developers or both including:

- OPUS 8 - 607 8th Avenue SW
- Stampede Station - Macleod Trail South and 13th Avenue SE
- CPA Lands - 428 6th Avenue SE
- OPUS Campus - 8306 Horton Road SW
- Canyon Meadows Lands - Macleod Trail South
- Interplex OPUS II - 2535 3rd Avenue SE
- Interplex OPUS III - 2652 2nd Avenue SE
- Midpark Professional Centre - 260 Midpark Way SE
- Bow Valley Crossing - Transcanada Hwy and Stony Trail NW/SW
- OPUS is also working on numerous projects in Edmonton, Vancouver, Los Angeles and Thunder Bay.

"In this tight market, we are building options for Calgary businesses," says Olauson. "It's an exciting place to be doing business right now and we're proud to be a part of it." **BIC**



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