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## Project pitched for 2nd Ave. South downtown location will house office building

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A five-storey office building planned for the south end of Second Avenue is set to launch a new construction phase at River Landing.

Tonko Realty Advisors Ltd. has submitted plans for its office project to the City of Saskatoon and hopes to break ground on its Parcel W property -- directly north of the Remai Arts Centre -- in early 2011, company president Peter Cohos said Tuesday.

"We see all the things that are happening in that area of town and we think that is a real interesting future area for downtown Saskatoon," he said in a telephone interview from Calgary.

The proposed building at 475 Second Ave., a modern, blue- and grey-toned glass structure, could house its first tenants in the fourth quarter of 2012, should the company receive approval from the city early next year, Cohos said.

At 78,000-square-feet of rentable space, the building will feature a two-storey front lobby, a fitness facility and up to 40 underground parking stalls. The developer said more parking space will be available across 19th Street on property Tonko also owns beside the Galaxy Theatre.

A budget for the unnamed building, which is being built without confirmed tenants, has not yet been released.

"We're going to build on spec," Cohos said. "We just think that the market in Saskatoon -- the economy is strong and the market is ready for a new office building and so we do not require any pre-leasing."

The developer said if a large enough tenant buys space in the building, it could get the naming rights for the proposed property. The structure, he added, may have room for retail on the main floor.

"It's always fun to build new buildings, that's the business we're in," he said. "It's interesting and fun and, at the same time, the expectation is that we'll make a good economic return on the funds that are invested."

Cohos said the timing of the company's decision to develop the property is coincidental with last week's payment to the city by Karim Nasser and his Victory Majors Investments Corp. for Parcel Y, on which a multimillion-dollar hotel, condo and office project is set to be built.

Tonko expects a surge in construction in the south downtown during the coming years.

"That's one of our hopes," he said. "I think what you'll start to see over the next number of years is that whole south downtown area (will) become rejuvenated now that there seems to be some clarity as to what might happen at River Landing with the involvement of the Nasser family.

"We think that's all good news."

Terry Scaddan, executive director of The Partnership, the downtown's business improvement district's administrative body, said things are starting to look up for the south downtown.

"I think it's a very positive thing certainly for downtown and particularly for River Landing that there is confidence in building there," he said.

The proposed office building's placement between 19th Street and the Remai Arts Centre won't hamper views of the centre or the planned \$60-million Art Gallery of Saskatchewan, which is set to be built in the same area, Scaddan said.

"Second Avenue, by the very nature of the way it was built, it's pretty wide and gives a pretty splendid view going in as people go by," he said. "The lot in question does require setbacks, so the building will not be intruding on the sightlines."

The art gallery, Parcel Y, Tonko's office building and the new Traffic Bridge are all set to be built in the River Landing region. It's an exciting time, Scaddan said, for downtown.

"I'm very excited about the things that are going to be happening down there," he said. "In the next very few years we're going to see some pretty impressive changes down in River Landing that I think are very positive."

As for Tonko's landholdings beside the Galaxy Theatre, Cohos said the company has "two or three plans" for the site, including a possible retail space or perhaps another office building, but a firm development date has not been set.

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