

Your Business ... Your Burlington

Ikea assembling plans for huge expansion



IKEA. Ikea wants to build an enormous big-box store and national headquarters on the site of a former metal recycling plant. *Hamilton Spectator file photo*
Meredith MacLeod

March 5, 2011 - BURLINGTON Ikea wants to build an enormous big-box store and national headquarters on the site of a former metal recycling plant.

The Swedish furniture and décor giant has plans to build a 428,500-square-foot store on 10 hectares of land at 3455 North Service Rd., on the northwest corner of Walkers Line and the QEW. That would be 71 per cent bigger than the Plains Road store, on a parcel of land about twice the size.

To get a sense of the scope, Coppins Coliseum could fit inside the proposed emporium 3.5 times.

The project, estimated to cost about \$60 million, requires approval from Burlington councillors.

The new location would retain the current 437 employees — 307 on the retail side and 130 in the head office — and add another 108, mostly to staff the store.

The new store will feature more showroom space, a bigger restaurant and more parking, says Madeleine Lowenberg-Frick, national manager of public relations for Ikea.

The Plains Road building is becoming so cramped that some warehousing and some divisions of the head office have to be located offsite. With the new building, “we’ll be able to bring everything under one roof and provide a better shopping experience for our customers.”

The proposed site’s highway access makes it the “perfect location,” she said.

“The expansion of Ikea at this Burlington site is vitally important to our city’s economy,” said Mark Gregory, chair of the Burlington Economic Development Corporation. “We urge city council and staff to give serious consideration to their proposal and assure Ikea’s future in our community.”

BEDC is so enthusiastic about the project, the agency was the first to publicly break the news Friday, just as Ikea submitted applications to the city. The property, which is zoned as employment land for prestige industrial or office use, does not allow for retail. The project would require amendments to the city's zoning bylaw and its official plan.

Gregory says BEDC is not expecting opposition to the development, but wanted its support for Ikea's plans clearly stated. The expansion also must be approved by Ikea's global head office.

The proposed site is the former home of a Waxman metals recycling plant and before that, was occupied by builders of modular homes. The property has been vacant about eight years, according to the city, and is owned by Hopewell Realty Corporation.

The site is believed to be contaminated and will require an environmental cleanup, said Steve Zorbas, acting general manager of development and infrastructure.

The BEDC calls for all the necessary planning studies and public consultations to be completed within four months so that building could begin by the end of the year and the new store could open in 2013.

Those timelines for processing by the city are typical, says Zorbas. "We're treating this is a high priority. They are one of our top employers."

Ikea, known for its assembly-required modern furniture, quirky naming of products and one-way winding path through room settings, has five stores in Ontario and 11 across the country. Burlington's location opened in 1991.

If the expansion goes ahead, Burlington would become one of the chain's full-format stores. There are other expansions happening in Ottawa and Richmond, B.C.

"We are in a time of heavy investment because we believe strongly in the Canadian market," said Lowenborg-Frick.

As one of Burlington's top employers, Ikea has a major impact on the local economy, says Gregory. Its proposed expansion is also a "perfect fit" with the city's focus on growing its professional, technical and managerial sector and becoming a hub for head offices, he said.

There are no plans for the Plains Road location, which is owned by Ikea.

Councillor Rick Craven said in a statement that he has "mixed feelings" about the news. It's good for Burlington, he says, but Ikea will be missed for its community involvement in Aldershot, which he represents.

The store is a big draw for consumers from all over southwestern Ontario and northwest New York State, says Pam Belgrade, executive director of Tourism Burlington.

In fact, it's believed to be the biggest tourist destination in Halton.

She said the new store should attract even more people, especially with its greater highway exposure.

"But we don't want them to hop back on the highway when they're finished (at Ikea). We want them to stay and shop in Burlington."

What Ikea brings to Burlington:

— 437 jobs (expected to grow to 545)

- More than \$650,000 in property taxes
- No. 1 tourist attraction in Halton
- Total projected development and costs of more than \$60 million.

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