

POSTED ON 10/03/07

A clean, green hospitality machine

Hotelier meets environmentalist. The result? The city's first eco-friendly hostel

IVOR TOSSELL
SPECIAL TO THE GLOBE AND MAIL

At 357 College St., the only green you'll see today is graffiti. The once handsome building is boarded up and covered in local grit: Agitprop posters of a topless woman in a head scarf jostle with photocopied flyers for movies down the street. But if the ambitions of its new owners pan out, the building will become not just the "greenest building in Toronto," but proof that greed and idealism can go hand in hand.

The plan is the brainchild of Tom Rand and Anthony Aarts, two local entrepreneurs who want to convert the abandoned hulk into what they call a "green hostel" -- a resting point for young travellers, built with the latest in avant-garde energy-saving technology. But the duo insist that while they're hoping to make a point, their real goal is to make money.

"We're not doing any of this because we're good people," Mr. Rand says. "This project is meant to pass economic muster." And, in so doing, prove to other building owners that green in the design can lead to green in the pocket.

Mr. Rand and Mr. Aarts hope to expand the building into a 100-bed, three-storey hostel, equipped with a grass-covered green roof, solar thermal heating, a device called a "power pipe" that will catch heat coming down the drainpipes, LED lights that use even less power than fluorescent bulbs, and a geothermal heating system that would both heat and cool the building with the help of rods driven 300 feet into the ground.

Print Edition - Section Front



[Enlarge Image](#)

Items like these don't come cheap, but Mr. Rand is wagering that a geothermal heating system will pay for itself in savings within three years, and the LED lighting within six.

The two form something of an odd couple. Mr. Rand is the green guru. A man with three degrees (and working on a fourth), he was the founder of several software companies, which he sold for a handsome price in 2005 in order to pursue investing in green technology startups. He won't say how much he netted from the sale, but his one-man fund currently has about \$2-million in investments.

Mr. Aarts, meanwhile, is the aspiring hotelier. With real-estate holdings in and around Kensington Market, including a small guest house, he saw a chance to jump into the full-sized hostel business when the College Street building hit the market. The price, more than \$1-million, was too steep for him alone, so he invited his university friend Mr. Rand to make a joint venture of it.

Mr. Rand accepted -- conditionally. "In putting up this capital, I said, 'Let's make this project a little more interesting,'" he says.

"I want to make this the greenest building in Toronto."

Mr. Aarts accepted. He points out that the Toronto hostel market has gone from sparse to crowded over the past 10 years, and a conspicuously green building gives them a marketing edge. "In order to win, I think we have to offer a really interesting product," he says.

The partners are counting on buzz to draw savvy, educated young travellers. Some of their proposals, like paying extra to ensure their electricity

comes from clean sources, will lead to higher bills, but will help to establish the hostel's green credentials.

"If they can successfully differentiate themselves, they could grab some market share," agrees Gabor Forgacs, an assistant professor at Ryerson University's school of hospitality and tourism management, though he notes that a hostel's low prices can make it hard to recoup any substantial investment.

For Mr. Rand, who makes it clear that, as an investor, his priority is making money, the project is a way of bringing commerce to bear on the climate crisis. If he can prove that green technology can improve his financial standing, he hopes other builders will follow suit.

"If we don't make an argument based on market forces, we're going to have to rely strictly on regulation," he argued at an environmental forum on Wednesday.

Even if the plans for geothermic heat don't pan out on this project -- the city has yet to sign off on any of these proposals -- Mr. Rand has become so convinced of the technology's potential that he has invested heavily in a geothermic energy startup, and now sits on its board. ("I feel like the guy on TV," he jokes. "I liked the product so much, I bought the company.")

And while the project is still at the earliest stages, it already has fans.

"It's perfect," says Olivia Chow, the riding's federal MP, who organized Wednesday's forum. "He's going to get the entire community engaged, cheering him on."

"I wish the government was as advanced as he is, so that there would be funding to kick-start more of this. The technology's already there, but the financing needs to be supported."

© Copyright 2007 CTVglobemedia Publishing Inc. All Rights Reserved.

CTVglobemedia

globeandmail.com and The Globe and Mail are divisions of CTVglobemedia Publishing Inc., 444 Front St. W., Toronto, ON Canada M5V 2S9
Phillip Crawley, Publisher

