

2.0 town of high level industrial lands



2.1 INDUSTRIAL OVERVIEW

The Town of High Level's existing industrial areas, as illustrated in the following map were profiled in detail. The results of the profiling exercise yielded an overall picture of the area's industrial composition.

The following provide a summary of the Town's Industrial Business Composition, Land Use Mix and Employment. Additionally, this industrial profile illustrates the employment density by acreage and by building square footage.

As an industry comparable, the Town's ratio of employment per acre (1.4) is lower than industry standards, however the demand from the forestry industry for large land parcels and sawmill activities skew this figure. The low employment per acre figure however suggests that future growth in newer industrial or business parks could attract higher density land uses or more light industrial types of land uses to supplement the medium and heavy industrial uses that are currently more common in more urban areas. As a comparison to an urban market, a study for the City of Edmonton, (Industrial Lands Supply & Demand Analysis, October 2011) found that the City of Edmonton overall averaged 13 employees per acre while other nearby industrial parks are in the range of 1.5 to 5 employees per acre. This ratio for the town is likely to continue at this level simply because the population growth dynamics are not forecast to grow and would require a significant economic input from an external business to even make a small change.

Within High Level, the estimated ratio of employees per square foot of building area (830 sf/employee) is at the low end of the typical range of other industrial parks which typically could range from 1 per 1,000 sf to 1 per 2,500 sf. This is largely attributable to the number of underused, vacant or dormant industrial establishments in the industrial park.

2.2 TOTAL INDUSTRIAL (Existing & Proposed)

The following represents a summary of the Town of High Level's estimated Total Industrial Area Business Composition, Land Use Mix and Employment Profile:

¹ Total Gross Land Area: 730 ac

Total Building Space (est): 828,800 sf

Estimated Building Site Coverage Ratio (FAR): >1%

Number of Businesses: 100

Number of Vacant Lots: 140

Number of Vacant Buildings: 20-30

Total Building Space Vacancy (est): (80,000-100,000 sf)

Number of Employees (est): ~1,000

Top Industries (by NAICS Code and number of total businesses):

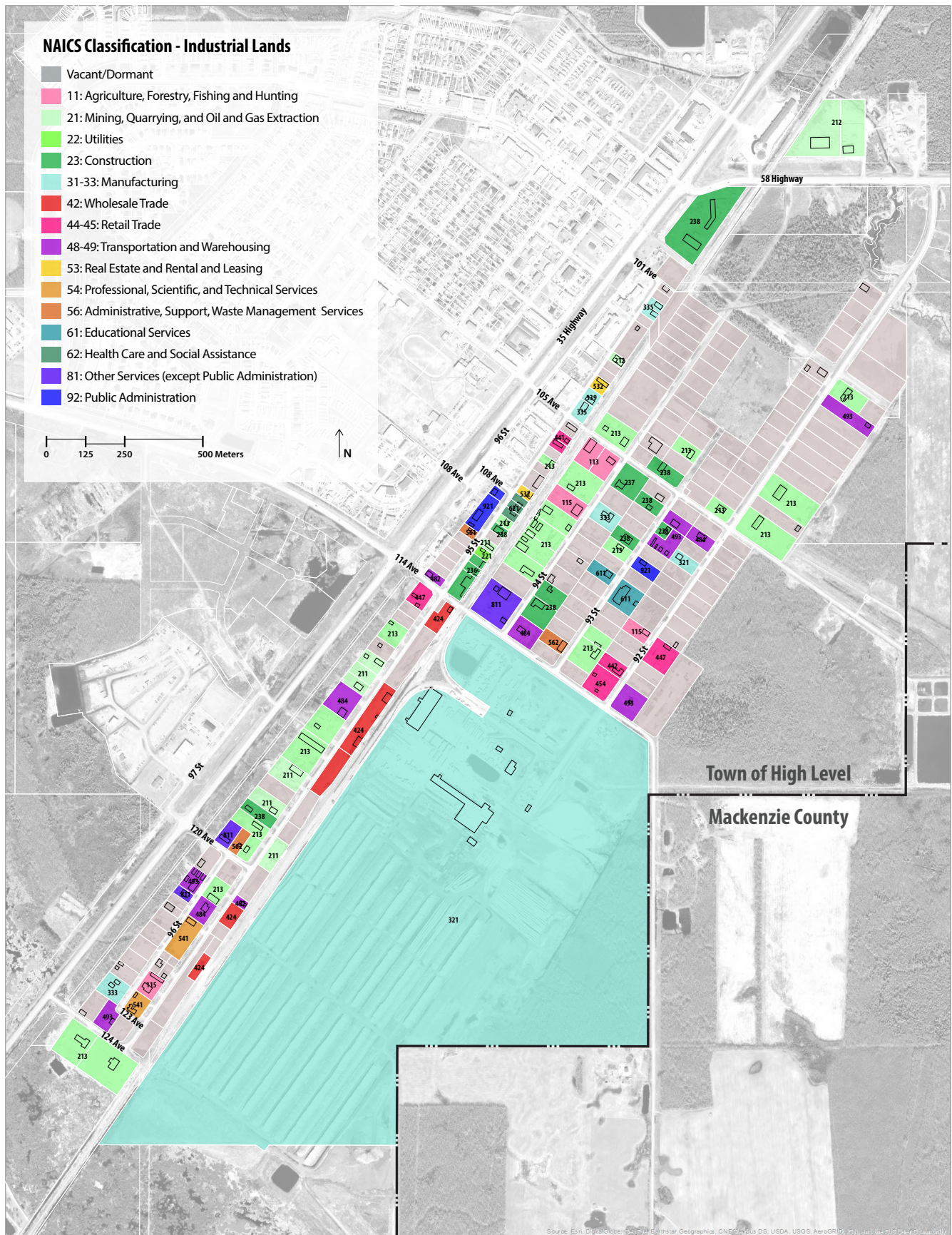
- Support Activities for Mining (20)
- Construction (8)
- Warehousing and Storage (7)
- Retailers (5)
- Transportation (5)
- Oil and Gas Extraction (4)
- Forestry and Logging (4)

High Level has a higher provision of medium and heavy industrial land uses in which requiring large areas therefore offices and smaller scale warehouse and wholesale functions typically prefer parcels near to main transportation corridors Smaller format should be actively pursued for vacant industrial park parcels nearer to the intersection of 35 and 58 Highways or 35 Highway and 105 Avenue.

In terms of total number of employees, the Support Activities for Mining and Construction sectors employ the largest numbers within High Level's industrial areas at roughly 22% and 9% respectively.

¹ Total Gross Land Area refers to the full property area of all current Industrial Lands (not including Future Potential Lands).

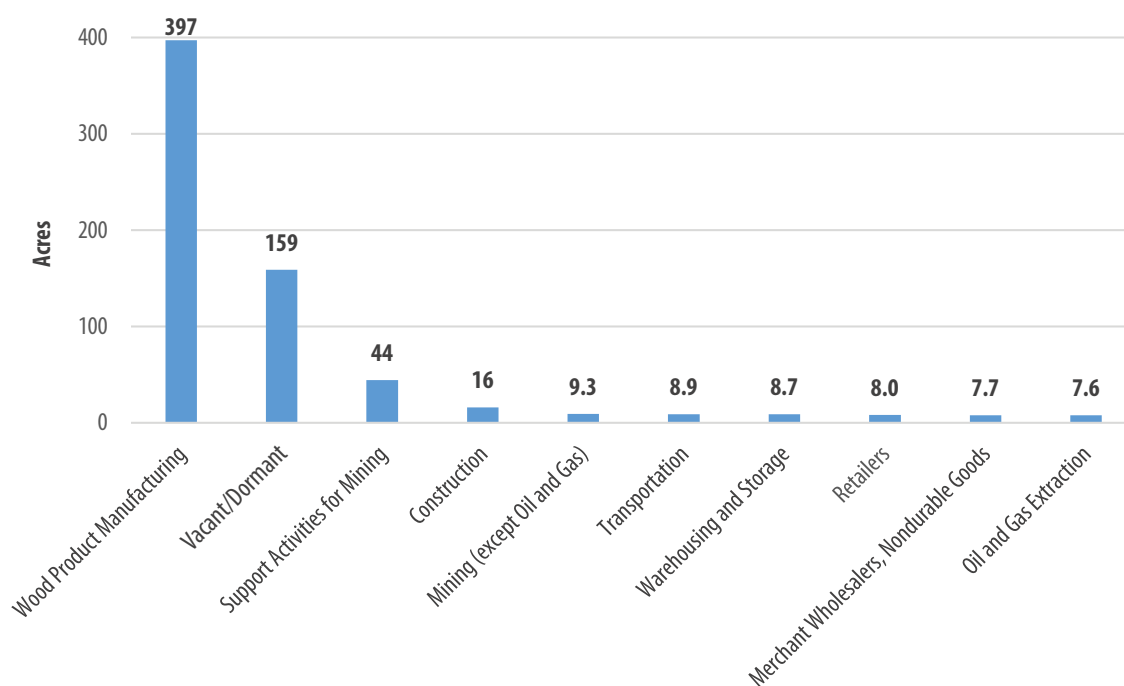
High Level Industrial Lands - 2017



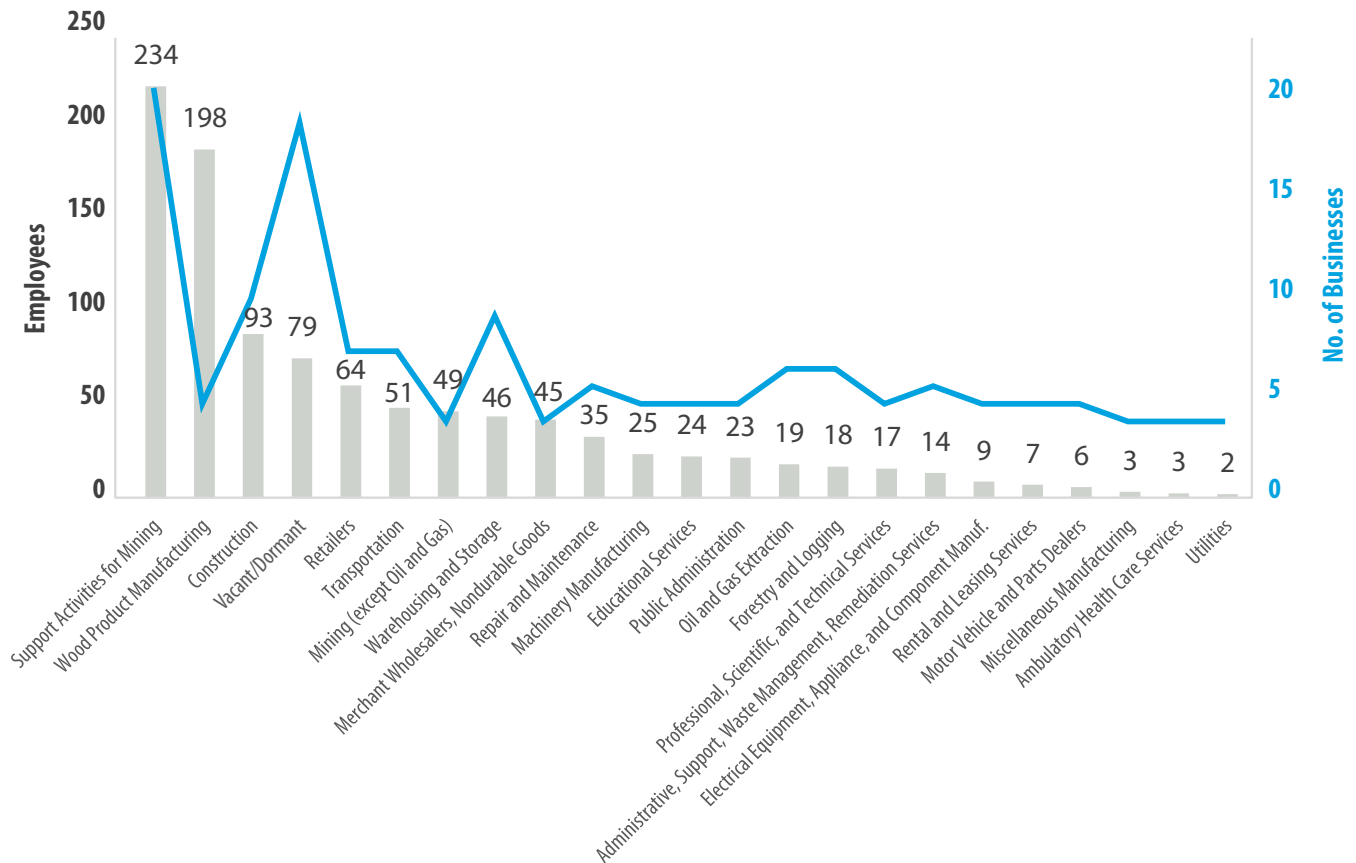
Allocation of Industrial Lands - Town of High Level

NAICS Category	Acres	Percent of Total Acres	Employee Estimate	Percent of Employment
Wood Product Manufacturing	397	57%	198	19%
Vacant/Dormant	159	23%	79	7.4%
Support Activities for Mining	44	6.3%	234	22%
Construction	16.1	2.3%	93	8.7%
Mining (except Oil and Gas)	9.3	1.3%	49	4.6%
Transportation	8.9	1.3%	51	4.8%
Warehousing and Storage	8.7	1.3%	46	4.3%
Retailers	8.0	1.1%	64	6.0%
Merchant Wholesalers, Nondurable Goods	7.7	1.1%	45	4.2%
Oil and Gas Extraction	7.6	1.1%	19	1.8%
Forestry and Logging	7.1	1.0%	18	1.7%
Repair and Maintenance	5.2	0.7%	35	3.3%
Professional, Scientific, and Technical Services	3.2	0.5%	17	1.6%
Educational Services	2.9	0.4%	24	2.2%
Machinery Manufacturing	2.9	0.4%	25	2.3%
Public Administration	2.9	0.4%	23	2.1%
Administrative, Support, Waste Management, Remediation	2.1	0.3%	14	1.3%
Electrical Equipment, Appliance, and Component Manuf.	1.6	0.2%	9.1	0.9%
Rental and Leasing Services	1.0	0.1%	7.5	0.7%
Motor Vehicle and Parts Dealers	0.8	0.1%	6.2	0.6%
Miscellaneous Manufacturing	0.6	0.1%	3.4	0.3%
Utilities	0.4	0.1%	2.1	0.2%
Ambulatory Health Care Services	0.4	0.1%	2.6	0.2%
Total	697	100%	1.066	100%

Total Acres of Industrial Lands - Town of High Level



Relationship Between the Total Number of Businesses and Total Number of Employees in the Town of High Level's Industrial Parks



The relationship between the number of businesses and employees illustrates which industries are supplying the most jobs, and which are operating at a higher employment efficiency (fewer employees per square foot). Vacant or dormant businesses, although not having any quantifiable employment, likely have an associated labour force living near or in the community, although this is probably not a large number of employees. High Level's dormant or vacant buildings and businesses are likely associated with the oil and gas industry.

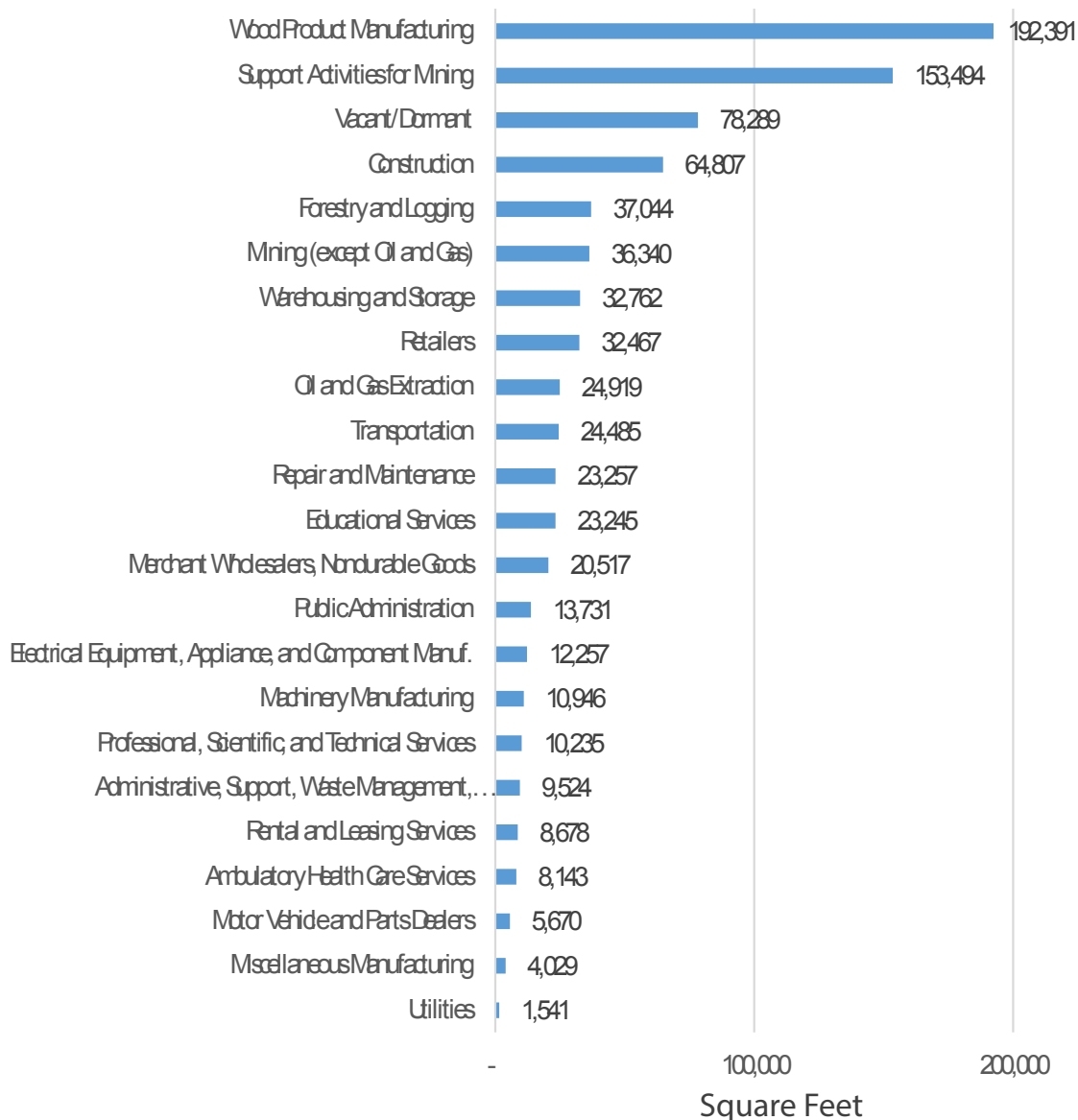
2.3 TOTAL INDUSTRIAL BUSINESS INVENTORY

The following table represents a summary of the Town High Level's total industrial business inventory.

In terms of building square footage allocation, Wood Product Manufacturing occupies a large amount of total industrial building space as sawmill and other engineered wood production facilities require very large interior spaces.

Support Activities for Mining occupy the second-most building space. Unknown or Vacant building space is estimated at just under 80,000 SF however some of these spaces may be occupied but are shuttered and dormant until industries rebound.

Allocation of Industrial Space -- Estimated Building Square Footage by Industry



Industrial Business Inventory -- High Level

Name	Estimated SF
Forestry and Logging	
Chabot Logging	14,297
Treetech	8,160
Treetech	3,449
Little Red River Forestry	11,139
Subtotal	37,044
Oil and Gas Extraction	
Imperial Oil	2,883
Halliburton	10,482
Baker Hughes	7,872
Halliburton Energy	3,682
Subtotal	24,919
Mining (except Oil and Gas)	
Knelsen Sand & Gravel	36,340
Subtotal	36,340
Support Activities for Mining	
Total Depth Power Tongs	3,674
PI Supply Industrial	2,958
Formula Powell LP Oilfield Transportation	30,539
Strike Energy Services oilfield services	3,145
Eos Pipeline	7,040
Rainbow Transport	8,551
Apex Oilfield Services	2,946
Impact Safety Systems	4,736
Unknown oilfield services	4,199
Weatherford	6,980
Caliber Energy Systems	8,223
Pinnacle Services	11,442
Long Run Exploration	7,663
Moonlight Ditching	1,981
Bluewave Energy	17,097
Weatherford	4,632
Pinned Mechanical Services	2,672
D & G Industry Service	7,287
La Crete Transport	9,148
Energy Services	8,582
Subtotal	153,494
Utilities	
Altagas Utilities	1,541
Subtotal	1,541

Construction	
Contractors Leasing Corp.	28,014
EECOL Electric	5,446
ATCO Electric	10,482
Big Eagle Contractors	6,539
Formen Electric	3,671
Specialties Valve	2,415
MRC Canada	5,340
Brock Enterprises	2,900
Subtotal	64,807
Wood Product Manufacturing	
Friesen Industries	2,981
Tolko	189,410
Subtotal	192,391
Machinery Manufacturing	
La Crete Saw Mills	6,777
Claude's Welding	4,169
Subtotal	10,946
Electrical Equipment, Appliance, and Component Manuf.	
Commonwealth Fire Extinguishers and Welding	7,068
Unknown office light industrial	5,189
Subtotal	12,257
Miscellaneous Manufacturing	
Raye's Signs	4,029
Subtotal	4,029
Merchant Wholesalers, Nondurable Goods	
CN Rail	20,517
Subtotal	20,517
Motor Vehicle and Parts Dealers	
OK Tire	4,123
ATS Customs Trucks	1,547
Subtotal	5,670
Retailers	
The Brick	4,646
Co-op	2,714
UFA	2,925
Rona	20,342
Superior Propane	1,840
Subtotal	32,467
Transportation	
A & J Towing	3,957
Norwood Transport Ltd	5,387
Triple K Towing	5,901
Woods Transport	4,539
TransCanada	4,701
Subtotal	24,485

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Warehousing and Storage	
High Level Seed Cleaning	794
Access Mini Storage	5,024
Unknown storage	4,774
Mini storage	16,165
Unknown storage warehouse	2,545
Unknown storage warehouse	2,102
Unknown storage warehouse	1,358
Subtotal	32,762
Rental and Leasing Services	
A-1 Glass Services/financial/multi-tenant office	5,090
Viper Rentals & Services	3,588
Subtotal	8,678
Professional, Scientific, and Technical Services	
Health and safety services	4,622
Seal Industries	5,614
Subtotal	10,235
Administrative and Support and Waste Management and Remediation Services	
Gator's Lawn Care	1,918
Mackenzie Regional Waste Management	1,160
L & P Disposals recycling	6,446
Subtotal	9,524
Educational Services	
Northern Lakes College	19,171
Ft Vermillion Schools	4,074
Subtotal	23,245
Ambulatory Health Care Services	
Aeromedical	8,143
Subtotal	8,143
Repair and Maintenance	
DT's Maintenance Repair & Overhaul	14,439
Recovery Automotive	4,413
RT Collision	4,405
Subtotal	23,257
Public Administration	
High Level Native Friendship Centre	11,087
Mackenzie County	2,644
Subtotal	13,731

Vacant/Dormant	
Vacant/dormant light industrial	2,995
Vacant/dormant light industrial	4,891
Vacant/dormant light industrial	7,917
Vacant/dormant light industrial	1,843
Vacant/dormant light industrial	2,214
Vacant/dormant light industrial	7,919
Vacant/dormant light industrial	4,912
Vacant/dormant light industrial	3,836
Vacant/dormant light industrial	5,516
Vacant/dormant light industrial	1,645
Vacant/dormant light industrial	2,823
Vacant/dormant light industrial	2,853
Vacant/dormant light industrial	3,680
Vacant/dormant light industrial	2,133
Vacant/dormant light industrial	1,452
Vacant/dormant light industrial	3,847
Vacant/dormant light industrial	4,455
Vacant/dormant light industrial	13,357
Subtotal	78,288
TOTAL	828,772

2.4 SUMMARY

The Town of High Level's industrial economy is strongly tied to services that support the oil and gas extraction industry, with specialized oilfield contracting, truck transportation and equipment rental and storage occupying much of the space in established industrial parks. With High Level's access to major vehicle and rail transportation corridors, many of these businesses are able to split their services between oilfield, general contracting, or seasonal agricultural work. Although such flexibility exists, land and building needs in established industrial parks will be largely dependent on the oil and gas industry, and High Level has large amounts of vacant land and dormant industrial building space to accommodate the industry should it rebound from recent cycles.

Availability of Industrial Land and Buildings

As of this writing, there are few active industrial real estate listings in the Town's industrial areas but past listing prices varied widely with a range of \$20.00 per sf for older shop and office with limited equipment, to \$150.00 per sf for newer

fully equipped shops. For a 15,000 sf building with services that means a range of \$375,000 to \$2,250,000. There has been one sale of a former oilfield services company shop that had been active for over 12 months.

According to local brokers, industrial real estate activity is almost nonexistent, particularly considering the highly active residential real estate market. Brokers speculate that low oil prices and the industry slow down is discouraging oil and gas workers to settle more permanently in the area. Tolko and to a lesser extent Norbord workers are buying homes in High Level.

The many dormant or underutilized buildings are opportunities for new businesses and are available to purchase for the right price. However High Level's industrial lands are more expensive (most over \$100.00/sf) than elsewhere in Mackenzie County. Brokers have suggested that rather than selling property, some business owners are shuttering their buildings and holding until industrial activity rebounds.