

3.0 la crete industrial lands



3.1 INDUSTRIAL OVERVIEW

La Crete's existing industrial areas, as illustrated in the following charts, maps and narrative, 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 Hamlet's Industrial Business Composition, Land Use Mix and Employment. Additionally, this industrial profile illustrates the employment density by acreage and by building square footage. Areas outside industrial subdivisions immediately adjacent to La Crete were evaluated in Mackenzie County's profile.

As an industry comparable, the Town's ratio of employment per acre (3.0) is lower than industry standards, however is high for the region. 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.

La Crete's estimated ratio of square foot of building area to employee (622 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 large scale industrial uses found in La Crete's industrial areas.

3.2 TOTAL INDUSTRIAL (Existing & Proposed)

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

¹ Total Gross Land Area: ~265 ac

Total Building Space (est): 496,500 sf

Estimated Building Site Coverage Ratio (FAR): 4.3%

Number of Businesses: 59

Number of Vacant Lots: 62

Number of Vacant Buildings/Units: 5-10

Total Building Space Vacancy: ~10%

Number of Employees: ~800

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

Construction (10)

Retailers (6)

Manufacturing (Including Forestry) (6)

Transportation (5)

Agriculture (4)

Other Services (4)

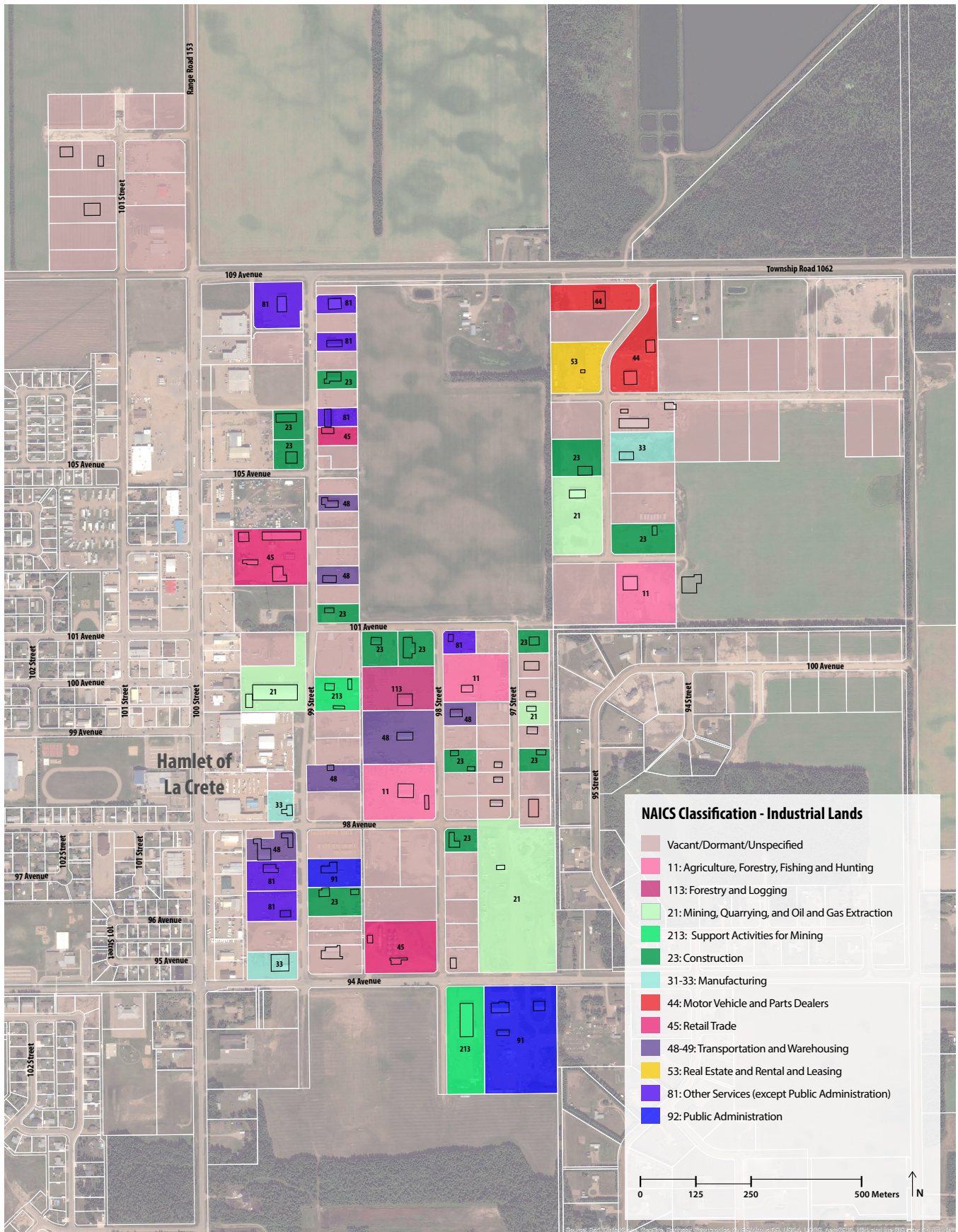
Real Estate and Rental and Leasing (4)

La Crete has a higher provision of medium and heavy industrial land uses that require large land areas, therefore offices and smaller scale warehouse and wholesale functions typically locate on smaller parcels closer to main transportation corridors. Smaller flexible space formats should be actively pursued for vacant industrial park parcels near the intersections of 35 and 58 Highways or 35 Highway and 105 Avenue.

In terms of total number of employees, the Mining, Quarrying, and Oil and Gas Extraction sector and Wholesale Trade sector are estimated to employ the largest number of people within La Crete's industrial areas at roughly 22% and 14% respectively.

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

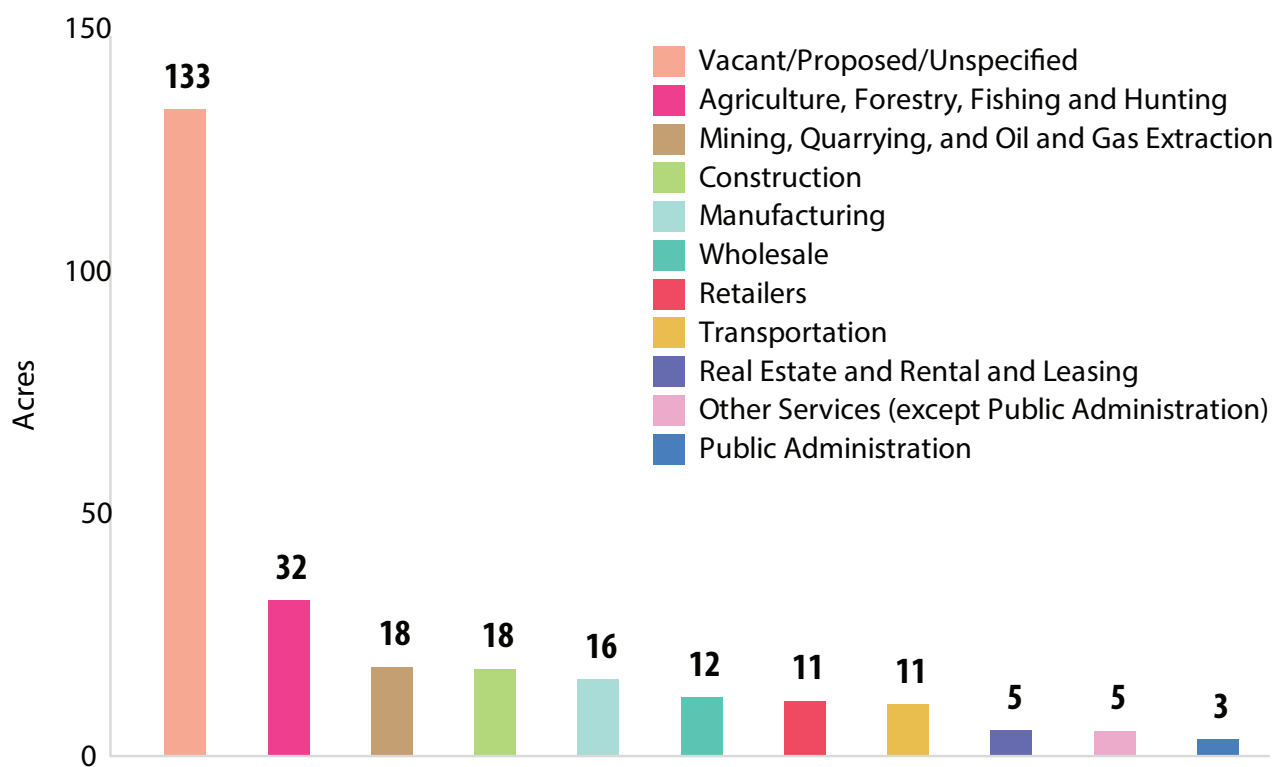
La Crete Industrial Lands - 2017



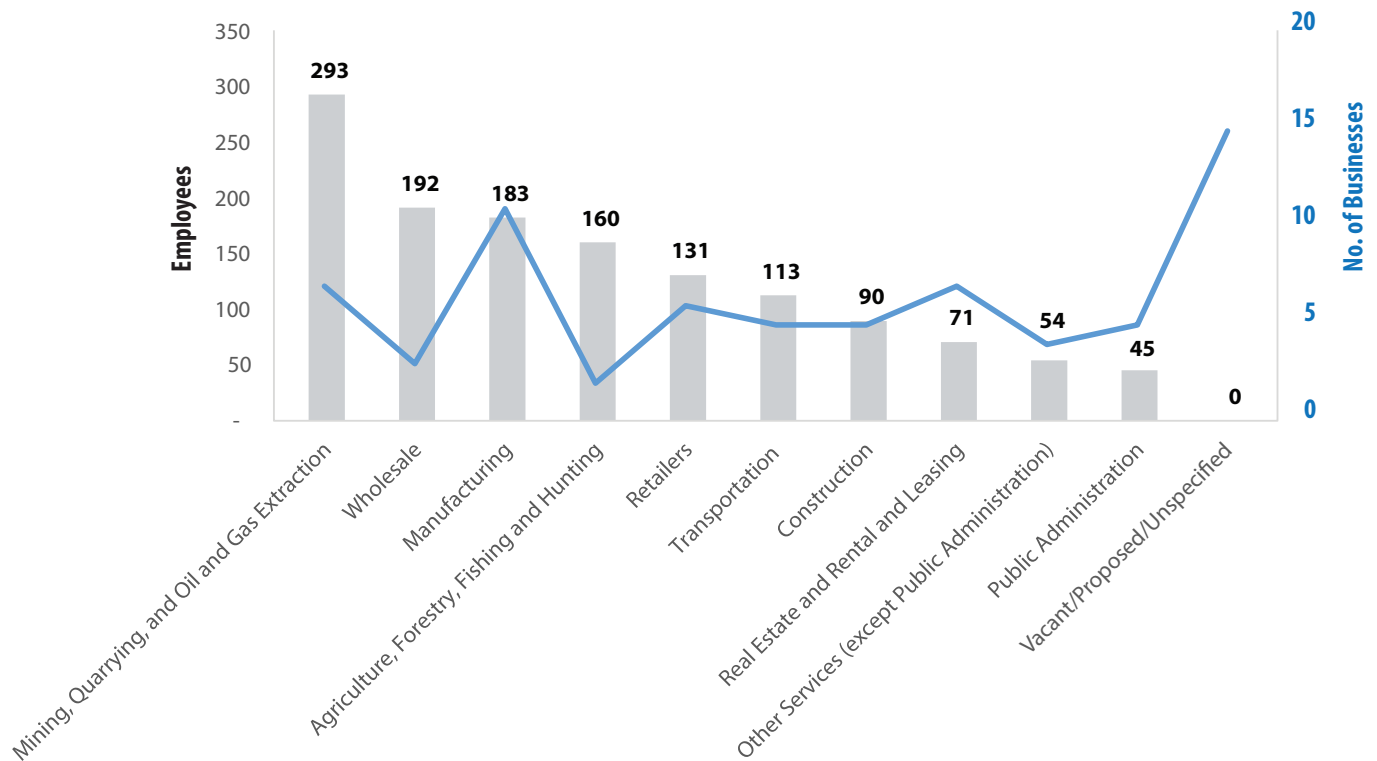
Allocation of Industrial Lands - La Crete

NAICS Category	Acres	Percent of Total Acres	Employee Estimate	Percent of Employment
Vacant/Proposed/Unspecified	133	50%	-	-
Agriculture, Forestry, Fishing and Hunting	32.1	12%	96	12%
Mining, Quarrying, and Oil and Gas Extraction	18.3	7%	176	22%
Construction	17.9	7%	54	7%
Manufacturing	15.7	6%	110	14%
Wholesale	12.0	5%	115	14%
Retailers	11.3	4%	79	10%
Transportation	10.6	4%	68	8%
Real Estate and Rental and Leasing	5.3	2%	42	5%
Other Services (except Public Administration)	5.1	2%	33	4%
Public Administration	3.4	1%	27	3%
Total	265	100%	799	100%

Industrial Land Acreage by NAICS Classification



Relationship Between the Total Number of Businesses and Total Number of Employees in La Crete'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. In La Crete these dormant businesses may be associated with agricultural businesses which have seasonal operations.

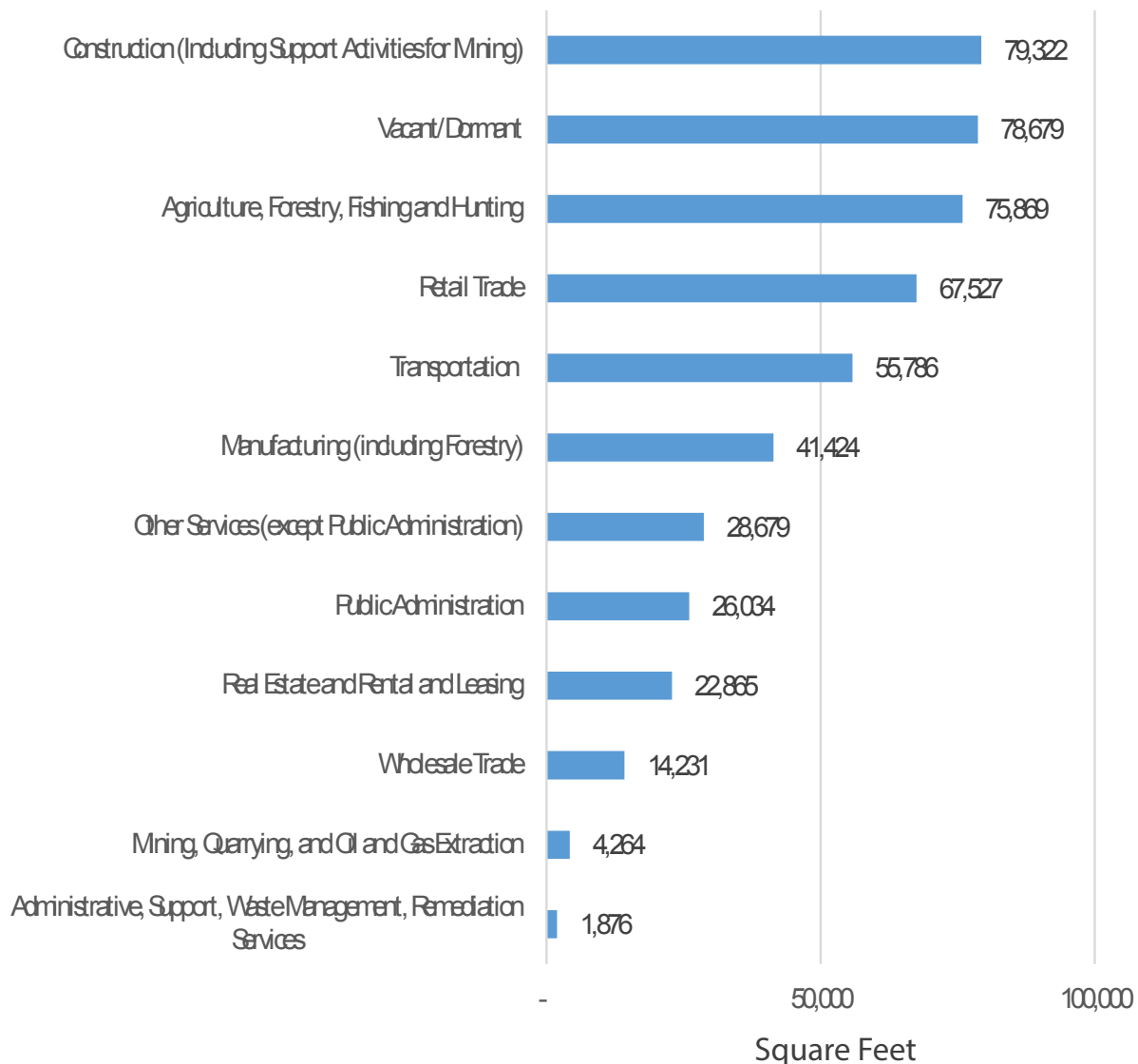
3.3 TOTAL INDUSTRIAL BUSINESS INVENTORY

The following table represents a summary of La Crete's total industrial business inventory.

In terms of building square footage allocation, Construction, including Support Activities for Mining occupies a large amount of total industrial building space at just under 80,000 sf.

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. This is followed by Agriculture, Forestry Fishing and Hunting uses which occupy an estimated 76,000 sf.

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



Industrial Business Inventory -- La Crete

Name	Estimated SF
Agriculture, Forestry, Fishing and Hunting	
Knelsen Sand & Gravel	52,298
Unknown (Agricultural)	10,289
Treetech Contracting	9,031
Exact Harvesting	4,252
Subtotal	75,869
Mining, Quarrying, and Oil and Gas Extraction	
Outback Ventures Inc	4,264
Subtotal	4,264
Construction	
Northwest Trenching	7,752
5 Star Flooring	6,791
Good Brothers Construction	2,344
Hotflash Electric	4,056
George's Roofing	11,125
Gateway Industries	29,935
ATCO Electric	2,390
Foothills Carpentry Ltd	2,292
Timberbound Construction Ltd	6,777
Derkson Mechanical Plumbing & Heating	5,861
Subtotal	79,322
Manufacturing	
Northern Truss Manufacturing	13,351
Moonlight Concrete	6,615
Boyer Truss	5,976
L.A. Fabricating	15,482
Subtotal	41,424
Wholesale Trade	
AgLand Seed & Chemical Ltd	14,231
Subtotal	14,231
Retail Trade	
Built Rite Building Products	8,796
Broke Toy Automotive	3,582
True North Powersports	10,733
Bluewave Energy	34,266
Parkland Industries Ltd	6,284
Max Fuel Distribution Petrocanada	3,866
Subtotal	67,527

Transportation	
Sunrise Transport	11,145
Norwood Transport	8,614
JG Freightways Inc	4,779
La Crete Transport	16,323
Unknown transport	14,925
Subtotal	55,786
Real Estate and Rental and Leasing	
Schellenberg Heavy Equipment	7,594
J. P. Shannon Realities	11,372
Wilson Auto & RV	3,220
Riverside Trailer	679
Subtotal	22,865
Administrative and Support Services	
Screwy Louie's Locks & Glass	1,876
Subtotal	1,876
Other Services (except Public Administration)	
Mr Scrubs Car and Truck Wash	5,197
TD Mechanical Ltd	11,676
Penners Automotive	6,029
J & W Repairs	5,777
Subtotal	28,679
Public Administration	
Fort Vermillion School Division	7,211
Mackenzie County Shops	18,823
Subtotal	26,034
Unknown	
Unknown light industrial	3,060
Unknown light industrial	10,138
Unknown light industrial	6,579
Unknown light industrial	5,760
Unknown light industrial	14,427
Unknown light industrial	4,069
Unknown light industrial	2,330
Unknown light industrial	3,965
Unknown light industrial	2,416
Unknown light industrial	4,171
Unknown light industrial	11,167
Unknown light industrial	1,504
Unknown light industrial	6,617
Unknown light industrial	2,476
Subtotal	78,679
TOTAL	496,555

3.4 SUMMARY

Southern and eastern parts of Mackenzie County are strongly tied to agriculture, and La Crete, being located in the arable Peace River plain is the centre of commerce for the trade area. As such there is a strong agricultural presence in its industrial clusters. Similar to High Level, businesses in construction and support services—the largest industrial sector by building square footage—may shift between serving agricultural, forestry and industrial sectors. This flexibility shelters the economy against climate extremes, seasonal weather irregularities or boom/bust cycles of the oil and gas industry.

Availability of Industrial Land and Buildings

Although about half of La Crete's land in industrial subdivisions are listed as vacant (which is double the vacancy rate of other communities in Mackenzie County), this is because many businesses purchase several adjacent lots and use vacant lots for temporary storage of vehicles, materials or other non-permanent activities. This is not likely a surplus of space, but more likely that as the need for new pad sites grows these parcels will be built-out for expanding businesses.

Parcels are larger in the newer industrial subdivisions on the north and east edges of platted areas, and are targeting larger format flex office/industrial warehouse space indicating a diversification of future industrial land.

Industrial real estate activity in La Crete may be somewhat more active than, High Level or elsewhere, however there are still few active industrial real estate listings. Turnover may be high

The many dormant or underutilized buildings—although opportunities for new businesses—are available to purchase for the right price. However La Crete's industrial (and agricultural) lands are far more expensive than elsewhere because of the productive marketplace.