

5.0 mackenzie county industrial lands



5.1 INDUSTRIAL OVERVIEW

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. Industrial lands in Zama City and forestry and sawmill facilities outside of La Crete and High Level are included in Mackenzie County's totals.

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

Comparative to the region, Mackenzie County's ratio of employment per acre (0.36) is lower than industry standards, and is the lowest in the region. The county-wide average of all communities is 1.7 employees per acre. The low employment per acre is not likely an indication of under-performing lands, but rather is representative of the large format industrial plants and other activities that occupy parcels in remote areas. In this case the community's industrial lands are well-positioned to absorb future demand.

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 County is likely to continue at this level unless oil and gas extraction rebounds, affecting the industry near Zama City or other northwestern areas of the County.

5.2 TOTAL INDUSTRIAL (Existing & Proposed)

The following represents a summary of Mackenzie County's estimated Total Industrial Area Business Composition, Land Use Mix and Employment Profile:

¹ Total Gross Land Area: ~1,500 ac

Number of Industrial Parcels: 113

Total Land Vacancy: ~2.5%

Number of Employees: ~540

Top Industries (by NAICS Code and total acres):

Forestry and Logging (900)

Mining, Quarrying and Oil and Gas Extraction (540)

Public Administration (20)

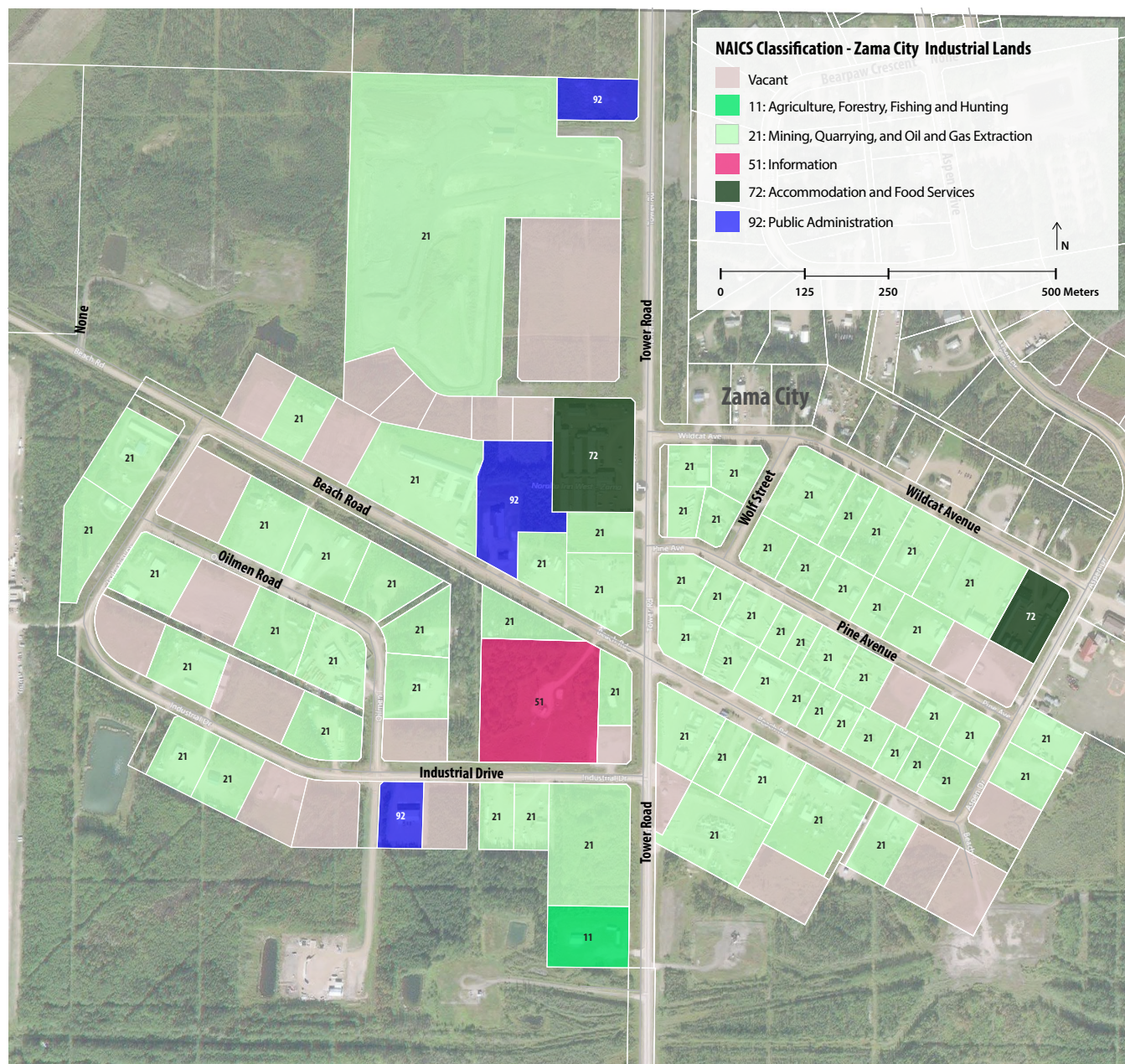
The County has a higher concentration of heavy industrial land uses that require large areas, therefore while offices and smaller scale warehouse and wholesale functions are attracted to existing higher density industrial parks in High Level, Rainbow Lake or La Crete, the County continues to be a desirable fit for larger format, heavier industrial use facilities, particularly where existing industries are located far from residential areas. Low vacancies for the region suggest that new industrial park areas may be feasible outside existing communities on major rail or vehicle transportation corridors.

In terms of total number of employees, the Forestry and Logging sector is estimated to employ the most people, followed by Mining, Quarrying and Oil and Gas Extraction. Government facilities in Zama City are estimated to employ about 20% of the total industrial area employment in the Public Administration sector.

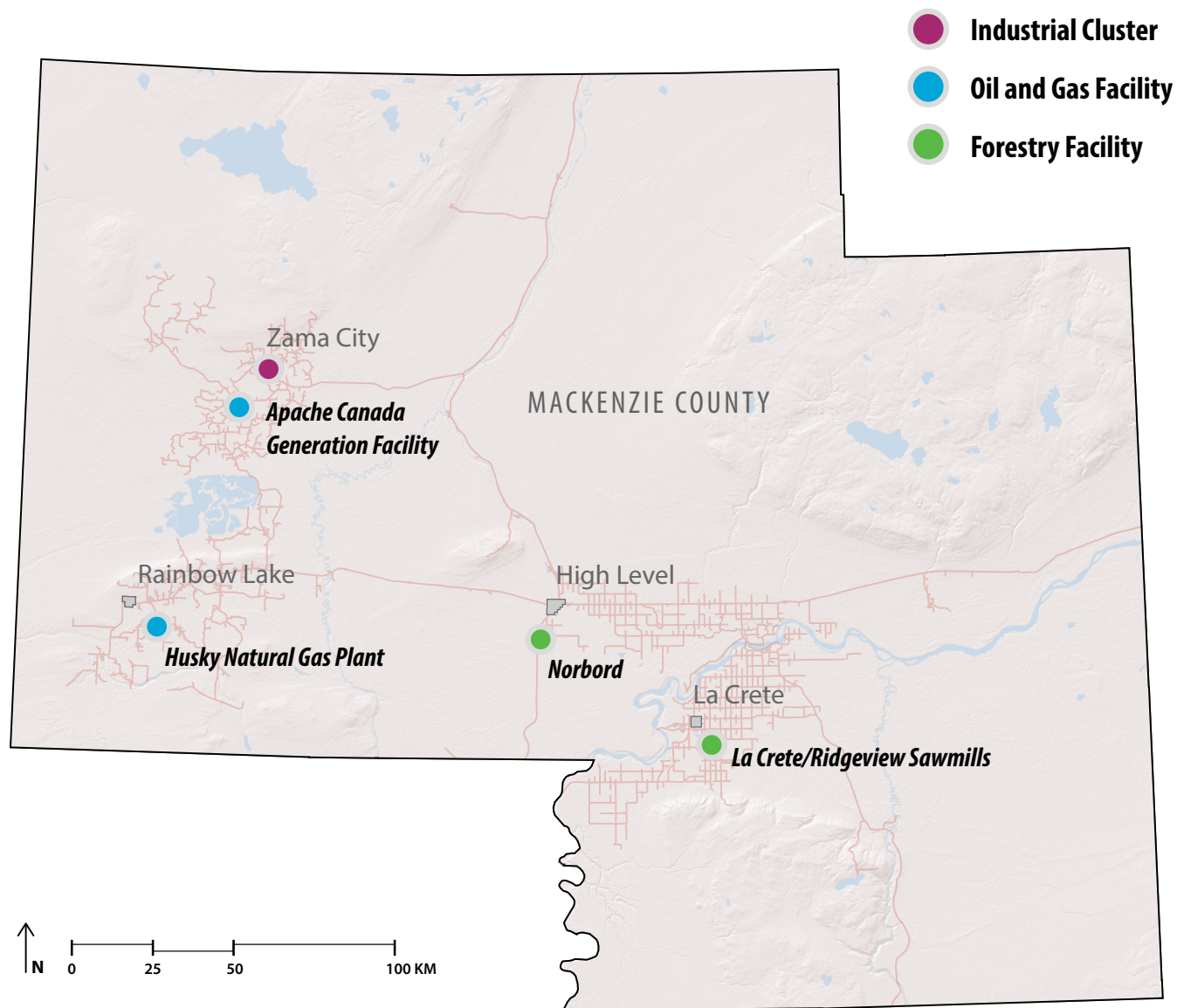
The county's location relative to remote oil and gas production areas, forest resources and several small communities will continue to make the County's interior attractive to large industries.

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

Mackenzie County/Zama City Industrial Lands - 2017

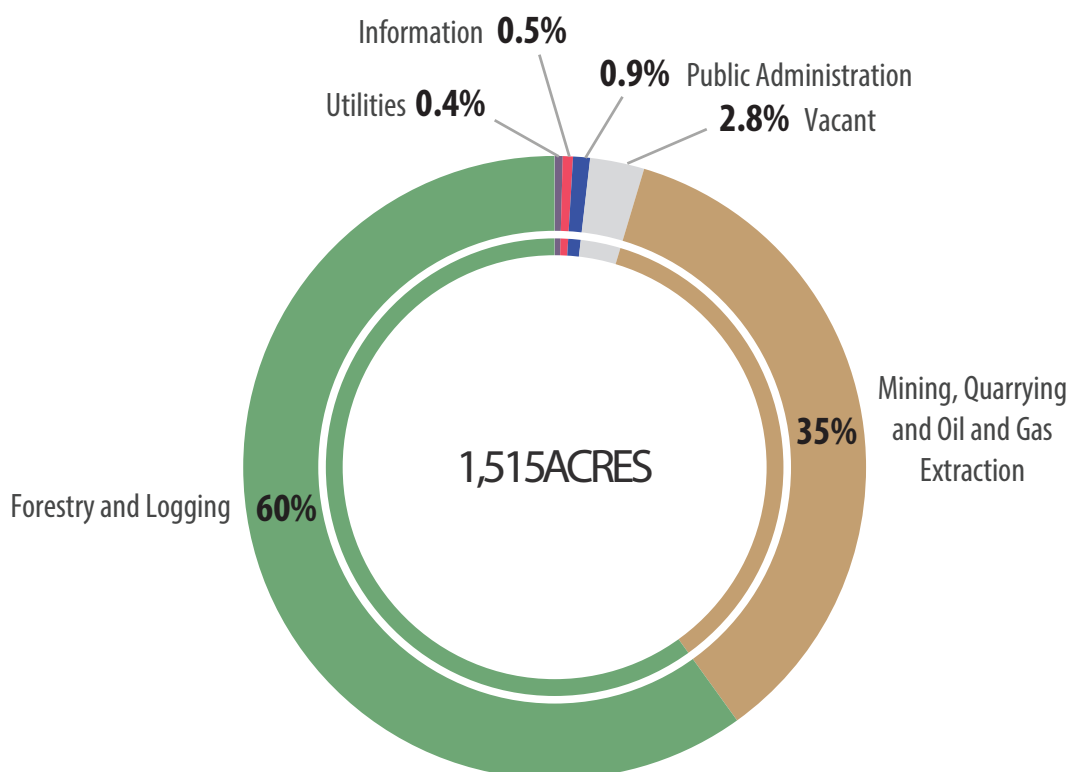


Mackenzie County Industrial Lands and Nearby Communities - 2017

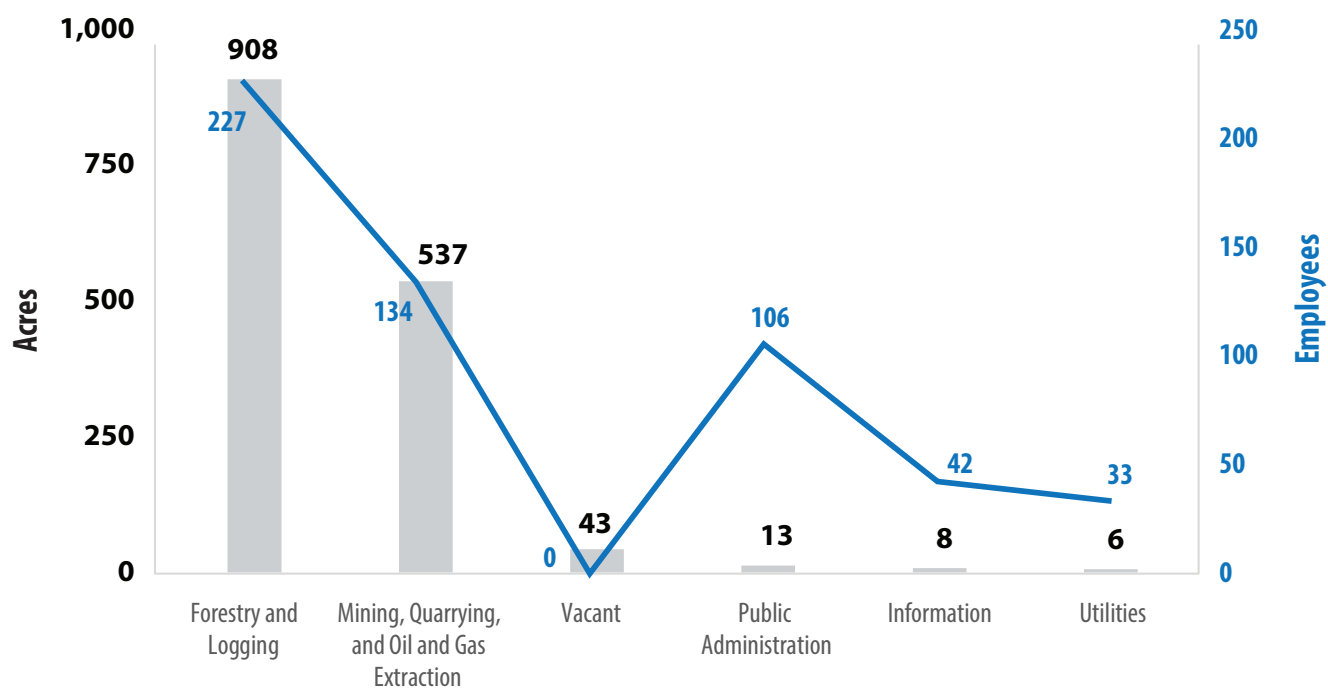


Allocation of Industrial Lands - Mackenzie County

NAICS Category	Acres	Percent of Total Acres	Employee Estimate	Percent of Employment
Forestry and Logging	908	60%	227	42%
Mining, Quarrying, and Oil and Gas Extraction	537	35%	134	25%
Vacant	43	2.8%	-	-
Public Administration	13	0.9%	106	19%
Information	8	0.5%	42	8%
Utilities	6	0.4%	33	6%
Total	1,515	100%	543	100%



Relationship Between the Estimated Number of Employees and Acres Occupied by NAICS Category in Mackenzie County



5.3 SUMMARY

Mackenzie County's existing industrial lands benefit from proximity to resources, access to key vehicle or rail transportation corridors or pipelines, and proximity to nearby communities for labour force housing and amenities. In industrial lands outside of incorporated areas, sectoral composition is fairly homogeneous and isolated with oil and gas predominant in the northwest, agriculture, transportation and support services in the southeast, and forestry throughout.

Because of this, new industrial uses will likely prefer vacant lands near similar existing clusters. Oil and gas facilities, for example, will develop where they will benefit from existing infrastructure. In some cases subdivisions of land may be required. Support services will continue to locate near population centres where they can benefit from public infrastructure.

Development and future growth of the County's industrial lands depends on a few key components, including the availability and affordability of large serviceable parcels, resurgence of the oil and gas industry, or global tariffs on forestry products.

Availability of Industrial Land and Buildings

Although there are few active industrial or commercial real estate listings in the County, local brokers have anecdotally suggested that dormant or underutilized parcels and buildings are available to purchase due to a lack of industrial activity, particularly in oil and gas.

Growth in the County's established industrial parks will be connected to growth, or decline in the nearest population centres. The regional economy, including relative housing prices and migration, will affect the growth in High Level, Rainbow Lake, or Zama City and La Crete in the coming years. As industries choose to expand, they will consider conditions in the local communities particularly associated with demographic indicators related to the potential labour force.

