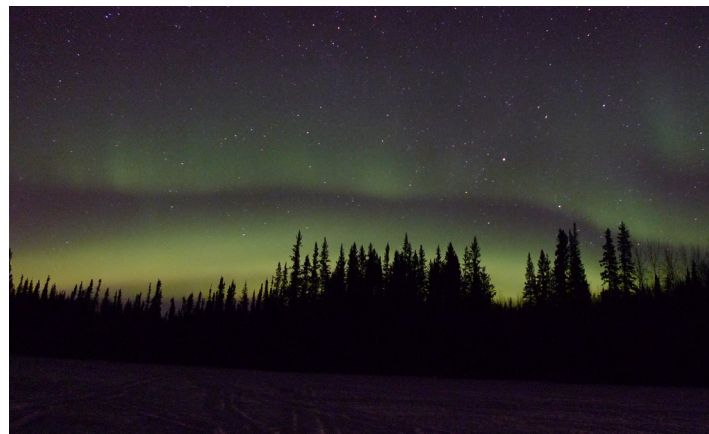


4.0 rainbow lake industrial lands



4.1 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.

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

Rainbow Lake's ratio of employee per acre (2.5) is lower than industry and figures, but is consistent with the community. The employment per acre figure will likely rebound as dormant oil and gas facilities recover in the future, as facilities and infrastructure already exist. 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 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 make a significant change, excepting a scenario in which the oil and gas industry recovers and expands in the local area.

The Community's estimated ratio of square foot of building area to employee (918 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, however 918/sf is at the high end for the region. This is likely due to the consistent transportation employment associated with the nearby natural gas plant

4.2 TOTAL INDUSTRIAL (Existing & Proposed)

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

¹ Total Gross Land Area: ~210 ac

Total Building Space (est): ~323,000 sf

Estimated Building Site Coverage Ratio (FAR): 3.5%

Number of Businesses: 45

Number of Vacant Lots: 41

Number of Vacant Buildings/Units: 10-15

Total Building Space Vacancy: ~15-20%

Number of Employees: ~352

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

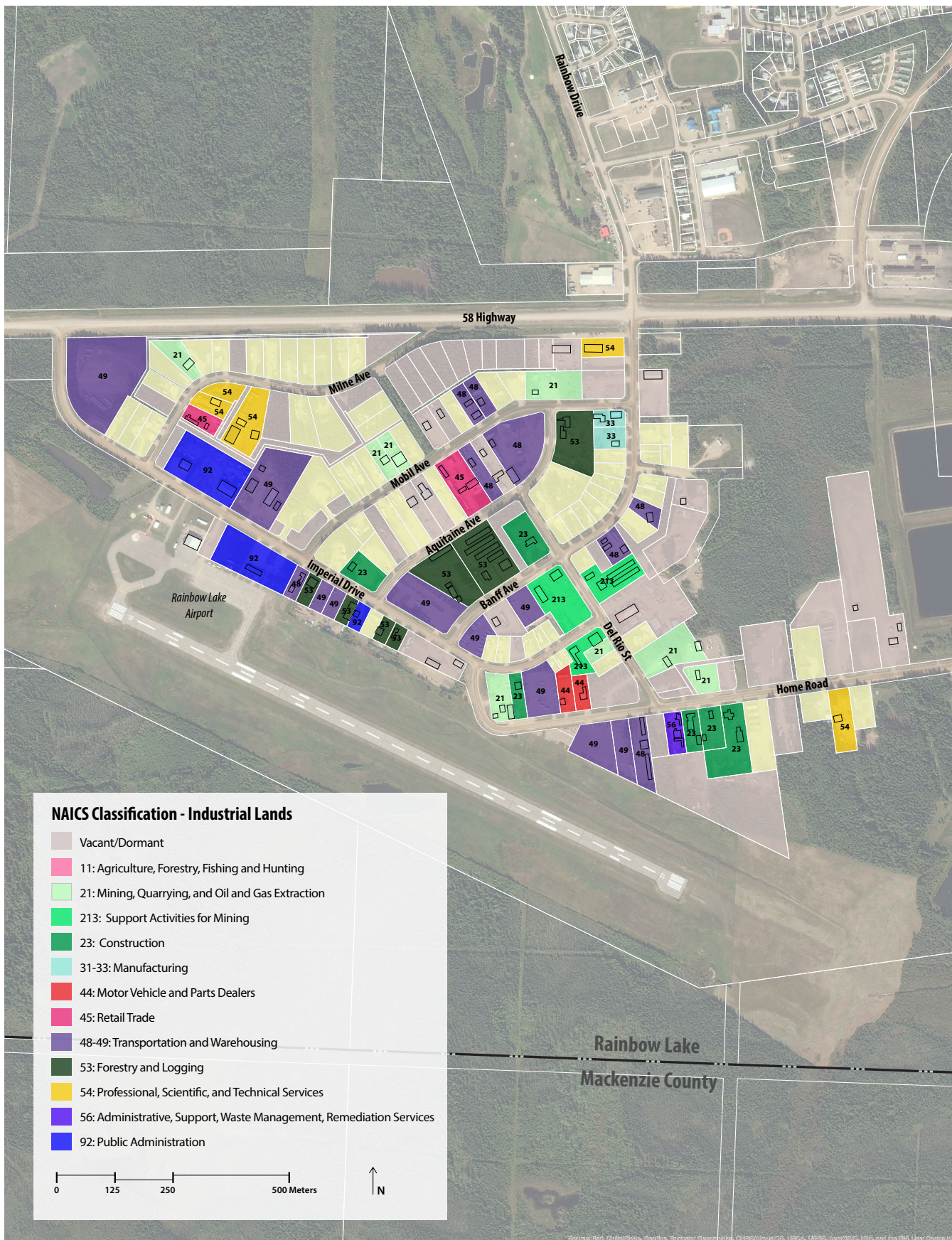
- Mining, Quarrying, Oil and Gas Extraction (8)
- Transportation and Warehousing (7)
- Construction (5)
- Rental and Leasing (4)
- Professional, Scientific and Technical Services (6)

Rainbow Lake has a higher concentration of medium and light industrial land uses that do not require large land areas, therefore offices and smaller scale warehouse and wholesale functions on smaller parcels are an acceptable fit in the area. High vacancies for the region suggest that a variety of formats should be pursued for underused or vacant buildings in industrial park parcels.

In terms of total number of employees, and based on existing land areas, the Transportation and Warehousing sector is estimated to employ the largest number of people within Rainbow Lake's industrial areas at roughly 31% of the total. Rainbow Lake's location relative to more remote oil and gas production areas and facilities allows some leverage to attract transportation and storage businesses or facilities.

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

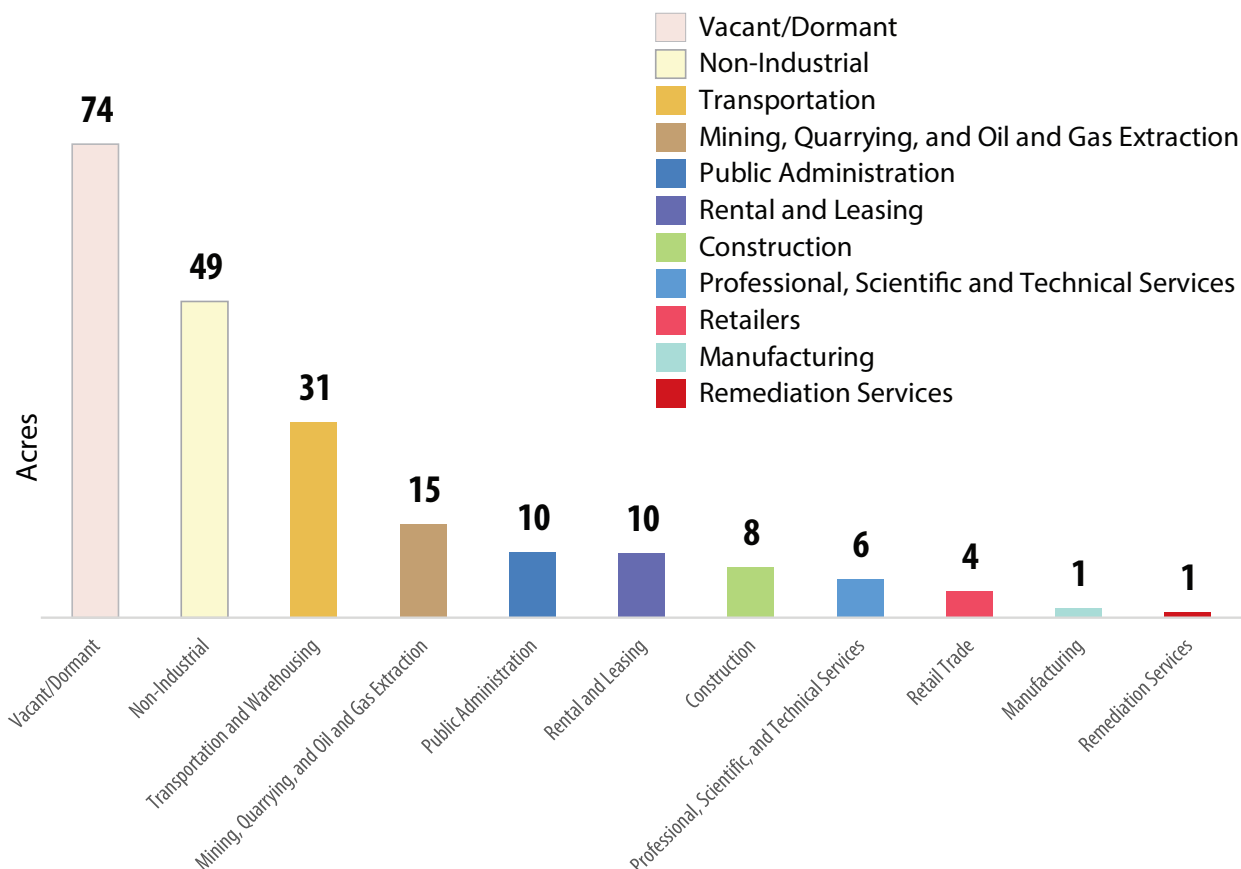
Rainbow Lake Industrial Lands - 2017



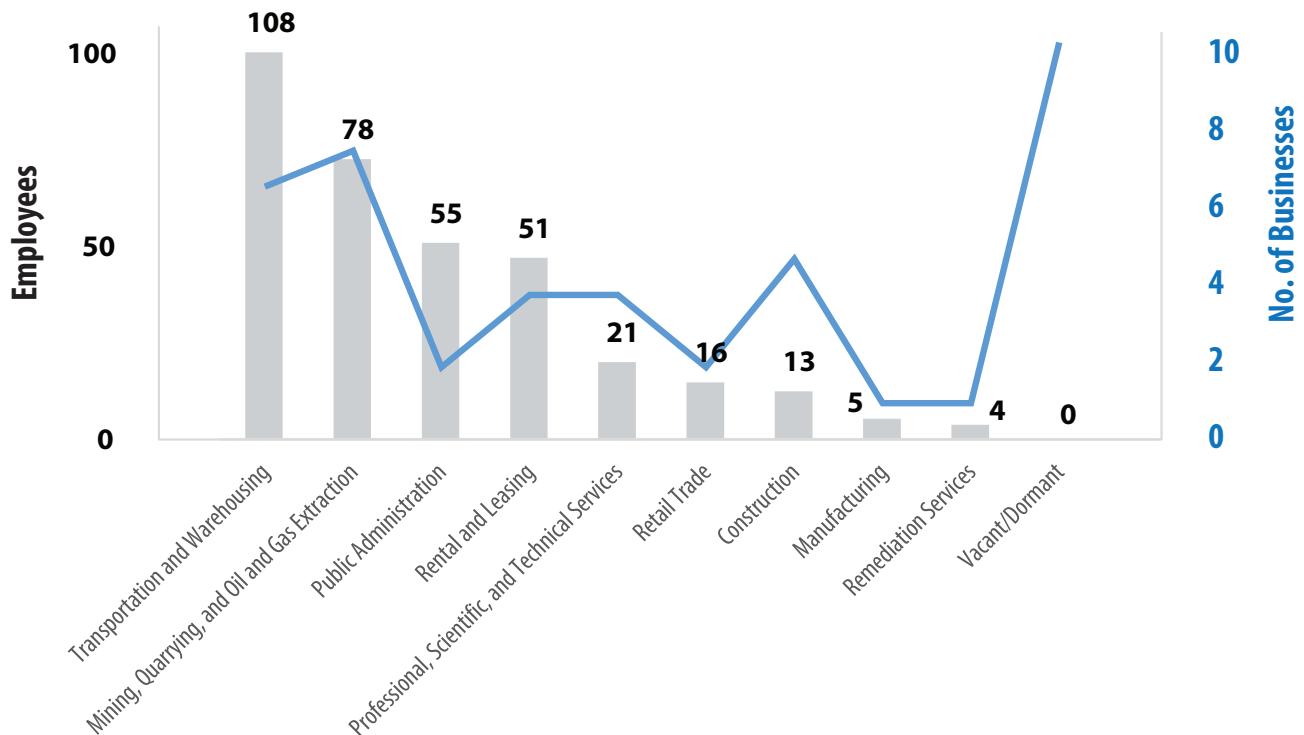
Allocation of Industrial Lands - Rainbow Lake

NAICS Category	Acres	Percent of Total Acres	Employee Estimate	Percent of Employment
Vacant/Dormant	74	35%	-	-
Non-Industrial	49	24%	-	-
Transportation and Warehousing	31	15%	108	31%
Mining, Quarrying, and Oil and Gas Extraction	15	7%	78	22%
Public Administration	10	5%	55	16%
Rental and Leasing	10	5%	51	14%
Construction	8	4%	13	4%
Professional, Scientific, and Technical Services	6	3%	21	6%
Retail Trade	4	2%	16	4%
Manufacturing	1	1%	5	2%
Remediation Services	1	0.4%	4	1%
Total	210	100%	352	100%

Industrial Land Acreage by NAICS Classification



Relationship Between Estimated Number of Businesses and Estimated Number of Employees in Rainbow Lake's Industrial Areas



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 it is likely a very small number of employees at this time. Vacant or dormant businesses in Rainbow Lake are likely associated with the oil and gas industry.

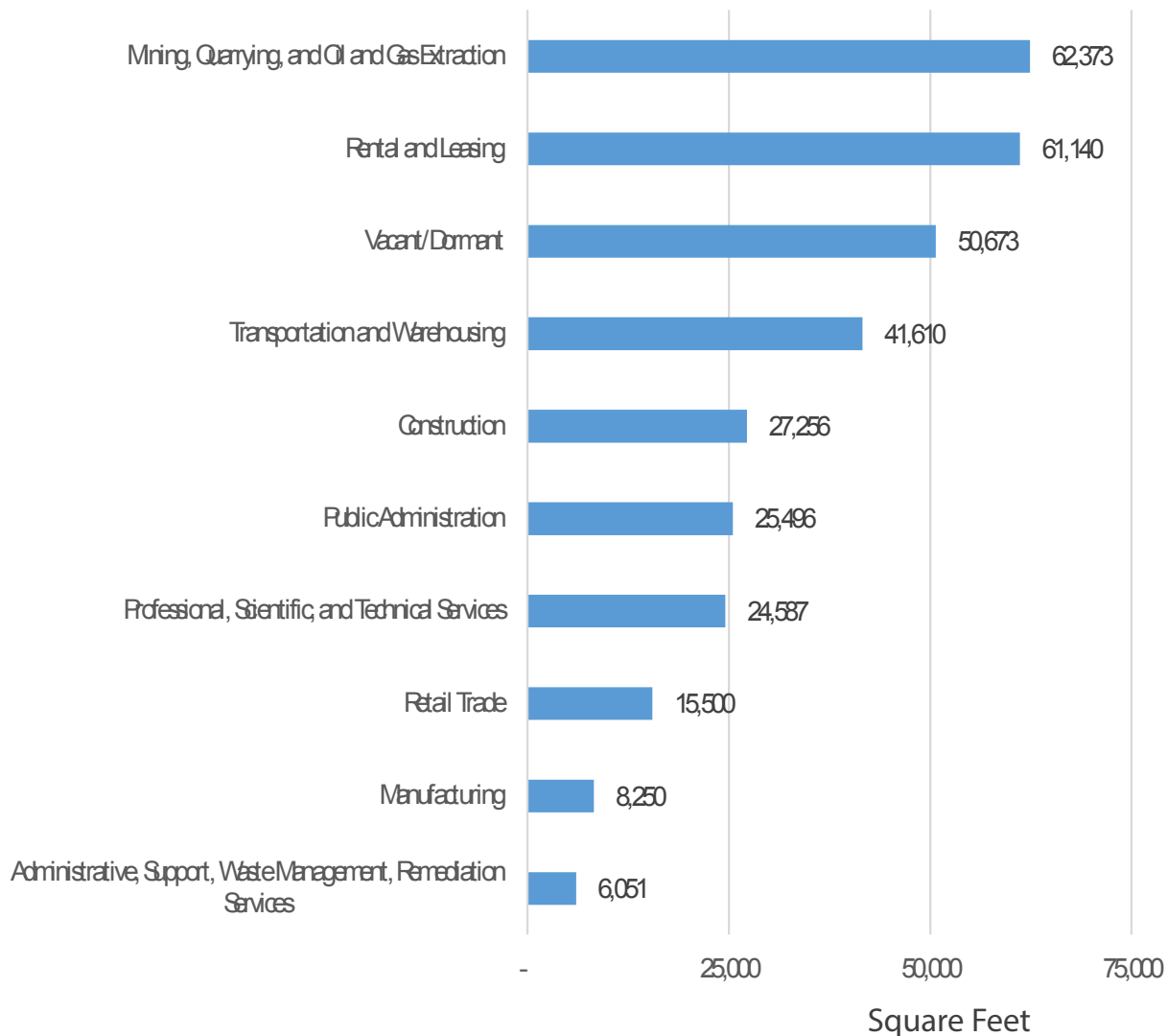
4.3 TOTAL INDUSTRIAL BUSINESS INVENTORY

The following table represents a summary of Rainbow Lake's total industrial business inventory.

In terms of building square footage allocation, Mining, Quarrying and Oil and Gas Extraction occupies the largest amount of total industrial building space at an estimated 62,400 sf, although due to regional economic conditions, many of these buildings may be vacant, underused or dormant.

Rental or Leasing business occupied the second most building space at just over 60,000 sf. Unknown industrial buildings occupy about 50,000 sf, however some of these spaces may be occupied but are shuttered and dormant until nearby industries such as oil and gas recover in the coming years. This is followed by Transportation and Warehousing uses which occupy an estimated 41,600 square feet.

Allocation of Industrial Space -- Estimated Building Square Footage by NAICS Classification



Industrial Business Inventory -- Rainbow Lake

Name	Estimated SF
Mining, Quarrying, and Oil and Gas Extraction	
Quinn Pumps	3,215
Stream-Flo Industries	8,637
Rainbow Pressure Testing	1,204
Duffy Enterprises	6,473
Husky Oil	6,281
Flint Oilfield Services	8,636
Opsco Energy Services	9,911
PTI Premium Camp Services	18,015
Subtotal	62,373
Construction	
Elk Property Development	16,121
Sterling Insulation Services	4,165
McClean Contracting	2,157
Plains Midstream	2,753
ATCO Electric	2,062
Subtotal	27,256
Manufacturing	
Don Cinnamon Welding	8,250
Subtotal	8,250
Retail Trade	
Bateman Petroleum Sales	10,404
Eldon's Transport	5,096
Subtotal	15,500
Transportation and Warehousing	
Delta Helicopters	3,341
Unknown transportation industrial	1,718
TT's Transportation	4,275
Warner Trucking	2,577
Pentastar Transportation	10,859
Tessmer Trucking	4,837
Alberta Mini Storage	14,003
Subtotal	41,610
Rental and Leasing	
Conex Rentals	9,420
Lederer Enterprises	35,086
Dechant Leasing	10,878
Rainbow Rentals	5,755
Subtotal	61,140

Professional, Scientific, and Technical Services	
Align-Tech Industries	2,900
Troyer Ventures	12,825
D'Aouste Environmental Services	2,437
Crossroads	6,425
Subtotal	24,587
Administrative, Support, Waste Management, Remediation Services	
Infinity Vegetation Recovery	6,051
Subtotal	6,051
Public Administration	
New Town of Rainbow Lake	24,099
Mackenzie Economic Development Corporation	1,397
Subtotal	25,496
Unknown	
Vacant/Dormant	6,166
Vacant/Dormant	2,300
Vacant/Dormant	3,393
Vacant/Dormant	5,156
Vacant/Dormant	2,262
Vacant/Dormant	1,956
Vacant/Dormant	9,349
Vacant/Dormant	5,143
Vacant/Dormant	6,476
Vacant/Dormant	1,429
Vacant/Dormant	7,042
Subtotal	50,673
Total	322,936

4.4 SUMMARY

With northwestern Mackenzie County having a strong oil and gas presence, Rainbow Lake's industrial economy is strongly tied to services that support the oil and gas extraction industry. Similar to High Level, mining and oilfield support services occupy much of the space in the established industrial area, and at the moment much of this may be dormant and awaiting the industries resurgence. Having access to only one major vehicle and rail transportation corridor, Rainbow Lake's industrial businesses large support local nearby facilities including the natural gas plant. Land and building needs in established industrial parks will be largely dependent on the oil and gas industry. Rainbow Lake has plenty of vacant land to accommodate smaller format industrial uses in established areas, however future land use planing should carefully consider the location of heavy and large format industrial growth should the industry recover.

Availability of Industrial Land and Buildings

There are few active industrial real estate listings in the Rainbow Lake's industrial areas. However like other oil and gas dependent communities, industrial real estate activity is low. As of this analysis there was one active industrial listing at a price per square foot of \$57.11.

Although not actively listed, many buildings and parcels may be "available" because they are more affordable than High Level or other established industrial areas in Mackenzie County. The relative isolation of Rainbow Lake means attracting new industrial businesses will likely require additional workforce housing. Much of the existing industrial land use at the south end of Rainbow Lake does have modular or temporary homes on-site or on an adjacent parcel. Although this occupies space for potential industrial uses, it is a necessary component of future growth as oil and gas workers have historically