

Municipality of Crowsnest Pass, Alberta

Retail and Commercial Services Gap Analysis

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Prepared For: Municipality of Crowsnest Pass

Final Report
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Study Objectives

Colliers International Consulting was retained by the Municipality of Crowsnest Pass to conduct a retail and commercial services demand and gap analysis to support the successful development of the 6.25-acre Crowsnest Crossing. The intent of this study is to quantify the expected gap between projected retail and commercial services floorspace demand and current supply over a 10-year projection period with implications and recommendations regarding the development of Crowsnest Crossing.

Methodology and Limitations

This study relies on data from multiple sources including Colliers International, Statistics Canada, the Conference Board of Canada, the Municipality of Crowsnest Pass, and PiinPoint. The quality of the assumptions made in the background data therefore place limitations on the study's findings, but Colliers has tried to ensure that assumptions are based on up-to-date and reliable market intelligence. However, should market conditions change significantly, the study's data and conclusions should be re-examined, particularly due to the economic uncertainties resulting from COVID-19. While Colliers sees this as a generation defining crisis, in the fullness of time we expect to see a return to the shopping patterns highlighted in this report.

This document is only intended for the use of the Municipality of Crowsnest Pass.

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The primary purpose of this report is to examine the future gap between retail and commercial services demand and current supply throughout the entire Municipality of Crowsnest Pass and to identify market gaps and growth areas in order to inform potential development opportunities for Crowsnest Crossing (Subject Site). The Subject Site is 6.25 acres in size, ideally located adjacent to Crowsnest Highway in the community of Blairmore.

In order to accurately assess retail and commercial services demand, it is necessary to quantify the multiple consumer groups that may patronize retail offerings within the Municipality. This includes permanent residents, employees, tourists, highway traffic, and the potential for a significant amount of additional mining workers. Colliers estimates that the average daily population of Crowsnest Pass is expected to grow from 6,803 in 2016 up to 7,343 by 2030 without any mining developments and up to 8,446 with the completion and operation of the Grassy Mountain and Tent Mountain projects.

Crowsnest Pass currently has an estimated total of approximately 396,000 square feet of retail and commercial services floorspace with a vacancy rate of 17%. Blairmore is the centre of retail activity with approximately 66% of total retail floorspace, followed by Coleman (19%), Bellevue (10%), and Frank (4%). There is also a notable amount of retail supply within a 60-minute drive from Crowsnest Pass, including big box stores such as Walmart and RONA. As such, retail floorspace demand within Crowsnest Pass is more locally serving and highway oriented.

The identified commercial trade areas within and surrounding Crowsnest Pass are expected to generate a total of between \$146.8 million (Baseline) and \$157.5 million (Mining Expansion) in retail expenditure potential by 2030.

These figures represent the total potential spending by residents of each trade area regardless of where they make their purchases. Colliers estimates that Crowsnest Pass could capture up to between \$92.2 million (Baseline) and \$102.9 million (Mining Expansion) of these total retail sales by 2030. This is estimated to result in demand for a total of between 374,000 square feet (Baseline) and 416,000 square feet (Mining Expansion) of retail floorspace by 2030.

Due to the current health of the retail market, the temporary impact of COVID-19 on retail performance, and the significant amount of vacant units, Colliers estimates limited surplus demand. Currently, the Subject Site is expected to support a small amount of food services and other highway-oriented tenants. As the economy gradually recovers from COVID-19 and the population segments grow, so too will retail demand within Crowsnest Pass. In the Baseline Scenario, Colliers expects Crowsnest Pass to support an additional 38,000 square feet of retail floorspace by 2030 including 7,000 square feet of grocery floorspace, 18,000 square feet of food & beverage floorspace, 6,000 square feet of service commercial floorspace, and 7,000 square feet of additional retail floorspace.

In the Mining Expansion Scenario, 2030 surplus demand could grow to up to 67,000 square feet, including 12,000 square feet of grocery floorspace, 3,000 square feet of specialty food floorspace (bakeries, butchers, etc.), 26,000 square feet of food & beverage floorspace, 16,000 square feet of commercial services floorspace, and 10,000 square feet of additional retail floorspace. In both scenarios, the Subject Site is well positioned to accommodate a significant amount of this surplus retail demand due to its strategic positioning within Blairmore and adjacent to Crowsnest Highway.

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1 | Regional Context and Site Assessment

The Municipality of Crowsnest Pass is centrally located between Pincher Creek and Fernie, approximately 270 km south of the City of Calgary.

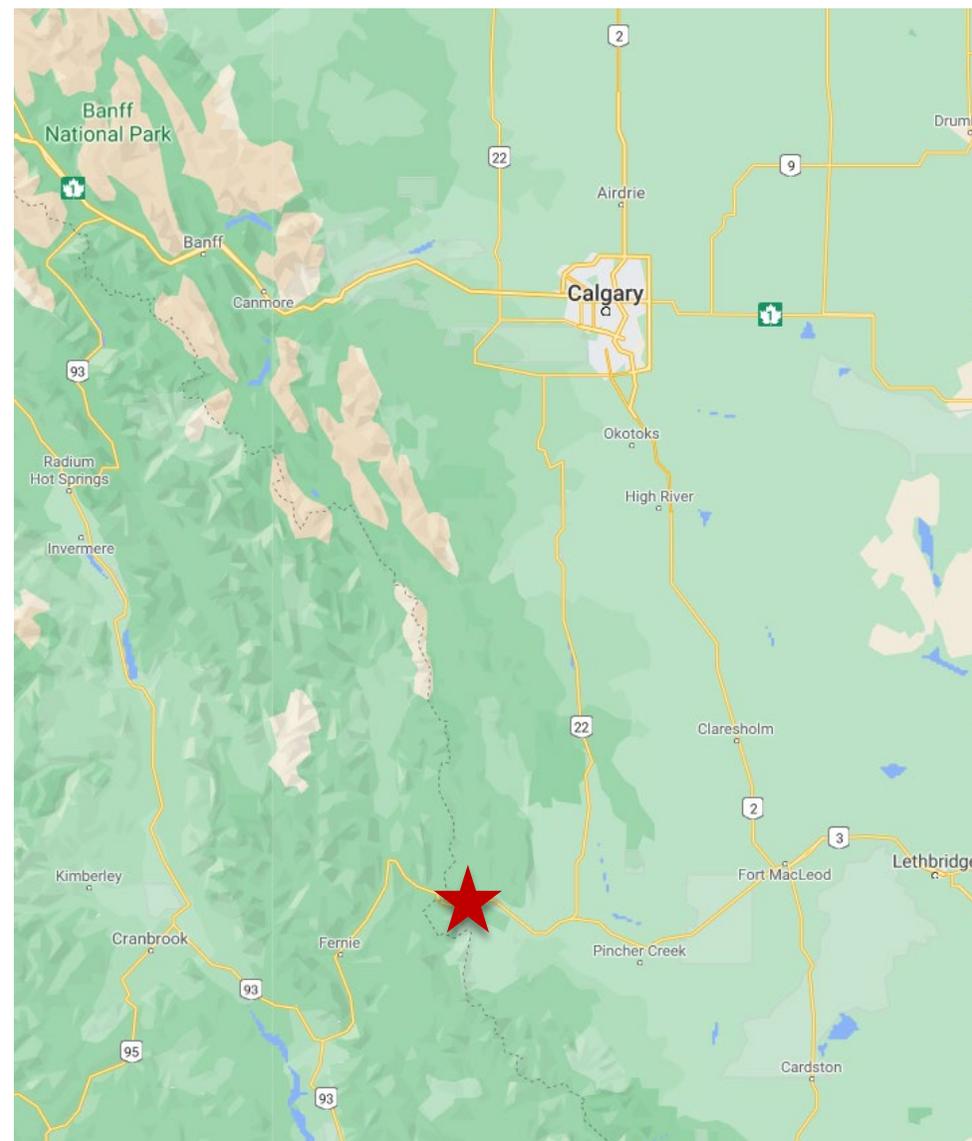
1.1 Regional Context

The Municipality of Crowsnest Pass (Crowsnest Pass) is located in southwestern Alberta approximately 270 km from the City of Calgary, 170 km from the City of Cranbrook, and 150 km from the City of Lethbridge. The two largest nearby population centres are the Town of Pincher Creek (43 km east) and the City of Fernie (71 km west).

Access to Crowsnest Pass is provided by Provincial Highway 3 (Crowsnest Highway), linking the Municipality to the City of Lethbridge to the east, continuing westward all the way to the Town of Hope in British Columbia. Approximately 17,200 vehicles travel through the Municipality on an annual average daily basis, a figure that grows to over 22,100 in the summer months.

The primary economic driver within Crowsnest Pass has historically been Coal Mining which continues to play an important role in the future growth of the Municipality. Elk Valley to the west of Crowsnest remains an active coal mine with 30% of coal related workers estimated to commute from the Crowsnest area. Furthermore, future potential expansions of the coal industry could result in notable population growth as outlined in more detail on the following pages.

Crowsnest Pass also features numerous tourism and recreation destinations that attract a notable amount of additional visitation throughout the year, including museums and tours related to the mining industry and Frank Slide, hiking, mountain biking, golfing, quad touring, birdwatching, fishing, and winter activities such as skiing, sledding, and snowshoeing.



Crowsnest Crossing (Subject Site) is 6.25 acres in size, located directly adjacent to Crowsnest Highway within the community of Blairmore.

1.2 Site Assessment

The primary purpose of this report is to examine the future gap between retail demand and current supply throughout the entire Municipality to identify market gaps and growth areas in order to inform potential development opportunities for Crowsnest Crossing (Subject Site) as identified to the right.

The Subject Site is 6.25 acres in size located in the community of Blairmore directly adjacent to Crowsnest Highway, bordered by 107 Street to the southeast, 20 Avenue to the southwest, and a well performing retail development to the northwest that includes a Shell gas station, liquor store, Tim Horton's, and Circle K convenience store.

Additional footfall generators in the immediate vicinity of the Subject Site include Crowsnest Pass Golf Club, Crowsnest Pass Health Centre, Home Hardware, IGA, and the retailers and commercial services located within Blairmore. This is the primary centre of retail activity within Crowsnest Pass and a key strategic future focus area for development.

The site is currently zoned as C-2 (Drive-in Commercial) which permits building supply centres, drive-in restaurants, gas bars, motels, service stations, and additional discretionary uses including brew pubs, entertainment establishments, fitness centres, garden centres, liquor stores, and other retail uses. It is assumed that the site will be fully serviced at the time of commercial development.



Crownest Pass has multiple potential consumer groups including permanent residents, employees, tourists, highway traffic, and mining workers.

1.3 Population Analysis

Overview

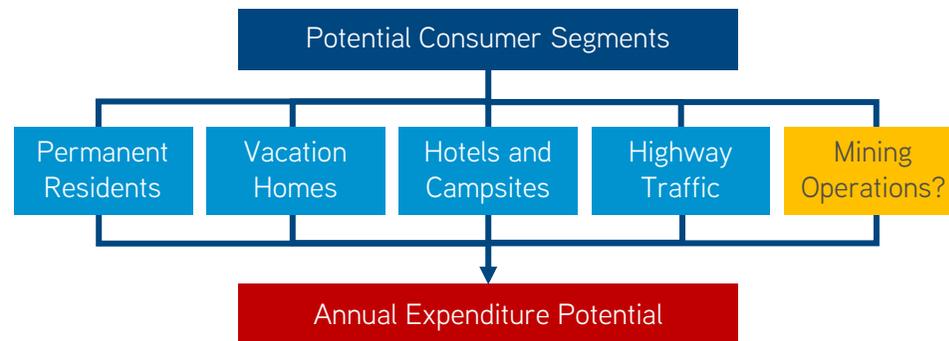
In order to accurately assess the gap between retail and commercial services demand and current supply within Crowsnest, it is necessary to accurately quantify the multiple consumer groups that may patronize the retail offerings within the Municipality. As outlined below and on the following pages, retail expenditures are expected to be generated by permanent residents, seasonal and tourist related visitation, additional vehicles travelling through Crowsnest daily, and the potential development of additional mining operations.

Permanent Residents

Crowsnest had a population of approximately 5,589 residents as of the 2016 Statistics Canada Census, a figure that has grown by only 0.4% over the previous five years since the 2011 Census. Moving forward, growth of this base population is expected to resemble historical patterns reaching an estimated total of approximately 5,910 by 2030. With 2,567 private dwellings occupied by usual residents, the average household size is 2.18 and the average age is 46.1. The average household income is \$91,144 which is less than the Alberta average of \$125,522.

Additional Demand Drivers

Colliers has identified additional demand drivers that are expected to attract significant seasonal visitation and contribute to total retail and commercial services demand within Crowsnest, particularly due to its mountain location,



tourism offerings, and location along Crowsnest Highway Corridor. Some of the most notable destinations within Crowsnest include:

- > Frank Slide Interpretive Centre;
- > Bellevue Underground Mine Tours;
- > Crowsnest Museum and Archives;
- > Crowsnest Pass Golf Club;
- > Pass Powderkeg Ski Area;
- > Castle Mountain Resort;
- > Allison Cross Country Ski Trails;
- > 1,500 km of mapped and managed trails for quad touring and sledding;
- > Indoor recreation venues (ice arena, curling, skateboarding, climbing); and
- > Outdoor aquatic facility

The abundance of recreation and other tourism related demand drivers are expected to continue attracting additional visitation to Crowsnest Pass.

1.3 Population Analysis

Additional Demand Drivers (cont.)

The Crowsnest Golf Club has proven to be a particularly attractive destination and one of Canada's top courses due to its scenic and challenging layout as well as its relative affordability when compared to the courses in Canmore and Banff. This is expected to continue being a major tourism draw in the years to come. Additionally, Crowsnest Pass is one of the only readily accessible mountain areas in Alberta that isn't activity-constrained with over 1,000 km of trail systems for motorized recreation (ATVs and Snowmobiles), mountain biking, and hiking.

Vacation Homes

To quantify the additional population generated from the aforementioned historic, cultural, and recreational attractions, Colliers assessed numerous datasets beginning with residences not occupied by usual owners as tracked by Statistics Canada. This figure is generally an accurate indicator of vacation homes, although in some instances it may also account for other minor factors relating to occupation aside from permanent residency.

Between 2001 and 2016, the number of dwelling units in this category within Crowsnest grew at an annual rate of 4.7% to reach a total of 658. Assuming similar growth in vacation home ownership moving forward, this figure could potentially reach up to approximately 995 by 2030. Although the majority of seasonal visitation is likely to occur in the summer months, these vacation homes may also be used at different times throughout the year. For the

purposes of the retail demand modelling outlined in this report, it is helpful to create an estimated additional annual population generated from these vacation homes. Annualized hotel occupancy statistics are a fairly accurate proxy for determining the usage of vacation homes with the assumption that the majority of their usage will be for similar purposes as the accommodation units within Crowsnest Pass.

According to the CBRE Crowsnest Pass Hotel Market Study (2020) it can realistically be assumed that the annual occupancy rate within Crowsnest will be approximately 50% over the projection period. This accounts for peaks of up to 90% in the summer months and lows of 20% in the winter months. Based on these figures along with an assumed household size of 2.18, Colliers estimates that the additional annualized population generated by the vacation homes within Crowsnest Pass could be up to approximately 720 as of 2016 growing to 1,100 by 2030.

Accommodation Units and Campsites

There are an estimated 150 total accommodation units within Crowsnest. Based on an average of 2 guests per room and an annualized 50% occupancy rate, this is expected to result in an annual average of 150 additional visitors per day. This figure is expected to range from as low as 50 in the winter months up to as high as 270 in the summer months. For the purposes of this analysis, it is assumed that there won't be any additional hotel supply by 2030.

The Grassy Mountain and Tent Mountain coal mining projects could attract an additional 650 to 1,050 new residents over the next 10 years.

1.3 Population Analysis

Campsites

Camping also continues to be an attractive activity within Crowsnest, with a total of 535 campsites open between May and October. As outlined in the Economic Impact and Trend Analysis of the Canadian Camping Industry, the average occupancy rate of these campsites is estimated at 65%. Based on an average of 2 people per occupied campsite, this is expected to generate an additional 696 visitors on a daily basis throughout camping season.

Highway Traffic

In addition to the identified population groups within Crowsnest, there is also some demand generated from vehicles travelling through the municipality. This demand is localized along Crowsnest Highway and primarily among food services and other highway-oriented retail tenants. An estimated 9,720 vehicles travel west and 7,480 travel east along Crowsnest Highway on an annual average daily basis (AADT). These figures grow to 12,470 and 9,600, respectively, in the summer months (ASDT).

The difference between ASDT and AADT (4,870) is an indicator of additional non-permanent resident traffic. Assuming an average of two people per vehicle, it can be assumed that there are up to 10,000 additional people driving through Crowsnest on a daily basis in the summer months. Although there will also be some surplus traffic in the winter months, this figure is likely to be significantly less with traffic primarily consisting of those living and working in Crowsnest and surrounding municipalities.

Coal Mining

As the major economic driver within Crowsnest Pass, the mining industry has the potential to heavily impact future population growth above and beyond the baseline level of permanent residents and seasonal visitation. Currently, there are several proposals for new coal mines in the area, the most notable being the Grassy Mountain Project. This 1,500-hectare site just north of Crowsnest headed by Riverdale Resources could employ a proposed 700 workers during construction and 400 workers during peak production.

The other project that could occur over the next 10 years is Tent Mountain by Montem Resources. This project is notable given that Montem Resources has a provincial mining permit and is in the process of completing their feasibility study and additional requirements necessary for provincial licensing approval. This project would take approximately two years to construct employing up to 200 workers during the construction period and 175 jobs during operations.

Based on industry standard job multipliers, the addition of 575 full time mining jobs could create an estimated additional 450 to 700 jobs in other sectors of the Crowsnest Pass economy. It is likely that 30%-40% of these workers would live in the area, resulting in an additional population of 680 to 1,100. Although these projects have the potential to move towards development as early as 2021, they still present a degree of uncertainty. As such, Colliers will examine the incremental retail demand that these mines could create in comparison to the baseline demand that will exist if they aren't developed.

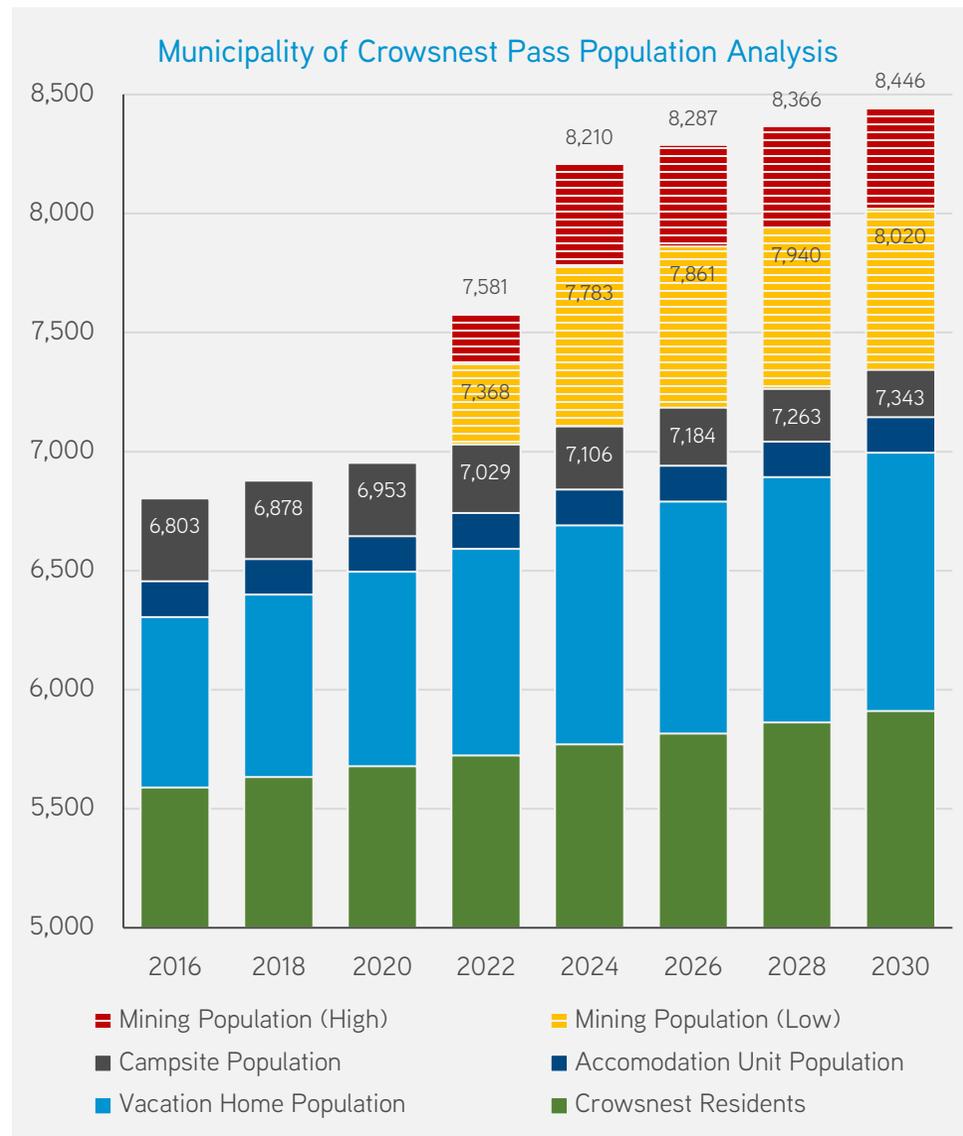
The average daily population of Crowsnest Pass is expected to grow from 6,803 in 2016 up to 7,343 by 2030 without mining and 8,446 with mining.

1.3 Population Analysis

Summary and Implications

As outlined to the right, Crowsnest had an estimated average daily population of 6,803 as of 2016, consisting of permanent residents and the population generated from vacation homes, accommodation units, and campsites. This baseline population is expected to gradually grow to a total of 7,343 by 2030. Additionally, there is a significant amount of traffic passing through along Crowsnest Highway estimated to carry up to 10,000 potential retail consumers through the municipality daily during peak tourism months.

Colliers has also assessed the potential impact of the Grassy Mountain and Tent Mountain mining projects. If the construction of both projects is completed by 2022, the commencement of these mining operations could realistically be expected push the total population of Crowsnest up to between 8,020 and 8,446 by 2030. The retail demand from this scenario will be compared against the demand in the baseline that these projects are not completed.





2 | Retail Market Analysis

Year-over-year retail sales growth was already hovering around 0% in Alberta prior to COVID-19, with performance varying based on subcategory.

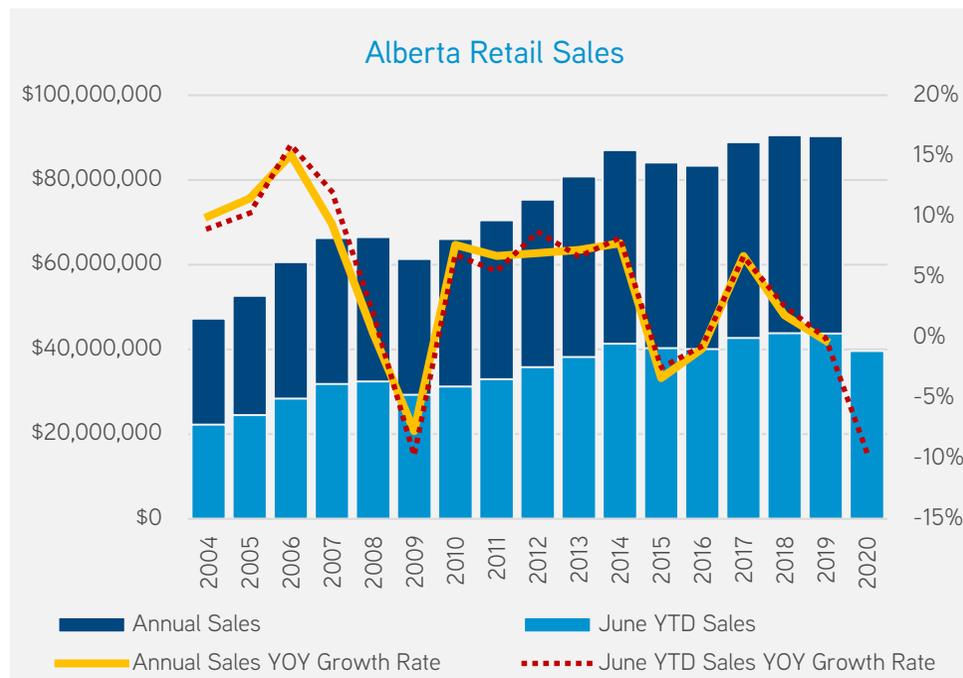
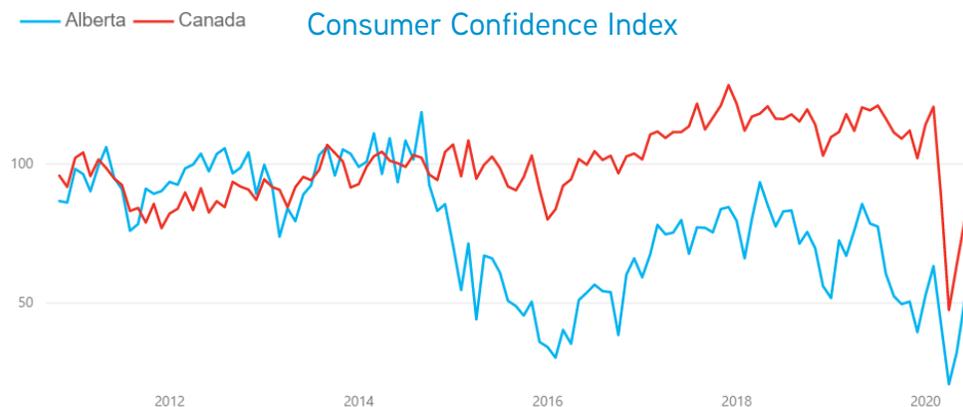
2.1 Retail Market Trends

Provincial Trends

To better understand overall retail experience at the municipal scale, the examination of provincial retail trends within Alberta can be a helpful barometer for broad retail patterns likely in Crowsnest Pass as well. As of the latest available retail sales data provided by Statistics Canada, annual year-over-year sales growth has been slowing at a notable rate, dropping from 6.7% in 2016-17 to -0.3% in 2018-2019. June 2020 year-to-date sales are down 9.5% indicating the significant impact COVID-19 has had on an already struggling retail market.

In addition to the impact of COVID-19, slowing retail sales growth could be caused by a variety of factors, including shifting demographics, the rise of e-commerce, and broader economic conditions such as the impact of the slowing oil sector and housing market on consumer's perceived wealth which can reduce retail spending.

On the positive side, consumer confidence in Alberta has begun a sharp uptick in the last few months as the economy rebounds from the pandemic with consumers more willing to make non-discretionary retail purchases. Additionally, despite negative retail growth as a whole, several retail categories have performed well in recent months as outlined on the following page.



Despite a weakening retail market, specific categories such as supermarkets, liquor, convenience stores, and specialty food stores have fared well.

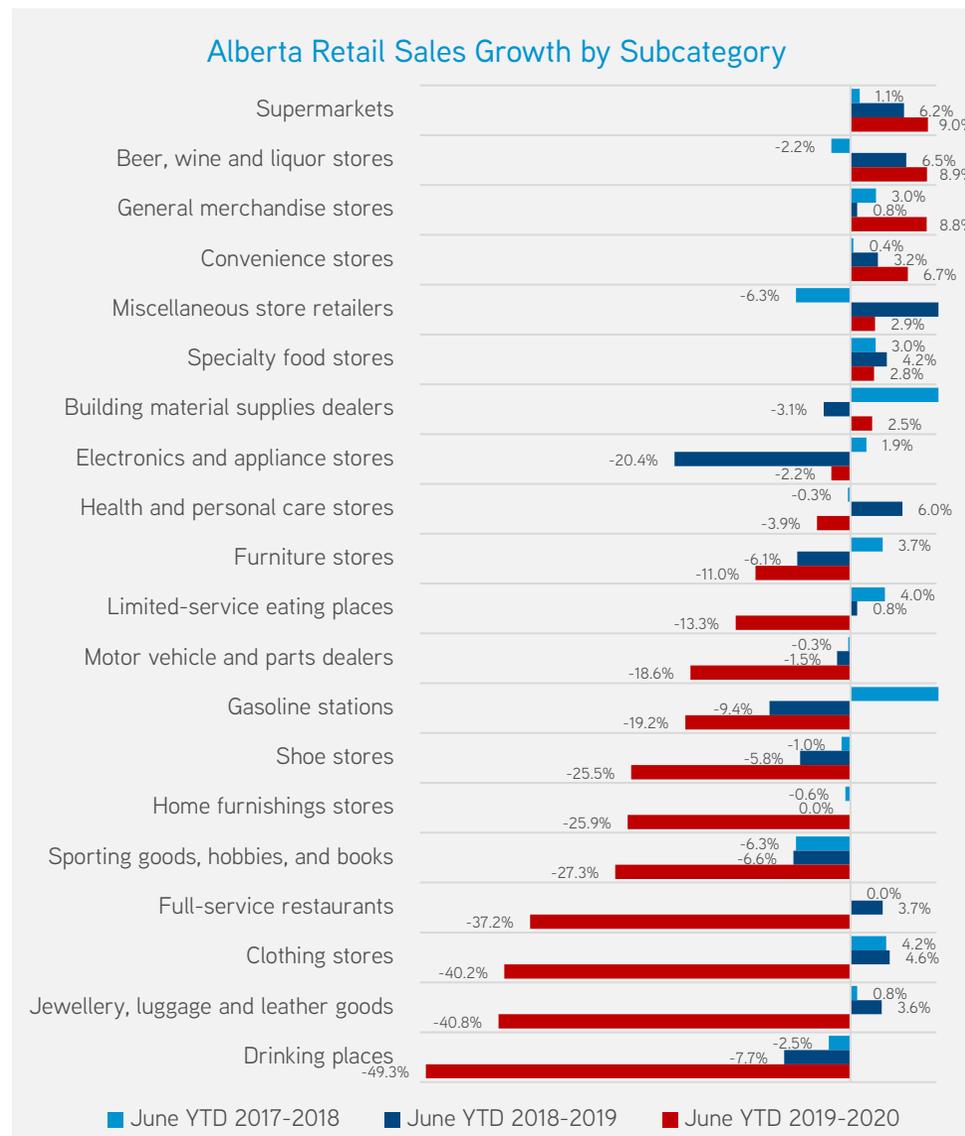
2.1 Retail Market Trends

Provincial Trends

Prior to the pandemic, the highest performing retail subcategories have been among specific categories such as full-service restaurants, drinking establishments, health and personal care stores, specialty food stores, and affordable apparel stores. These trends are expected to continue as the economy rebounds and consumer shopping habits eventually return to pre-COVID-19 levels.

It is also interesting to examine the initial impact of COVID-19 on the retail marketplace. Key categories that have thrived during this period include supermarkets, liquor stores, general merchandise stores, and convenience stores. Conversely, categories such as full-service restaurants, clothing stores, and drinking establishments have been extremely challenged.

Moving forward as the winter months approach and the ability for restaurants to use additional patio space to accommodate socially distanced dining is reduced, more closures can be expected particularly in secondary markets with an already limited consumer base. However, in the long run this is expected to create opportunities for new restaurants to fill in these vacant spaces as the demand for food services is likely to remain.



The impact of online shopping varies heavily depending on retail category, with food services and experience-oriented tenants being fairly resilient.

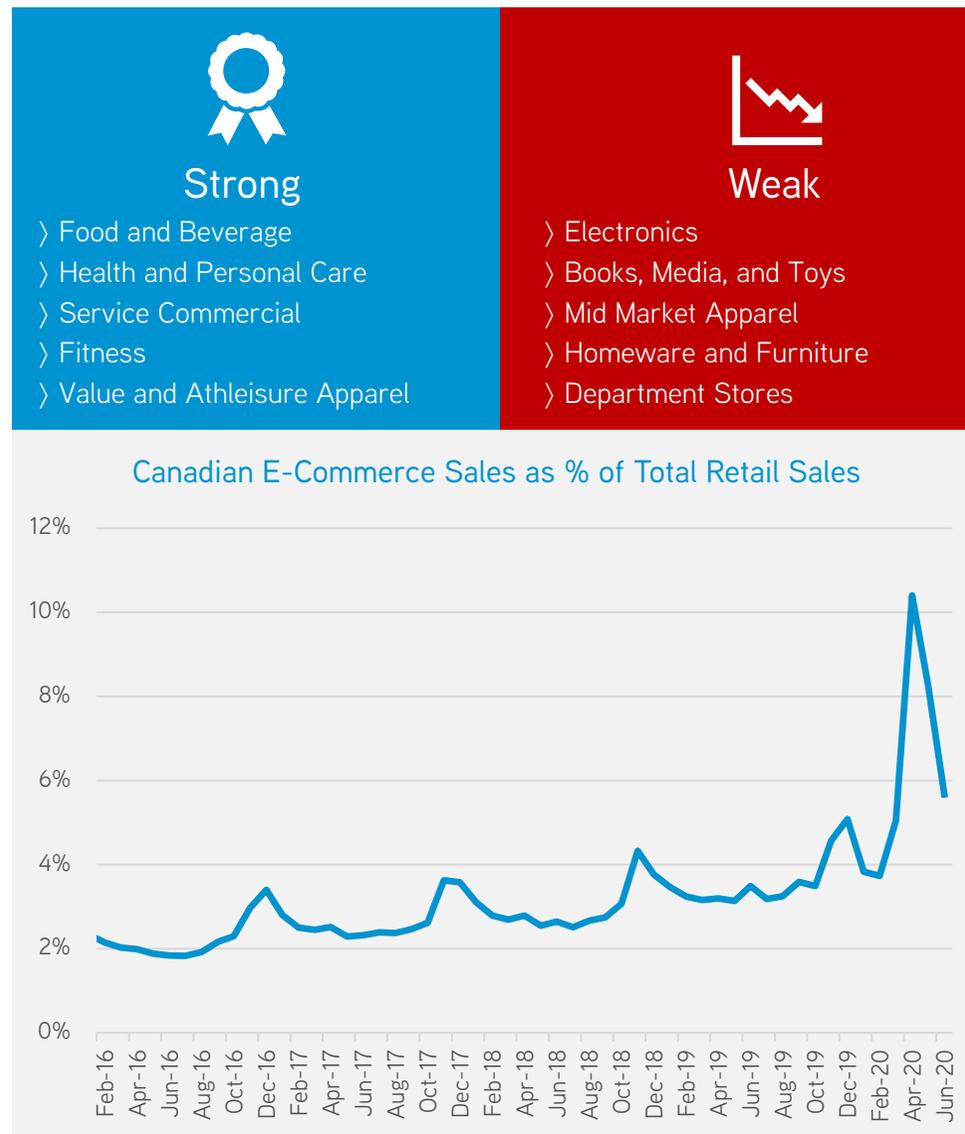
2.1 Retail Market Trends

Impact of Online Shopping

Online shopping has gradually become more popular throughout Canada over the past decade. Although Statistics Canada only tracks online sales of Canadian online retailers and not international online retailers selling goods to Canadians, growth patterns are still a relatively interesting indicator. As outlined to the right, online sales grew at a significant rate during the initial months of the COVID-19 pandemic, yet they are now readjusting back to the gradual growth witnessed in previous years.

The impact of e-commerce varies based on retail category, with convenience, price, and selection being major factors determining whether a consumer decides to purchase goods in-store or online. As such, for smaller municipalities such as Crowsnest Pass with less variety of goods compared to cities such as Lethbridge, the impact of e-commerce on local tenants is more significant.

Resilient retail categories include food services, health and personal care, service commercial, fitness, value and athleisure apparel, entertainment, and other uses that are difficult to replicate online. Struggling retail categories include electronics, books, media, toys, homeware, furniture, department stores, and mid-market apparel. These retail dynamics are important to consider when determining the appropriate scale and tenant mix within new commercial developments such as the Subject Site.



The aging population within Crowsnest Pass is likely to generate demand for grocery items, convenience-oriented retail, and personal care services.

2.1 Retail Market Trends

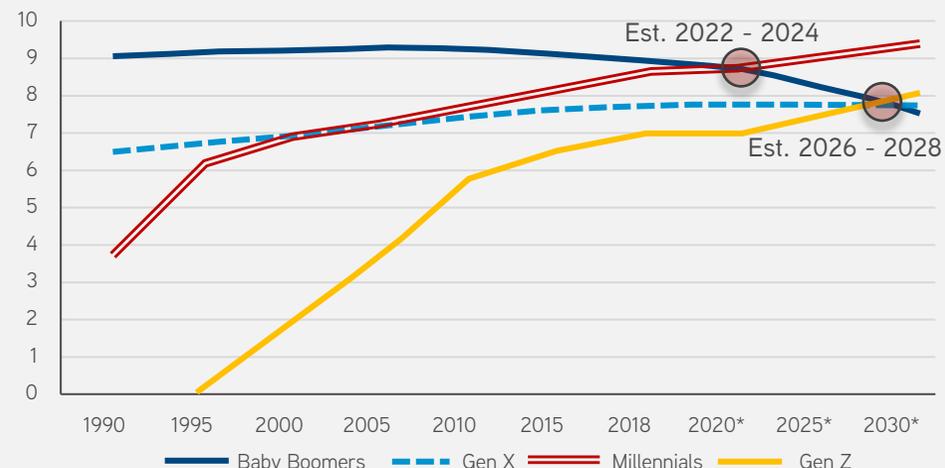
Impact of an Aging Population

Demographics are also an essential component to retail performance. Millennials are set to become the largest population cohort within the Country over the next 5 years, followed by generation Z. Conversely, although the proportion of baby boomers in major cities is expected to gradually decrease, the reverse can be said for municipalities such as Crowsnest Pass which are expected to continue experiencing an aging population over the projection period.

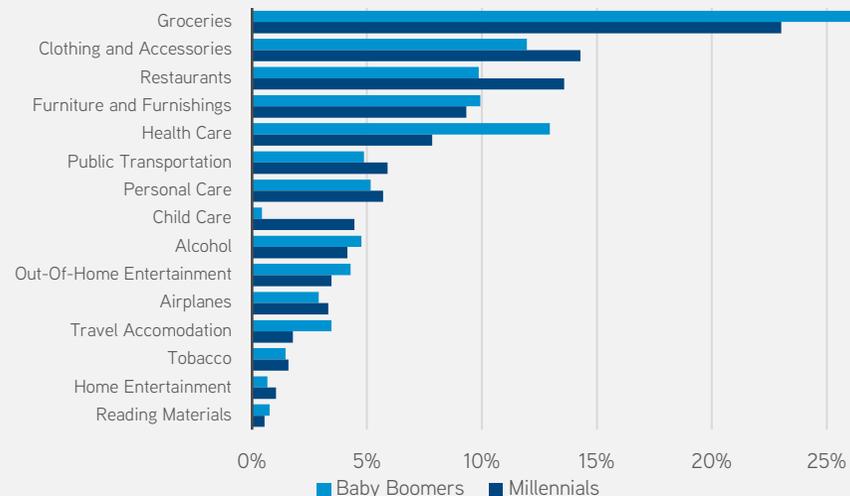
Recent research indicates that this age group spends relatively more on specific retail categories and less on others when compared to younger age cohorts. The graph to the bottom right outlines the proportion of average household expenditures broken down by retail category and age cohort. For example, baby boomers spend more on groceries, furniture, furnishings, health care, alcohol, out-of-home entertainment, travel accommodation, and reading material. These patterns are likely to resemble permanent residents within Crowsnest Pass.

Younger age cohorts more likely to consist of seasonal recreational visitors and mining workers spend proportionately more on restaurants, clothing, personal care, and other experiential retail formats. As such Crowsnest Pass is uniquely positioned to cater to two notably different target markets when it comes to retail consumption habits.

Canadian Population by Generation 1990 - 2030 (millions)



Comparison of Spending Habits



The Municipality of Crowsnest Pass has an estimated total of 396,000 square feet of retail floorspace with a vacancy rate of 17%.

2.2 Retail Inventory Summary

Colliers undertook a full inventory of the retail supply within Crowsnest Pass in August 2020 by examining business licenses and GIS datasets provided by the Municipality along with Google Street View and websites of existing retailers, where available. As identified to the right and on the following pages, the inventory has been broken up into retail subcategories and four communities (Coleman, Blairmore, Frank, and Bellevue).

The Municipality currently has an estimated total of 393,000 square feet of retail with an overall vacancy rate of 17%. It should be noted that the vacancy rate accounts for retail units that have either been listed for lease or sale and does not include units that appear vacant yet are not on the market. This indicates a challenged retail market, as standard vacancy rates range between 5 to 10%. As outlined in the map on the following pages, vacancies are highest among retail units that are located away from major sources of passing traffic such as Crowsnest Highway.

Blairmore has the largest amount of retail floorspace (66%), followed by Coleman (19%), Bellevue (10%), and Frank (4%). There is also an estimated additional 10,486 square feet of occupied retail floorspace outside of these four communities. Colliers has identified 6.8 acres of commercially designated land for sale that could accommodate future retail development in addition to the Subject Site.

| Retail Subcategory | Coleman | Blairmore | Frank | Bellevue | Total |
|--|------------------------|-------------------------|-----------------------|------------------------|------------------------|
| Personal and Professional Services | 4,915 sf | 46,673 sf | - | 4,940 sf | 58,727 sf |
| Full Service Restaurants | 12,235 sf | 11,672 sf | 6,000 sf | 4,830 sf | 34,737 sf |
| Building Materials, Furniture, and Furnishings | - | 32,761 sf | - | 1,589 sf | 34,350 sf |
| Grocery Stores | - | 28,926 sf | - | - | 28,926 sf |
| Pharmacies | 6,605 sf | 15,772 sf | - | - | 22,378 sf |
| Financial Services | 6,486 sf | 13,921 sf | - | - | 22,222 sf |
| Drinking Establishments | 5,593 sf | 14,728 sf | - | - | 20,321 sf |
| Discount or Thrift Stores | 3,777 sf | 16,217 sf | - | - | 19,993 sf |
| Limited Service Restaurants | 2,971 sf | 11,597 sf | 1,990 sf | 2,805 sf | 19,364 sf |
| Convenience Stores | 5,243 sf | 3,857 sf | 1,937 sf | 4,572 sf | 15,608 sf |
| Clothing, Sporting Goods, and Accessories Stores | - | 9,780 sf | 2,576 sf | 2,695 sf | 15,051 sf |
| Beer, Wine, and Liquor Stores | 1,882 sf | 9,666 sf | 1,430 sf | - | 12,978 sf |
| Miscellaneous Store Retailers | 7,844 sf | 3,979 sf | - | - | 11,823 sf |
| Specialty Food Stores | 1,882 sf | 2,216 sf | - | 3,384 sf | 7,483 sf |
| Cannabis, Tobacco, and Accessories Stores | 3,898 sf | 1,265 sf | - | - | 5,163 sf |
| Vacant Retail Units (Lease or Sale) | 7,446 sf (10%) | 39,123 sf (15%) | - | 16,030 sf (39%) | 67,308 sf (17%) |
| Vacant Land (Acres) | 5.4 | 1.2 | - | - | - |
| Total Floorspace | 71,000 sf (19%) | 262,000 sf (66%) | 14,000 sf (4%) | 41,000 sf (10%) | 393,000 sf |

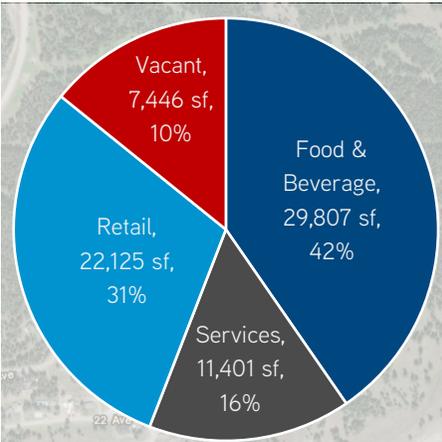
Blairmore is the largest and healthiest centre of retail activity with an estimated 262,000 square feet of floorspace and a vacancy rate of 15%.

2.3 Blairmore Retail Inventory

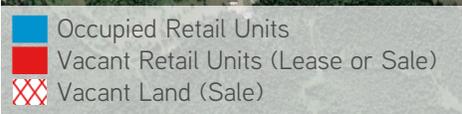


Coleman has the second largest amount of retail floorspace with 71,000 square feet and a vacancy rate of approximately 10%.

2.4 Coleman Retail Inventory

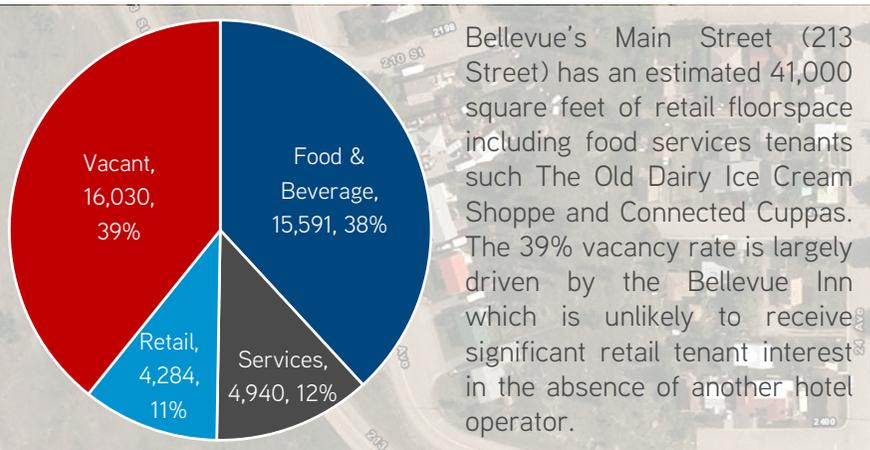


With an estimated total of 71,000 square feet of retail floorspace, Coleman is the second largest centre of retail activity within Crowsnest. Retail floorspace within Coleman is divided between units facing the highway and those along 17th Avenue. Potentially due to the lack of significant passing traffic, 17th Avenue is noted to be a challenged retail location with an abundance of buildings that appear to be vacant without any for lease or sale signs. Conversely, there is a stronger tenant mix along Crowsnest Highway.



Bellevue has approximately 41,000 square feet of commercial floorspace with a high overall vacancy rate of 39% driven by the closed Bellevue Inn.

2.5 Bellevue Retail Inventory

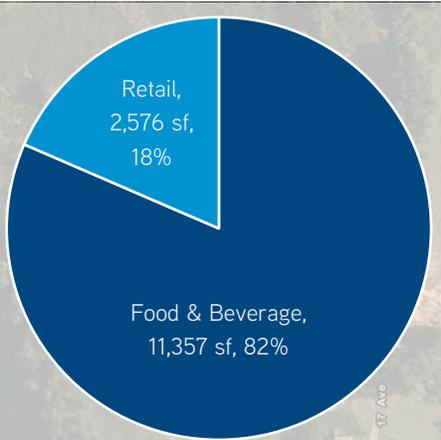


Bellevue's Main Street (213 Street) has an estimated 41,000 square feet of retail floorspace including food services tenants such The Old Dairy Ice Cream Shoppe and Connected Cuppas. The 39% vacancy rate is largely driven by the Bellevue Inn which is unlikely to receive significant retail tenant interest in the absence of another hotel operator.



Frank consists of approximately 14,000 square feet of retail floorspace including Pure Country Bar and Grill and the Frank Slide Liquor Store.

2.6 Frank Retail Inventory



Frank has approximately 14,000 square feet of retail floorspace primarily consisting of food and beverage tenants including Pure Country Bar and Grill. This community is unlikely to attract significant additional retail demand.



There is a notable amount of retail supply within a 60-minute drive from Crowsnest Pass, including big box stores such as Walmart and RONA.

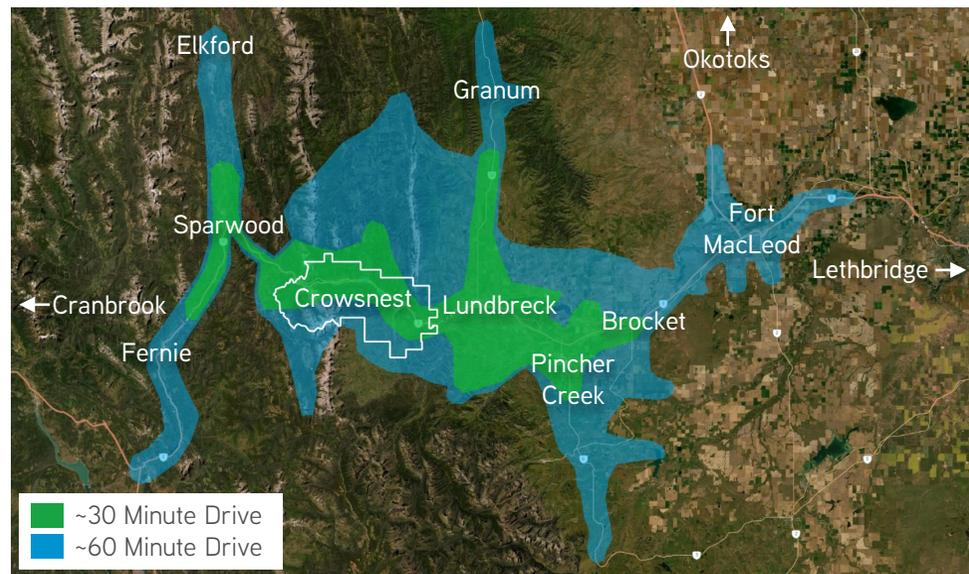
2.7 Competitive Nearby Retail Supply

In order to accurately identify the potential additional demand for retail supply within Crowsnest, it is imperative to examine the existing competition within the surrounding area. As such, Colliers assessed the major retail tenants within a 30- and 60-minute drive that are likely to continue attracting expenditures away from Crowsnest and unlikely to open a new location within the municipality.

The closest notable retail offerings are located within Sparwood and Pincher Creek, both approximately 30 minutes away from Blairmore. Pincher Creek has a significant amount of big box retailers including Walmart, RONA, Co-op Home, along with a Co-op grocery store. Sparwood has a Save-On-Foods and additional locally serving tenants such as a BC Liquor Store and food service offerings.

Taking another step farther away from Crowsnest Pass, Lethbridge is the closest comparison-shopping destination with Park Place Mall, Centre Village Mall, Crowsnest Trail Plaza, a Hudson’s Bay, and a Costco. Okotoks, a little farther away than Lethbridge, also has a Costco.

The retail demand expected to be generated within Crowsnest Pass will be heavily dependent on the amount of expenditures that can be captured within the market, and it is unlikely to compete against major big box tenants nearby. As such, retail floorspace demand within Crowsnest Pass is more likely to be locally serving and convenience oriented, as outlined in the following retail demand and gap analysis.



| Municipality | Retail Market Observations |
|----------------|---|
| Lundbreck: | Minimal retail offerings. |
| Pincher Creek: | Walmart Supercentre, RONA, Co-op Home, Co-op Grocery. |
| Brocket: | Minimal retail offerings. |
| Fort MacLeod: | Locally serving retail tenants with no big box stores. |
| Granum: | Minimal retail offerings. |
| Sparwood: | Save-On-Foods and additional locally serving retail tenants. |
| Elkford: | Locally serving retail tenants. |
| Fernie: | Resort town with high quality restaurants, Mark’s, and Canadian Tire. |
| Lethbridge: | Closest comparison shopping destination with abundant retail supply. |
| Okotoks: | Costco, Staples, SportChek, Home Depot, Michaels, Canadian Tire. |
| Cranbrook: | Walmart, RONA, Home Hardware, Home Depot, Cinema, Staples. |



3 | Retail Demand Analysis

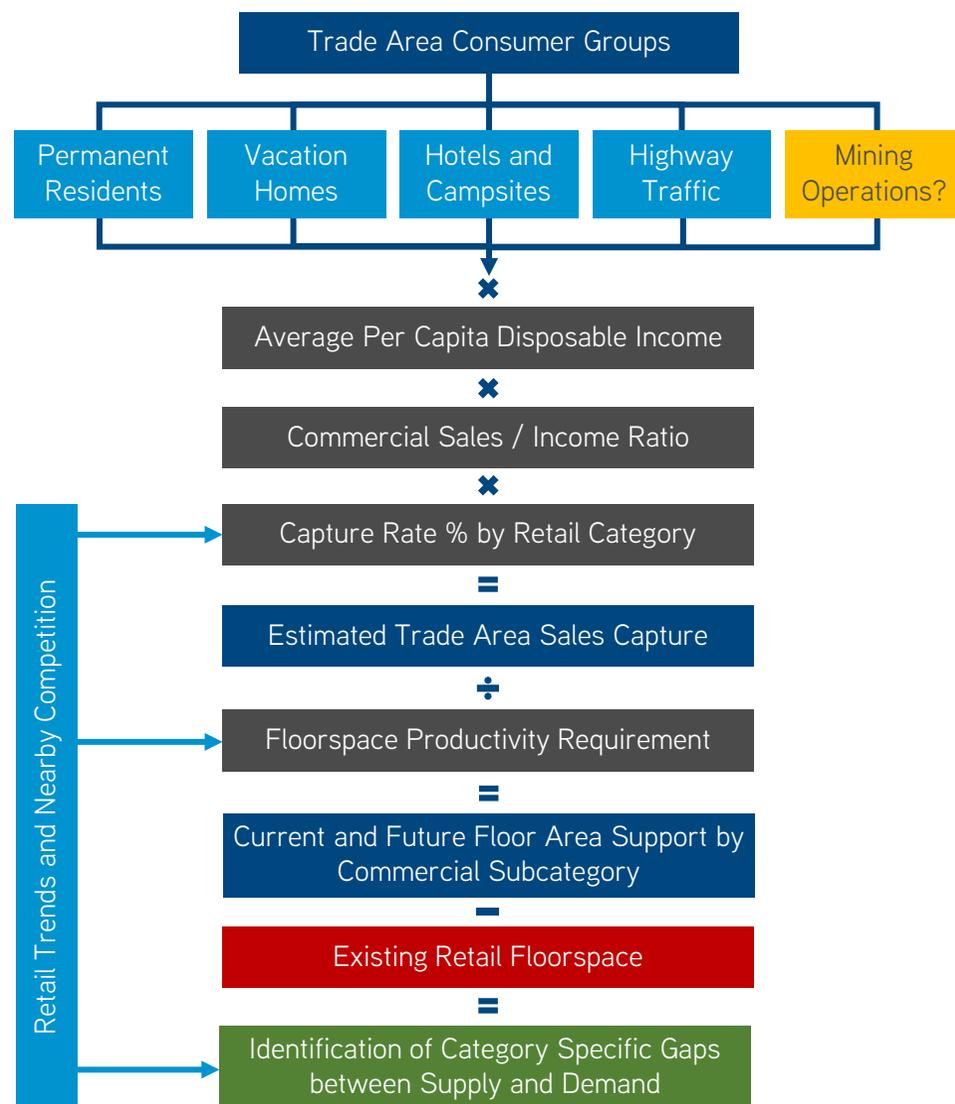
Retail demand growth is based on trade area dynamics, socioeconomic variables, provincial data, and industry benchmarks localized to Crowsnest Pass

3.1 Methodology

The next step in formulating an accurate analysis of current and future retail demand within Crowsnest Pass is to conduct an analysis of the growth in retail expenditures generated from the consumer groups outlined in Section 1.3 of this report and in the trade area analysis on the following page.

Colliers' proprietary retail demand model calculates the retail sales potential generated from trade area consumer groups by projecting future total disposable income levels and reducing this figure by a locale-specific commercial sales to income ratio that factors in the reality that not all disposable income is spent on retail goods. Market capture rates are then applied based on the competitive retail environment and physical/psychological barriers that affect accessibility. The resulting expenditures are then converted into warranted retail floorspace using market appropriate sales productivity rates.

This analysis will ultimately assess the current retail floor area demand within Crowsnest Pass, along with the potential future demand generated by a growing population and the impact of expanded mining operations. For the purposes of this analysis, the study horizon is 2020 to 2030 with the understanding that fluctuations in the retail marketplace will make it necessary to revisit these projections in the years following 2030. Current retail floorspace is then subtracted from projected demand to estimate the category specific gaps that may be supportable and desired within the Municipality.



Trade areas represents the geographical regions which are expected to generated the majority of Crowsnest Pass’ potential retail sales.

3.2 Trade Area Delineation

As outlined to the right, Colliers has delineated the trade areas within which the majority of annual retail sales are expected to originate. Based on Colliers’ review of the road network and retail supply within Crowsnest Pass and surrounding communities, it is expected that the Municipality will continue to primarily be a convenience retail destination unlikely to attract significant comparison retail supply such as big box stores or national clothing chains.

Primary Trade Area (PTA)

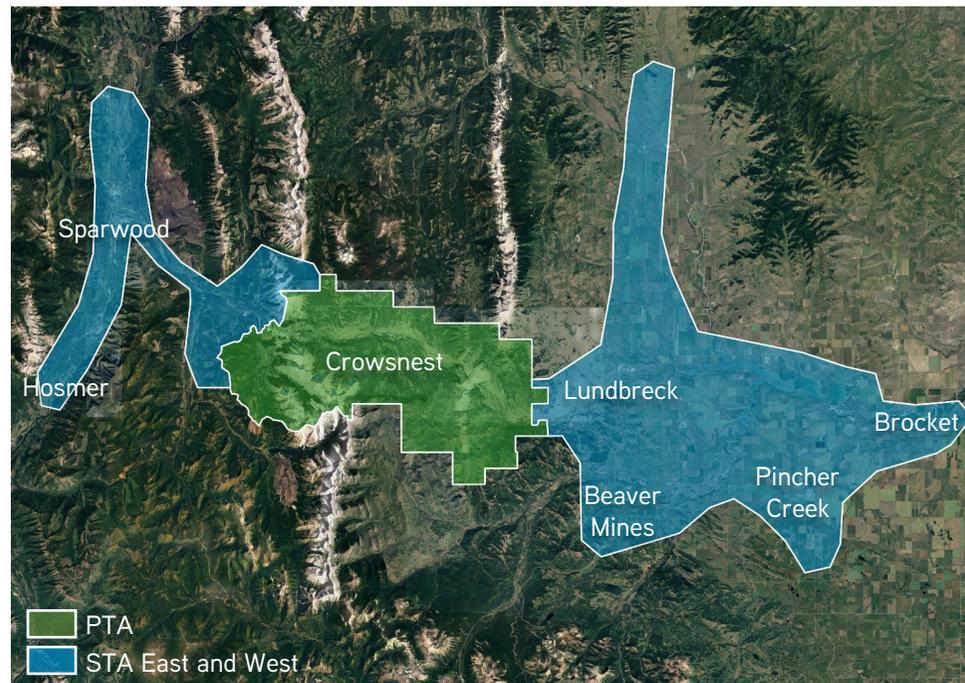
The PTA includes the population segments previously identified within Crowsnest Pass. Residents within the Municipality are expected to spend a large portion of their convenience and food services related expenditures in the area.

Secondary Trade Area (STA) West and East

The STAs include residents living within approximately 30 minutes. This includes the communities of Sparwood and Hosmer to the West and Lundbreck, Beaver Mines, Pincher Creek, and Brocket to the East. These residents will travel to Crowsnest on a more infrequent basis than the PTA.

Seasonal Inflow Traffic

In addition to the PTA and STAs, a notable amount of demand for retail will be generated by seasonal visitors and drive-through traffic. This will primarily be focused on food & beverage and convenience retail categories.



| Trade Area | Description | 2016 | 2024 | 2030 |
|----------------|---|---------------|---------------|---------------|
| PTA (Baseline) | Crowsnest Pass with mining expansion | 6,803 | 7,106 | 7,343 |
| PTA (Mining) | Crowsnest Pass without mining expansion | 6,803 | 8,210 | 8,446 |
| STA West | 30 minute drive west | 3,840 | 3,998 | 4,123 |
| STA East | 30 minute drive east | 5,077 | 5,152 | 5,168 |
| | Total (Baseline) | 15,720 | 16,256 | 16,634 |
| | Total (Mining) | 15,720 | 17,360 | 17,737 |

The identified trade areas and inflow traffic are expected to generate a total of between \$146.8 million (Baseline) and \$157.5 million (Mining) by 2030.

3.3 Trade Area Expenditure Potential

As outlined below, Colliers calculates the 2016 and forecasted annual retail expenditures generated by the population within each trade area along with inflow traffic by 2024 and 2030 under the Baseline and Mining Expansion scenarios. This is a key step in determining the potential to support new retail uses within Crowsnest Pass and the Subject Site specifically. Colliers has included each major NAICS retail category tracked by Statistics Canada.

In total, the identified trade areas and inflow traffic are expected to generate a total of between \$146.8 million (Baseline Scenario) and \$157.5 million (Mining Expansion Scenario) by 2030. These figures represent the total spending by residents of each trade area regardless of where they make their purchases. As such, on the following page category-specific market capture rates are applied to these figures to estimate expected spending within Crowsnest Pass

| Baseline Expenditure Potential | 2016 | 2024 | 2030 | Expenditure Potential with Mining | 2016 | 2024 | 2030 |
|---|----------------------|----------------------|----------------------|---|----------------------|----------------------|----------------------|
| Furniture and home furnishings stores | \$6,693,308 | \$7,183,293 | \$7,571,314 | Furniture and home furnishings stores | \$6,693,308 | \$7,702,478 | \$8,122,440 |
| Electronics and appliance stores | \$5,163,348 | \$5,541,332 | \$5,840,659 | Electronics and appliance stores | \$5,163,348 | \$5,941,842 | \$6,265,808 |
| Building material, equipment, supplies | \$12,327,080 | \$13,229,487 | \$13,944,106 | Building material, equipment, supplies | \$12,327,080 | \$14,185,672 | \$14,959,115 |
| Food and beverage stores | \$42,850,666 | \$45,987,559 | \$48,471,674 | Food and beverage stores | \$42,850,666 | \$49,311,392 | \$51,999,990 |
| Grocery stores | \$32,995,652 | \$35,411,106 | \$37,323,912 | Grocery stores | \$32,995,652 | \$37,970,507 | \$40,040,768 |
| Supermarkets | \$30,762,212 | \$33,014,168 | \$34,797,497 | Supermarkets | \$30,762,212 | \$35,400,325 | \$37,330,452 |
| Convenience stores | \$2,233,442 | \$2,396,942 | \$2,526,418 | Convenience stores | \$2,233,442 | \$2,570,185 | \$2,710,319 |
| Specialty food stores | \$1,992,427 | \$2,138,283 | \$2,253,787 | Specialty food stores | \$1,992,427 | \$2,292,831 | \$2,417,843 |
| Beer, wine and liquor stores | \$7,862,579 | \$8,438,161 | \$8,893,966 | Beer, wine and liquor stores | \$7,862,579 | \$9,048,044 | \$9,541,369 |
| Health and personal care stores | \$14,846,420 | \$15,933,255 | \$16,793,924 | Health and personal care stores | \$14,846,420 | \$17,084,860 | \$18,016,375 |
| Clothing and accessories stores | \$12,334,476 | \$13,237,425 | \$13,952,472 | Clothing and accessories stores | \$12,334,476 | \$14,194,183 | \$14,968,091 |
| Sporting goods, hobby, book, music | \$4,732,662 | \$5,079,118 | \$5,353,477 | Sporting goods, hobby, book, music | \$4,732,662 | \$5,446,220 | \$5,743,164 |
| Miscellaneous store retailers | \$6,009,739.06 | \$6,449,683 | \$6,798,077 | Miscellaneous store retailers | \$6,009,739.06 | \$6,915,846 | \$7,292,917 |
| Total Retail Expenditures | \$104,957,694 | \$112,641,148 | \$118,725,697 | Total Retail Expenditures | \$104,957,694 | \$120,782,488 | \$127,367,894 |
| Full Service Restaurants and Bars | \$12,617,019 | \$13,540,651 | \$14,272,077 | Full Service Restaurants and Bars | \$12,617,019 | \$14,519,325 | \$15,310,960 |
| Limited Service Restaurants | \$12,219,933 | \$13,114,496 | \$13,822,903 | Limited Service Restaurants | \$12,219,933 | \$14,062,370 | \$14,829,090 |
| Total Food and Beverage Expenditures | \$24,836,952 | \$26,655,147 | \$28,094,981 | Total Food and Beverage Expenditures | \$24,836,952 | \$28,581,695 | \$30,140,051 |
| Total Expenditure Potential | \$129,794,646 | \$139,296,295 | \$146,820,678 | Total Expenditure Potential | \$129,794,646 | \$149,364,183 | \$157,507,944 |

Crowsnest Pass has the potential to capture up to between \$92.2 million (Baseline) and \$102.9 million (Mining) in total retail sales by 2030.

3.4 Trade Area Net Sales Capture

Colliers recognizes that Crowsnest Pass residents and visitors will serve as the primary drivers for retail floorspace within the Municipality. For the purposes of this study, Colliers has assumed that the Municipality currently captures all existing retail spending from the PTA. This theoretical analysis assumes the market is currently in equilibrium, which facilitates an understanding of demand outflow as well as the potential gap between retail

floorspace demand and supply by 2030 in the Baseline and Mining Expansion scenarios. Capture rates from STA residents are significantly lower as they are expected to travel to Crowsnest Pass on an infrequent basis due to closer offerings among retail categories such as groceries. Based on this analysis, Colliers estimates that Crowsnest Pass has the potential to capture up to between \$92.2 million and \$102.9 million in total retail sales by 2030.

| Baseline Net Sales Capture | 2016 | 2024 | 2030 |
|--|---------------------|---------------------|---------------------|
| Furniture and home furnishings stores | \$3,784,654 | \$4,198,782 | \$4,540,982 |
| Electronics and appliance stores | \$2,919,556 | \$3,239,023 | \$3,503,002 |
| Building material, equipment, supplies | \$6,970,205 | \$7,732,907 | \$8,363,137 |
| Food and beverage stores | \$34,497,400 | \$38,920,433 | \$42,609,177 |
| Grocery stores | \$14,576,894 | \$16,488,646 | \$18,085,271 |
| Supermarkets | \$13,590,199 | \$15,372,547 | \$16,861,097 |
| Convenience stores | \$986,695 | \$1,116,100 | \$1,224,173 |
| Specialty food stores | \$1,431,162 | \$1,563,132 | \$1,670,632 |
| Beer, wine and liquor stores | \$3,912,451 | \$4,380,008 | \$4,768,004 |
| Health and personal care stores | \$6,973,261 | \$7,844,788 | \$8,570,303 |
| Clothing and accessories stores | \$6,974,387 | \$7,737,547 | \$8,368,155 |
| Sporting goods, hobby, book, music | \$2,676,029 | \$2,968,849 | \$3,210,809 |
| Miscellaneous store retailers | \$4,747,819 | \$5,154,356 | \$5,482,317 |
| Estimated Retail Sales Capture | \$54,966,417 | \$61,308,039 | \$66,562,612 |
| Full Service Restaurants and Bars | \$11,441,681 | \$12,316,953 | \$13,010,128 |
| Limited Service Restaurants | \$11,081,586 | \$11,929,311 | \$12,600,670 |
| Estimated Food & Beverage Capture | \$22,523,267 | \$24,246,263 | \$25,610,798 |
| Total Estimated Sales Capture | \$77,489,684 | \$85,554,302 | \$92,173,410 |

| Net Sales Capture with Mining | 2016 | 2024 | 2030 |
|--|---------------------|---------------------|----------------------|
| Furniture and home furnishings stores | \$3,784,654 | \$4,717,968 | \$5,092,108 |
| Electronics and appliance stores | \$2,919,556 | \$3,639,532 | \$3,928,151 |
| Building material, equipment, supplies | \$6,970,205 | \$8,689,092 | \$9,378,146 |
| Food and beverage stores | \$34,497,400 | \$44,803,666 | \$48,854,348 |
| Grocery stores | \$14,576,894 | \$19,048,048 | \$20,802,127 |
| Supermarkets | \$13,590,199 | \$17,758,705 | \$19,394,052 |
| Convenience stores | \$986,695 | \$1,289,343 | \$1,408,075 |
| Specialty food stores | \$1,431,162 | \$1,717,680 | \$1,834,688 |
| Beer, wine and liquor stores | \$3,912,451 | \$4,989,891 | \$5,415,407 |
| Health and personal care stores | \$6,973,261 | \$8,996,392 | \$9,792,755 |
| Clothing and accessories stores | \$6,974,387 | \$8,694,305 | \$9,383,773 |
| Sporting goods, hobby, book, music | \$2,676,029 | \$3,335,951 | \$3,600,496 |
| Miscellaneous store retailers | \$4,747,819 | \$5,620,519 | \$5,977,158 |
| Estimated Retail Sales Capture | \$54,966,417 | \$69,449,379 | \$75,204,808 |
| Full Service Restaurants and Bars | \$11,441,681 | \$13,295,627 | \$14,049,011 |
| Limited Service Restaurants | \$11,081,586 | \$12,877,184 | \$13,606,857 |
| Estimated Food & Beverage Capture | \$22,523,267 | \$26,172,812 | \$27,655,868 |
| Total Estimated Sales Capture | \$77,489,684 | \$95,622,190 | \$102,860,676 |

Crowsnest Pass has the potential to support up to between 374,000 sf (Baseline) and 416,000 sf (Mining) in total retail floor area by 2030.

3.5 Floor Area Demand

The projected sales volumes can be converted into warranted floor area (leasable or saleable area) by utilizing sector-specific sales productivity targets. Service commercial establishments and seasonal inflow have also been included in the demand analysis, which includes businesses such as dental and medical offices, vet clinics, boutique fitness centres, childcare,

salons, financial services, insurance, and other similar uses. Seasonal inflow is expected to be focused among retail categories most frequented by visitors such as food and beverage establishments. In total, Colliers estimates demand for up to between 374,000 square feet (Baseline) and 416,000 square feet (Mining) of retail floorspace demand by 2030 within Crowsnest Pass.

| Baseline Floor Area Demand (sf) | 2016 | 2024 | 2030 |
|---|----------------|----------------|----------------|
| Furniture and home furnishings stores | 6,869 | 7,620 | 8,241 |
| Electronics and appliance stores | 3,435 | 3,811 | 4,121 |
| Building material, equipment, supplies | 24,035 | 26,665 | 28,838 |
| Food and beverage stores | 51,817 | 58,187 | 63,486 |
| Grocery stores | 34,589 | 39,125 | 42,914 |
| Supermarkets | 28,915 | 32,708 | 35,875 |
| Convenience stores | 5,673 | 6,418 | 7,039 |
| Specialty food stores | 8,229 | 8,988 | 9,606 |
| Beer, wine and liquor stores | 8,999 | 10,074 | 10,966 |
| Health and personal care stores | 18,375 | 20,671 | 22,583 |
| Clothing and accessories stores | 19,927 | 22,107 | 23,909 |
| Sporting goods, hobby, book, music | 13,380 | 14,844 | 16,054 |
| Miscellaneous store retailers | 23,739 | 25,772 | 27,412 |
| Estimated Retail Demand (sf) | 161,576 | 179,678 | 194,645 |
| Full Service Restaurants and Bars | 58,480 | 62,953 | 66,496 |
| Limited Service Restaurants | 23,171 | 24,943 | 26,347 |
| Estimated Food & Beverage (sf) | 81,650 | 87,896 | 92,843 |
| Service Commercial | 72,397 | 80,163 | 86,554 |
| Total Estimated Floor Area Demand (sf) | 315,623 | 347,738 | 374,042 |

| Floor Area Demand with Mining (sf) | 2016 | 2024 | 2030 |
|---|----------------|----------------|----------------|
| Furniture and home furnishings stores | 6,869 | 8,563 | 9,242 |
| Electronics and appliance stores | 3,435 | 4,282 | 4,621 |
| Building material, equipment, supplies | 24,035 | 29,962 | 32,338 |
| Food and beverage stores | 51,817 | 66,552 | 72,365 |
| Grocery stores | 34,589 | 45,198 | 49,360 |
| Supermarkets | 28,915 | 37,784 | 41,264 |
| Convenience stores | 5,673 | 7,414 | 8,096 |
| Specialty food stores | 8,229 | 9,877 | 10,549 |
| Beer, wine and liquor stores | 8,999 | 11,477 | 12,455 |
| Health and personal care stores | 18,375 | 23,706 | 25,804 |
| Clothing and accessories stores | 19,927 | 24,841 | 26,811 |
| Sporting goods, hobby, book, music | 13,380 | 16,680 | 18,002 |
| Miscellaneous store retailers | 23,739 | 28,103 | 29,886 |
| Estimated Retail Demand (sf) | 161,576 | 202,687 | 219,070 |
| Full Service Restaurants and Bars | 58,480 | 67,955 | 71,806 |
| Limited Service Restaurants | 23,171 | 26,925 | 28,451 |
| Estimated Food & Beverage (sf) | 81,650 | 94,880 | 100,257 |
| Service Commercial | 72,397 | 89,960 | 96,954 |
| Total Estimated Floor Area Demand (sf) | 315,623 | 387,528 | 416,280 |

An aerial photograph of an industrial site, possibly a manufacturing or distribution center, is shown. The site includes several large buildings, parking lots, and a complex network of roads and highways. A large, semi-transparent blue overlay covers the right side of the image, and a vertical red line is positioned to the left of the main text.

4 | Development Strategy

Crowsnest Pass is expected to support up to between 38,000 sf (Baseline) and 67,000 sf (Mining) of additional occupied retail floorspace by 2030.

4.1 Gap Analysis

The table below estimates the gap between projected demand and current supply by retail subcategory by 2030 within Crowsnest Pass in both the Baseline and Mining Expansion growth scenarios. The 2020 and 2024 detailed gap analyses can be found in the appendix. Due to the current health of the retail market, the temporary impact of COVID-19 on retail performance, and

the significant amount of vacant units (67,000 sf), Colliers estimates limited current surplus retail demand. Currently, quality retail locations that are highly visible and accessible from Crowsnest Highway and located near notable activity generators such as Crowsnest Pass Golf Club could support a small amount of additional food service tenants.

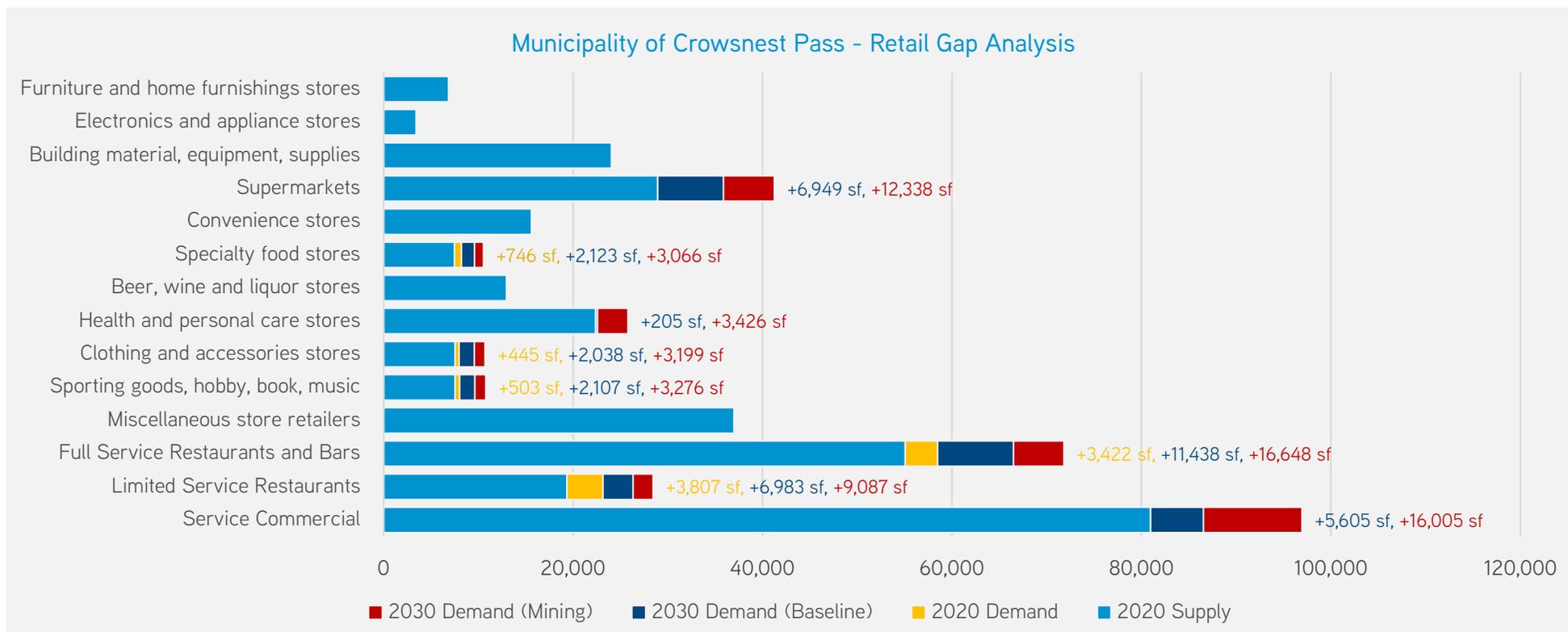
| Retail Gap Analysis | Supply (2020) | Retail Demand Projections (2030) | | Capture Potential | Potential New Development (2030) | |
|--|----------------|----------------------------------|------------------|-------------------|----------------------------------|------------------|
| | | Baseline | Mining Expansion | | Baseline | Mining Expansion |
| Furniture and home furnishings stores | 6,870 | 8,241 | 9,242 | 65% | 0 | 0 |
| Electronics and appliance stores | 3,435 | 4,121 | 4,621 | 65% | 0 | 0 |
| Building material, equipment, supplies | 24,045 | 28,838 | 32,338 | 65% | 0 | 0 |
| Supermarkets | 28,926 | 35,875 | 41,264 | 100% | 6,949 | 12,338 |
| Convenience stores | 15,608 | 7,039 | 8,096 | 100% | 0 | 0 |
| Specialty food stores | 7,483 | 9,606 | 10,549 | 100% | 2,123 | 3,066 |
| Beer, wine and liquor stores | 12,978 | 10,966 | 12,455 | 100% | 0 | 0 |
| Health and personal care stores | 22,378 | 22,583 | 25,804 | 100% | 205 | 3,426 |
| Clothing and accessories stores | 7,526 | 23,909 | 26,811 | 40% | 2,038 | 3,199 |
| Sporting goods, hobby, book, music | 7,526 | 16,054 | 18,002 | 60% | 2,107 | 3,276 |
| Miscellaneous store retailers | 36,979 | 27,412 | 29,886 | 100% | 0 | 0 |
| Total Retail Floorspace (sf) | 173,753 | 194,645 | 219,070 | | 13,422 | 25,306 |
| Full Service Restaurants and Bars | 55,058 | 66,496 | 71,806 | 100% | 11,438 | 16,748 |
| Limited Service Restaurants | 19,364 | 26,347 | 28,451 | 100% | 6,983 | 9,087 |
| Total Food & Beverage Floorspace (sf) | 74,422 | 92,843 | 100,257 | | 18,421 | 25,835 |
| Service Commercial | 80,949 | 86,554 | 96,954 | 100% | 5,605 | 16,005 |
| Vacant | 67,308 | | | | | |
| Total Occupied Floorspace (sf) | 329,124 | 374,042 | 416,280 | | 37,448 | 67,145 |

Crowsnest Pass is expected to support up to between 38,000 sf (Baseline) and 67,000 sf (Mining) of additional occupied retail floorspace by 2030.

4.1 Gap Analysis

As the population segments grow so too will retail demand within Crowsnest Pass. In the Baseline Scenario, Colliers expects Crowsnest Pass to support an additional 38,000 square feet of retail floorspace by 2030, including 7,000 sf of grocery floorspace, 18,000 sf of food & beverage floorspace, 6,000 sf of service commercial floorspace and 7,000 sf of additional retail floorspace.

In the Mining Expansion Scenario, 2030 surplus demand could grow to 67,000 square feet in the best-case scenario with strong mining job multipliers as outlined in Section 1.3 of this report. In this scenario, Crowsnest Pass could likely support a second grocery store, additional restaurants, convenience, and commercial services tenants, as well a few small apparel/sportswear retailers.



The Subject Site is in one of the strongest locations within Crowsnest Pass to accommodate current and projected retail floorspace demand.

4.2 Subject Site Considerations

Colliers believes that the Subject Site is one of the strongest locations within Crowsnest Pass to accommodate current and projected retail floorspace demand.

Location

The Subject Site enjoys a relatively unique location within Crowsnest Pass due its adjacency to Crowsnest Highway, and proximity to both Blairmore and Coleman. The Crowsnest Golf Club is near the Subject Site, which is expected to draw in a large amount of visitation on top of the significant additional recreational activities nearby.

Competition and Target Market

The retail tenant mix within the Subject Site should provide offerings that are either unique or complementary to the existing competition nearby and likely to be in demand over the next 10 years from multiple consumer groups. There is the potential to capture retail sales from permanent residents, local workers, mining workers, tourists and other visitors, and inflow traffic.

Demand is therefore likely to be highest among food service tenants such as quick service drive-thru restaurants, full-service sit-down restaurants, drinking establishments, convenience stores that sell quality grocery items, as well as personal, financial, and professional services tenants. The potential new mining sites will have a strong impact expected sales performance.



Retail Trends

Current retail trends within Municipalities such as Crowsnest Pass place an emphasis on the need for a centralized and healthy downtown Main Street in addition to a high-quality offering of accessible retail supply along the nearest highway. The Subject Site is in the ideal position to further establish this region of Crowsnest Pass as the centre of retail and commercial activity.

The Subject Site is well positioned to accommodate a modest range of commercial uses focused on food services and other highway-oriented tenants.

4.3 Recommendations

Colliers has projected a surplus demand of between 38,000 square feet (Baseline) and 67,000 square feet (Mining Expansion) of retail floorspace by 2030. It is recommended that the Municipality of Crownest Pass place an emphasis on solidifying its existing retail and service commercial offerings within Blairmore along the 20 Avenue “Main Street”. As such, the expected 12,000 square feet of surplus grocery demand along with a portion of the additional retail floorspace demand should be accommodated within the community itself. The ideal site would be the currently vacant former Cost Less Food which detracts from the “Main Street” experience.

Furthermore, the commercial development of the Subject Site will likely enhance overall consumer awareness of the retail offerings in the Blairmore area. Rather than cannibalizing retail sales along 20 Avenue, this development could help to attract more people towards Downtown Blairmore. This impact will be even more evident if there is attractive signage or a gateway feature at this key Blairmore access point directing people to “Historic Downtown Blairmore”. The resulting first impression of Blairmore, particularly from drive by traffic, could likely boost market capture rates and overall retail performance.

The Subject Site is therefore ideally positioned to provide a portion of the Municipality’s projected additional retail demand. Development on this site could include drive-thru and full-service restaurants, specialty food stores and other commercial tenants such as financial, personal, and healthcare services. The strongest consumer demand on this site will be food & beverage.



Appendix I Gap Analysis - 2020

| Retail Gap Analysis (sf) | Supply (2020) | Retail Demand Estimate (2020) | | Capture Potential | Potential New Development (2020) | |
|--|----------------|-------------------------------|------------------|-------------------|----------------------------------|------------------|
| | | Baseline | Mining Expansion | | Baseline | Mining Expansion |
| Furniture and home furnishings stores | 6,870 | 6,869 | 6,869 | 65% | 0 | 0 |
| Electronics and appliance stores | 3,435 | 3,435 | 3,435 | 65% | 0 | 0 |
| Building material, equipment, supplies | 24,045 | 24,035 | 24,035 | 65% | 0 | 0 |
| Supermarkets | 28,926 | 28,915 | 28,915 | 100% | 0 | 0 |
| Convenience stores | 15,608 | 5,673 | 5,673 | 100% | 0 | 0 |
| Specialty food stores | 7,483 | 8,229 | 8,229 | 100% | 746 | 746 |
| Beer, wine and liquor stores | 12,978 | 8,999 | 8,999 | 100% | 0 | 0 |
| Health and personal care stores | 22,378 | 18,375 | 18,375 | 100% | 0 | 0 |
| Clothing and accessories stores | 7,526 | 19,927 | 19,927 | 40% | 445 | 445 |
| Sporting goods, hobby, book, music | 7,526 | 13,380 | 13,380 | 60% | 503 | 503 |
| Miscellaneous store retailers | 36,979 | 23,739 | 23,739 | 100% | 0 | 0 |
| Total Retail Floorspace (sf) | 173,753 | 161,576 | 161,576 | | 1,694 | 1,694 |
| Full Service Restaurants and Bars | 55,058 | 58,480 | 58,480 | 100% | 3,422 | 3,422 |
| Limited Service Restaurants | 19,364 | 23,171 | 23,171 | 100% | 3,807 | 3,807 |
| Total Food & Beverage Floorspace (sf) | 74,422 | 81,650 | 81,650 | | 7,228 | 7,228 |
| Service Commercial | 80,949 | 72,397 | 72,397 | 100% | 0 | 0 |
| Vacant | 67,308 | | | | | |
| Total Occupied Floorspace (sf) | 329,124 | 315,623 | 315,623 | | 8,922 | 8,922 |

Appendix II Gap Analysis - 2024

| Retail Gap Analysis (sf) | Supply (2020) | Retail Demand Projections (2024) | | Capture Potential | Potential New Development (2024) | |
|--|----------------|----------------------------------|------------------|-------------------|----------------------------------|------------------|
| | | Baseline | Mining Expansion | | Baseline | Mining Expansion |
| Furniture and home furnishings stores | 6,870 | 7,620 | 8,563 | 65% | 0 | 0 |
| Electronics and appliance stores | 3,435 | 3,811 | 4,282 | 65% | 0 | 0 |
| Building material, equipment, supplies | 24,045 | 26,665 | 29,962 | 65% | 0 | 0 |
| Supermarkets | 28,926 | 32,708 | 37,784 | 100% | 3,782 | 8,858 |
| Convenience stores | 15,608 | 6,418 | 7,414 | 100% | 0 | 0 |
| Specialty food stores | 7,483 | 8,988 | 9,877 | 100% | 1,505 | 2,394 |
| Beer, wine and liquor stores | 12,978 | 10,074 | 11,477 | 100% | 0 | 0 |
| Health and personal care stores | 22,378 | 20,671 | 23,706 | 100% | 0 | 1,328 |
| Clothing and accessories stores | 7,526 | 22,107 | 24,841 | 40% | 1,317 | 2,411 |
| Sporting goods, hobby, book, music | 7,526 | 14,844 | 16,680 | 60% | 1,381 | 2,482 |
| Miscellaneous store retailers | 36,979 | 25,772 | 28,103 | 100% | 0 | 0 |
| Total Retail Floorspace (sf) | 173,753 | 179,678 | 202,687 | | 7,985 | 17,473 |
| Full Service Restaurants and Bars | 55,058 | 62,953 | 67,955 | 100% | 7,895 | 12,897 |
| Limited Service Restaurants | 19,364 | 24,943 | 26,925 | 100% | 5,579 | 7,561 |
| Total Food & Beverage Floorspace (sf) | 74,422 | 87,896 | 94,880 | | 13,474 | 20,458 |
| Service Commercial | 80,949 | 80,163 | 89,960 | 100% | 0 | 9,011 |
| Vacant | 67,308 | | | | | |
| Total Occupied Floorspace (sf) | 329,124 | 347,738 | 387,528 | | 21,459 | 46,943 |

Appendix III Gap Analysis - 2030

| Retail Gap Analysis (sf) | Supply (2020) | Retail Demand Projections (2030) | | Capture Potential | Potential New Development (2030) | |
|--|----------------|----------------------------------|------------------|-------------------|----------------------------------|------------------|
| | | Baseline | Mining Expansion | | Baseline | Mining Expansion |
| Furniture and home furnishings stores | 6,870 | 8,241 | 9,242 | 65% | 0 | 0 |
| Electronics and appliance stores | 3,435 | 4,121 | 4,621 | 65% | 0 | 0 |
| Building material, equipment, supplies | 24,045 | 28,838 | 32,338 | 65% | 0 | 0 |
| Supermarkets | 28,926 | 35,875 | 41,264 | 100% | 6,949 | 12,338 |
| Convenience stores | 15,608 | 7,039 | 8,096 | 100% | 0 | 0 |
| Specialty food stores | 7,483 | 9,606 | 10,549 | 100% | 2,123 | 3,066 |
| Beer, wine and liquor stores | 12,978 | 10,966 | 12,455 | 100% | 0 | 0 |
| Health and personal care stores | 22,378 | 22,583 | 25,804 | 100% | 205 | 3,426 |
| Clothing and accessories stores | 7,526 | 23,909 | 26,811 | 40% | 2,038 | 3,199 |
| Sporting goods, hobby, book, music | 7,526 | 16,054 | 18,002 | 60% | 2,107 | 3,276 |
| Miscellaneous store retailers | 36,979 | 27,412 | 29,886 | 100% | 0 | 0 |
| Total Retail Floorspace (sf) | 173,753 | 194,645 | 219,070 | | 13,422 | 25,306 |
| Full Service Restaurants and Bars | 55,058 | 66,496 | 71,806 | 100% | 11,438 | 16,748 |
| Limited Service Restaurants | 19,364 | 26,347 | 28,451 | 100% | 6,983 | 9,087 |
| Total Food & Beverage Floorspace (sf) | 74,422 | 92,843 | 100,257 | | 18,421 | 25,835 |
| Service Commercial | 80,949 | 86,554 | 96,954 | 100% | 5,605 | 16,005 |
| Vacant | 67,308 | | | | | |
| Total Occupied Floorspace (sf) | 329,124 | 374,042 | 416,280 | | 37,448 | 67,145 |

Appendix IV PTA Expenditure Potential

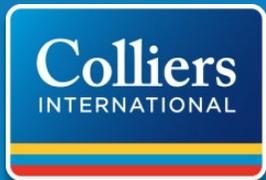
| PTA Expenditure Potential | 2016 | 2024 | 2030 |
|--|---------------------|---------------------|---------------------|
| Population | 6,803 | 8,210 | 8,446 |
| Furniture and home furnishings stores [442] | \$2,956,985 | \$3,863,977 | \$4,219,799 |
| Electronics and appliance stores [443] | \$2,281,076 | \$2,980,747 | \$3,255,235 |
| Building material and garden equipment and supplies dealers [444] | \$5,445,885 | \$7,116,295 | \$7,771,614 |
| Food and beverage stores [445] | \$18,930,663 | \$24,737,243 | \$27,015,223 |
| Grocery stores [4451] | \$14,576,893 | \$19,048,046 | \$20,802,125 |
| Supermarkets and other grocery (except convenience) stores [44511] | \$13,590,199 | \$17,758,705 | \$19,394,052 |
| Convenience stores [44512] | \$986,695 | \$1,289,343 | \$1,408,075 |
| Specialty food stores [4452] | \$880,219 | \$1,150,207 | \$1,256,126 |
| Beer, wine and liquor stores [4453] | \$3,473,548 | \$4,538,985 | \$4,956,967 |
| Health and personal care stores [446] | \$6,558,884 | \$8,570,683 | \$9,359,933 |
| Clothing and clothing accessories stores [448] | \$5,449,153 | \$7,120,565 | \$7,776,277 |
| Sporting goods, hobby, book and music stores [451] | \$2,090,806 | \$2,732,117 | \$2,983,709 |
| Miscellaneous store retailers [453] | \$2,654,996 | \$3,469,360 | \$3,788,843 |
| Total Retail Expenditures | \$46,368,445 | \$60,590,984 | \$66,170,630 |
| Drinking places (alcoholic beverages) [7224] | \$413,591 | \$540,452 | \$590,220 |
| Full-service restaurants [722511] | \$5,160,383 | \$6,743,222 | \$7,364,185 |
| Limited-service restaurants [722512] | \$5,398,549 | \$7,054,440 | \$7,704,063 |
| Total Food and Beverage Expenditures | \$10,972,524 | \$14,338,114 | \$15,658,468 |
| Total Annual Expenditure Potential | \$57,340,969 | \$74,929,097 | \$81,829,099 |

Appendix V STA East Resident Expenditure Potential

| STA East Resident Expenditure Potential | 2016 | 2024 | 2030 |
|--|---------------------|---------------------|---------------------|
| Population | 5,077 | 5,152 | 5,168 |
| Furniture and home furnishings stores [442] | \$1,954,853 | \$1,983,731 | \$1,989,891 |
| Electronics and appliance stores [443] | \$1,508,011 | \$1,530,288 | \$1,535,041 |
| Building material and garden equipment and supplies dealers [444] | \$3,600,256 | \$3,653,441 | \$3,664,787 |
| Food and beverage stores [445] | \$12,514,998 | \$12,699,876 | \$12,739,316 |
| Grocery stores [4451] | \$9,636,735 | \$9,779,094 | \$9,809,463 |
| Supermarkets and other grocery (except convenience) stores [44511] | \$8,984,435 | \$9,117,158 | \$9,145,472 |
| Convenience stores [44512] | \$652,301 | \$661,937 | \$663,993 |
| Specialty food stores [4452] | \$581,910 | \$590,506 | \$592,340 |
| Beer, wine and liquor stores [4453] | \$2,296,351 | \$2,330,274 | \$2,337,511 |
| Health and personal care stores [446] | \$4,336,057 | \$4,400,111 | \$4,413,776 |
| Clothing and clothing accessories stores [448] | \$3,602,416 | \$3,655,633 | \$3,666,986 |
| Sporting goods, hobby, book and music stores [451] | \$1,382,225 | \$1,402,644 | \$1,407,000 |
| Miscellaneous store retailers [453] | \$1,755,209 | \$1,781,138 | \$1,786,669 |
| Total Retail Expenditures | \$30,654,023 | \$31,106,860 | \$31,203,465 |
| Drinking places (alcoholic beverages) [7224] | \$273,424 | \$277,463 | \$278,325 |
| Full-service restaurants [722511] | \$3,411,512 | \$3,461,909 | \$3,472,660 |
| Limited-service restaurants [722512] | \$3,568,963 | \$3,621,685 | \$3,632,933 |
| Total Food and Beverage Expenditures | \$7,253,899 | \$7,361,057 | \$7,383,918 |
| Total Annual Expenditure Potential | \$37,907,922 | \$38,467,917 | \$38,587,383 |

Appendix VI STA West Resident Expenditure Potential

| STA West Resident Expenditure Potential | 2016 | 2024 | 2030 |
|--|---------------------|---------------------|---------------------|
| Population | 3,840 | 3,998 | 4,123 |
| Furniture and home furnishings stores [442] | \$1,781,471 | \$1,854,771 | \$1,912,749 |
| Electronics and appliance stores [443] | \$1,374,261 | \$1,430,806 | \$1,475,532 |
| Building material and garden equipment and supplies dealers [444] | \$3,280,939 | \$3,415,936 | \$3,522,714 |
| Food and beverage stores [445] | \$11,405,005 | \$11,874,274 | \$12,245,450 |
| Grocery stores [4451] | \$8,782,024 | \$9,143,368 | \$9,429,179 |
| Supermarkets and other grocery (except convenience) stores [44511] | \$8,187,578 | \$8,524,463 | \$8,790,929 |
| Convenience stores [44512] | \$594,446 | \$618,905 | \$638,252 |
| Specialty food stores [4452] | \$530,298 | \$552,118 | \$569,377 |
| Beer, wine and liquor stores [4453] | \$2,092,681 | \$2,178,786 | \$2,246,892 |
| Health and personal care stores [446] | \$3,951,479 | \$4,114,066 | \$4,242,667 |
| Clothing and clothing accessories stores [448] | \$3,282,907 | \$3,417,985 | \$3,524,828 |
| Sporting goods, hobby, book and music stores [451] | \$1,259,631 | \$1,311,460 | \$1,352,455 |
| Miscellaneous store retailers [453] | \$1,599,534.18 | \$1,665,348 | \$1,717,405 |
| Total Retail Expenditures | \$27,935,226 | \$29,084,644 | \$29,993,798 |
| Drinking places (alcoholic beverages) [7224] | \$249,173 | \$259,425 | \$267,535 |
| Full-service restaurants [722511] | \$3,108,935 | \$3,236,855 | \$3,338,035 |
| Limited-service restaurants [722512] | \$3,252,421 | \$3,386,244 | \$3,492,095 |
| Total Food and Beverage Expenditures | \$6,610,529 | \$6,882,525 | \$7,097,665 |
| Total Annual Expenditure Potential | \$34,545,755 | \$35,967,169 | \$37,091,463 |



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