

Commercial / Retail Demand and Capacity Study
Springbank / Highway 1 Area

Prepared for: Rocky View County

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Executive Summary & Recommendations

Springbank is a country residential community in Rocky View County (Rocky View). The 2016 population of the Springbank Area is estimated to be 7,330 persons. Given its small population and location adjacent to the City of Calgary, Springbank has limited commercial development. Currently, Springbank Area residents are served by commercial developments in neighbouring Calgary to the east and, to a lesser extent, in Cochrane to the north.

Tate Economic Research Inc. (TER) was retained by Rocky View to conduct a Commercial / Retail Demand and Capacity Study for the Springbank / Highway 1 Area. As per the RFP the purpose of this study is:

“to understand the supply of, and future demand for, commercial development in the Springbank area; located on the western edge of the City of Calgary along Highway 1. The primary purpose of this report is to provide a commercial market analysis and strategy document to support future planning, decision making, and business coordination within the study area. Also, the report should quantify the future retail and service commercial space requirements for the study area and provide recommendations as to how future space can be accommodated within this region.”

There is a significant amount of population growth forecasted over the mid to longer term in the Springbank Area. As a result of this population growth, there will be a requirement for corresponding commercial growth to serve these residents.

Summary of Findings

TER examined the requirement for retail / service space in the Springbank Area.

- The Springbank Area is defined as the Middle Area Structure Plan (MASP), the North Springbank Area Structure Plan (NSASP), the Central Springbank Area Structure Plan (CSASP) as well as the Harmony Conceptual Scheme (Harmony CS).

There is significant population growth forecasted for the Springbank Area.

- Overall, the population of the Springbank Area is expected to increase from its current (2016) level of approximately 7,330 persons to 19,140 persons by 2031. This represents an increase of 11,810 persons.
- The Harmony CS accounts for 95% of the population growth.



The current population in the Springbank Area does not warrant a substantial amount of retail space. Springbank Area residents have access to a wide array of retail and service uses in neighbouring Calgary and Cochrane.

- There has been negligible retail development in Springbank. This is a function of the small population as well as the large amount of retail space in neighbouring Calgary and Cochrane.
- There are 18 nodes / concentrations of commercial space, in the area surrounding Springbank, that contain significant retail tenants. These 18 nodes account for 6.9 million square feet of retail and service space. There is an additional 500,000 square feet of retail and service space in smaller plazas.
- Springbank Area residents are adequately served by regional scale type retail at Market Mall and RioCan Signal Hill and surrounding areas. The option to drive to these nodes for specialty / destination types of goods and services is reasonable given that these goods and services are typically purchased infrequently and shoppers are willing to travel longer distances to shop at these stores.
- Despite the surrounding retail space, Springbank Area residents are underserved with respect to conveniently located convenience / local retailers. Specifically, there are not any satisfactorily located supermarket anchored neighbourhood centres serving the Springbank Area residents. The closest supermarkets are Co-op and No Frills in West 85th Shopping Centre and surrounding area and the Safeway in Aspen Landing.

The Springbank Area is unique in that the residents have significant expenditures, all of which are currently made in the surrounding areas as there is limited retail and service space in the Springbank Area.

- Currently (2016), Springbank Area residents spend approximately \$134.9 million at retail stores. As there are no retail stores in Springbank, these expenditures would be made in Calgary and other areas. This retail expenditure amount is forecast to increase to \$314.7 million annually by 2031.
- Overall in 2016 Springbank Area residents generate demand for approximately 474,000 square feet of retail and service space. This demand is forecast to increase to 1,146,500 square feet by 2031.
- Based on the Springbank Area location, the surrounding competition and total population, it is the opinion of TER that approximately 39% of the total demand could be supported in the Springbank Area resulting in approximately 185,000 square feet of retail and service space in 2016 increasing to 449,500 square feet by 2031.



- It is the opinion of TER that the majority of supported space would be in the convenience categories such as local serving retail supermarkets, drug stores, specialty food stores and services such as banks. This is based on the fact that the build out population of the Springbank Area is not large enough to support a significant amount of destination space (such as clothing, electronics and department store) without support from people living outside of the Springbank Area (known as inflow).
- Generally, from a retail supply perspective, convenience / local retailers are:
 - located in neighbourhood and community sized centres;
 - are more common in number; and
 - are located in close proximity to residential population for ease of access.

Given its rural location, any retail development will occur in planned retail centres. There is sufficient retail and service space demand to currently tenant a neighbourhood or community sized development and potentially two developments by 2026. Depending on the type and size of development, the ancillary space would be comprised of a combination of convenience / local retailers and service tenants and less so destination type retailers.

- Typically, neighbourhood and community sized centres are anchored by supermarkets and/or pharmacies. This is reflected in the TER analysis which quantifies support for approximately 93,500 square feet of supermarket space and 23,000 square feet of pharmacy space by 2031.

There is a significant amount of planned / approved retail development in Springbank and the surrounding area.

- Harmony is a planned residential community consisting of 3,500 residential units, 115,000 square foot retail in a “village core” and up to 2,000,000 square feet of office and light industrial space on lands surrounding Springbank Airport. It is our understanding that the “village core” will be anchored by a food store. The build out of Harmony will take approximately 15 years, it is likely that the village core will be completed in the next 5-7 years.
- Bingham Crossing is a planned mixed-use development consisting of retail, office and seniors housing components located at the north east quadrant of Highway 1 & Range Road 33. The entire site is approximately 309 acres. The first phase, which has been approved and zoned, consists of approximately 80 acres. There is approximately 270,000 square feet of retail and office and approximately 230 – 270 senior’s units in various formats. The retail and office component will be in the form of a main street internal to the site and larger uses along Highway 1. At the time of this report, it is TER’s understanding that



a supermarket anchor has not been secured. It is anticipated that Bingham Crossing will open in 2018.

- Combined these two proposals account for 385,000 square feet and both have proposed supermarket anchors. TER has assumed that given that a supermarket is proposed in both developments, additional convenience type retail, such as a pharmacy, would also locate in these two developments.
- It is the opinion of TER that if both these developments build out with their supermarket anchors then this would be sufficient in terms of accommodating Springbank Area resident's requirements for convenience oriented developments.
- It is the opinion of TER that if the Harmony and Bingham Crossing developments build out as planned, there will not be a requirement for additional commercial lands to support the convenience needs of Springbank Area residents.

Rocky View has identified two areas within the Springbank Area and one outside of the Springbank Area where future commercial opportunities, if required, could be accommodated. The two areas within the Springbank Area are the highway business centre located at Highway 1 & Range Road 33 and the regional industrial centre at Springbank Airport. The third area is the highway business centre at Highway 1 & Highway 22.

- The Highway 1 & Range Road 33 interchange is an appropriate location to accommodate any future commercial developments should they be required.
- It is the opinion of TER that any retail development at Highway 1 & Highway 22 would be premature as there is significant capacity for growth at Highway 1 & Range Road 33.
- This report has not examined the demand for industrial / major office uses, however from a locational context the focus of employment uses around Springbank Airport is appropriate and will complement the proposed employment districts as part of the Harmony development which is also adjacent to the Springbank Airport areas.

Recommendations

It is the recommendation of TER that the designation of additional commercial lands in the Springbank Area is currently not required. This recommendation is based on the assumed development of the commercial components of Bingham Crossing and Harmony CS. The County should actively monitor the progress of both developments including whether a supermarket anchor has been attained.



1 Introduction

Springbank is a country residential community in Rocky View County (Rocky View). The 2016 population of the Springbank Area is estimated to be 7,330 persons. Given its small population and location adjacent to the City of Calgary, Springbank has limited commercial development. Currently, Springbank Area residents are served by commercial developments in neighbouring Calgary to the east and to a lesser extent in Cochrane to the north.

There is significant amount of population growth forecasted over the mid to longer term in the Springbank Area. As a result of this population growth, there will be a requirement for corresponding commercial growth to serve these residents.

1.1 Rocky View County Mandate

Tate Economic Research Inc. (TER) was retained by Rocky View County (Rocky View) to conduct a Commercial / Retail Demand and Capacity Study for the Springbank / Highway 1 Area (Study Area). As per the RFP, the purpose of this study is:

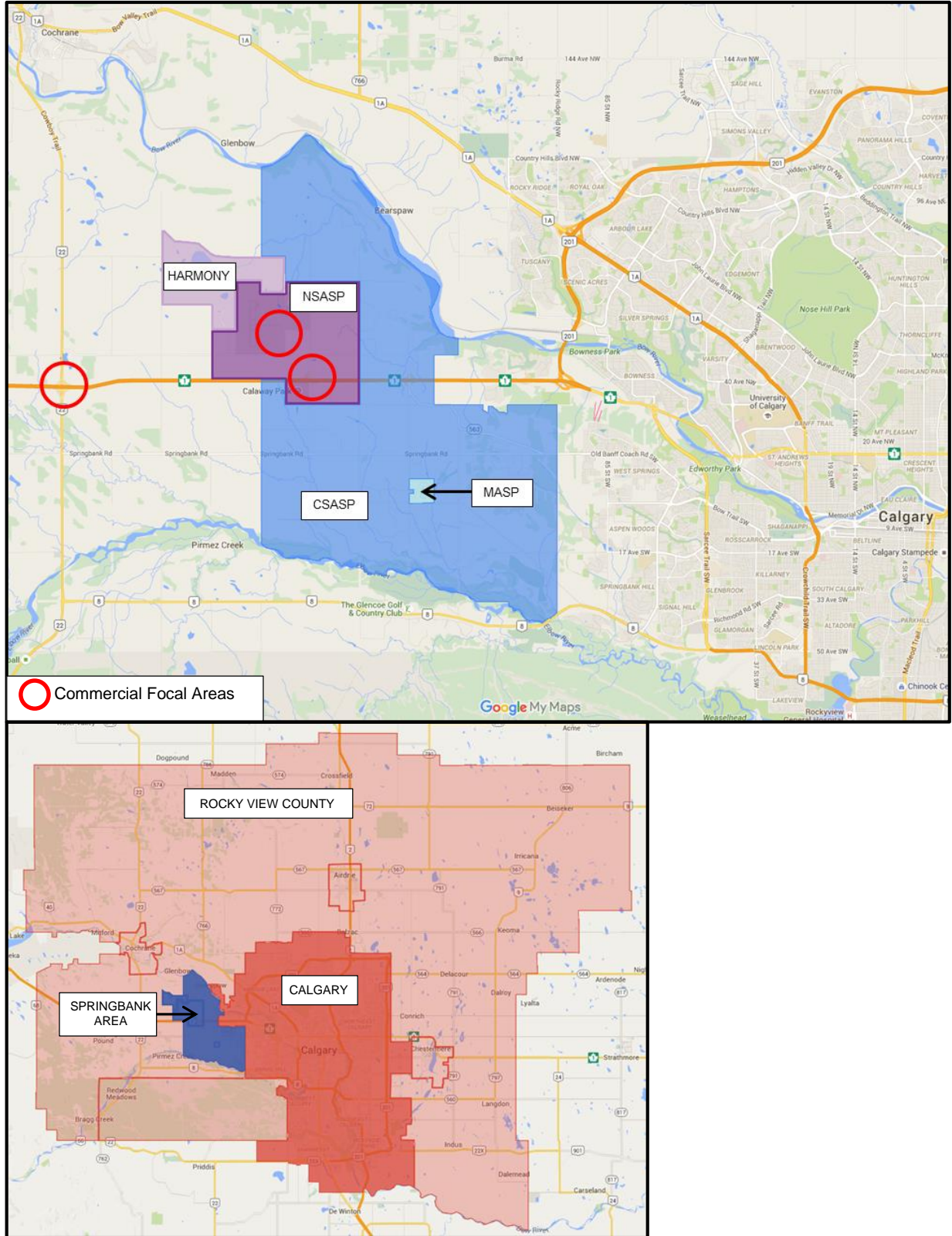
“to understand the supply of, and future demand for, commercial development in the Springbank area; located on the western edge of the City of Calgary along Highway 1. The primary purpose of this report is to provide a commercial market analysis and strategy document to support future planning, decision making, and business coordination within the study area. Also, the report should quantify the future retail and service commercial space requirements for the study area and provide recommendations as to how future space can be accommodated within this region.”

1.2 Background

For the purpose of this analysis, TER has delineated the Springbank Area as the study area. This is the area in which demand for additional commercial uses will be generated through the existing and future population. The Springbank Area is defined as the Middle Area Structure Plan (MASP), the North Springbank Area Structure Plan (NSASP), the Central Springbank Area Structure Plan (CSASP) as well as the Harmony Conceptual Scheme (Harmony CS). These areas are illustrated on Figure 1. Rocky View is in the process of updating the Central and North Springbank Area Structure Plans. This Commercial / Retail Demand and Capacity Study will provide input into the updated ASPs.



FIGURE 1: SPRINGBANK AREA CONTEXT



The three ASPs have experienced various levels of development:

- The MASP consists of 152 acres of residential land that has been built out.
- The NSASP covers 4,350 acres and consists of the Springbank Airport and surrounding lands. To date there has been little residential development in the area. Currently there are approximately 24 homes within the NSASP as well as institutional, agricultural, and commercial land uses.
- The CSASP covers approximately 22,000 acres. Central Springbank has seen an average of 47 homes built per year since its adoption in 2001. There are currently 1,604 dwellings within the CSASP and the potential for 5,712 units based on the current municipal policies. At the current rate of development, it will take 87 years for the plan area to build out and result in a population of approximately 29,000 – 36,000 residents.
- In addition to the three ASPs, the Harmony Conceptual Scheme (Harmony CS) is also located in the Springbank Area. When built out, the Harmony CS will include employment areas accommodating 2,000,000 square feet of office and light industrial space, a village centre with 100,000 square feet of retail / service space and 3,500 residential housing units.

Rocky View has identified two areas within the Springbank Area and one outside of the Springbank Area where future commercial opportunities, if required, could be accommodated. The two areas within the Springbank Area are the highway business centre located at Highway 1 & Range Road 33 and the regional industrial centre at Springbank Airport. The third area is the highway business centre at Highway 1 & Highway 22. These three areas are identified in Figure 1 as commercial focal areas.

1.3 Basic Assumptions

TER understands the challenges associated with making forecasts and recognizes that deviations from historic patterns are likely to occur. Nonetheless, it remains our opinion that basic assumptions are necessary to conduct commercial / retail demand studies such as this one in the Springbank / Highway 1 Area. These basic assumptions are outlined below:

- The development and corresponding population forecasts are presumed to be accurate. If these forecasts prove to diverge significantly from the population levels realized, the conclusions of this report may require revision.
- All proposed and approved major commercial developments in the surrounding area, for which applications have been submitted to the County and the City of Calgary, have been recognized in the TER analysis.

This report and its conclusions should be reviewed in light of these basic assumptions.



2 Study Approach

TER's study approach is based on the request for proposal requirements from Rocky View. TER formulated a work plan based on primary research, field inspections and a detailed market supply and demand analysis. The study approach is outlined in detail in the following section.

2.1 Work Plan

The report has been conducted in two phases. The work plan for both phases is outlined below. Both phases are summarized in this report.

Phase 1: Supply Analysis

1. Supply Market Area delineation. The current and forecast demand for commercial uses in the study area is influenced by the existing supply of commercial space in an area larger than the Springbank Area. TER has defined a Market Area in which to conduct the supply analysis.
2. Market Area inventory analysis. TER conducted an inventory of retail and service space in the major retail nodes in the Market Area. The purpose of the inventory is as follows:
 - It provides a summary of the retail hierarchy within the Market Area.
 - It provides an indication of the service level for Springbank Area residents.
 - It provides a base from which TER is able to conduct the demand analysis.
3. Future supply analysis. TER assessed the proposed retail developments and "retail ready" vacant lands in the surrounding area.

Phase 2: Demand Analysis

The following outlines the work plan for the Phase 2 portion of the Study, which is summarized in this report.

4. Population projections. As part of the demand analysis, TER summarized the socio economic and population forecasts for the Springbank Area.
5. Conduct retail market demand analysis. TER conducted a residual retail market demand analysis that quantified the amount and type of retail space warranted in the Springbank Area.

The quantitative retail / service market demand analysis calculates the base year and future year retail expenditure potential based on multiplying population by



retail expenditure per capita adjusted to reflect the income levels of residents within the Springbank Area. The quantitative retail market analysis allowed TER to identify the current capture and sales dollar leakage.

6. Commercial land needs analysis. TER compared the demand for commercial space against the current and proposed supply of commercial space. This analysis resulted in forecasts regarding the absorption of commercial space, the adequacy of the existing supply and where future retail space should be directed.
7. Business area analysis. TER assessed the appropriateness of the three focal areas and the supporting policy and zoning structures within them in the context of commercial development.



3 Retail Trends

The retail sector is dynamic and constantly changing in response to the marketplace. From a demand perspective, changes in the way consumers are shopping, where they are shopping, socio-economic conditions, diversifying lifestyles patterns and evolving population and household demographics, are some of the many factors that are influencing Canadian retailing.

In addition to demand factors, the retail landscape is also influenced by municipal policy, real estate developers and retailers. This section of the report examines the various trends in these three areas.

3.1 Public Policy

Municipal policies guiding commercial development are significant with respect to resulting retail environment. Smart growth principles, coupled with the market realities of a decreasing supply of developable land and increasing infrastructure costs are resulting in more compact urban and suburban communities.

Municipal policies reflecting smart growth principles such as mixed land uses, the creation of walkable communities, the provision of multiple transportation options and compact building design are resulting in changes to the retail built form in terms of more compact retail developments.

3.2 Real Estate Developers

The majority of retail development in Canada over the past 25 years has either been in the form of grocery anchored neighbourhood centres or power centres. Both forms of developments have typically been single storey developments with a building to land coverage of approximately 25%. This development format has been a result of the supply of commercial designated land, which in the past has been abundant. In urban centres, there has been a gradual shift towards urban intensification and compact mixed-use commercial developments. This shift is a result of the tightening of land supply, which has forced developers to examine different development options.

Urban Retail Intensification

The underlying principle of retail development, “location, location, location” continues as the primary factor behind urban retail intensification. The success of shopping centres/retail nodes are driven by location and therefore, consumer accessibility. Existing retail locations, which offer the best access, visibility and exposure characteristics, remain the most valuable for shopping centres/retail nodes in general, and for intensification opportunities in particular.

As population densities increase and public transit infrastructure initiatives are realized, the emphasis on catering to the automobile oriented customer will be



diminished for some shopping formats. The potential for intensification is related to accessibility in the form of roads, transit or nearby residential / employment populations. Ultimately, intensification is a direct result of land economics. Increased customer accessibility leads to the potential to achieve greater investment returns through more efficient land uses. Accessibility, in the forms outlined above, provides incentive for intensification of shopping centre sites and other sites within retail nodes.

Urban intensification does not necessarily result in multi storey, mixed-use compact retail development. Currently, many major shopping centres and retail nodes across Canada are intensifying their sites with additional out-parcel retail or residential towers. The resulting building to land coverage is increasing from the typical 25% towards 40%. As land becomes more scarce, many of these major shopping centres and retail nodes will undergo additional intensification.

An example of this intensification would be Brentwood Village Shopping Centre in north west Calgary, along Crowchild Trail. The redevelopment of Brentwood Village involved the demolition of approximately 50,000 square feet of the existing retail and replacing it with four high rise buildings and one mid-rise mixed-used building, with approximately 568,000 square feet of residential density, as well as approximately 40,000 square feet of retail space. The resulting development is known as University City.

Mixed-use

Mixed-use developments have become increasingly popular. At its most basic, mixed-use developments comprise different land uses within a vertical or horizontal plan.

As an example, vertical mixed-use building could include retail on the ground level and hotel and residential uses in the floors above. Vertical mixed-use is primarily located in urban centres and around transit nodes. There are a number of challenges associated with vertical mixed-use from a retailer perspective. Canadian retailers have yet to fully embrace the challenges with respect to format, potential second floor locations, multi floor retail units, parking and loading restrictions as well as accessibility considerations.

Horizontal mixed-use is harder to define, as there is the aspect of geographic boundaries. Master planned developments such as Harmony in Springbank and Quarry Park and Seton in Calgary can be considered suburban mixed-use developments as they have residential, retail and office components within close proximity to each other.

With respect to the retail components of mixed-use developments, conceptually, these developments try to replicate the feel and accessibility of organic mixed-use areas such as main streets and downtowns. However, in practice this atmosphere is very difficult to achieve as anchor retailers tend to be resistant to urban formats in suburban locations.



The requirements of anchor tenants in terms of floor space, parking fields and loading have a significant impact on the form of the development. In most cases, retail developers are beholden to the requirements of these anchor retailers, which results in space extensive developments, or hybrid developments in which the anchor tenant is surrounded by a field of parking with a separate main street component housing smaller retailers.

The Garrison Woods development at Crowchild Trail SW and 33 Ave. SW is an example of a compact mixed-use development alongside an anchor driven traditional space extensive development. The commercial component is located on Garrison Gate SW. The Gateway at Garrison Woods development provides a mixed-use main street retail destination with smaller retailers and residential above. However, across the street is a more traditional development with a Safeway supermarket and a large parking field. Garrison Woods is illustrated in Figure 2 on the following page.

Another example is Quarry Park in south east Calgary. Quarry Park is a successful mixed-use suburban development with high, medium and low density housing, significant office and a retail centre. The development adheres to many smart growth principles with respect to compact development, walkability and multiple transit options. However, the retail centre is in the format of a typical space extensive grocery anchored development. Quarry Park is illustrated in Figure 3 on page 10.

3.3 Retailers

The majority of planned retail developments require anchor tenants. In neighbourhood/community oriented developments, these anchors are typically a supermarket or drug store. In larger developments, anchors could be department stores, home improvement centres or a number of mid box retailers such as apparel stores.

There are a number of retail trends that have implications on the tenancing of neighbourhood, community, and regional retail developments. These trends are briefly discussed below:

Blurring of Retail Channels

In the past, most retailers tended to focus on one particular line of merchandise. For example, grocery stores focused on food and drug stores focused on health related products. Recent changes in retailing have resulted in a tendency to create a 'one-stop' shopping experience in order to increase market share. Many retailers, which previously offered specific product lines, now offer a much wider range of merchandise. These retailers include Shoppers Drug Mart, Walmart Supercentre, Canadian Tire and Winners, as well as many others. The impact in terms of retail development is that there are fewer retail tenants available to anchor these centres.



FIGURE 2: GARRISON WOODS



FIGURE 3: QUARRY PARK RETAIL COMPONENT



Consolidation

Many major Canadian chains have increased their scale through acquisitions. Examples include:

- Canadian Tire Limited \$0.8 billion acquisition of the Forzani Group;
- Sobeys Inc. \$5.8 billion purchase of Canada Safeway Inc.;
- Leons Furniture Ltd. \$0.7 billion purchase of The Brick Ltd.;
- Loblaw Companies Limited \$12.4 billion purchase of Shoppers Drug Mart Corporation; and,
- Lowe's Companies Inc. \$3.2 billion purchase of Rona Inc.

The Centre for the Study of Commercial Activity (CSCA) at Ryerson University has noted that the top three retail organizations account for more than 25% of all retail sales in Canada. These acquisitions, which have resulted in such large retail companies, may result in limited demand for new retail locations, as retailers may choose to serve a broader market from fewer locations offering a wider range of merchandise.

Category Killers

The recent announcements of store closures in chains such as Best Buy/Future Shop and Staples have stated that closures are due, at least partially, to the influence of e-commerce. However, we note that these closures were overdue and instead are indicative of the evolutionary process of streamlining these business models.

These types of mid-box retailers will continue to operate in the Canadian marketplace. The best retailing locations in the largest markets will continue to be serviced by larger format retailing venues providing greater product selection, more customization options, showrooming, on-site pick up and interactive service.

Foreign Retailers in Canada

The Canadian marketplace has a long history of 'foreign' retailers operating in Canada, particularly from the United States. The relative stability of the Canadian marketplace in recent years has made Canada one of the more attractive locations for the expansion plans of various major international retailers including Marshall's, Lowe's, Zara, H&M, J. Crew, Muji, Restoration Hardware and Crate & Barrel. The CSCA identified that approximately 150 new retail chains have opened in Canada since 2005. The expansion of these retailers continues to drive demand for retail space.



High Fashion Department Stores

There have been a number of new entrants in the high fashion / department store arena. Nordstrom has opened stores in Calgary and Ottawa. There are currently three locations under development in Toronto. In addition, Nordstrom has announced it plans to open 12 to 15 of its discount chain stores, Nordstrom Rack, in Canada.

In July 2013, HBC purchased Saks Inc. To date two Saks Fifth Avenue locations have opened in the Toronto area. In addition, HBC has also committed to a number of Saks Off Fifth outlets in Canada. Four locations have opened in Ontario and a CrossIron Mills location is planned to open in fall 2016.

In terms of Canadian stores, Simons, Holt Renfrew and Harry Rosen continue to expand and renovate stores. Simons is planning to open a downtown Calgary store in 2017 in The Core shopping centre.

Other department store chains that have shown interest in the Canadian market include JC Penny, Kohl's and Bloomingdales. However, given Target's exit from Canada in 2015, these department stores may no longer be as aggressive with their Canadian expansion plans.

E-Commerce

Internet shopping has had an impact on some areas of the retail spectrum in terms of physical store space. This impact is particularly evident with the reduction of space previously occupied by soft goods categories and services like print media, movie rental and travel services. However, online shopping still represents a small share of overall retail trade in Canada and many foreign retailers have yet to provide direct access to their e-commerce services for the Canadian market.

3.4 Retail Trends Summary

The retail trends discussed in this section are applicable to Springbank. Although Springbank has a significant amount of land available, both Bingham Crossing and Harmony are planning non-traditional retail developments incorporating “main street” and “village core” aspects with compact areas.



4 Market Area Inventory of Retail / Service Space

The demand for retail / service space in the Springbank Area will be determined by the demand generated by the surrounding residents, as well as the current and proposed supply of retail / service (hereafter referred to as retail) space. This section of the report examines the current and planned / approved supply of retail service space. Section 7 will assess the demand generated by the existing and planned population.

4.1 Market Area Delineation

There is limited retail and service space in the Springbank Area. This is a function of the limited population as well as the large amount of retail space in neighbouring Calgary and Cochrane.

In order to assess the surrounding retail competition, TER delineated a Market Area and conducted an inventory of commercial space within the Market Area. The Market Area is the area in which existing and proposed retail developments will exert influence on the future retail development within the Springbank Area.

The Market Area is illustrated in Figure 4 on the following page. The Market Area is defined by Cowboy Trail (Highway 22) to the west, Elbow River to the south and Crowchild Trail/Highway 1A to the north.

4.2 Retail Tenant Typology

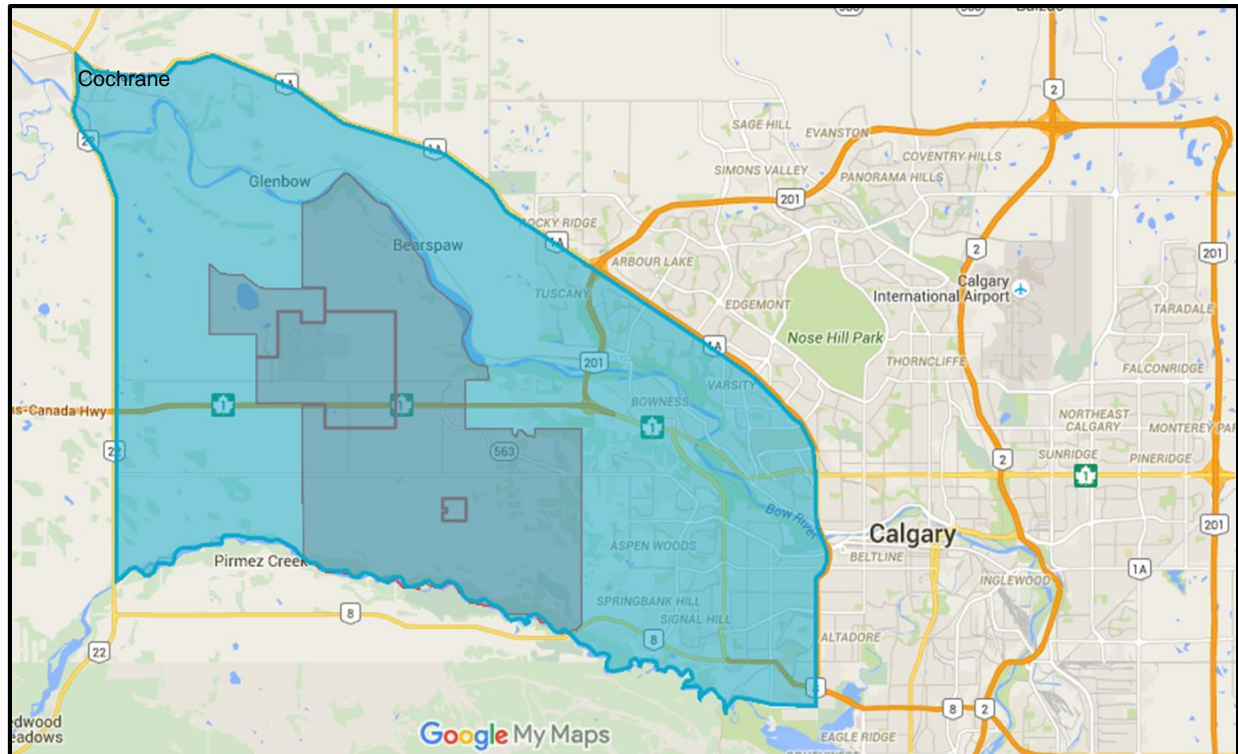
Retail developments or nodes typically contain two types of tenants: 1) Specialty / Destination retailers; and 2) Convenience / Local retailers. Each type of tenant and the goods and services provided have a different function within the market.

Specialty / Destination Retailers and Service Providers

- Destination retailers provide “higher order” goods and services. These goods and services are purchased infrequently. These retailers draw shoppers from a larger trade area or, conversely, shoppers are willing to travel longer distances to shop at these stores. Specialty / destination retailers are located in regional centres, which are smaller in number and spaced further apart.
- Generally, destination retailers sell comparison goods, which are products that consumers often compare prices and other attributes on before making a decision (i.e. appliances, cars and clothing). Typically, retailers of comparison goods tend to locate in close proximity to one another such as shopping malls for clothing or automotive parks for cars.
- Destination services such as doctors, travel agents, etc. are similar in function to destination retailers. Restaurants, depending on the type, can also act as destination services and attract customers from a wide area.



FIGURE 4: MARKET AREA



Convenience / Local Retailers and Service Providers

- Convenience retailers provide “lower order” goods and services. These goods and services are purchased frequently and are more common in nature. Generally, from a retail supply perspective, convenience / local retailers are located in neighbourhood and community sized centres, are more common in number and are located in close proximity to residential population for ease of access.
- Supermarkets and pharmacies are typically considered convenience retailers. There are a number of services, such as fast food or sit down restaurants, hair dressers and banks, that are also considered convenience services. These retailers and services typically have local trade areas and serve the local population on a frequent basis.

4.3 Market Area Existing Retail Nodes

TER conducted an inventory of occupied and vacant retail and service space within the major retail nodes in the Market Area. Figure 5, on the following page, summarizes the retail nodes within the Market Area, the major anchors and their retail function. Figure 6 on page 16, illustrates the locations of the nodes. Figure A-1 in Appendix A provides a summary of the type of space by square footage in each node.



FIGURE 5
SURROUNDING RETAIL SUPPLY

| Map Key | Plaza/Centre/Node | Size (sq. ft.) | Type | Main Anchor |
|---------|--------------------------------------|----------------|--------------------|--|
| 1 | Springbank | 44,200 | Highway Commercial | n.a. |
| 2 | The Quarry + Surround | 676,500 | Community | Walmart / Canadian Tire |
| 3 | Rocky Ridge S.C. | 63,100 | Neighbourhood | Co-op |
| 4 | Tuscany Market | 86,000 | Neighbourhood | Sobeys |
| 5 | Crowfoot Crossing + Surround | 1,059,300 | Community | Rona / Co-op / Safeway / Canadian Tire |
| 6 | Dalhousie Station | 187,600 | Neighbourhood | Safeway / Chapters |
| 7 | Northland Village + Surround | 768,600 | Community | Walmart / Co-op |
| 8 | Brentwood Village | 368,100 | Community | Sears Home / Safeway |
| 9 | Market Mall | 954,600 | Regional | The Bay / Safeway |
| 10 | 16th Ave. NW & 49th St. NW | 77,600 | Neighbourhood | Safeway |
| 11 | Westbrook Mall + Surround | 479,700 | Community | Walmart / Safeway |
| 12 | Glamorgan S.C. | 93,400 | Neighbourhood | Safeway |
| 13 | Lakeview Plaza | 61,000 | Neighbourhood | IGA |
| 14 | RioCan Signal Hill Centre + Surround | 1,380,700 | Regional | RCSS / Lowe's / Canadian Tire |
| 15 | West Market Square + Surround | 102,100 | Neighbourhood | Sunterra Market |
| 16 | Strathcona Square | 65,800 | Neighbourhood | Sobeys |
| 17 | Aspen Landing + Surround | 231,500 | Neighbourhood | Safeway / Shoppers |
| 18 | West 85th S.C. + Surround | 234,400 | Neighbourhood | Co-op / No Frills |
| | Other | 507,500 | Neighbourhood | n.a. |

Source: TATE ECONOMIC RESEARCH INC.

The following observations are made with respect to Figures 5 and 6:

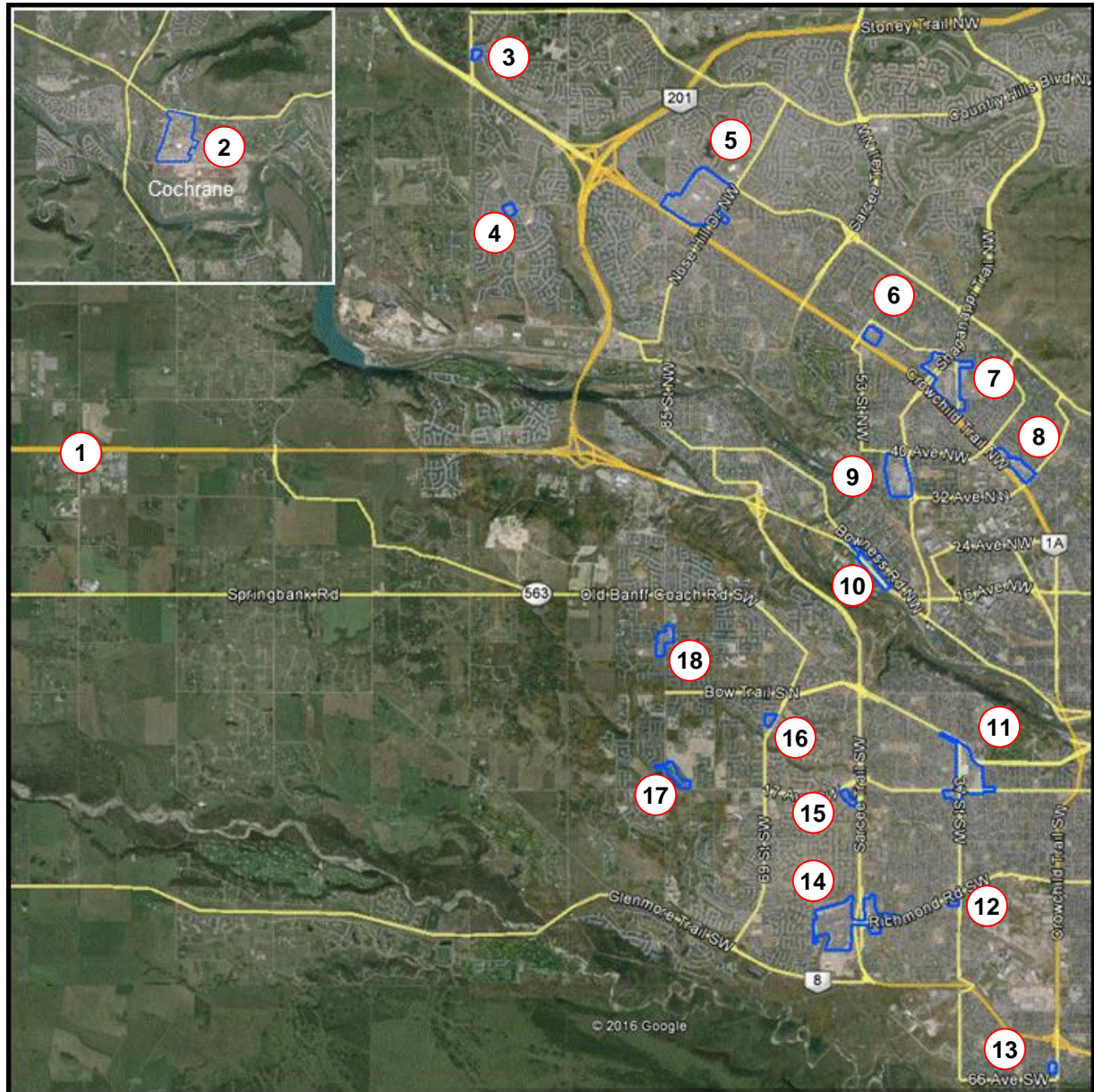
- There are 18 nodes / concentrations of retail space in the Market Area. These 18 nodes account for 6.9 million square feet of retail and service space. There is an additional 500,000 square feet of retail and service space in smaller plazas;
- There is approximately 40,000 square feet of retail commercial space in Springbank, the majority of which is located in Springbank Commercial Park. The Springbank Pet Hospital and Springbank Pet Resort account for 58.1% of the space. The Springbank Area space is highly specialized and does not serve as a destination, nor fulfill a comprehensive convenience function for local residents;
- Springbank residents are adequately served by regional type retail at Market Mall (Node 9) and RioCan Signal Hill and Surrounding (Node 14). The option to drive to these nodes for specialty / destination types of goods and services is reasonable given that these goods and services are typically purchased infrequently and shoppers are willing to travel longer distances to shop at these stores;
- There are also a number of options for big box and mid box shopping (i.e. Canadian Tire, London Drugs, Walmart etc.) at The Quarry in Cochrane (Node 2), Crowfoot Crossing and Surrounding (Node 5), Westbrook Mall and Surrounding (Node 9) and Northland Village and Surrounding (Node 7). Similar to the regional type of nodes, typically the retailers in these nodes are not



visited on a daily, or even weekly basis, and therefore the distance is reasonable if not ideal;

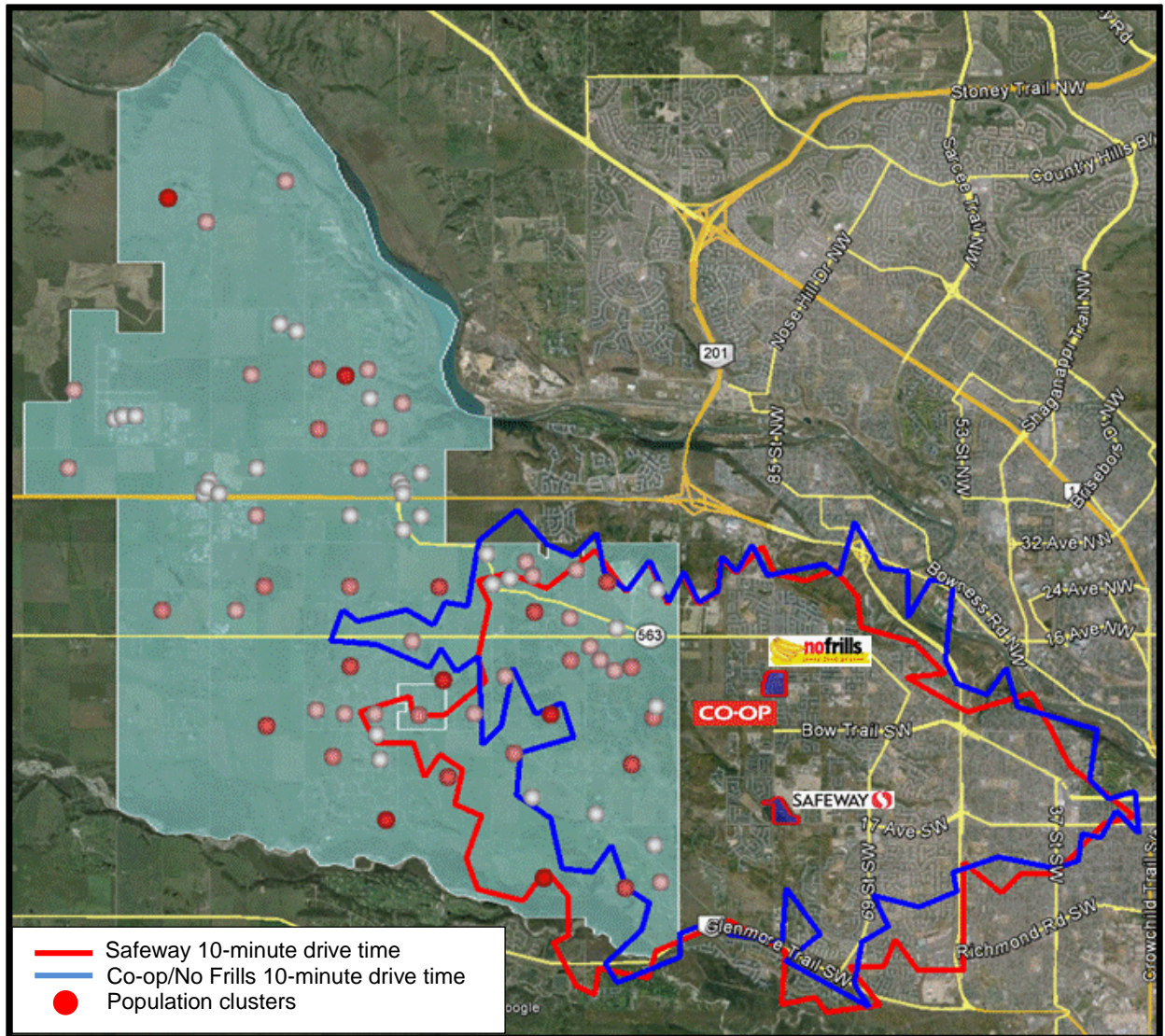
- Springbank Area residents are underserved with respect to convenience / local retailers. Specifically, there are not any satisfactorily located supermarket anchored neighbourhood centres serving Springbank Area residents. The closest supermarkets are Co-op and No Frills in West 85th Shopping Centre and Surrounding (Node 18) and the Safeway in Aspen Landing (Node 17).

FIGURE 6: MARKET AREA RETAIL NODES



To illustrate the supermarket anchored neighbourhood centre supply, TER examined the drive time isochrones around the three closest supermarkets to Springbank. These driving times are illustrated in Figure 7:

FIGURE 7: CURRENT SUPERMARKET SERVICE LEVEL



The following observations are made with respect to Figure 7:

- Generally, two-thirds of supermarkets consumers originate within a 10-minute drive time. The red line is the 10 minute isochrones (drive times) centred on the Safeway at Aspen Landing and the blue line is the 10-minute isochrones centred around 85th St. SW and 9 Ave. SW which is the central point for the Co-op and No Frills;



- The population circles represent 2011 Census population concentrations within the Dissemination Blocks in Springbank, with the darker colours representing higher concentrations;
- Based on the analysis in Figure 7, only about 26.5% of Springbank Area residents (1,711 persons) are located within a 10-minute drive time of a supermarket and therefore could be defined as being adequately served by a supermarket; and,
- The Springbank Area is not within a 10-minute drive time of any of the Cochrane supermarkets.

It is the opinion of TER, that the location of Springbank is advantageous with respect to its access to a wide array of retail and service uses in neighbouring Calgary and Cochrane. However, this proximity has also led to the Springbank Area residents being underserved in certain categories. Currently the low density of development and corresponding low population in Springbank does not support a wide array of retail development. Section 7 of this report examines the demand for retail and service space based on the existing and future population growth.

4.4 Proposed Major Retail Developments

As part of this analysis, TER has accounted for the planned / approved major retail commercial developments in the surrounding area. The purpose of this analysis is to examine the impact these developments may have on the future service level of Springbank Area residents and the requirements for additional space.

Currently, there are five major retail commercial developments proposed in the surrounding area that will have an impact on the future service level of Springbank Area residents and the requirements for additional space.

Figure 8, on the following page, provides a summary of the five major retail commercial developments planned / approved in the surrounding area. Figure 9 illustrates the locations of these developments. The following observations are made with respect to Figures 8 and 9:

- Bingham Crossing (Map Key 1) is a planned mixed-use development consisting of retail, office and seniors housing components. The entire site is approximately 309 acres. The first phase, which has been approved and zoned, consists of approximately 80 acres. There is approximately 270,000 square feet of retail and office and approximately 230 – 270 seniors units in various formats. The retail and office component will be in the form of a “main street”, internal to the site with larger uses along Trans-Canada Highway. At the time of



this report, it is TER’s understanding that a supermarket anchor has not been secured. It is anticipated that Bingham Crossing will open in 2018.

**FIGURE 8
PROPOSED / APPROVED MAJOR RETAIL DEVELOPMENTS**

| Map Key | Plaza/Centre | Size (sq. ft.) | Type | Main Anchor |
|---------|--|----------------|---------------------|--------------------------------------|
| 1 | Bingham Crossing (Rencor Developments) | 270,000 | Lifestyle/Mixed Use | Food Store (Max Size 55,000 sq. ft.) |
| 2 | Harmony (Bordeaux Developments) | 115,000 | Village Core | Food Store |
| 3 | Highstreet (Shape Properties) | 650,000 | Mixed Use | Unknown |
| 4 | Bow Valley Crossing (Loblaws / BVX Development Corp.) | 350,000 | Mixed Use | Real Canadian Superstore |
| 5 | Trinity Hills (Trinity Developments) | 750,000 | Mixed Use | Real Canadian Superstore, Cineplex, |

Source: TATE ECONOMIC RESEARCH INC.

FIGURE 9: PROPOSED / APPROVED MAJOR RETAIL DEVELOPMENTS



- Harmony (Map Key 2) is a planned residential community consisting of 3,500 residential units, 115,000 square foot of retail in a “village core” and up to 2,000,000 square feet of office and light industrial space on lands surrounding Springbank Airport. It is our understanding that the “village core” will be anchored by a food store. The build out of Harmony will take approximately 15 years. It is likely that the village core will be completed in the next 5-7 years.
- Highstreet (Map Key 3) is a large mixed-use development fronting onto Trans-Canada Highway approximately 7 kilometres east of Bingham Crossing. The proposal includes approximately 650,000 square feet of commercial space and 1,000 residential units. There is limited information available regarding this project. Build out of this development cannot occur until the Valley Ridge / Trans-Canada Highway interchange is upgraded which is part of the West Calgary Ring Road. It is our understanding the ring road has been delayed and completion is now scheduled for 2025.
- Bow Valley Crossing (Map Key 4) is mixed-use development adjacent to the Highstreet development. The proposed development consists of 330,000 square feet of retail, 36,000 square feet of office space, and 779 medium and high density residential units. The development will be anchored by a Real Canadian Superstore. Similar to the Highstreet development, build out will be contingent on the Valley Ridge / Trans Canada Highway interchange completion, and is therefore considered to be longer time.
- Trinity Hills (Map Key 5) is a mixed-use development consisting of 700,000 square feet of retail space, 250,000 square feet of office and 1,500 residential units. There are a number of confirmed tenants including Real Canadian Superstore, MEC, LA Fitness, and Cineplex Odeon. Construction has commenced and will likely be completed in 2019.

There is a significant amount of planned / approved retail development in Springbank and the surrounding area. With the exception of Trinity Hills and Bow Valley Crossing, none of the other developments have confirmed anchor tenants. Given the long-term nature of the developments, it is likely that the ultimate development will evolve somewhat from the current proposals.

4.5 Springbank Vacant Designated Lands

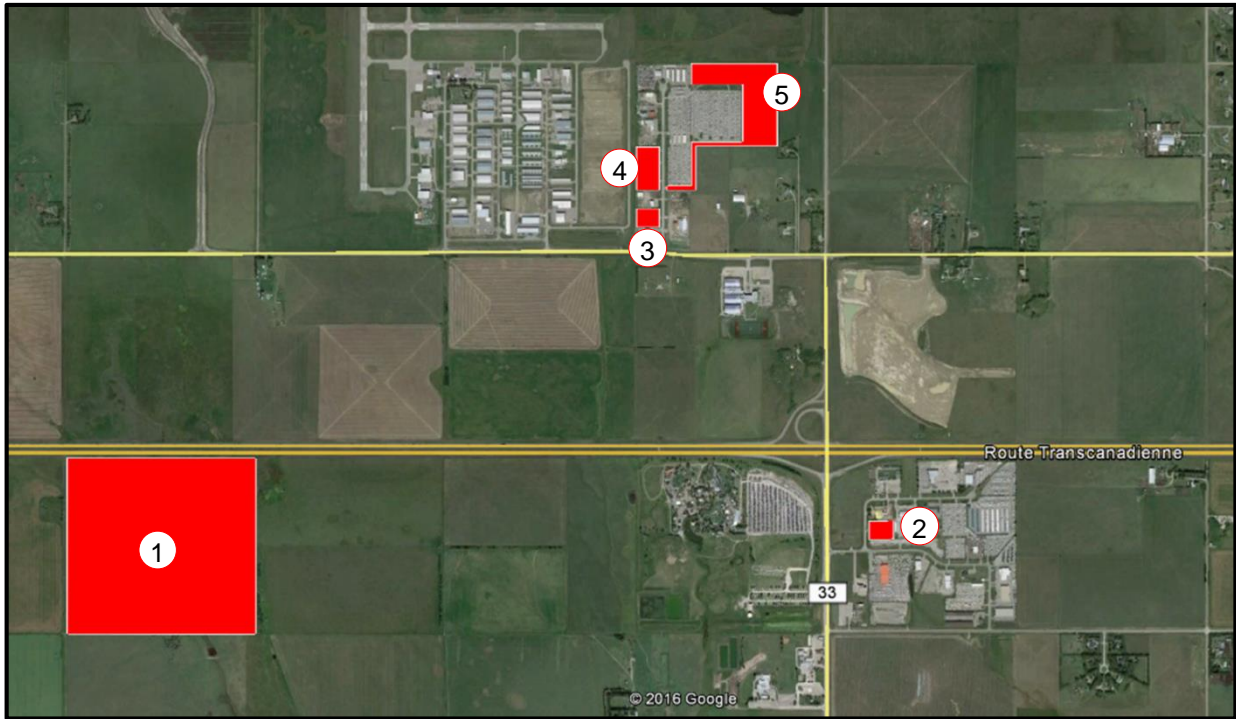
Figure 10, on the following page, illustrates the locations of the five vacant designated sites within the Springbank Area.

It is our understanding that Site 3 has a development permit for an automotive, equipment and vehicle services development. The remainder of the sites do not have any active applications.



It is the opinion of TER that none of the five sites would be suitable for retail development given their location, size and accessibility characteristics.

FIGURE 10: VACANT DESIGNATED SITES IN SPRINGBANK



4.6 Market Area Inventory of Retail and Service Summary

There has been limited retail and service development in Springbank. This is a function of the limited population as well as the large amount of retail space in neighbouring Calgary and Cochrane. Springbank Area residents are primarily served by the existing retail developments in these areas.

However, there is likely the requirement for a supermarket anchored development in closer proximity to the existing population than is currently available. The next sections of this report will examine the retail requirements of the future populations and whether there is a requirement for additional retail lands.



5 Population Levels

Population growth impacts the need for non-residential lands in different ways. Population-related development (i.e. retail commercial, personal service and institutional uses) is attracted to locations convenient to local residents. Generally, as the population grows, the demand for population-related development also increases to service the needs of the local community (subject to available services within the surrounding market area).

5.1 Population Growth

For the purpose of this analysis, TER has identified the market demand for retail and service space in the Springbank Area in 2016, 2021, 2026 and 2031.

In order to conduct the population forecast, TER has divided the Springbank Area population into two zones: 1) Springbank (Springbank North, Springbank Central and Moddle); and 2) Harmony.

Figure 11 illustrates the population forecast for the Springbank Area. The forecast is based on the assumption that Springbank will grow at a rate of 2.5% every five years between 2016 – 2031. This forecast is the County’s best estimate given historical growth as well as knowledge of future growth options.

The Harmony forecast is based on information from the developers with respect to unit buildout. Harmony is forecast to build out by 2031 with an estimated population of 11,520 persons.

| FIGURE 11 SPRINGBANK AREA POPULATION | | | | |
|---|--------------|---------------|---------------|---------------|
| | 2016 | 2021 | 2026 | 2031 |
| Springbank | 7,080 | 7,250 | 7,430 | 7,620 |
| Period Increase | | 170 | 180 | 190 |
| Annual Average | | 0.5% | 0.5% | 0.5% |
| Harmony | 250 | 5,450 | 10,940 | 11,520 |
| Period Increase | | 5,200 | 5,490 | 580 |
| Annual Average | | 416.0% | 20.1% | 1.1% |
| Total Springbank Area | 7,330 | 12,700 | 18,370 | 19,140 |
| Period Increase | | 5,370 | 5,670 | 770 |
| Annual Average | | 14.7% | 8.9% | 0.8% |
| Source: TATE ECONOMIC RESEARCH INC. | | | | |
| 1) See Appendix B for detailed forecasts | | | | |



5.2 Population Summary

Overall, the population of the Springbank Area is expected to increase from its current level of approximately 7,330 persons to 19,140 persons by 2031. This growth represents an increase of 11,810 persons. The Harmony development accounts for 95% of the population growth.

Although the Springbank Area is forecast to experience significant population growth in percentage terms, the resulting 2031 population of 19,140 is relatively small in terms of support for retail / service space.



6 Retail / Service Expenditure Potential

In this section of the report, TER has calculated the total Non Food Oriented Retail (NFOR) and Food Oriented Retail (FOR) expenditure potential for the Springbank Area. This section of the report also defines the service uses quantified in the ensuing analyses.

6.1 Non Food Oriented Retail (NFOR) & Food Oriented Retail (FOR) Defined

Figure 12 illustrates the merchandise categories that are included in the TER defined NFOR and FOR categories. The merchandise categories correspond to various levels of the North American Industry Classification System (NAICS) categories. The NFOR and FOR definitions are found in Appendix A.

| FIGURE 12 NON FOOD ORIENTED (NFOR) and FOOD ORIENTED RETAIL (FOR) CATEGORIES |
|---|
| NFOR Categories |
| Automotive Furniture, Home Furnishings and Electronics Building and Outdoor Home Supplies Stores Pharmacies and Personal Care Stores Clothing & Accessories Stores Miscellaneous Retailers General Merchandise Stores Warehouse Membership Clubs Home and Auto Supplies Stores Department Stores All Other General Merchandise Stores |
| FOR Categories |
| Supermarkets and Other Grocery Stores Convenience Stores Specialty Food Stores |
| Source: TATE ECONOMIC RESEARCH INC. |

6.2 NFOR & FOR Per Capita Expenditure

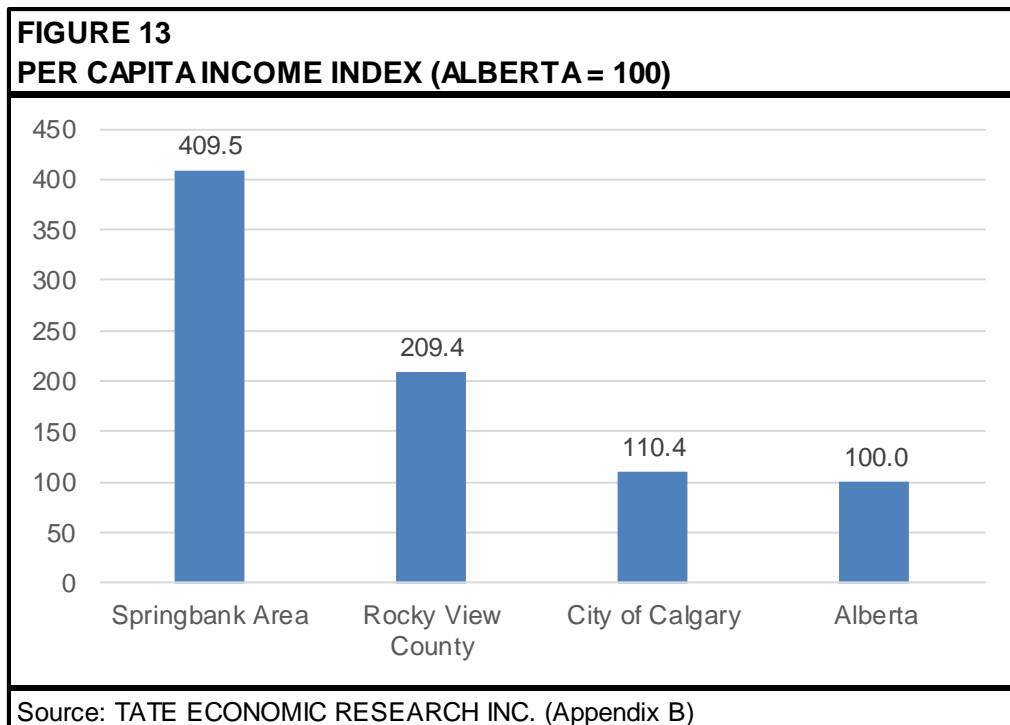
Statistics Canada Retail Trade data indicates that on average in 2016 each Alberta resident will spend approximately \$7,759 annually at NFOR stores, as defined by TER.



TER is able to estimate the Springbank Area residents' expenditures through the use of a regression equation which accounts for the significantly higher per capita income of the Springbank residents' in relation to Alberta residents as illustrated in Figure 13. The result is that TER estimates Springbank residents will spend \$14,965 annually at NFOR stores in 2016.

For the purpose of this analysis, TER has calculated the Harmony residents' expenditures using the Rocky View income index. The result is that TER estimates Harmony residents will spend \$10,305 annually at NFOR stores in 2016. Based on previous market trends TER has forecast that these NFOR expenditures will increase at 0.5% per year, exclusive of inflation.

Statistics Canada Retail Trade data indicates that on average in 2016, each Alberta resident will spend approximately \$2,687 annually at FOR stores. In 2016 TER estimates that Springbank residents will spend \$3,600 annually and Harmony residents will spend \$3,010. Based on previous market trends, TER has forecast that these FOR expenditures will increase at 0.25% per year, exclusive of inflation.

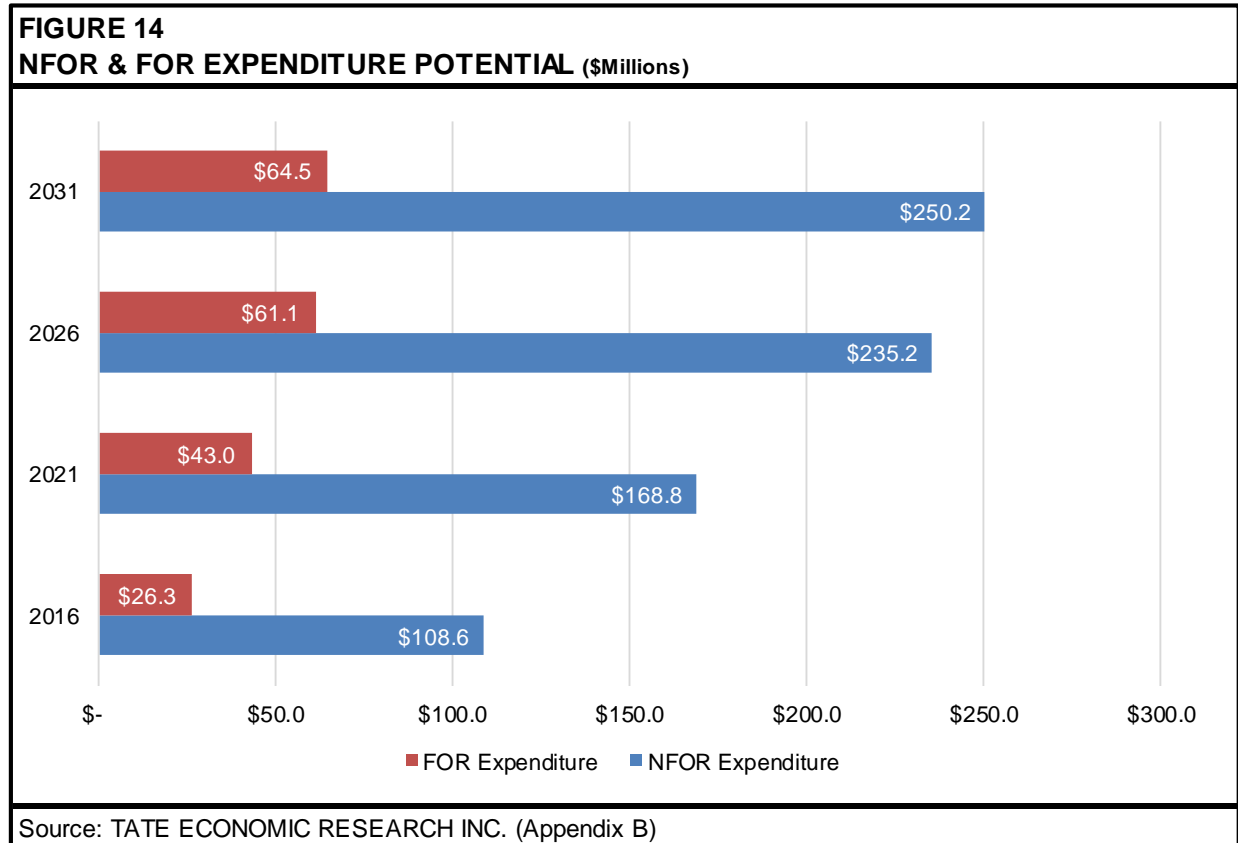


6.3 NFOR & FOR Expenditure Potential

Figure 14, on the following page, summarizes the NFOR and FOR expenditure potential for the Springbank Area. Currently, Springbank Area residents spend approximately \$108.6 million at NFOR stores. As there is limited NFOR space in Springbank, these expenditures are being made in Calgary and other areas. This NFOR expenditure amount is forecast to increase to \$250.2 million annually by 2031 as a result of population and expenditure growth.



Currently, Springbank Area residents spend approximately \$26.3 million at FOR stores in Calgary and other areas. This FOR expenditure amount is forecast to increase to \$64.5 million annually by 2031 as a result of population and expenditure growth.



6.4 Service Space Defined

In order to quantify market demand for service space, TER has applied a per capita ratio. Figure 15 on the following page illustrates the types of uses within the service categories. In addition to quantifying service space through a per capita ratio, service space can also be generally quantified as a component of retail developments. Typically, service space accounts for 25% to 40% of retail developments.



| FIGURE 15 RETAIL AND SERVICE INVENTORY CLASSIFICATION CODES | |
|--|---|
| <p>BEER, WINE & LIQUOR</p> <ul style="list-style-type: none"> Liquor Beer Wine <p>SERVICES: EATING & DRINKING</p> <ul style="list-style-type: none"> Restaurants (Licenced) Restaurants (Not Licenced) Fast Food Donuts/Cookies/Muffins Ice Cream/Yogurt Cafeterias Specialty Coffee <p>SERVICES: PERSONAL</p> <ul style="list-style-type: none"> Beauty/Hair Barber Dry Cleaning (Plant) Dry Cleaning (Pickup) Laundry Shoe Repair Travel Agent Photographer | <p>FINANCIAL AND REAL ESTATE SERVICES</p> <ul style="list-style-type: none"> Bank/Trust/Credit Union Real Estate Insurance Brokerage Accounting <p>SERVICES: OTHER</p> <ul style="list-style-type: none"> Video Tape Rental Health/Tanning Salon Movie Theatre/Cinema Amusement Arcade Bowling/Billiards Medical/Dental Legal Post Office Library |
| Source: TATE ECONOMIC RESEARCH INC. | |

6.5 Retail / Service Expenditure Potential Summary

The Springbank Area is unique in that the residents have significant expenditure potential, very little of which is being made locally as there is limited retail and service space in the Springbank Area.



7 Market Demand & Commercial Land Needs Analysis

This section of the report examines how much retail and service space could be accommodated in the Springbank Area based on the expenditure potential of the residents, per capita service space requirements as well as locational and surrounding competitive factors.

7.1 Springbank Area Warranted Space

Figure 16, on the following page, summarizes our analysis of the amount of retail and service space Springbank Area residents can support based on current and future population as well as the surrounding competitive environment. In order to quantify the retail and service space requirements of the Springbank Area, TER undertook the following analysis work steps:

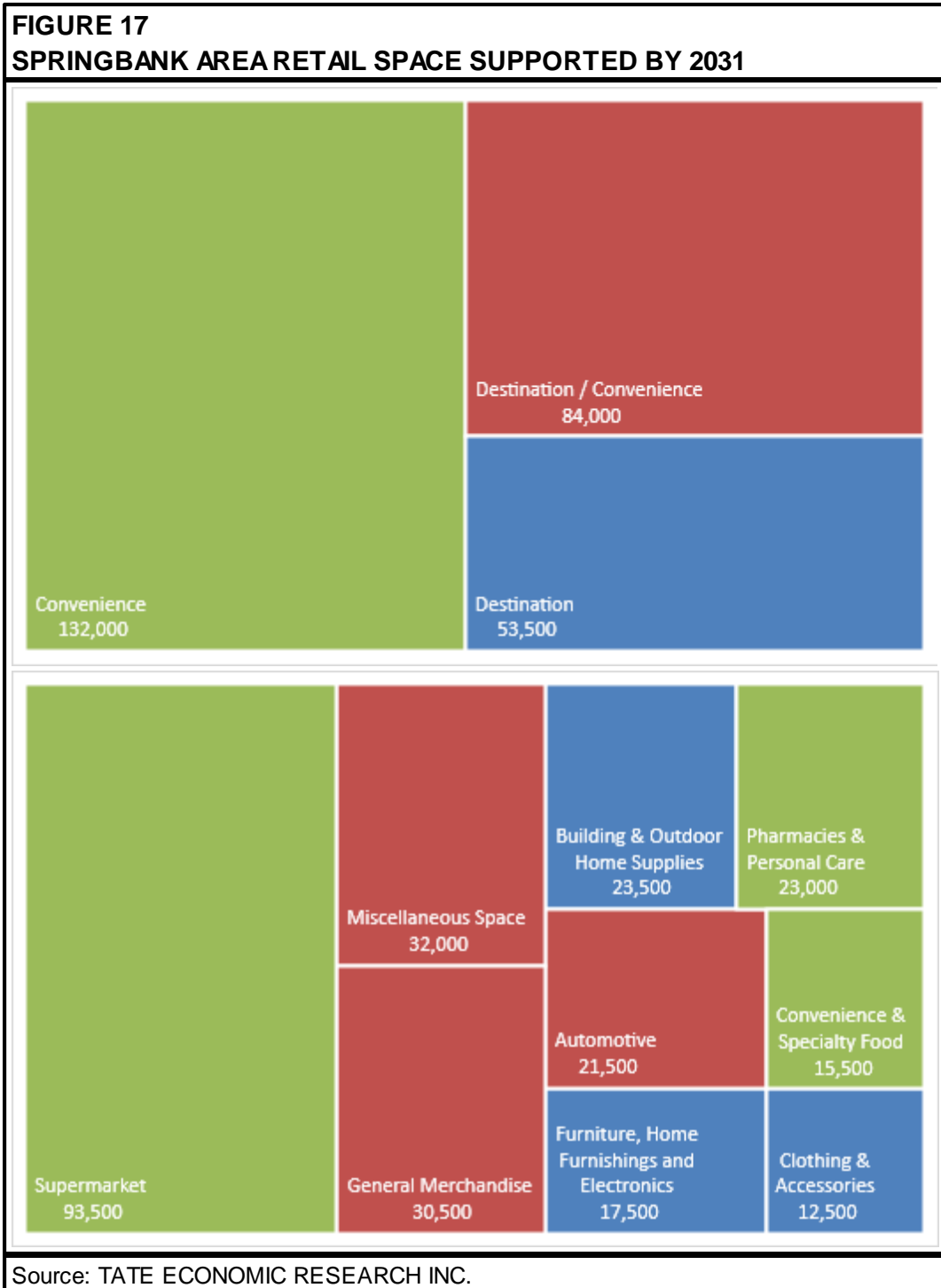
- With respect to retail demand, TER applied the provincial distribution of retail sales (based on Statistics Canada Retail Trade) to the expenditure potential resulting in the expenditure potential by NAICS retail trade categories. In order to convert the retail expenditures into square footage requirements, TER has applied a sales per square foot performance level. The sales per square foot performance levels for each category are based on industry averages;
- With respect to the demand for service space, TER has applied a ratio of 23.5 square feet of service space per capita. This per capita ratio is based on TER's experience in various Canadian markets. The service per capita ratio should be viewed as a general guideline as it is difficult to forecast service space due to the varied nature of the services themselves. The per capita ratio is multiplied by the Springbank Area population resulting in the amount of service space that can be supported by residents; and,
- As there is limited retail and service space in the Springbank Area, the vast majority of the expenditures made by the Springbank Area resident's are made in locations outside of Springbank. Given the large amount of retail space in neighbouring Calgary and Cochrane, it likely that Springbank Area residents will continue to spend a significant portion of their expenditures in these areas regardless of future retail developments in Springbank. This is particularly true in destination retail categories such as department stores and clothing and apparel. The portion of expenditures/square footage that are forecast to be made in Springbank is known as the capture rate. In this analysis, the capture rate represents the amount of space that can be reasonably supported by Springbank Area residents given the locational characteristics, surrounding competition as well as the relatively small build out population of the Springbank Area. This analysis quantified the amount of space Springbank Area residents can support without accounting for inflow of expenditures from people outside of Springbank such as tourists, passing traffic, etc.



| FIGURE 16 | | | | |
|--|-------------------|--------------------|--------------------|--------------------|
| SPRINGBANK AREA RETAIL & SERVICE MARKET DEMAND | | | | |
| | 2016 | 2021 | 2026 | 2031 |
| PREDOMINANTLY DESTINATION TYPE RETAIL | | | | |
| Warranted Department Stores Space @ \$490 per sq. ft. Springbank Area Capture Rate @ 0% | 32,500 0 | 50,000 0 | 69,500 0 | 74,500 0 |
| Warranted Clothing & Accessories Stores Space @ \$405 per sq. ft. Springbank Area Capture Rate @ 15% | 36,500 5,500 | 56,500 8,500 | 78,500 12,000 | 83,500 12,500 |
| Warranted Furniture, Home Furnishings & Electronics Stores Space @ \$450 per Springbank Area Capture Rate @ 20% | 38,000 7,500 | 59,000 12,000 | 82,000 16,500 | 87,000 17,500 |
| Warranted Building & Outdoor Home Supplies Stores Space @ \$350 per sq. ft. Springbank Area Capture Rate @ 25% | 40,500 10,500 | 63,000 16,000 | 87,500 22,000 | 93,000 23,500 |
| DESTINATION / CONVENIENCE RETAIL | | | | |
| Warranted Automotive Stores Space @ \$250 per sq. ft. Springbank Area Capture Rate @ 45% | 20,500 9,000 | 32,000 14,500 | 44,500 20,000 | 47,000 21,500 |
| Warranted Miscellaneous Retailer Stores Space @ \$370 per sq. ft. Springbank Area Capture Rate @ 40% | 35,000 14,000 | 54,000 21,500 | 75,500 30,000 | 80,000 32,000 |
| Warranted General Merchandise Stores Space @ \$530 per sq. ft. Springbank Area Capture Rate @ 40% | 33,500 13,500 | 51,500 20,500 | 71,500 28,500 | 76,500 30,500 |
| CONVENIENCE RETAIL | | | | |
| Warranted Pharmacies & Personal Care Stores Space @ \$875 per sq. ft. Springbank Area Capture Rate @ 75% | 13,500 10,500 | 20,500 15,500 | 29,000 22,000 | 30,500 23,000 |
| Warranted Convenience & Specialty Food Store Space @ \$350 per sq. ft. Springbank Area Capture Rate @ 75% | 8,500 6,500 | 13,500 10,500 | 19,000 14,500 | 20,500 15,500 |
| Warranted Supermarkets Space @ \$550 per sq. ft. Springbank Area Capture Rate @ 90% | 43,000 39,000 | 69,500 63,000 | 99,000 89,000 | 104,000 93,500 |
| DESTINATION / CONVENIENCE SERVICE | | | | |
| Service Space Per Capita @ 23.5 square feet per capita Springbank Area Capture Rate @ 40 % | 172,500 69,000 | 298,500 119,500 | 431,500 172,500 | 450,000 180,000 |
| TOTAL RETAIL AND SERVICE SPACE | | | | |
| Total Retail and Service Space Supported | 474,000 | 768,000 | 1,087,500 | 1,146,500 |
| Springbank Area Capture (sq. ft.) | 185,000 | 301,500 | 427,000 | 449,500 |
| Springbank Area Capture (%) | 39% | 39% | 39% | 39% |
| Contingency Factor + 10% | 204,000 | 332,000 | 470,000 | 494,000 |
| Contingency Factor - 10% | 167,000 | 271,000 | 384,000 | 405,000 |
| Land Required @ 25% Coverage (acres) | 18.7 15.3 | 30.5 24.9 | 43.2 35.3 | 45.4 37.2 |
| Source: TATE ECONOMIC RESEARCH INC. (Appendix B) | | | | |



Figure 17 illustrates the retail space supported by Springbank Area residents in 2031 by function and the specific categories by function.



The following observations are made with respect to Figures 16 and 17:

- Overall, in 2016, Springbank residents generate demand for approximately 474,000 square feet of retail and service space. This demand is forecast to increase to 1,146,500 square feet by 2031;
- Based on the Springbank Area location, the surrounding competition and total population, it is the opinion of TER that approximately 39% of the total demand could be supported in the Springbank Area resulting in approximately 185,000 square feet of retail and service space in 2016 increasing to 449,500 square feet by 2031. TER recognizes that the 2016 capture rate is conceptual, however the 2016 figure provides an illustration of the current deficit of space;
- It is the opinion of TER that the majority of supported space would be in the convenience categories. This opinion is based on the fact that the build out population of the Springbank Area is not large enough to support a significant amount of destination space without support from people living outside of the Springbank Area (known as inflow);
- As stated in Section 4.2, generally, from a retail supply perspective, convenience / local retailers are:
 - located in neighbourhood and community sized centres;
 - are more common in number; and
 - are located in close proximity to residential population for ease of access.

Given its rural location, any retail development will occur in planned retail developments. There is sufficient retail and service space demand to currently tenant a neighbourhood or community sized development and potentially two developments by 2026. Depending on the type and size of development, the ancillary space would be comprised of a combination of convenience retailers and service tenants and, less so, destination type retailers;

- Typically, neighbourhood and community sized centres are anchored by supermarkets and/or pharmacies. This tenanting pattern is reflected in the TER analysis which quantifies support for approximately 93,500 square feet of supermarket space and 23,000 square feet of pharmacy space by 2031;
- The TER analysis quantifies demand for approximately 39,000 square feet of supermarket space currently in 2016. This demand is estimated to increase to 63,000 square feet by 2021, 89,000 square feet by 2026 and 93,500 square feet by 2031. Supermarkets in the areas surrounding Springbank range from 20,000 to 115,000 square feet. Therefore, based on the analysis results, the Springbank Area could accommodate a supermarket now and multiple supermarkets by 2026 and beyond;



- Similarly, pharmacies range from 7,000 to 18,000 square feet and therefore, based on the analysis results, the Springbank Area could accommodate a pharmacy in 2016 and multiple pharmacies by 2026; and,
- TER applied a contingency factor of +/- 10% to quantify the amount of commercial land that would be required to accommodate all of the calculated demand. Based on a typical coverage ratio of 25.0% for retail centres, between 15.3 and 18.7 acres of commercial land would be required to accommodate the current demand in 2016. By 2031, this commercial land requirement will increase to between 37.2 and 45.4 acres.

Springbank Area residents have access to a wide range of retail and service space in neighbouring areas. However, as the population and demand increases, there will be a requirement for convenience and local serving retail closer to where the population lives.

7.2 Commercial Land Needs Analysis

This section of the report examines the demand generated by Springbank Area residents in the context of the planned developments in the area.

As per Section 4.4 of this report, there are two proposed retail developments in the Springbank Area: Harmony and Bingham Crossing. The following observations are made with respect to these two developments:

- Combined, these two proposals account for 385,000 square feet and both have proposed supermarket anchors. It is the opinion of TER that if both these developments build out with their supermarket anchors then this would be sufficient in terms of accommodating Springbank Area residents' requirements for convenience oriented developments. TER has assumed that given that a supermarket is proposed in both developments, additional convenience type retail, such as a pharmacy, would also locate in these two developments;
- The challenge is that both developments are not planned as traditional supermarket anchored convenience oriented developments and therefore it may be difficult to attract a supermarket anchor to either location. Furthermore, the Harmony commercial centre is located centrally within the larger Harmony development and therefore, it may be difficult to attract a sizeable supermarket. While neither development has secured a supermarket anchor, the land use bylaw allows for a maximum 55,000 square foot supermarket at Bingham Crossing and a supermarket with no cap at Harmony; and,
- Bingham Crossing is also proposed as a lifestyle centre and therefore will have a number of destination retailers which would be supported by Springbank Area residents and shoppers from outside the area.



7.3 Market Demand & Commercial Land Needs Analysis Summary

It is the opinion of TER that if the Harmony and Bingham Crossing developments build out as planned, there will not be a requirement for additional commercial lands to support the convenience needs of Springbank Area residents.



8 Business Area Policy Analysis

Rocky View has identified two areas within the Springbank Area and one outside of the Springbank Area where future commercial opportunities, if required, could be accommodated. The two areas within the Springbank Area are the highway business centre located at Highway 1 & Range Road 33 and the regional industrial centre at Springbank Airport. The third area is the highway business centre at Highway 1 & Highway 22. These three areas are identified in Figure 1 as commercial focal areas.

This section of the report identifies the appropriateness of these districts for commercial use and provides comments on the supporting Land Use Bylaws.

8.1 Business Areas

As stated in the previous section of the report, the Bingham Crossing and Harmony Developments, if built as planned, will provide sufficient convenience and local serving retail for the Springbank Area residents as well as providing destination type retail.

It should be noted that this analysis does not quantify the demand for regional types of retail that are unique to the Calgary market such as an outlet centre. An application was made for a retail outlet centre at the south west quadrant of Highway 1 & Range Road 33 which was subsequently withdrawn. The reasons for the withdrawal of the application were not market demand related. It is the opinion of TER that from a market demand perspective, Highway 1 & Range Road 33 is an appropriate location for this type of retail should an application be submitted in the future.

It is the opinion of TER that any retail development at Highway 1 & Highway 22 would be premature as there is significant capacity for growth at Highway 1 & Range Road 33.

This report has not examined the demand for industrial / major office uses, however, from a locational context, the focus of employment uses around Springbank Airport is appropriate and will complement the proposed employment districts as part of the Harmony development which is also adjacent to the Springbank Airport areas.

8.2 Land Use Bylaws

TER has reviewed the commercial Land Use By-laws. For the most part, the Land Use By-laws allow for a broad array of commercial uses with various restrictions on parcel size and uses.

As the population of the Springbank Area increases, the ability of residents to conduct their grocery shopping in close proximity to their place of residence will be important from a planning perspective. Although Bingham Crossing and Harmony both have supermarkets planned, it is not a given that supermarkets will ultimately anchor both developments. The County should consider eliminating the size restrictions on grocery



stores which is stated as a maximum of 600 square metres (6,458 square feet) in many of the Land Use categories as the typical grocery stores range from 30,000 to 65,000 square feet.



Appendix A – Inventory of Competitive Retail Space & Definition of Terms

TER conducted an inventory of occupied and vacant retail and service space within the major retail nodes in the Market Area. The inventory was conducted in April 2016. The TER inventory is based on Gross Leasable Area (GLA) as defined below.

Gross Leasable Area (GLA)

Gross leasable area (GLA) is the total floor area designed for tenant occupancy and exclusive use, including basements, upper floors and mezzanines. It is expressed in square feet, and measured from the centre line of joint partitions and from outside wall faces. GLA is the area on which tenants pay rent, and which produces income for a tenant. Since it lends itself readily to measurement and comparison, GLA has been adopted by the shopping centre industry as its standard for statistical comparison.

When TER undertook the inventory of competitive space in the Market Area, only ground floor retail and storage space was included. Mezzanines and basement space were only included when the entire facility was located in an upper or lower level of a building.

TER Retail and Service Classification System

TER has used the North American Industrial Classification System (NAICS) for classification of retail space. NAICS retail definitions are included as Figures A-2 and A-3. The Inventory Classification system used by TER is indicated in Figure A-4. It is based on NAICS codes to correspond with the most recently published Statistics Canada Retail Trade data.

List of Figures

Figure A-1: Summary of Retail and Service Space in the Market Area

Figure A-2: NAICS Definitions of NFOR Items

Figure A-3: NAICS Definitions of FOR Items

Figure A-4: Retail and Service Classification Codes



**FIGURE A-1
SUMMARY OF RETAIL AND SERVICE SPACE IN THE MARKET AREA ¹⁾**

| | Springbank Nodes 1 | The Quarry + Surround 2 | Rocky Ridge S.C. 3 | Tuscany Market 4 | Crowfoot Crossing + Surround 5 | Dalhousie Station 6 | Northland Village + Surround 7 | Brentwood Village 8 | Market Mall 9 | 16th Ave. NW & 49th St. NW 10 |
|---|--------------------------|-------------------------------|--------------------------|------------------------|---|---------------------------|---|---------------------------|------------------|-------------------------------------|
| Food Oriented Retail (FOR) | | | | | | | | | | |
| Supermarkets | 0 | 118,300 | 44,400 | 42,800 | 134,300 | 57,000 | 54,900 | 70,400 | 49,300 | 40,100 |
| Convenience & Specialty Food Stores | 0 | 7,200 | 0 | 3,000 | 35,700 | 900 | 8,300 | 0 | 1,300 | 0 |
| Sub-Total Food Oriented Retail (FOR) | 0 | 125,500 | 44,400 | 45,800 | 170,000 | 57,900 | 63,200 | 70,400 | 50,600 | 40,100 |
| Non Food Oriented Retail (NFOR) | | | | | | | | | | |
| Department Stores | 0 | 95,600 | 0 | 0 | 0 | 0 | 150,500 | 0 | 200,000 | 0 |
| General Merchandise | 0 | 112,000 | 0 | 0 | 0 | 7,500 | 95,500 | 0 | 1,400 | 2,000 |
| Clothing, Shoes & Accessories | 0 | 28,000 | 0 | 0 | 46,100 | 12,700 | 86,100 | 6,600 | 280,600 | 0 |
| Furniture, Home Furnishings & Electronics | 600 | 11,300 | 0 | 0 | 34,000 | 15,000 | 66,200 | 98,200 | 56,100 | 0 |
| Pharmacies & Personal Care Stores | 0 | 30,900 | 0 | 11,000 | 35,300 | 3,800 | 19,700 | 28,800 | 53,600 | 2,300 |
| Building & Outdoor Home Supplies | 2,200 | 16,900 | 0 | 0 | 151,400 | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous Retailers | 0 | 36,600 | 0 | 1,300 | 73,500 | 26,400 | 22,000 | 6,100 | 118,700 | 3,600 |
| Automotive | 0 | 0 | 0 | 0 | 5,400 | 0 | 600 | 0 | 0 | 0 |
| Sub-Total Non Food Oriented Retail (NFOR) | 2,800 | 331,300 | 0 | 12,300 | 345,700 | 65,400 | 440,600 | 139,700 | 710,400 | 7,900 |
| Other Retail & Service Space | | | | | | | | | | |
| Liquor, Beer & Wine | 0 | 17,500 | 4,100 | 3,900 | 32,900 | 2,500 | 8,100 | 11,400 | 1,200 | 1,400 |
| Food Services | 3,000 | 45,200 | 1,300 | 9,500 | 176,200 | 23,200 | 33,500 | 35,700 | 27,400 | 16,900 |
| Personal Services | 3,400 | 15,400 | 1,300 | 2,900 | 43,900 | 5,600 | 14,400 | 8,900 | 13,100 | 3,500 |
| Financial & Real Estate Services | 0 | 16,200 | 6,700 | 2,800 | 74,700 | 11,200 | 21,500 | 32,300 | 15,700 | 3,700 |
| Medical, Dental, Health & Legal Services | 1,000 | 22,600 | 2,300 | 4,600 | 60,400 | 11,400 | 31,700 | 36,700 | 0 | 3,100 |
| Other Services | 34,000 | 26,000 | 3,000 | 4,200 | 150,100 | 2,300 | 78,800 | 11,500 | 2,600 | 1,000 |
| Sub-Total Other Retail & Service Space | 41,400 | 142,900 | 18,700 | 27,900 | 538,200 | 56,200 | 188,000 | 136,500 | 60,000 | 29,600 |
| Total Occupied Retail & Service Space | 44,200 | 599,700 | 63,100 | 86,000 | 1,053,900 | 179,500 | 691,800 | 346,600 | 821,000 | 77,600 |
| Vacant | 0 | 76,800 | 0 | 0 | 5,400 | 8,100 | 76,800 | 21,500 | 133,600 | 0 |
| Vacancy Rate (%) | 0.0% | 11.4% | 0.0% | 0.0% | 0.5% | 4.3% | 10.0% | 5.8% | 14.0% | 0.0% |
| Total Retail & Service Space | 44,200 | 676,500 | 63,100 | 86,000 | 1,059,300 | 187,600 | 768,600 | 368,100 | 954,600 | 77,600 |

Source: TATE ECONOMIC RESEARCH INC.

¹⁾ Based on inventory and site inspections completed by TER in April 2016. Rounded to the nearest 100 square feet.



FIGURE A-1 (continued)
SUMMARY OF RETAIL AND SERVICE SPACE IN THE MARKET AREA ⁽¹⁾

| | Westbrook Mall + Surround Nodes | Glamorgan S.C. 12 | Lakeview Plaza 13 | Riocan Signal Hill Centre + Surround 14 | West Market Square + Surround 15 | Strathcona Square 16 | Aspen Landing + Surround 17 | West 85th S.C. + Surround 18 | Other 19 | Total |
|---|--|----------------------|----------------------|---|---|----------------------------|--------------------------------------|------------------------------------|----------------|------------------|
| Food Oriented Retail (FOR) | | | | | | | | | | |
| Supermarkets | 48,000 | 38,200 | 19,700 | 229,300 | 20,800 | 25,000 | 50,000 | 72,300 | 0 | 1,114,800 |
| Convenience & Specialty Food Stores | 11,000 | 6,100 | 4,700 | 5,800 | 2,600 | 0 | 11,000 | 4,200 | 36,400 | 138,200 |
| Sub-Total Food Oriented Retail (FOR) | 59,000 | 44,300 | 24,400 | 235,100 | 23,400 | 25,000 | 61,000 | 76,500 | 36,400 | 1,253,000 |
| Non Food Oriented Retail (NFOR) | | | | | | | | | | |
| Department Stores | 158,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 604,100 |
| General Merchandise | 14,100 | 0 | 0 | 78,800 | 0 | 0 | 0 | 0 | 2,000 | 313,300 |
| Clothing, Shoes & Accessories | 21,600 | 0 | 1,000 | 152,600 | 1,100 | 2,800 | 12,100 | 3,900 | 3,500 | 658,700 |
| Furniture, Home Furnishings & Electronics | 4,600 | 0 | 0 | 147,100 | 1,100 | 0 | 2,200 | 0 | 4,600 | 441,000 |
| Pharmacies & Personal Care Stores | 28,400 | 400 | 7,000 | 48,800 | 2,400 | 9,400 | 17,000 | 18,900 | 68,700 | 386,400 |
| Building & Outdoor Home Supplies | 3,000 | 0 | 0 | 35,000 | 0 | 0 | 0 | 0 | 88,600 | 297,100 |
| Miscellaneous Retailers | 19,200 | 0 | 2,600 | 107,100 | 1,100 | 3,200 | 6,900 | 2,400 | 60,300 | 491,000 |
| Automotive | 9,100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15,100 |
| Sub-Total Non Food Oriented Retail (NFOR) | 258,000 | 400 | 10,600 | 569,400 | 5,700 | 15,400 | 38,200 | 25,200 | 227,700 | 3,206,700 |
| Other Retail & Service Space | | | | | | | | | | |
| Liquor, Beer & Wine | 11,000 | 1,000 | 3,100 | 25,600 | 2,400 | 3,900 | 7,000 | 5,300 | 14,600 | 156,900 |
| Food Services | 38,800 | 8,000 | 6,900 | 105,700 | 23,700 | 2,400 | 33,500 | 36,700 | 72,900 | 700,500 |
| Personal Services | 25,300 | 2,900 | 3,900 | 26,400 | 10,300 | 4,800 | 12,100 | 12,000 | 18,900 | 229,000 |
| Financial & Real Estate Services | 15,700 | 9,300 | 4,500 | 50,400 | 4,500 | 5,200 | 33,900 | 19,600 | 16,800 | 344,700 |
| Medical, Dental, Health & Legal Services | 18,400 | 7,600 | 5,200 | 91,000 | 10,500 | 6,200 | 22,600 | 24,200 | 59,900 | 419,400 |
| Other Services | 48,100 | 19,900 | 2,400 | 104,700 | 12,000 | 0 | 23,200 | 16,300 | 41,100 | 581,200 |
| Sub-Total Other Retail & Service Space | 157,300 | 48,700 | 26,000 | 403,800 | 63,400 | 22,500 | 132,300 | 114,100 | 224,200 | 2,431,700 |
| Total Occupied Retail & Service Space | 474,300 | 93,400 | 61,000 | 1,208,300 | 92,500 | 62,900 | 231,500 | 215,800 | 488,300 | 6,891,400 |
| Vacant | 5,400 | 0 | 0 | 172,400 | 9,600 | 2,900 | 0 | 18,600 | 19,200 | 550,300 |
| Vacancy Rate (%) | 1.1% | 0.0% | 0.0% | 12.5% | 9.4% | 4.4% | 0.0% | 7.9% | 3.8% | 7.4% |
| Total Retail & Service Space | 479,700 | 93,400 | 61,000 | 1,380,700 | 102,100 | 65,800 | 231,500 | 234,400 | 507,500 | 7,441,700 |

Source: TATE ECONOMIC RESEARCH INC.

¹⁾ Based on inventory and site inspections completed by TER in April 2016. Rounded to the nearest 100 square feet.



FIGURE A-2
NAICS DEFINITIONS OF NFOR ITEMS⁽¹⁾

AUTOMOTIVE

44131 Automotive Parts and Accessories Stores^{US}

This industry comprises establishments primarily engaged in retailing new, rebuilt and used automotive parts and accessories; both retailing automotive parts and accessories and repairing automobiles; and retailing automotive accessories that generally require installation.

Exclusion(s): Establishments primarily engaged in:

- selling used auto parts from a non-retail location, commonly known as automobile recyclers (41531, Used Motor Vehicle Parts and Accessories Wholesaler-Distributors)
- tire retailing (44132, Tire Dealers)
- repairing and replacing automotive parts, such as transmissions, mufflers, brake linings and glass (81111, Automotive Mechanical and Electrical Repair and Maintenance)

44132 Tire Dealers^{US}

- This industry comprises establishments primarily engaged in retailing tires and tubes. These establishments also typically provide complementary services, such as tire mounting and wheel balancing and aligning.

FURNITURE, HOME FURNISHINGS AND ELECTRONICS STORES

44211 Furniture Stores^{US}

This industry comprises establishments primarily engaged in retailing new, household and office furniture. These establishments may also retail major appliances, home electronics, home furnishings and floor coverings, and may provide interior decorating services.

Exclusion(s): Establishments primarily engaged in:

- retailing custom furniture made on the premises (337, Furniture and Related Product Manufacturing)
- retailing office furniture, office equipment and supplies (45321, Office Supplies and Stationery Stores)
- retailing used household furniture (45331, Used Merchandise Stores)

44221 Floor Covering Stores^{US}

This industry comprises establishments primarily engaged in retailing new floor coverings, such as rugs and carpets, vinyl floor coverings, wood floor coverings, and floor tiles, except ceramic. These establishments also typically provide installation and repair services.

Exclusion(s): Establishments primarily engaged in:

- installing, but not retailing, floor coverings (23833, 23834,)
- retailing ceramic tiles only or hardwood flooring only (44419, Other Building Material Dealers)

44229 Other Home Furnishings Stores^{US}

This industry comprises establishments, not classified to any other industry, primarily engaged in retailing new home furnishings, such as window treatments, kitchen and tableware, bedding and linens, brooms and brushes, lamps and shades, and prints and picture frames.

Exclusion(s): Establishments primarily engaged in:

- new furniture retailing (44211, Furniture Stores)
- retailing floor coverings (44221, Floor Covering Stores)
- providing interior decorating services, but not retailing home furnishings (54141, Interior Design Services)

44314 Electronic and appliance stores^{US}

This industry comprises establishments primarily engaged in retailing household appliances, home audio and video equipment, audio and video recordings, cameras, computers and related goods. These establishments may also retail replacement parts and provide repair services.

Exclusion(s): Establishments primarily engaged in:

- electronic toy retailing (see 451120 Hobby, toy and game stores)
- retailing used appliances and electronics (see 453310 Used merchandise stores)
- installation of home security without monitoring (see 561621 Security systems services (except locksmiths))
- repairing televisions or other electronic products (see 811210 Electronic and precision equipment repair and maintenance)
- repairing household appliances (see 811412 Appliance repair and maintenance)
- commercially developing film and photographic prints; one-hour film developing (see 81292 Photo finishing services)
- retailing pre-recorded tapes, compact discs and records by mail-order (see 454110 Electronic shopping and mail-order houses)

Source: TATE ECONOMIC RESEARCH INC.

¹⁾ NAICS represents the North American Industrial Classification System.

These definitions are provided by Statistics Canada on the website:

<http://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVDP&db=imdb&dis=2&adm=8&TVD=118464>



FIGURE A-2 (continued)
NAICS DEFINITIONS OF NFOR ITEMS ⁽¹⁾

BUILDING AND OUTDOOR HOME SUPPLIES STORES

44411 Home Centres ^{US}

This industry comprises establishments primarily engaged in retailing a general line of home repair and improvement materials and supplies, such as lumber, doors and windows, plumbing goods, electrical goods, floor coverings, tools, housewares, hardware, paint and wallpaper, and lawn and garden equipment and supplies. The merchandise lines are normally arranged in separate sections. These establishments may provide installation and repair services for the merchandise they

44413 Hardware Stores ^{US}

This industry comprises establishments, known as hardware stores, primarily engaged in retailing a general line of basic hardware items, such as tools and builders' hardware. These establishments may sell additional product lines, such as paint, housewares and garden supplies, that are not normally arranged in separate departments.

44412 Paint and Wallpaper Stores ^{US}

This industry comprises establishments primarily engaged in retailing paint, wallpaper and related supplies.

44419 Other Building Material Dealers ^{US}

This industry comprises establishments primarily engaged in retailing specialized lines of building materials. These establishments may provide installation services in addition to retailing.

Exclusion(s): Establishments primarily engaged in:

- retailing a general line of home repair and improvement materials and supplies (44411, Home Centres)
- paint and wallpaper retailing (44412, Paint and Wallpaper Stores)
- retailing a general line of hardware items (44413, Hardware Stores)

44421 Outdoor Power Equipment Stores ^{US}

This industry comprises establishments primarily engaged in retailing outdoor power equipment. These establishments also retail replacement parts and may provide repair services.

Exclusion(s): Establishments primarily engaged in:

- repairing, without retailing, outdoor power equipment (81141, Home and Garden Equipment and Appliance Repair and Maintenance)

44422 Nursery Stores and Garden Centres ^{US}

This industry comprises establishments primarily engaged in retailing nursery and garden products, such as trees, shrubs, plants, seeds, bulbs and sod, that are predominantly grown elsewhere. These establishments may provide landscaping services.

Exclusion(s): Establishments primarily engaged in:

- growing and retailing nursery stock (11142, Nursery and Floriculture Production)
- wholesaling new or used farm, lawn and garden machinery, equipment and parts (41711, Farm, Lawn and Garden Machinery and Equipment Wholesaler-Distributors)
- providing landscaping services (56173, Landscaping Services)

Source: TATE ECONOMIC RESEARCH INC.

¹⁾ NAICS represents the North American Industrial Classification System.

These definitions are provided by Statistics Canada on the website:

<http://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVDPPage1&db=imdb&dis=2&adm=8&TVD=118464>



FIGURE A-2 (continued)
NAICS DEFINITIONS OF NFOR ITEMS ⁽¹⁾

PHARMACIES AND PERSONAL CARE STORES

44611 Pharmacies and Drug Stores ^{US}

This industry comprises establishments, known as pharmacies and drug stores, primarily engaged in retailing prescription or non-prescription drugs and medicines. These establishments also typically retail snacks, cosmetics, personal hygiene products, greeting cards and stationery, and health aids, and may also retail confectionery, tobacco products, novelties and giftware, and cameras and photographic supplies.

Exclusion(s): Establishments primarily engaged in:

- retailing food supplement products, such as vitamins, nutrition supplements and body enhancing supplements (44619, Other Health and Personal Care Stores)

44612 Cosmetics, Beauty Supplies and Perfume Stores ^{US}

This industry comprises establishments primarily engaged in retailing cosmetics, perfumes, toiletries and personal grooming products.

44613 Optical Goods Stores ^{US}

This industry comprises establishments primarily engaged in retailing and fitting prescription eyeglasses and contact lenses. These establishments may or may not grind lenses to order on the premises. Establishments primarily engaged in retailing non-prescription sunglasses are also included.

Exclusion(s): Establishments primarily engaged in:

- lens grinding without retailing (33911, Medical Equipment and Supplies Manufacturing)
- operating a private or group practice of optometry (62132, Offices of Optometrists)

44619 Other Health and Personal Care Stores ^{US}

This industry comprises establishments, not classified to any other industry, primarily engaged in retailing health and personal care items. Establishments primarily engaged in retailing health and personal care items, such as vitamin supplements, hearing aids, and medical equipment and supplies are included.

Source: TATE ECONOMIC RESEARCH INC.

¹⁾ NAICS represents the North American Industrial Classification System.

These definitions are provided by Statistics Canada on the website:

<http://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVDP&db=imdb&dis=2&adm=8&TVD=118464>



FIGURE A-2 (continued)
NAICS DEFINITIONS OF NFOR ITEMS ⁽¹⁾

CLOTHING AND ACCESSORIES STORES

44811 Men's Clothing Stores ^{US}

This industry comprises establishments primarily engaged in retailing a general line of new, men's and boys', ready-to-wear clothing. These establishments may also provide alterations on the garments they sell.

Exclusion(s): Establishments primarily engaged in:

- retailing men's custom clothing made on the premises (3152, Cut and Sew Clothing Manufacturing)
- retailing ready-to-wear clothing for both genders and all age groups (44814, Family Clothing Stores)
- retailing men's and boys' clothing accessories (44815, Clothing Accessories Stores)
- retailing a specialized line of apparel, such as raincoats, leather coats, fur apparel and swimwear (44819, Other Clothing Stores)

44812 Women's Clothing Stores ^{US}

This industry comprises establishments primarily engaged in retailing a general line of new, women's, ready-to-wear clothing, including maternity wear.

Exclusion(s): Establishments primarily engaged in:

- retailing women's custom clothing made on the premises (3152, Cut and Sew Clothing Manufacturing)
- retailing ready-to-wear clothing for both genders and all age groups (44814, Family Clothing Stores)
- retailing women's clothing accessories (44815, Clothing Accessories Stores)
- retailing a specialized line of clothing, such as bridal gowns, raincoats, leather apparel, fur clothing and swimwear (44819, Other Clothing Stores)

44813 Children's and Infants' Clothing Stores ^{US}

This industry comprises establishments primarily engaged in retailing a general line of new, children's and infants', ready-to-wear clothing.

Exclusion(s): Establishments primarily engaged in:

- retailing ready-to-wear clothing for both genders and all age groups (44814, Family Clothing Stores)
- retailing children's and infants', clothing accessories (44815, Clothing Accessories Stores)

44814 Family Clothing Stores ^{US}

This industry comprises establishments primarily engaged in retailing a general line of new, ready-to-wear clothing for men, women and children, without specializing in sales for an individual gender or age group.

Exclusion(s): Establishments primarily engaged in:

- retailing new, men's and boys', ready-to-wear clothing (44811, Men's Clothing Stores)
- retailing new, women's, ready-to-wear clothing (44812, Women's Clothing Stores)
- retailing children's and infants', ready-to-wear clothing (44813, Children's and Infants' Clothing Stores)
- retailing specialized clothing, such as raincoats, bridal gowns, leather apparel, fur clothing and swimwear (44819, Other Clothing Stores)

44819 Other Clothing Stores ^{US}

This industry comprises establishments, not classified to any other industry, primarily engaged in retailing specialized lines of new clothing.

44815 Clothing Accessories Stores ^{US}

This industry comprises establishments primarily engaged in retailing a single or general line of new clothing accessories.

44821 Shoe Stores ^{US}

This industry comprises establishments primarily engaged in retailing all types of new footwear. These establishments may also retail shoe-care products.

44831 Jewellery Stores ^{US}

This industry comprises establishments primarily engaged in retailing jewellery, sterling and plated silverware, and watches and clocks. These establishments may provide services such as cutting and mounting stones and jewellery repair.

Exclusion(s): Establishments primarily engaged in:

- retailing costume jewellery (44815, Clothing Accessories Stores)

44832 Luggage and Leather Goods Stores ^{US}

This industry comprises establishments primarily engaged in retailing luggage, briefcases, trunks and related products, and establishments engaged in retailing a line of leather items.

Exclusion(s): Establishments primarily engaged in:

- retailing a single or general line of leather and non-leather clothing accessories (44815, Clothing Accessories Stores)
- retailing leather coats and other leather clothing articles (44819, Other Clothing Stores)

Source: TATE ECONOMIC RESEARCH INC.

¹⁾ NAICS represents the North American Industrial Classification System.

These definitions are provided by Statistics Canada on the website:

<http://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVDPPage1&db=imdb&dis=2&adm=8&TV=118464>



FIGURE A-2 (continued)
NAICS DEFINITIONS OF NFOR ITEMS ⁽¹⁾

GENERAL MERCHANDISE STORES

45211 Department Stores ^{US}

This industry comprises establishments, known as department stores, primarily engaged in retailing a wide range of products, with each merchandise line constituting a separate department within the store. Selected departments may be operated by separate establishments, on a concession basis.

Exclusion(s):

- warehouse-style stores engaged in retailing a general line of grocery items in combination with a general line of non-grocery items (45291, Warehouse Clubs and Superstores)

45291 Warehouse Clubs and Superstores ^{US}

This industry comprises establishments, known as warehouse clubs, superstores or supercentres, primarily engaged in retailing a general line of grocery items in combination with a general line of non-grocery items, and typically selling grocery items in larger formats.

Exclusion(s): Establishments primarily engaged in:

- retailing a general line of grocery items (44511, Supermarkets and Other Grocery (except Convenience) Stores)
- retailing a general line of merchandise in department stores (45211, Department Stores)

45299 All Other General Merchandise Stores ^{US}

This industry comprises establishments, not classified to any other industry, primarily engaged in retailing a general line of new merchandise. Establishments known as home and auto supplies stores, catalogue showrooms, agricultural co-op stores, variety stores and country general stores are included.

Exclusion(s): Establishments primarily engaged in:

- automotive parts retailing (44131, Automotive Parts and Accessories Stores)
- retailing merchandise in catalogue showrooms, without stock (45411, Electronic Shopping and Mail-Order Houses)

Source: TATE ECONOMIC RESEARCH INC.

¹⁾ NAICS represents the North American Industrial Classification System.

These definitions are provided by Statistics Canada on the website:

<http://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVDP&db=imdb&dis=2&adm=8&TVD=118464>



FIGURE A-2 (continued)
NAICS DEFINITIONS OF NFOR ITEMS ⁽¹⁾

MISCELLANEOUS RETAILERS

45111 Sporting Goods Stores ^{US}

This industry comprises establishments primarily engaged in retailing new sporting goods. These establishments may also retail used sporting goods, and provide repair services.

Exclusion(s): Establishments primarily engaged in:

- camper and camping trailer retailing (44121, Recreational Vehicle Dealers)
- snowmobile, motorized bicycle and motorized golf cart retailing (44122, Motorcycle, Boat and Other Motor Vehicle Dealers)
- athletic shoe retailing (44821, Shoe Stores)
- repairing or servicing, without selling, sporting goods (81149, Other Personal and Household Goods Repair and Maintenance)

45112 Hobby, Toy and Game Stores ^{US}

This industry comprises establishments primarily engaged in retailing new toys, games, and hobby and craft supplies.

Exclusion(s): Establishments primarily engaged in:

- retailing software, including game software (44312, Computer and Software Stores)
- retailing artists' supplies or collectors' items, such as coins, stamps, autographs and cards (45399, All Other Miscellaneous Store Retailers)

45113 Sewing, Needlework and Piece Goods Stores ^{US}

This industry comprises establishments primarily engaged in retailing new sewing supplies, fabrics, patterns, yarns and other needlework accessories. These stores may also retail sewing machines.

Exclusion(s): Establishments primarily engaged in:

- sewing machine retailing (44311, Appliance, Television and Other Electronics Stores)

45114 Musical Instrument and Supplies Stores ^{US}

This industry comprises establishments primarily engaged in retailing new musical instruments, sheet music and related supplies. These establishments may also rent and repair musical instruments.

Exclusion(s): Establishments primarily engaged in:

- retailing musical recordings (45122, Pre-Recorded Tape, Compact Disc and Record Stores)
- renting, without retailing, musical instruments (53229, Other Consumer Goods Rental)
- repairing, without retailing, musical instruments (81149, Other Personal and Household Goods Repair and Maintenance)

45131 Book Stores and News Dealers ^{US}

This industry comprises establishments primarily engaged in retailing new books, newspapers, magazines and other periodicals.

Exclusion(s): Establishments primarily engaged in:

- selling newspapers, magazines, and other periodicals via electronic shopping, mail-order or direct sale (454, Non-Store Retailers)
- delivering newspapers to homes (45439, Other Direct Selling Establishments)

45311 Florists ^{US}

This industry comprises establishments primarily engaged in retailing cut flowers, floral arrangements, and potted plants purchased from others. These establishments typically prepare the arrangements they sell.

Exclusion(s): Establishments primarily engaged in:

- retailing flowers or nursery stock grown on the premises (11142, Nursery and Floriculture Production)
- retailing trees, shrubs, plants, seeds, bulbs and sod grown elsewhere (44422, Nursery Stores and Garden Centres)

45321 Office Supplies and Stationery Stores ^{US}

This industry comprises establishments primarily engaged in retailing office supplies or a combination of office supplies, equipment and furniture. Establishments primarily engaged in retailing stationery and school supplies are also included.

Exclusion(s): Establishments primarily engaged in:

- office furniture retailing (44211, Furniture Stores)
- typewriter retailing (44311, Appliance, Television and Other Electronics Stores)
- computer retailing (44312, Computer and Software Stores)
- greeting card retailing (45322, Gift, Novelty and Souvenir Stores)

Source: TATE ECONOMIC RESEARCH INC.

¹⁾ NAICS represents the North American Industrial Classification System.

These definitions are provided by Statistics Canada on the website:

<http://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVDP&db=imdb&dis=2&adm=8&TVD=118464>



FIGURE A-2 (continued)
NAICS DEFINITIONS OF NFOR ITEMS ⁽¹⁾

45322 Gift, Novelty and Souvenir Stores ^{US}

This industry comprises establishments primarily engaged in retailing new gifts, novelty merchandise, souvenirs, greeting cards, seasonal and holiday decorations, and curios. These establishments may also retail stationery.

Exclusion(s): Establishments primarily engaged in:

- stationery retailing (45321, Office Supplies and Stationery Stores)

45331 Used Merchandise Stores ^{US}

This industry comprises establishments primarily engaged in retailing used merchandise. Establishments primarily engaged in retailing antiques are also included.

Exclusion(s): Establishments primarily engaged in:

- used automobile retailing (44112, Used Car Dealers)
- used RV retailing (44121, Recreational Vehicle Dealers)
- used motorcycle and boat retailing (44122, Motorcycle, Boat and Other Motor Vehicle Dealers)
- used tire retailing (44132, Tire Dealers)
- used mobile home retailing (45393, Mobile Home Dealers)
- retailing a general line of used merchandise on an auction basis (45399, All Other Miscellaneous Store Retailers)
- operating pawnshops (52229, Other Non-Depository Credit Intermediation)

45391 Pet and Pet Supplies Stores ^{US}

This industry comprises establishments primarily engaged in retailing pets, pet food and pet supplies. These establishments may also provide pet grooming services.

Exclusion(s): Establishments primarily engaged in:

- providing veterinary services (54194, Veterinary Services)
- providing pet grooming and boarding services (81291, Pet Care (except Veterinary) Services)

45392 Art Dealers ^{US}

This industry comprises establishments primarily engaged in retailing original and limited edition art works. Establishments primarily engaged in the exhibition of native art and art carvings for retail sale are also included.

Exclusion(s): Establishments primarily engaged in:

- retailing art reproductions (44229, Other Home Furnishings Stores)
- operating non-commercial art galleries (71211, Museums)

45393 Mobile Home Dealers

This industry comprises establishments primarily engaged in retailing new and used mobile homes, parts and equipment. These establishments may provide installation services in addition to retailing the homes.

Exclusion(s): Establishments primarily engaged in:

- motor home, camper and travel trailer retailing (44121, Recreational Vehicle Dealers)
- retailing prefabricated buildings and kits (44419, Other Building Material Dealers)

45399 All Other Miscellaneous Store Retailers ^{US}

This industry comprises establishments, not classified to any other industry, primarily engaged in retailing specialized lines of merchandise, such as tobacco and tobacco products; artists' supplies; collectors' items, such as coins, stamps, autographs and cards; beer and wine making supplies; swimming pool supplies and accessories; religious goods; and monuments and tombstones. Establishments primarily engaged in retailing a general line of new and used merchandise on an auction basis are also included.

Exclusion(s): Establishments primarily engaged in:

- auctioning new and used merchandise on a fee basis (56199, All Other Support Services)

Source: TATE ECONOMIC RESEARCH INC.

¹⁾ NAICS represents the North American Industrial Classification System.

These definitions are provided by Statistics Canada on the website:

<http://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVDP&db=imdb&dis=2&adm=8&TVD=118464>



FIGURE A-3
NAICS DEFINITIONS OF FOR ITEMS ⁽¹⁾

44511 Supermarkets and Other Grocery (except Convenience) Stores

This industry comprises establishments, known as supermarkets and grocery stores, primarily engaged in retailing a general line of food, such as canned, dry and frozen foods; fresh fruits and vegetables; fresh and prepared meats, fish, poultry, dairy products, baked products and snack foods. These establishments also typically retail a range of non-food household products, such as household paper products, toiletries and non-prescription drugs.

Exclusion(s): Establishments primarily engaged in:

- retailing a limited line of food and convenience items (44512, Convenience Stores)
- retailing prescription drugs in a supermarket, on a concession basis (44611, Pharmacies and Drug Stores)
- retailing a general line of food products as well as a general line of non-food products (45291, Warehouse Clubs and Superstores)

44512 Convenience Stores

This industry comprises establishments, known as convenience stores, primarily engaged in retailing a limited line of convenience items that generally includes milk, bread, soft drinks, snacks, tobacco products, newspapers and magazines. These establishments may retail a limited line of canned goods, dairy products, household paper and cleaning products, as well as alcoholic beverages, and provide related services, such as lottery ticket sales and video rental. Exclusion(s): - convenience stores that sell gasoline (44711, Gasoline Stations with Convenience Stores)

Exclusion(s):

- convenience stores that sell gasoline (44711, Gasoline Stations with Convenience Stores)

44521 Meat Markets

This industry comprises establishments primarily engaged in retailing fresh, frozen, or cured meats and poultry. Delicatessens primarily engaged in retailing fresh meat are included.

44522 Fish and Seafood Markets

This industry comprises establishments primarily engaged in retailing fresh, frozen, or cured fish and seafood products.

44523 Fruit and Vegetable Markets

This industry comprises establishments primarily engaged in retailing fresh fruits and vegetables.

Exclusion(s): Establishments primarily engaged in:

- growing vegetables and fruits and selling them at roadside stands (11121, 1113,)

44529 Other Specialty Food Stores

This industry comprises establishments, not classified to any other industry, primarily engaged in retailing specialty foods. Dairy product stores, baked goods stores, and candy, nut and confectionery stores are included.

Exclusion(s): Establishments primarily engaged in:

- retailing candy and confectionery products made on premises, not for immediate consumption (3113, Sugar and Confectionery Product Manufacturing)
- retailing goods baked on the premises, not for immediate consumption (31181, Bread and Bakery Product Manufacturing)
- retailing food for immediate consumption (e.g., donut and bagel shops) (722, Food Services and Drinking Places)

45291 Warehouse Clubs and Superstores

This industry comprises establishments, known as warehouse clubs, superstores or supercentres, primarily engaged in retailing a general line of grocery items in combination with a general line of non-grocery items, and typically selling grocery items in larger formats.

Exclusion(s): Establishments primarily engaged in:

- retailing a general line of grocery items (44511, Supermarkets and Other Grocery (except Convenience) Stores)
- retailing a general line of merchandise in department stores (45211, Department Stores)

Source: TATE ECONOMIC RESEARCH INC.

¹⁾ NAICS represents the North American Industrial Classification System.

These definitions are provided by Statistics Canada on the website:

<http://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVDPPage1&db=imdb&dis=2&adm=8&TVD=118464>



FIGURE A-4
RETAIL AND SERVICE INVENTORY CLASSIFICATION CODES

| RETAIL/SERVICE CATEGORIES | NAICS Code | TER CODES | RETAIL/SERVICE CATEGORIES | NAICS Code | TER CODES |
|---|------------|-----------|---|------------|-----------|
| FOOD & BEVERAGE: | | | MISCELLANEOUS RETAILERS | | |
| Supermarket | 44511 | 11 | Sporting Goods | 45111 | 70 |
| Superstores | 44511 | 11 | Toy/Hobby | 45112 | 71 |
| Jug Milk | 44512 | 12 | Fabric/Wool | 45113 | 72 |
| Meat Market | 44521 | 13 | Musical Instruments | 45114 | 73 |
| Fish & Seafood | 44522 | 14 | Florist | 45311 | 76 |
| Green Grocer | 44523 | 15 | Stationery and Office Supplies | 45321 | 77 |
| Bakery | 44529 | 16 | Gift/Novelty/Souvenir | 45322 | 78 |
| Candy/Nut | 44529 | 16 | Second-Hand Stores | 45331 | 79 |
| Cheese | 44529 | 16 | Pet & Pet Supply | 45391 | 80 |
| Delicatessen | 44529 | 16 | Art Gallery & Artists' Supply | 45392 | 81 |
| Other Food | 44529 | 16 | Book Store & News Dealers | 45131 | 82 |
| | | | Antiques | 45331 | 83 |
| GENERAL MERCHANDISE | | | Sewing Machines | 45113 | 84 |
| Discount Department Store | 45211 | 21 | Wine Making | 45399 | 85 |
| Traditional Department Stores | 45211 | 21 | Coin / Stamp | 45112 | 86 |
| Warehouse Membership Clubs (e.g. Costco, Sam's Club) | 45291 | 22 | Tobacco | 45399 | 87 |
| General Merchandise (e.g. Assortment of Dollar Stores) | 45299 | 23 | Greeting Cards | 45322 | 88 |
| General Store | 45299 | 23 | Bicycle | 45111 | 89 |
| Mail Order (e.g., Sears) | 45299 | 23 | Other Miscellaneous Retailers | 45399 | 90 |
| Variety | 45299 | 23 | | | |
| Home and Auto Supply Stores (eg Canadian Tire) | 45299 | 24 | Automotive | | |
| | | | Automotive Parts and Accessories Stores | 44131 | 91 |
| CLOTHING & ACCESSORIES | | | Tire Dealers | 44132 | 92 |
| Mens/Boys Wear | 44811 | 31 | | | |
| Ladies Wear | 44812 | 32 | BEER, WINE & LIQUOR | | |
| Childrens Wear | 44813 | 33 | Liquor | 44531 | 95 |
| Family Wear | 44814 | 34 | Beer | 44531 | 96 |
| Bridal | 44819 | 35 | Wine | 44531 | 97 |
| Furrier | 44819 | 35 | | | |
| Hosiery | 44819 | 35 | SERVICES: EATING & DRINKING | | |
| Lingerie | 44819 | 35 | Restaurants (Licenced) | | 100 |
| Maternity | 44819 | 35 | Restaurants (Not Licenced) | | 101 |
| Millinery | 44819 | 35 | Fast Food | | 102 |
| Unisex Wear | 44819 | 35 | Donuts/Cookies/Muffins | | 103 |
| Accessories/Other Apparel (e.g., Ties) | 44815 | 36 | Ice Cream/Yogurt | | 104 |
| Childrens Shoes | 44821 | 37 | Cafeterias | | 105 |
| Family Shoes | 44821 | 37 | Specialty Coffee | | 106 |
| Ladies Shoes | 44821 | 37 | | | |
| Mens Shoes | 44821 | 37 | SERVICES: PERSONAL | | |
| Jewellery | 44831 | 38 | Beauty/Hair | | 110 |
| Luggage/Leather Goods | 44832 | 39 | Barber | | 111 |
| | | | Dry Cleaning (Plant) | | 112 |
| FURNITURE, HOME FURNISHINGS & ELECTRONICS | | | Dry Cleaning (Pickup) | | 113 |
| Furniture/Appliance | 44211 | 40 | Laundry | | 114 |
| Floor Coverings | 44221 | 41 | Shoe Repair | | 115 |
| China/Glassware/Kitchenware | 44229 | 42 | Travel Agent | | 116 |
| Drapery/Blinds | 44229 | 42 | Photographer | | 117 |
| Lamps & Lighting Fixtures | 44229 | 42 | | | |
| Linen/Bath | 44229 | 42 | FINANCIAL AND REAL ESTATE SERVICES | | |
| Other Household Furnishings (e.g. picture frames, etc.) | 44229 | 42 | Bank/Trust/Credit Union | | 120 |
| Fireplace Accessories | 44229 | 42 | Real Estate | | 127 |
| Vacuums | 44229 | 42 | Insurance | | 128 |
| Appliance | 44314 | 43 | Brokerage | | 130 |
| TV/Radio/Stereo | 44314 | 43 | Accounting | | 131 |
| Computer and related incl. software | 44314 | 44 | | | |
| Camera/Photo Supply | 44314 | 45 | SERVICES: OTHER | | |
| Audio & Video Recordings | 44314 | 46 | Video Tape Rental | | 121 |
| | | | Health/Tanning Salon | | 122 |
| PHARMACIES & PERSONAL CARE | | | Movie Theatre/Cinema | | 123 |
| Drug Stores | 44611 | 50 | Amusement Arcade | | 124 |
| Cosmetics | 44612 | 51 | Bowling/Billiards | | 125 |
| Optician | 44613 | 52 | Medical/Dental | | 126 |
| Other Health & Personal Care Stores | 44619 | 53 | Legal | | 129 |
| | | | Post Office | | 132 |
| BUILDING AND OUTDOOR HOME SUPPLIES STORES | | | Library | | 133 |
| Home Improvement Centres | 44411 | 60 | Other Service | | 134 |
| Hardware/Electrical Supply | 44413 | 61 | | | |
| Paint/Glass/Wallpaper | 44412 | 62 | VACANT | | 160 |
| Electrical wiring supplies & equipment | 44419 | 63 | | | |
| Plumbing, heating, and a/c eq. & supplies | 44419 | 63 | | | |
| MISC. Home Supplies (e.g. windows/doors/plumbing/etc.) | 44421 | 64 | | | |
| Lawn & Garden Centre | 44422 | 65 | | | |
| Outdoor Power Equipment | 44421 | 66 | | | |

Source: TATE ECONOMIC RESEARCH INC.

¹⁾ Based on TER's interpretation of 2012 NAICS retail trade and service category classifications



Appendix B – Background Analysis Tables and Definition of Terms

This appendix contains the background market demand table and the corresponding definitions.

Figure B-1 Per Capita Income

Per capita income represents average total personal income before tax, as defined by Statistics Canada. The Study Area income indices are based on the results of the 2011 National Household Survey. The detailed calculations that were used in the determination of the Study Area resident's per capita income levels.

Figures B-2 and B-3 Per Capita NFOR and FOR Expenditures

TER's calculation of per capita NFOR and FOR expenditures for the Province of Alberta in 2016 are based on historic full year data and January to April 2016 Retail Trade data.

Figures B-4 Springbank + Harmony Population

The Springbank Area consists of the Springbank North, Springbank Central and Middle ASPs as well as Harmony.

TER has utilized the forecast known as the "reference" forecast and is based on the assumption that Springbank will grow at a rate of 2.5% every five years between 2016 – 2031. This forecast is the County's best estimate given historical growth as well as knowledge of future growth options and is the basis for the TER analysis.

The second forecast or "alternate" is based on the Springbank ASP medium density future growth policies which provide a target population on the assumption of available land and medium density development on these lands. The resulting 2031 Springbank population is 2,296 persons higher than the reference forecast. The Harmony growth remains unchanged in the alternate forecast. The resulting difference in the captured warranted retail and service space in Springbank by 2031 is an increase 59,000 square feet.

Figure B-5 – Figure B-8 Study Area Residents' NFOR and FOR Expenditure Potential

The following methodology is applicable to Figures B-5 to B-8, based on the reference population forecast:

- The total NFOR/FOR potential is based on the population multiplied by the per capita NFOR/FOR expenditures for the Springbank and Harmony residents;



- TER has applied the provincial distribution of retail sales (based on Statistics Canada Retail Trade) to the expenditure potential resulting in the expenditure potential by NAICS retail trade categories;
- In order to convert the expenditures into square footage, TER has applied a sales per square foot performance level. These sales per square foot performance levels are industry averages;
- As there is no retail in the Springbank Area, all of the expenditures made by the Springbank Area residents are made in locations outside of Springbank. Given the large amount of retail space in neighbouring Calgary, it is likely that Springbank residents will continue to spend a portion of their expenditures in Calgary regardless of future retail developments in Springbank. This is particularly true in destination retail categories such as department stores and clothing and apparel. The portion of expenditures that are forecast to be made in Springbank is known as the capture rate. In this analysis the capture rate represents the amount of space that can be reasonably supported by Springbank Area residents.

Real Growth

Real growth refers to the amount that sales volumes or expenditures would increase in future years with inflation eliminated. Therefore, references to the Canadian dollar, dealing with both the present and future period, reflect its 2016 value in this report. For the purposes of our study, a real growth rate of 0.5% per year for NFOR expenditures and 0.25% for FOR expenditures is used.



FIGURE B-1
2011 SPRINGBANK AREA AND SURROUNDING PER CAPITA INCOME INDICES ^(1,2,3)

| Study Area Zone | Males 15 Years and Over | Male Average Income | Females 15 Years and Over | Female Average Income | Total Income (\$Millions) | 2011 Total Population | Per Capita Income | Index to the Province |
|-------------------|-------------------------------|---------------------------|---------------------------------|-----------------------------|---------------------------------|--------------------------|----------------------|-----------------------------|
| Springbank Area | 2,595 | 314,729 | 2,600 | 76,144 | 990.3 | 6,000 | 165,051 | 409.5 |
| Rocky View County | 14,850 | 153,569 | 14,415 | 55,335 | 3,078.2 | 36,465 | 84,414 | 209.4 |
| City of Calgary | 440,885 | 68,928 | 444,965 | 41,438 | 48,827.8 | 1,096,830 | 44,517 | 110.4 |
| Alberta | 1,445,820 | 64,260 | 1,442,915 | 37,439 | 146,929.7 | 3,645,260 | 40,307 | 100.0 |

Source: TATE ECONOMIC RESEARCH INC.

¹⁾ Based on income data obtained from the 2011 Census of Canada and the 2011 National Household Survey.

²⁾ Unadjusted 2011 Census figures used in the calculation of per capita income.



**FIGURE B-2
PER CAPITA NFOR EXPENDITURE ESTIMATES 2016**

| Non Food Oriented Retail Categories | 2016 | | | |
|---|--|------------------|---------------|--------------------|
| | Total Retail Sales (\$ M) ⁽¹⁾ | Per Capita | Distribution | Store Distribution |
| Automotive | \$1,324.1 | \$312.0 | 4.0% | 4.7% |
| Furniture, Home Furnishings and Electronics | \$4,780.8 | \$1,126.0 | 14.5% | 17.0% |
| Building and Outdoor Home Supplies Stores | \$4,226.1 | \$995.0 | 12.8% | 15.0% |
| Pharmacies and Personal Care Stores | \$4,208.7 | \$991.0 | 12.8% | 15.0% |
| Clothing and Accessories Stores | \$4,176.8 | \$984.0 | 12.7% | 14.9% |
| Department Stores | \$4,840.7 | \$1,140.0 | 14.7% | n.a. |
| General Merchandise Stores (excluding Department Stores) | \$5,411.2 | \$1,275.0 | 16.4% | 19.3% |
| Miscellaneous Retailers | \$3,973.8 | \$936.0 | 12.1% | 14.1% |
| Total NFOR Expenditures | \$32,942.2 | \$7,759.0 | 100.0% | 100.0% |
| Alberta - Estimated 2016 Population ⁽²⁾ | 4,245,670 | | | |

Source: TATE ECONOMIC RESEARCH INC.

¹⁾ Based on full year Jan - Apr. 2016 retail sales by NAICS category provided by Statistics Canada, Retail Trade, catalogue 63-005-XIE.

²⁾ July 2016 estimate based on data provided by Statistics Canada, Demographic Quarterly Statistics.



**FIGURE B-3
PER CAPITA FOR STORE EXPENDITURE ESTIMATES, 2016**

| Food Oriented Retail Categories | 2016 | | |
|---|--|------------------|---------------|
| | Total Retail Sales (\$ M) ⁽¹⁾ | Per Capita | Distribution |
| Supermarkets | \$10,132.3 | \$2,387.0 | 88.8% |
| Convenience Stores | \$764.0 | \$180.0 | 6.7% |
| Specialty Food Stores | \$509.9 | \$120.0 | 4.5% |
| Total FOR Expenditures | \$11,406.2 | \$2,687.0 | 100.0% |
| Alberta - Estimated 2016 Population ⁽²⁾ | 4,245,670 | | |

Source: TATE ECONOMIC RESEARCH INC.

¹⁾ Based on Jan. - Apr. 2016 retail sales by NAICS category provided by Statistics Canada, Retail Trade, catalogue 63-005-XIE.

²⁾ July 2016 estimate based on data provided by Statistics Canada, Demographic Quarterly Statistics.



**FIGURE B-4
SPRINGBANK + HARMONY POPULATION ESTIMATES - REFERENCE SCENARIO**

| | 2011 Population ⁽¹⁾ <i>Unadjusted</i> | 2011 Population ⁽¹⁾ <i>Adjusted</i> | 2016 ⁽²⁾ | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | Buildout (assumed 2031) |
|-------------------------------------|--|--|---------------------|-------|-------|-------|-------|---------------|-------|-------|-------|--------|---------------|--------|--------|--------|-------------------------------|
| Springbank ⁽²⁾ | 6,433 | 6,610 | 7,075 | | | | | 7,252 | | | | | 7,433 | | | | 7,619 |
| Harmony Units ⁽³⁾ | | | 76 | 230 | 270 | 340 | 370 | 370 | 370 | 380 | 400 | 290 | 230 | 70 | 70 | 34 | |
| ppu | | | 3.29 | 3.29 | 3.29 | 3.29 | 3.29 | 3.29 | 3.29 | 3.29 | 3.29 | 3.29 | 3.29 | 3.29 | 3.29 | 3.29 | |
| Population | | | 250 | 757 | 888 | 1,119 | 1,217 | 1,217 | 1,217 | 1,250 | 1,316 | 954 | 757 | 230 | 230 | 112 | |
| Cumulative | | | | 1,007 | 1,895 | 3,014 | 4,231 | 5,448 | 6,666 | 7,916 | 9,232 | 10,186 | 10,943 | 11,173 | 11,403 | 11,515 | 11,515 |
| Total Springbank + Harmony | | | 7,325 | | | | | 12,700 | | | | | 18,376 | | | | 19,134 |

Source: TATE ECONOMIC RESEARCH INC.

- ¹⁾ The 2011 Unadjusted Population is from the 2011 Census of Canada consisting of the Central, North and Modle ASPs. The 2011 population was adjusted to account for net undercoverage using a 2.74% factor based on the Calgary CMA net undercoverage.
- ²⁾ The 2016 Springbank population is based on the County provided figure of 146 residential units built between 2011 - 2016. TER has applied a PPU factor of 3.2, resulting in an estimated population growth of 465 persons between 2011 - 2016. The County has assumed a growth rate of 2.5% per 5 year period for forecasting purposes.
- ³⁾ The Harmony unit phasing is based on data from the County. TER has assumed a persons per unit of 3.29.

SPRINGBANK + HARMONY POPULATION ESTIMATES - ALTERNATE SCENARIO

| | 2016 ⁽³⁾ | 2017 | 2018 | 2019 | 2020 | 2021 ⁽³⁾ | 2022 | 2023 | 2024 | 2025 | 2026 ⁽³⁾ | 2027 | 2028 | 2029 | Buildout (assumed 2031) ⁽²⁾ |
|-------------------------------------|---------------------|-------|-------|-------|-------|--|-------|-------|-------|--------|--|--------|--------|--------|--|
| Springbank ⁽²⁾ | 7,075 | | | | | <i>interpolated 2011-2031</i> 8,022 | | | | | <i>interpolat ed 2011- 2031</i> 8,968 | | | | <i>ASPS Buildout</i> 9,915 |
| Harmony Units ⁽⁴⁾ | 76 | 230 | 270 | 340 | 370 | 370 | 370 | 380 | 400 | 290 | 230 | 70 | 70 | 34 | |
| ppu | 3.29 | 3.29 | 3.29 | 3.29 | 3.29 | 3.29 | 3.29 | 3.29 | 3.29 | 3.29 | 3.29 | 3.29 | 3.29 | 3.29 | |
| Population | 250 | 757 | 888 | 1,119 | 1,217 | 1,217 | 1,217 | 1,250 | 1,316 | 954 | 757 | 230 | 230 | 112 | |
| Cumulative | | 1,007 | 1,895 | 3,014 | 4,231 | 5,448 | 6,666 | 7,916 | 9,232 | 10,186 | 10,943 | 11,173 | 11,403 | 11,515 | 11,515 |
| Total Springbank + Harmony | 7,325 | | | | | 13,470 | | | | | 19,911 | | | | 21,430 |

Source: TATE ECONOMIC RESEARCH INC.

- ¹⁾ The 2011 Unadjusted Population is from the 2011 Census of Canada consisting of the Central, North and Modle ASPs. The 2011 population was adjusted to account for net undercoverage using a 2.74% factor based on the Calgary CMA net undercoverage.
- ²⁾ The buildout population is based on the "medium" density scenario from the information provided by the County. TER has assumed a build out year of 2031.
- ³⁾ TER has applied a straight-line interpolation between 2011 & 2016 for the purposes of estimating the 2016, 2021 and 2016 populations.
- ⁴⁾ The Harmony unit phasing is based on data from the County. TER has assumed a persons per unit of 3.29.



FIGURE B-5
SPRINGBANK (EXCL. HARMONY) NON FOOD ORIENTED RETAIL (NFOR) EXPENDITURE POTENTIAL

| | 2016 | | | |
|--|----------|----------|----------|----------|
| Province of Alberta - Average Per Capita NFOR Expenditures | | | | |
| Per Capita NFOR Expenditures ⁽¹⁾ | \$7,759 | | | |
| 2016 Dollars (\$Millions) | 2016 | 2021 | 2026 | 2031 |
| Springbank (excl. Harmony) | | | | |
| Income Index to Province ⁽²⁾ | 409.5 | | | |
| NFOR Expenditure Index ⁽³⁾ | 192.9 | | | |
| Per Capita NFOR Expenditures ⁽⁴⁾ | \$14,965 | \$15,340 | \$15,715 | \$16,085 |
| Population | 7,080 | 7,250 | 7,430 | 7,620 |
| Total NFOR Potential | \$106.0 | \$111.2 | \$116.8 | \$122.6 |
| Expenditure Distribution ⁽⁵⁾ | | | | |
| Automotive Stores | \$5.0 | \$5.2 | \$5.5 | \$5.8 |
| Furniture, Home Furnishings & Electronics Stores | \$16.6 | \$17.5 | \$18.3 | \$19.2 |
| Building & Outdoor Home Supplies Stores | \$13.8 | \$14.5 | \$15.2 | \$15.9 |
| Pharmacies & Personal Care Stores | \$11.3 | \$11.9 | \$12.5 | \$13.1 |
| Clothing & Accessories Stores | \$14.3 | \$15.0 | \$15.8 | \$16.6 |
| General Merchandise Stores | \$17.2 | \$18.0 | \$18.9 | \$19.9 |
| Miscellaneous Retailer Stores | \$12.5 | \$13.1 | \$13.8 | \$14.5 |
| Department Stores | \$15.4 | \$16.1 | \$16.9 | \$17.8 |
| Total | \$106.1 | \$111.3 | \$116.9 | \$122.8 |
| Warranted Square Feet and Springbank Area Capture Rate ⁽⁶⁾ | | | | |
| Warranted Automotive Stores Space @ \$250 per sq. ft. | 20,000 | 21,000 | 22,000 | 23,000 |
| Springbank Area Capture Rate @ 45% | 9,000 | 9,500 | 10,000 | 10,500 |
| Warranted Furniture, Home Furnishings & Electronics Stores Space @ \$450 per sq. ft. | 37,000 | 39,000 | 40,500 | 42,500 |
| Springbank Area Capture Rate @ 20% | 7,500 | 8,000 | 8,000 | 8,500 |
| Warranted Building & Outdoor Home Supplies Stores Space @ \$350 per sq. ft. | 39,500 | 41,500 | 43,500 | 45,500 |
| Springbank Area Capture Rate @ 25% | 10,000 | 10,500 | 11,000 | 11,500 |
| Warranted Pharmacies & Personal Care Stores Space @ \$875 per sq. ft. | 13,000 | 13,500 | 14,500 | 15,000 |
| Springbank Area Capture Rate @ 75% | 10,000 | 10,000 | 11,000 | 11,500 |
| Warranted Clothing & Accessories Stores Space @ \$405 per sq. ft. | 35,500 | 37,000 | 39,000 | 41,000 |
| Springbank Area Capture Rate @ 15% | 5,500 | 5,500 | 6,000 | 6,000 |
| Warranted General Merchandise Stores Space @ \$530 per sq. ft. | 32,500 | 34,000 | 35,500 | 37,500 |
| Springbank Area Capture Rate @ 40% | 13,000 | 13,500 | 14,000 | 15,000 |
| Warranted Miscellaneous Retailer Stores Space @ \$370 per sq. ft. | 34,000 | 35,500 | 37,500 | 39,000 |
| Springbank Area Capture Rate @ 40% | 13,500 | 14,000 | 15,000 | 15,500 |
| Warranted Department Stores Space @ \$490 per sq. ft. | 31,500 | 33,000 | 34,500 | 36,500 |
| Springbank Area Capture Rate @ 0% | - | - | - | - |

Source: TATE ECONOMIC RESEARCH INC.

¹⁾ TER estimate based on Statistics Canada, Retail Trade.

²⁾ Based on Statistics Canada, National Household Survey 2011 and Census of Canada 2011.

³⁾ Based on the income relationship between the Province and Study Area residents using the NFOR regression equation of $y = 70 + .3(x)$, where x is the income index.

⁴⁾ Forecast to increase at 0.5% per annum, excluding inflation. Rounded to the nearest \$5.

⁵⁾ TER estimate based on Statistics Canada, Retail Trade.

⁶⁾ Sales per square foot based on industry averages. Capture rate based on TER professional judgement.



**FIGURE B-6
HARMONY NON FOOD ORIENTED RETAIL (NFOR) EXPENDITURE POTENTIAL**

| 2016 | | | | |
|--|----------|----------|----------|----------|
| Province of Alberta - Average Per Capita NFOR Expenditures | | | | |
| Per Capita NFOR Expenditures ⁽¹⁾ | \$7,759 | | | |
| 2015 Dollars (\$Millions) | 2016 | 2021 | 2026 | 2031 |
| Harmony | | | | |
| Income Index to Province ⁽²⁾ | 209.4 | | | |
| NFOR Expenditure Index ⁽³⁾ | 132.8 | | | |
| Per Capita NFOR Expenditures ⁽⁴⁾ | \$10,305 | \$10,565 | \$10,820 | \$11,080 |
| Population | 250 | 5,450 | 10,940 | 11,520 |
| Total NFOR Potential | \$2.6 | \$57.6 | \$118.4 | \$127.6 |
| Expenditure Distribution ⁽⁵⁾ | | | | |
| Automotive Stores | \$0.1 | \$2.7 | \$5.6 | \$6.0 |
| Furniture, Home Furnishings & Electronics Stores | \$0.4 | \$9.0 | \$18.6 | \$20.0 |
| Building & Outdoor Home Supplies Stores | \$0.3 | \$7.5 | \$15.4 | \$16.6 |
| Pharmacies & Personal Care Stores | \$0.3 | \$6.2 | \$12.7 | \$13.7 |
| Clothing & Accessories Stores | \$0.4 | \$7.8 | \$16.0 | \$17.2 |
| General Merchandise Stores | \$0.4 | \$9.3 | \$19.2 | \$20.7 |
| Miscellaneous Retailer Stores | \$0.3 | \$6.8 | \$14.0 | \$15.1 |
| Department Stores | \$0.4 | \$8.4 | \$17.2 | \$18.5 |
| Total | \$2.6 | \$57.7 | \$118.7 | \$127.8 |
| Warranted Square Feet and Springbank Area Capture Rate ⁽⁶⁾ | | | | |
| Warranted Automotive Stores Space @ \$250 per sq. ft. | 500 | 11,000 | 22,500 | 24,000 |
| Springbank Area Capture Rate @ 45% | - | 5,000 | 10,000 | 11,000 |
| Warranted Furniture, Home Furnishings & Electronics Stores Space @ \$450 per sq. ft. | 1,000 | 20,000 | 41,500 | 44,500 |
| Springbank Area Capture Rate @ 20% | - | 4,000 | 8,500 | 9,000 |
| Warranted Building & Outdoor Home Supplies Stores Space @ \$350 per sq. ft. | 1,000 | 21,500 | 44,000 | 47,500 |
| Springbank Area Capture Rate @ 25% | 500 | 5,500 | 11,000 | 12,000 |
| Warranted Pharmacies & Personal Care Stores Space @ \$875 per sq. ft. | 500 | 7,000 | 14,500 | 15,500 |
| Springbank Area Capture Rate @ 75% | 500 | 5,500 | 11,000 | 11,500 |
| Warranted Clothing & Accessories Stores Space @ \$405 per sq. ft. | 1,000 | 19,500 | 39,500 | 42,500 |
| Springbank Area Capture Rate @ 15% | - | 3,000 | 6,000 | 6,500 |
| Warranted General Merchandise Stores Space @ \$530 per sq. ft. | 1,000 | 17,500 | 36,000 | 39,000 |
| Springbank Area Capture Rate @ 40% | 500 | 7,000 | 14,500 | 15,500 |
| Warranted Miscellaneous Retailer Stores Space @ \$370 per sq. ft. | 1,000 | 18,500 | 38,000 | 41,000 |
| Springbank Area Capture Rate @ 40% | 500 | 7,500 | 15,000 | 16,500 |
| Warranted Department Stores Space @ \$490 per sq. ft. | 1,000 | 17,000 | 35,000 | 38,000 |
| Springbank Area Capture Rate @ 0% | - | - | - | - |

Source: TATE ECONOMIC RESEARCH INC.

¹⁾ TER estimate based on Statistics Canada, Retail Trade.

²⁾ Based on Statistics Canada, National Household Survey 2011 and Census of Canada 2011.

³⁾ Based on the income relationship between the Province and Study Area residents using the NFOR regression equation of $y = 70 + .3(x)$, where x is the income index.

⁴⁾ Forecast to increase at 0.5% per annum, excluding inflation. Rounded to the nearest \$5.

⁵⁾ TER estimate based on Statistics Canada, Retail Trade.

⁶⁾ Sales per square foot based on industry averages. Capture rate based on TER professional judgement.



FIGURE B-7

SPRINGBANK (EXCL. HARMONY) FOOD ORIENTED RETAIL (FOR) EXPENDITURE POTENTIAL

| | | 2016 | | | |
|--|--|---------|---------|---------|---------|
| Province of Alberta - Average Per Capita FOR Expenditures | | | | | |
| Per Capita FOR Expenditures ⁽¹⁾ | | \$2,687 | | | |
| 2016 Dollars (\$Millions) | | 2016 | 2021 | 2026 | 2031 |
| Springbank (excl. Harmony) | | | | | |
| Income Index to Province ⁽²⁾ | | 409.5 | | | |
| NFOR Expenditure Index ⁽³⁾ | | 134.0 | | | |
| Per Capita NFOR Expenditures ⁽⁴⁾ | | \$3,600 | \$3,645 | \$3,690 | \$3,735 |
| Population | | 7,080 | 7,250 | 7,430 | 7,620 |
| Total NFOR Potential | | \$25.5 | \$26.4 | \$27.4 | \$28.5 |
| Expenditure Distribution ⁽⁵⁾ | | | | | |
| Supermarkets | | \$22.7 | \$23.5 | \$24.4 | \$25.4 |
| Convenience & Specialty Food Store | | \$2.8 | \$2.9 | \$3.0 | \$3.1 |
| Total | | \$25.5 | \$26.4 | \$27.4 | \$28.5 |
| Warranted Square Feet and Springbank Area Capture Rate ⁽⁶⁾ | | | | | |
| Warranted Supermarkets Space @ \$550 per sq. ft. | | 41,500 | 42,500 | 44,500 | 46,000 |
| Springbank Area Capture Rate @ 90% | | 37,500 | 38,500 | 40,000 | 41,500 |
| Warranted Convenience & Specialty Food Store Space @ \$350 per sq. ft. | | 8,000 | 8,500 | 8,500 | 9,000 |
| Springbank Area Capture Rate @ 75% | | 6,000 | 6,500 | 6,500 | 7,000 |

Source: TATE ECONOMIC RESEARCH INC.

¹⁾ TER estimate based on Statistics Canada, Retail Trade.

²⁾ Based on Statistics Canada, National Household Survey 2011 and Census of Canada 2011.

³⁾ Based on the income relationship between the Province and Study Area residents using the FOR regression equation of $y = 89 + 0.11(x)$, where x is the income index.

⁴⁾ Forecast to increase at 0.25% per annum, excluding inflation. Rounded to the nearest \$5.

⁵⁾ TER estimate based on Statistics Canada, Retail Trade.

⁶⁾ Sales per square foot based on industry averages. Capture rate based on TER professional judgement.



**FIGURE B-8
HARMONY FOOD ORIENTED RETAIL (FOR) EXPENDITURE POTENTIAL**

| | | 2016 | | | |
|--|--|---------|---------|---------|---------|
| Province of Alberta - Average Per Capita FOR Expenditures | | | | | |
| Per Capita FOR Expenditures ⁽¹⁾ | | \$2,687 | | | |
| 2015 Dollars (\$Millions) | | 2016 | 2021 | 2026 | 2031 |
| Harmony | | | | | |
| Income Index to Province ⁽²⁾ | | 209.4 | | | |
| NFOR Expenditure Index ⁽³⁾ | | 112.0 | | | |
| Per Capita NFOR Expenditures ⁽⁴⁾ | | \$3,010 | \$3,050 | \$3,085 | \$3,125 |
| Population | | 250 | 5,450 | 10,940 | 11,520 |
| Total NFOR Potential | | \$0.8 | \$16.6 | \$33.7 | \$36.0 |
| Expenditure Distribution ⁽⁵⁾ | | | | | |
| Supermarkets | | \$0.7 | \$14.8 | \$30.0 | \$32.0 |
| Convenience & Specialty Food Store | | \$0.1 | \$1.8 | \$3.7 | \$4.0 |
| Total | | \$0.8 | \$16.6 | \$33.7 | \$36.0 |
| Warranted Square Feet and Springbank Area Capture Rate ⁽⁶⁾ | | | | | |
| Warranted Supermarkets Space @ \$550 per sq. ft. | | 1,500 | 27,000 | 54,500 | 58,000 |
| Springbank Area Capture Rate @ 90% | | 1,500 | 24,500 | 49,000 | 52,000 |
| Warranted Convenience & Specialty Food Store Space @ \$350 per sq. ft. | | 500 | 5,000 | 10,500 | 11,500 |
| Springbank Area Capture Rate @ 75% | | 500 | 4,000 | 8,000 | 8,500 |

Source: TATE ECONOMIC RESEARCH INC.

¹⁾ TER estimate based on Statistics Canada, Retail Trade.

²⁾ Based on Statistics Canada, National Household Survey 2011 and Census of Canada 2011.

³⁾ Based on the income relationship between the Province and Study Area residents using the FOR regression equation of $y = 89 +$

⁴⁾ Forecast to increase at 0.25% per annum, excluding inflation. Rounded to the nearest \$5.

⁵⁾ TER estimate based on Statistics Canada, Retail Trade.

⁶⁾ Sales per square foot based on industry averages. Capture rate based on TER professional judgement.

