Appendix A

Retail Market & Gap Analysis

January 2015

Prepared for City of Fort Saskatchewan

Prepared by Cushing Terrell Architecture Inc.

CUSHING TERRELL ARCHITECTURE INC.

RETAIL
Market & Gap Analysis

City of Fort Saskatchewan
Alberta

CUSHING TERRELL ARCHITECTURE INC.

Member of International Council of Shopping Centers

keyfax market research

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Table of CONTENTS

PREFACE i

EXECUTIVE SUMMARY ii

1.0 INTRODUCTION 1

1.1 Scope of Study & Project Background 1
1.2 Report Structure 1
1.3 Sources of Information 3

2.0 LOCATION & CONTEXT 5

2.1 Introduction 5
2.2 Regional Context 5
2.3 Municipal Development Plan 5
2.4 Land Use Bylaw 6
2.5 Commercial Land Use Context 7
2.6 Transportation Context 7
2.7 Development & Building Permits 9
2.8 Summary & Implications 11

3.0 RETAIL TRADE AREA PROFILE 13

3.1 Introduction 13
3.2 Population Projections 15
3.3 Age Profile 19
3.4 Income Profile 21
3.5 Part Time Resident Profile 23
3.6 Retail Spending Profile 23
3.7 Summary & Implications 25

4.0 RETAIL MARKET SUPPLY 29

4.1 Introduction 29
4.2 Regional Retail Market Context 29
4.3 Retail Projects 31
4.4 Citywide Retail Inventory 37
4.5 Retail Inventory by Node 39
4.6 Retail Inventory by Category 41
4.7 Retail Inventory by Class 43
4.8 Retail Space Per Capita 45
4.9 Summary & Implications 47

5.0 RETAIL DEMAND & GAP ANALYSIS 49

5.1 Introduction 49
5.2 Retail Floorspace Demand by Trade Area Segment 49
5.3 Retail Gap Analysis Quantification 55
5.4 Retail Sales Inflow & Outflow 57
5.5 Summary & Implications ....

6.0 CONSUMER INTERCEPT SURVEY 59

6.1 Introduction 59
6.2 Respondent Demographics 59
6.3 Preferred Shopping Locations 59
6.4 Likes & Dislikes of Retail in Fort Saskatchewan 63
6.5 Desired Shops & Services 67
6.6 ALL Respondents Spending vs Importance 73
6.7 Respondent Cross-Tabulation of
Spending vs Importance 79
6.8 Summary & Implications 79

8.0 CONCLUSION 81

APPENDIX A 88

Detailed Retail Inventory ....

APPENDIX B 93

Consumer Survey Open-Ended Retail Responses ....

TABLE OF CONTENTS (TABLES & FIGURES)

TABLES

3.1 Trade Area Population Projections Summary 16
3.2 Trade Area Population Age Breakdown.................. 18
3.3 Trade Area Household Income Breakdown........... 20
3.4 Trade Area Retail Spending 22
4.1 City of Fort Saskatchewan Retail Inventory........... 35
4.2 Retail Inventory by Category & Node 37
4.3 Retail Inventory by Node & Class............................. 41
5.1 City of Fort Saskatchewan Retail Floorspace Demand 50
5.2 Temporary Resident Retail Floorspace Demand.. 50
5.3 Total PTA (including City) Retail Floorspace Demand 51
5.4 STA West Retail Floorspace Demand 51
5.5 STA East Retail Floorspace Demand......................... 52
5.6 TOTAL Trade Area Retail Floorspace Demand....... 52
5.7 Retail Inflow & Outflow Estimates 56

FIGURES

2.1 City of Fort Saskatchewan Regional Context Map 4
2.2 Commercial Land Use Districts 7
2.3 City of Fort Saskatchewan Traffic Counts 8
2.4 City of Fort Saskatchewan New Construction Starts 10
3.1 City of Fort Saskatchewan Retail Trade Area 12
3.2 Retail Trade Area Population Growth Rates 16
3.3 Trade Area Population Age Breakdown.................. 18
3.4 Trade Area Household Income Breakdown........... 20
3.5 Trade Area Retail Spending By Trade Area 22
3.6 Trade Area Retail Spending Summary 2014........... 24
3.7 Trade Area Retail Spending by General Category 24

4.1 City of Fort Saskatchewan Retail Market Context 30
4.2 City of Fort Saskatchewan Retail Inventory & Projects 32
4.3 Retail Nodes.. 36
4.4 City Retail Imagery... 38
4.5 City of Fort Saskatchewan Retail Inventory Floorspace By Category 40
4.6 City of Fort Saskatchewan Retail Inventory by Category and Number of Stores............................... 42
4.7 City of Fort Saskatchewan Retail Inventory by Class 45
5.1 City of Fort Saskatchewan Retail Spending Supply and Demand 54

6.1 Consumer Intercept Survey Respondent Residence of Origin 58
6.2 Consumer Intercept Survey Heat Map By Postal Code Forward Sortation Area 60
6.3 Consumer Survey Age Profile ALL Respondents.. 61
6.4 Consumer Survey Income Profile ALL Respondents 61
6.5 What is your Primary Convenience Shopping Centre? 62
6.6 What is your primary reason for choosing a Convenience Shopping Centre? 62
6.7 What is your Primary Comparison Shopping Centre? 64
6.8 What is your primary reason for choosing a Comparison Shopping Centre?................................ 64
6.9 What do you like most about shopping in Fort Saskatchewan?.. 65
6.10 What do you dislike most about shopping in Fort Saskatchewan? 65
6.11 What new stores/services would increase your spending in Fort Saskatchewan?.............................. 66
6.12 What Full-Service Restaurants do you want to see in Fort Saskatchewan? 68
6.13 What Limited Service Restaurant do you want to see in Fort Saskatchewan? 69
6.14 What retail stores do you want to see in Fort Saskatchewan?.. 70
6.15 What types of stores do you want to see in Fort Saskatchewan?.. 71
6.16 Spending vs. Importance Rating for ALL Respondents 72
6.17 Spending vs Importance Rating Temporary Residents 72
6.18 % Spending in Fort Saskatchewan by Age Cohort 74
6.19 Importance rating to increase spending in Fort Saskatchewan by Age Cohort.................................... 74
6.20 % Spending in Fort Saskatchewan by Income...... 76
6.21 Importance rating to increase spending in Fort Saskatchewan by Income.. 76

PREFACE

Cushing Terrell Architecture Inc. ("Cushing Terrell") was commissioned by the City of Fort Saskatchewan in August 2014 to conduct a Retail Market and Gap Analysis for the City.

The study was carried out over the period August to January 2015.

The objective of this study is to document in detail the City of Fort Saskatchewan's current retail inventory and estimate the Trade Area retail expenditure profile across various retail categories/store types as an indication of retail inflow/outflow or also known as surplus/leakage.

Retail spending (i.e. demand) and the City's retail inventory and its corresponding productivity (i.e. supply) was augmented and supported by a detailed Consumer Intercept Survey conducted by Keyfax Market Research to further identify gaps in Fort Saskatchewan's current provision of shops and services.

This document is intended to assist the City of Fort Saskatchewan in promoting the community, working with developers and investors, as well as attracting new or expanding retailers/formats, retaining existing retailers and providing an overall identity/positioning strategy for future developments which could feature retail throughout the City's various retail nodes and districts.

Reference material for this report was obtained from, but not limited to; The City of Fort Saskatchewan, Commercial Real Estate Brokerage Firms (Colliers, Cushman Wakefield, Avison Young), Conference Board of Canada, Fort Saskatchewan Chamber of Commerce, Local Commercial Developers (Qualico, Haro Developments), International Council of Shopping Centers and Cushing Terrell Architecture Inc.

Cushing Terrell does not warrant that any estimates contained within the study will be achieved over the identified time horizons, but that they have been prepared conscientiously and objectively on the basis of information obtained during the course of this study.

Also, any tenant references made in the report are for illustrative purposes only and should not be taken as guarantees that they will locate in the City of Fort Saskatchewan, but rather that they could represent compatible "target" retailers.

This analysis was conducted by Cushing Terrell as an objective and independent party; and is not an agent of the City of Fort Saskatchewan.

As is customary in an assignment of this type, neither our name nor the material submitted may be included in a prospectus, or part of any printed material, or used in offerings or representations in connection with the sale of securities or participation interest to the public, without the expressed permission of Cushing Terrell Architecture Inc. or the City of Fort Saskatchewan

Cushing Terrell Architecture Inc. - January 2015

ii EXECUTIVE SUMMARY

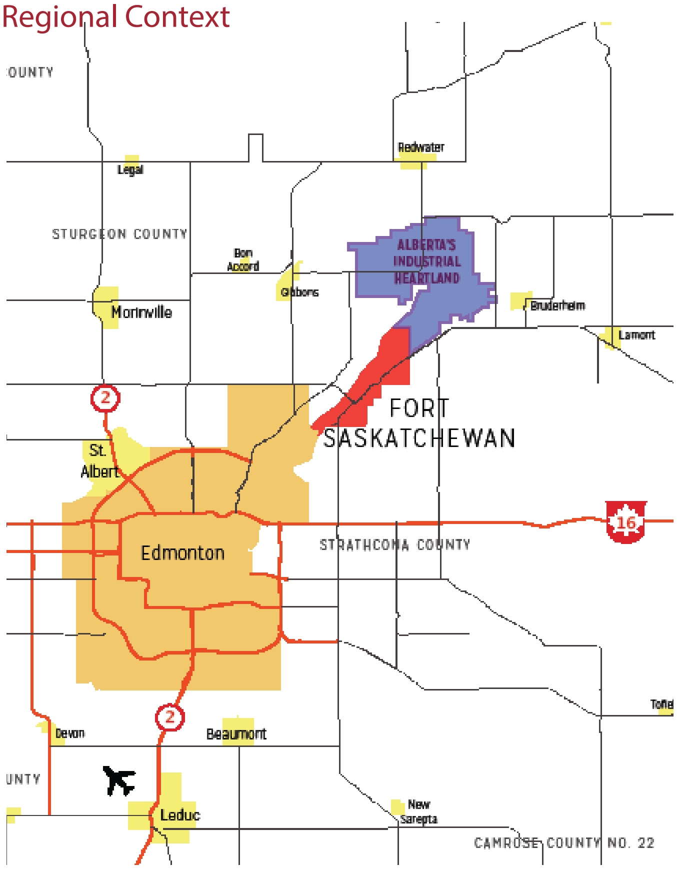
INTRODUCTION

The objective of this study is to document in detail the City of Fort Saskatchewan's current retail inventory and estimate the Trade Area retail expenditure profile across various retail categories/store types as an indication of retail inflow/outflow or also known as surplus/ leakage.

LOCATION CONTEXT SUMMARY

The City of Fort Saskatchewan is a rapidly growing market with strong patterns of residential development supported by a retail infrastructure that has responded and continues to respond in step with new demand as the market has grown. It is also the closest urban centre to Alberta's Industrial Heartland.

Regional Context



The City has all the necessary criteria to support retail opportunities, though these opportunities may not be represented necessarily by large format retailers for whom Fort Saskatchewan's regional context relative to new emerging major nodes such as Emerald Hills and Manning Park may not be as strong.

Traffic counts, which are in excess of 20,000 to 23,000 vehicles in and around new major nodes does bode well for attracting further branded tenants for whom other areas of the community may not be as busy.

RETAIL TRADE AREA SUMMARY

Both Emerald Hills and Manning Town Centre are in the midst of developing significantly sized retail developments with strong clusters of destination and Comparison or Department Store Type Merchandise (DSTM). Each of these projects has Fort Saskatchewan as part of their Primary Trade Area and thus it would be difficult for the City of Fort Saskatchewan to compete directly against these emerging strong retail nodes. Therefore, the Retail Trade Area for Fort Saskatchewan must be realistic and not overstate the area against which it will compete.

Accordingly, the Retail Trade Area for the City of Fort Saskatchewan is a reflection of the competitive influences as well as a realization that residents of Fort Saskatchewan and the communities north, west and east will still like the convenience and accessibility that Fort Saskatchewan provides for a critical mass of more neccessity-based merchandise, while not discounting the need for more essential comparison items.

ii EXECUTIVE SUMMARY

The Trade Area Demographic Profile illustrates a very strong local trade area that will grow from 35,000 in 2013 to approximately 46,000 over the next decade. It is plausible that even this growth could be exceeded if and/or as the City's growth strategy is reviewed.

Fort Saskatchewan's strengths lie in its demographics, which are substantiated by a significant household income ($118,000), which is well above the regional and provincial averages.

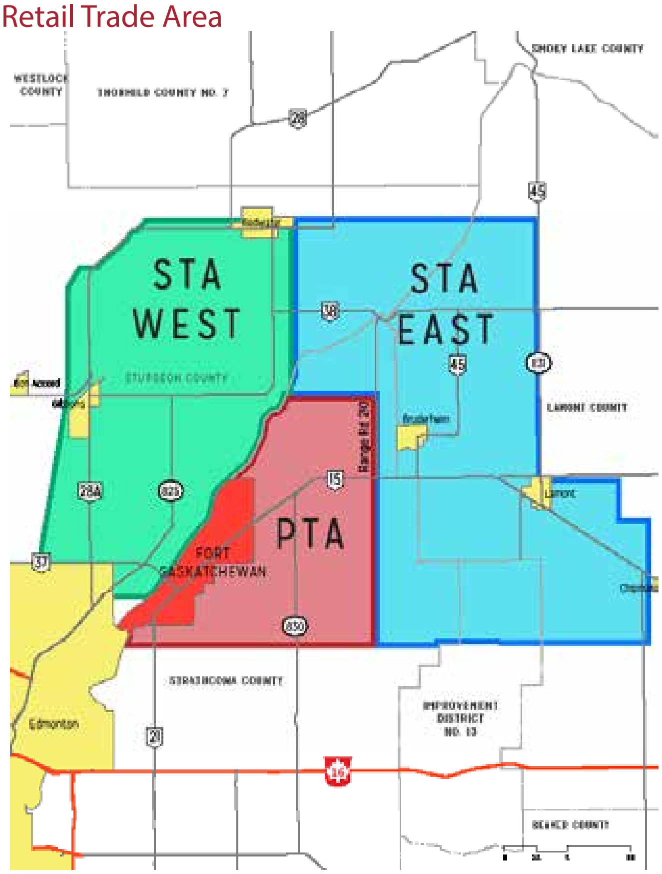
Secondly, the Trade Area has a strong, dynamic young family profile who are both mobile in their shopping patterns, yet are increasingly seeking opportunities to spend their money closer to home for more frequent purchases.

Overall, Fort Saskatchewan represents a $646 million retail market (YE 2014 estimate) in which categories such as Grocery, Automotive/RV and Restaurants, Clothing/Apparel & Footwear represent significant spending segments.

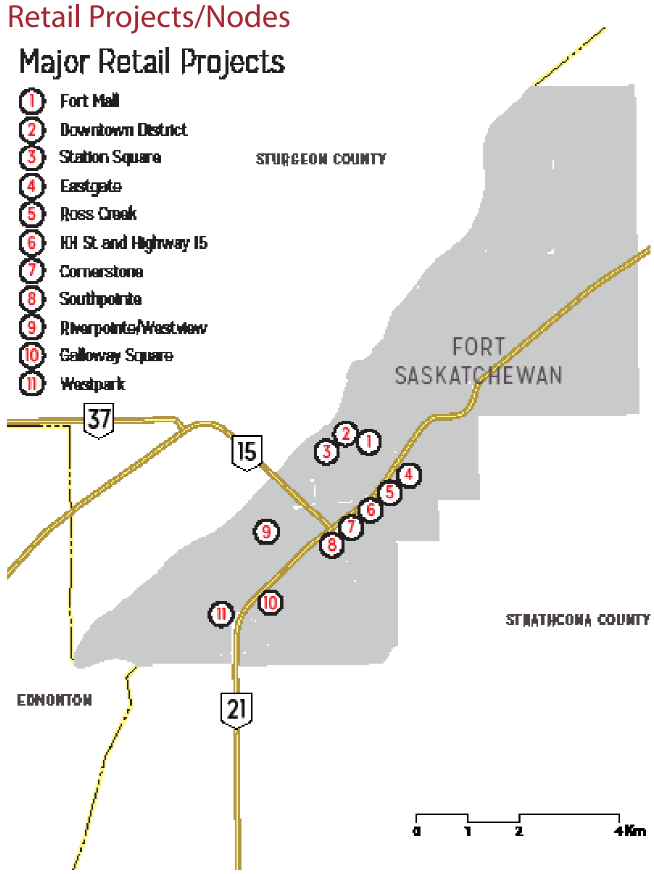
RETAIL SUPPLY SUMMARY

The inventory for the City of Fort Saskatchewan illustrates a community-oriented retail offering that provides essential shops and services for residents of Fort Saskatchewan as well as populations within an approximate 15 - 20 minute drive, primarily north, northwest and east of the City.

Retail Trade Area



Retail Projects/Nodes



Retail Floorspace Demand versus Supply for Total Retail Trade Area

Retail Spending by Merchandise Category	2014 (Year End Est.) Total Floorspace Demand (sf)	Current City Retail Inventory (sf)	Total Residual Demand (sf)
Grocery & Specialty Foods	186,359	178,675	7,683
Pharmacy	19,479	23,644	-4,166
Alcohol & Tobacco	24,779	34,426	-9,647
Personal Services	46,100	160,814	-114,714
Clothing & Apparel	62,312	79,891	-17,579
Footwear	14,902	4,741	10,161
Jewelry & Accessories	4,211	6,019	-1,808
Health & Beauty	16,739	31,061	-14,322
Home Furnishings & Accessories	36,345	19,744	16,601
Home Electronics & Appliances	19,468	38,301	-18,833
Home Improvement & Gardening	36,432	119,551	-83,118
Books & Multimedia	9,483	2,403	7,080
Sporting Goods & Recreation	13,346	22,781	-9,435
Toys & Hobbies	4,451	13,936	-9,485
Miscellaneous Specialty	26,592	82,617	-56,025
Full-Service F&B	46,288	65,253	-18,965
Limited Service F&B	16,659	56,868	-40,209
Entertainment & Leisure	46,519	50,119	-3,600
Auto Parts & Accessories	12,162	58,398	-46,237
Auto/RV/Motorsports Dealership	132,342	57,400	74,943
TOTAL RETAIL CATEGORIES ONLY	**774,968**	**1,106,642**	**-331,674**

Retail Spending Inflow / Outflow Estimates

Merchandise Category	Est. Current Annual Sales by Category (SUPPLY)	Est. Fort Saskatchewan Expenditure Potential 2014 (DEMAND)	Fort Saskatchewan Outflow / Inflow Estimates	Fort Saskatchewan Outflow / Inflow Factor
Grocery & Specialty Foods	$106,467,293	$95,748,387	$10,718,907	5.3
Alcohol & Tobacco	$12,162,863	$10,183,171	$1,979,692	8.9
Pharmacy	$21,026,130	$9,661,743	$11,364,387	37.0
Personal Services	$44,041,815	$16,900,383	$27,141,433	44.5
Clothing & Apparel	$20,018,367	$34,393,761	-$14,375,394	-26.4
Footwear	$1,261,648	$8,751,801	-$7,490,153	-74.8
Jewelry & Accessories	$4,253,652	$5,735,702	-$1,482,049	-14.8
Health & Beauty	$11,574,897	$9,058,523	$2,516,374	12.2
Home Electronics & Appliances	$11,950,128	$25,979,354	-$14,029,226	-37.0
Home Furnishings & Accessories	$8,511,879	$29,915,620	-$21,403,741	-55.7
Home Improvement & Gardening	$42,844,375	$9,549,279	$33,295,096	63.5
Books & Multi-Media	$722,260	$10,019,586	-$9,297,326	-86.6
Sporting Goods & Outdoor Recreation	$5,762,575	$7,177,295	-$1,414,720	-10.9
Toys & Hobbies	$3,067,107	$1,952,797	$1,114,311	22.2
Specialty Retail	$16,371,625	$10,193,395	$6,178,231	23.3
Full Service F&B	$23,932,428	$22,677,389	$1,255,038	2.7
Limited Service F&B	$35,904,214	$12,646,762	$23,257,452	47.9
Entertainment & Leisure	$8,869,683	$19,660,881	-$10,791,198	-37.8
Auto Parts & Accessories	$20,962,617	$5,858,390	$15,104,227	56.3
Auto/RV/Motorsports Dealership	$28,079,134	$89,389,017	-$61,309,883	-52.2

ii EXECUTIVE SUMMARY

Overall, the City's inventory has grown substantially over the past few years to a point now whereby the City should exercise caution so as to not be over-retailed in categories that could negatively impact areas such as Downtown.

The City has an estimated retail inventory of almost 1.15 million sq. ft. and a vacancy of less than 4% which suggests a healthy retail environment.

RETAIL DEMAND SUMMARY

Total demand for floorspace in the City of Fort Saskatchewan attributable to residents of the Primary and Secondary Trade Areas is estimated at approximately 775,000 sq. ft.

When compared against the current City's occupied retail inventory or supply at 1.1million sq. ft., the difference between demand and supply equates to almost 332,000 sq. ft. of retail space. In other words, the city has 332,000 sq. ft. more retail space than current demand warrants.

If one factors into the equation forecasted population growth in the total trade area of approximately 9,800 over the next decade to 2024 (the majority of which will be in the City of Fort Saskatchewan), then estimated future floorspace demand could grow by approximately 250,000 sf.

When factoring future demand against the current negative residual demand, the forecasts suggests the City should focus its retail tenant recruitment strategy on specific tenants and merchandise categories that exhibit strong retail sales inflow potential. Examples include Grocery, Pharmacy and Food & Beverage.

This also applies to very specifically targeted comparison merchandise tenants who may be prepared to have a store in Fort Saskatchewan as well as Strathcona County and Northeast Edmonton.

Fort Saskatchewan's spending reveals a pattern in which more day-to-day types of categories generate inflow and surplus sales and could thus be targeted by retailers.

Conversely, the categories exhibiting outflow are all the types of categories that people are prepared to drive 30 - 45 minutes to access, which brings into play a wide array of projects that even includes South Edmonton Common and West Edmonton Mall. The soon-to-be completed northeast component of the Anthony Henday will only increase acessibility to areas like West Edmonton Mall.

Given Fort Saskatchewan's retail trade area demographics and spending attributes, specific target categories include Grocery, Pharmacy, Personal Services, Toys & Hobbies, Full & Limited Service F&B, Health & Beauty.

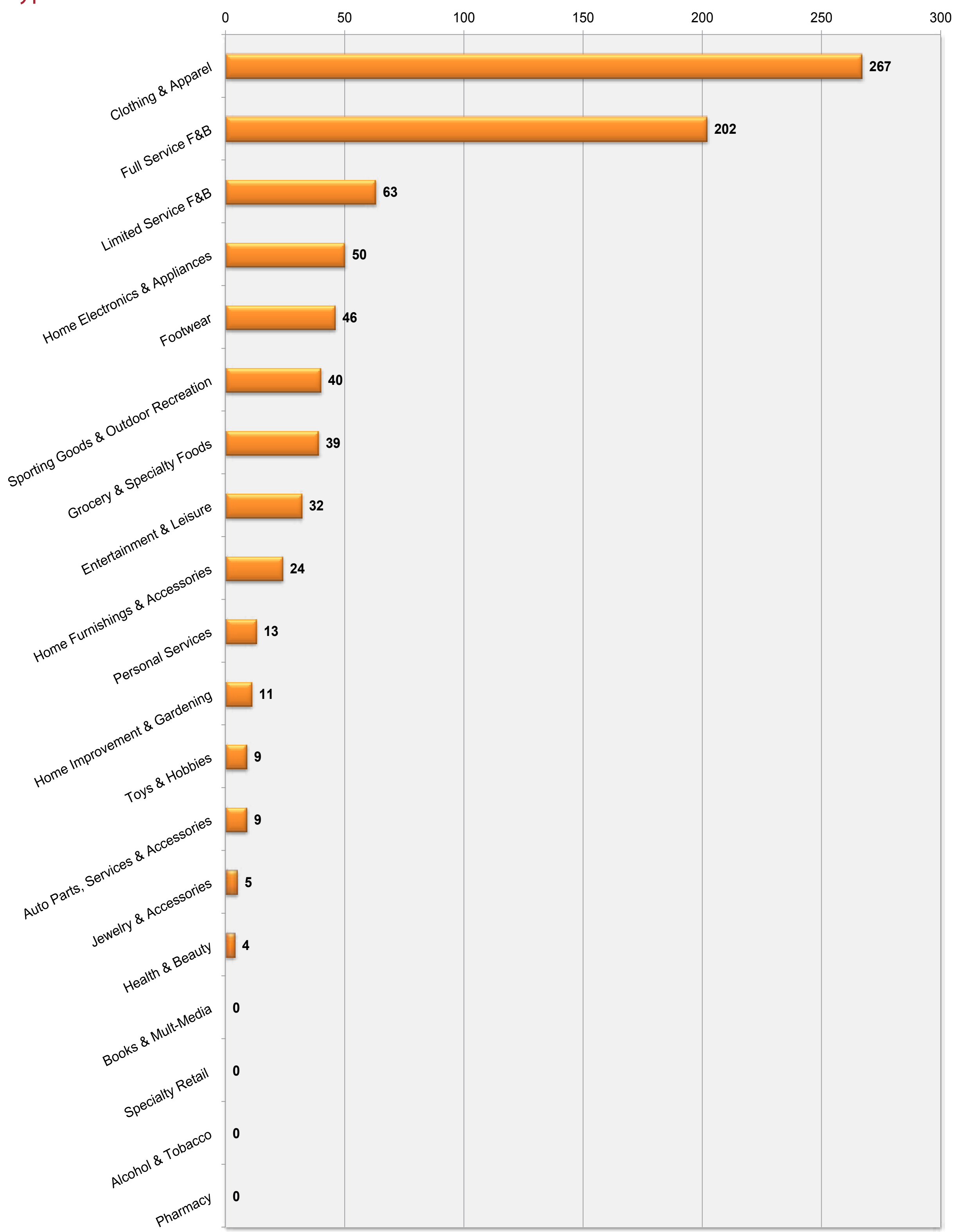
A market like Fort Saskatchewan in which inflow exists for specific categories and where it would be difficult to provide a comparison offering that could be competitive in the market is more poignant in that retailers can have the confidence in knowing that demand is already present in a market.

Fort Saskatchewan has a net sales leakage of only $8 million and does a very good job of retaining and attracting Convenience spending from its Trade Area with a net inflow of $51 million.

Similarly, Fort Saskatchewan garners strong inflow from Limited Service Restaurants ($23.2 million). However, Fort Saskatchewan's penetration of the Full-Service Restaurant category could be stronger.

ii EXECUTIVE SUMMARY

Types of Stores Desired in Fort Saskatchewan



ii EXECUTIVE SUMMARY

Fort Saskatchewan's major leakage occurs in Automotive/RV Dealers ($61.3 million), Clothing & Footwear ($21.9 million) and Home Furnishings ($21.4 million). These are categories Fort Saskatchewan will be hard pressed to compete with and thus may not be priorities for targeting.

CONSUMER SURVEY SUMMARY

The Consumer Intercept Survey yielded findings that reinforce the more localized trade area for the City of Fort Saskatchewan.

The majority of respondents indicated a desire to have more Clothing & Footwear, Full Service Restaurants and Grocery. These particular categories were not only identified as specific categories, but the spending patterns and importance ratings of the respondents validated these sentiments.

Respondents identified a number of recognized restaurant and retailer brands. While Fort Saskatchewan is well positioned to attract many of the full and limited service restuarants identified, caution should be exercised as it relates to the list of comparison retailers. Many of the desired comparison retailers are mid to larger sized formats who are likely to be drawn to new developments at Emerald Hills and/or Manning Town Centre.

As such, Fort Saskatchewan should use the consumer survey trends that suggest targeting smaller more value-oriented retailers that could infill existing retail nodes, thus not necessitating another new large retail node or nodes.

The types of tenants sought by respondents combined with their spending patterns further suggest that the most compatible locations that can fulfill retailer site location requirements will likely fall in the Central and South nodes and to a lesser degree the Downtown, although the redevelopment of the Fort Mall will provide a significant and viable option for tenants looking for newer space at potentially more affordable rates.

The Downtown area will continue to face external pressures resulting from continued growth on the fringe of the City. The Downtown is still recognized as a key node that can accommodate future tenant opportunities, particularly in the specialty retail, food & beverage categories and personal services categories.

CONCLUSION

The City of Fort Saskatchewan should look to the following considerations as it relates to guiding the retail prospects of the City over the next decade:

- Ensure that retail growth does not come at the expense of the Downtown.
- Promote the infill of existing new and developing retail nodes as a way of cultivating critical mass and critical mix.
- Prioritize key target categories and tenants that can benefit from the sales inflow as well as curbing some outflow.
- Avoid trying to compete with the major retail nodes at Emerald Hills and Manning Town Centre, but rather solidify the City's role as a strong service centre, until such time as the City's population itself could warrant development at that magnitude.
- Market the City's offering of shops and services to the identified north, northwest and eastern parts of the trade area to attract and retain more of their spending.

Photo credit: Cushing Terrell Architecture Inc. 2014

1 INTRODUCTION

1.1
SCOPE OF STUDY & PROJECT BACKGROUND

Cushing Terrell Architecture Inc. (“Cushing Terrell”) was commissioned by the City of Fort Saskatchewan in August 2014 to conduct a Retail Market and Gap Analysis for the City and its various retail areas/nodes.

The study was carried out over the period August 2014 to January 2015.

The objective of this study is to document in detail the City of Fort Saskatchewan’s current retail inventory and estimate the realistic Trade Area and its inherent retail expenditure profile across various retail categories/store types as an indication of retail inflow/outflow or surplus/leakage.

1.2
REPORT STRUCTURE

Cushing Terrell conducted on-the-ground research in September 2014 supplemented by research gathered during the overall period August 2014 to December 2014 to gain a firm understanding of existing and future retail projects and prospects in Fort Saskatchewan. The purpose of this research was to establish a solid foundation and baseline for determining the depth of retail opportunity and associate gaps in the market provision of shops and services and to whom such gaps could be targeted.

To respond to the work program process, the document is presented in the following sections:

Section 1 - Introduction:
Introduces the study process and structure.

Section 2 - Location Analysis & Site Context:
Lays out the important regional and local context of the City of Fort Saskatchewan as a location that targeted retailers could express interest.

Section 3 - Retail Trade Area Profile:
Identifies and defines the Primary and Secondary Retail Trade Areas and documents the population and expenditure profiles generated from within these respective trade areas, against which estimates of floorspace demand can be attributed. Given Fort Saskatchewan’s status as an Oil & Gas hub, the smaller yet nontheless important temporary/part-time resident base was also profiled.

Section 4 - Retail Market Supply:
Assesses the location and characteristics of Fort Saskatchewan’s current nodes of retail activity (“supply”), including developing or future planned retail sites. Fieldwork assessments included identifying and quantifying the entire City’s retail inventory by node, retailer and merchandise category.

Photo credit: Cushing Terrell Architecture Inc. 2014

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Section 5 – Retail Demand & Gap Analysis:
Trade Area spending and sales productivities were estimated resulting in "demand" associated with each retail category. The demand estimates were then applied against supply to estimate the magnitude of inflow and outflow of retail on a category-by-category basis.

Section 6 – Consumer Intercept Survey:
A Consumer Intercept Survey was conducted by Keyfax Market Research in which the full-time and part-time residents of Fort Saskatchewan and surrounding communities were interviewed. An in-person questionnaire tool was used to ascertain shopping patterns and consumer preferences for retail tenants and formats in the City of Fort Saskatchewan along with their current spending habits and importance ratings for the types of new retail categories that the City could pursue to enhance the offering and retain expenditure within the community.

Section 7 – Conclusion:
Conclusions highlight and summarize the most salient Market Analysis findings as well as missing merchandise categories and identify a roster of potential market-compatible retailers whose typical site selection criteria match the trade area demographics and locational attributes of Fort Saskatchewan.

1.3
SOURCES OF INFORMATION

During the course of this study, a number of information resources were used to quantify retail market supply and demand conditions.

In addition to primary and secondary research, Consumer Intercept Interviews were also conducted to further supplement the retail supply and leakage quantification analysis.

The following sources of information were used in this Retail Market & Gap Analysis:

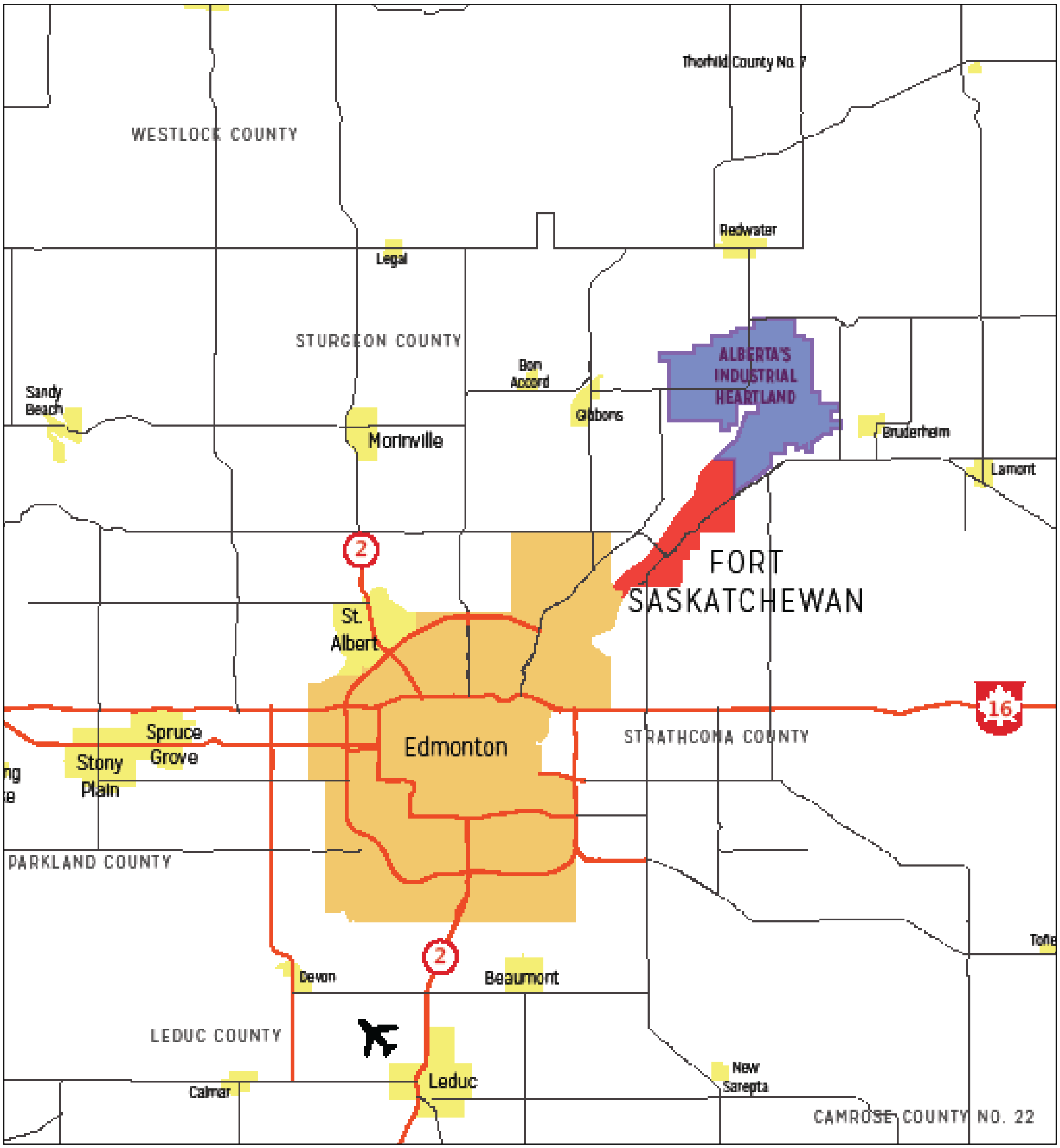
- City of Fort Saskatchewan Municipal Development Plan, 2010-2030
- City of Fort Saskatchewan Downtown Area Redevelopment Plan, 2009
- City of Fort Saskatchewan Municipal Census, 2014.
- City of Fort Saskatchewan Land Use Bylaw.
- Alberta Ministry of Transportation, Highways 1 to 986 Traffic Volume History 2003-2013.
- Environics Analytics, Western Canada 2013.
- Keyfax Market Research Consumer Intercept Survey, September 2014.
- Cushing Terrell Architecture Inc. Detailed Retail Inventory Fieldwork, September 2014.

Cushing Terrell would like to thank the following firms and organizations from whom additional information was obtained to provide supplemental retail development, project profiles market and tenant information:

- Qualico Developments
- Haro Developments Ltd (and Square Root Architecture Ltd.)
- Springwood/CREIT
- International Council of Shopping Centers -Alberta and Metro Edmonton Non-Anchored Mall Tenant Retail Sales Productivities, 2014
- Conference Board of Canada Metropolitan Outlook, Summer 2014
- Statistics Canada, 2014
- Fort Saskatchewan Chamber of Commerce
- Colliers, Fort Saskatchewan Demographics & Retail Potential, 2011
- Colliers International
- Cushman Wakefield

Figure 2.1

CITY OF FORT SASKATCHEWAN CONTEXT MAP



2 LOCATION & CONTEXT

2.1
INTRODUCTION

Strong locational factors are an essential foundation to retail success, and an understanding of these factors can help create the necessary conditions for attracting and retaining retail businesses in a community. This section identifies the City of Fort Saskatchewan's regional and local characteristics as they relate to the attraction and retention of retail businesses and merchandise categories.

The analysis begins with a macro study of the Fort Saskatchewan regional context as it relates to surrounding counties and cities/towns therein, as well as the City of Edmonton.

2.2
REGIONAL CONTEXT

The City of Fort Saskatchewan is approximately 30 km northeast of Edmonton. Being at the gateway to Alberta's Industrial Heartland (AIH), means the City is well positioned to benefit from economic growth related to industrial development, particularly that related to the Oil & Gas Industry. The City also beneifts from its proximity to downtown Edmonton, a 30-minute drive away. This proximity is a benefit for a commuting workforce, but also creates challenges for providing a depth of retail opportunities.

Numerous highways connect Fort Saskatchewan to the population and industrial centres necessary to support potential multi and chain store retail operations for whom timely access to markets forms an essential part of their store network strategy.

The City conservatively services a trading area of almost 35,000 people spanning the City itself and neighbouring counties such as Sturgeon, Thorhild and Lamont.

Though Fort Saskatchewan is not considered a regional-serving destination, it nonetheless serves as a critical and convenient catchment for shops and services for towns such as Lamont, Bruderheim, Redwater, Gibbons and Bon Accord (refe to **Figure 2.1**).

2.3
MUNICIPAL DEVELOPMENT PLAN

The City's Municipal Development Plan (MDP) addresses long-term commercial growth in the Future Land Use Plan. The Future Land Use Plan addresses growth only within the municipal boundary, and in general the plan directs/encourages growth to the east, southeast and south. Major growth and development on lands to the north and west is limited by existing heavy industrial uses and the North Saskatchewan River respectively.

The Future Land Use map designates new growth areas with the "Developing Communities" (DCA) designation. Policies for the DCA land use that are relative to new retail development include a desire for a mix of residential and commercial uses as well as the need for neighbourhood-serving commercial. This suggests smaller format retail or office is the city's desired commercial use for DCA areas. This type of land use is generally consistent with what demand would dictate.

The City generally aims to direct new large-format retailers to areas that have attracted existing large retailers, such as Cornerstone and Southpointe. Such areas are designated as "Commercial" (C) land use.

With respect to retail development in this C-designated area, the MDP states, *"The City will concentrate future highway commercial development in these areas…"*; preserving land in other areas for neighbourhood-serving commercial uses.

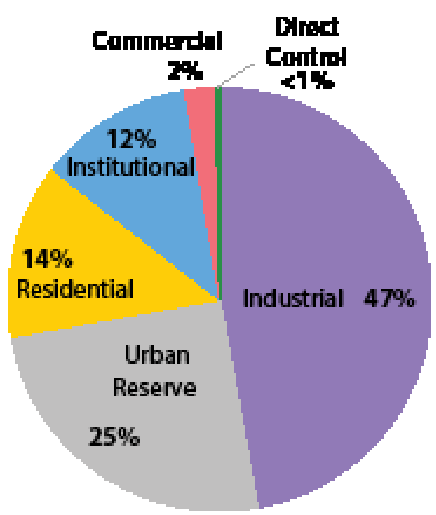
It is the intent of the MDP to intensify the retail uses in this area if possible. The Future Land Use Plan does not suggest that existing Commercial areas will expand into the surrounding "General Urban Area" land use, which is intended to be a more neighbourhood-oriented district.

As is stated in the MDP, and further validated by market analysis and inventory fieldwork, the Downtown area and former shopping malls, including Fort Mall, have become marginalized by the emergence of power centres over the past decade, particularly in the west side of the City.

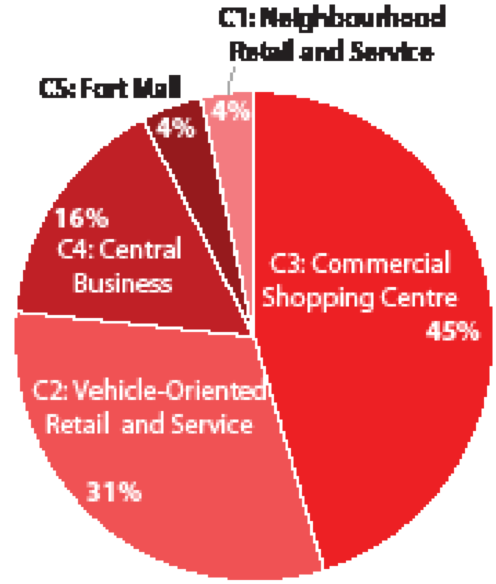
Certainly the downtown may not be the first destination of choice for new retailers, particularly those with a brand affiliation, **but the role of the downtown is absolutely critical to providing opportunities for local retailers and entrepreneurs, as well as providing an identity for the city.**

The Future Land Use Plan designates the "Downtown" Land Use District as the focal point of commerce and community interaction in the city. Policies for Downtown largely reflect those in the Downtown Area Redevelopment Plan.

Land Use District Composition



Commercial Land Use District Composition



2.4
LAND USE BYLAW

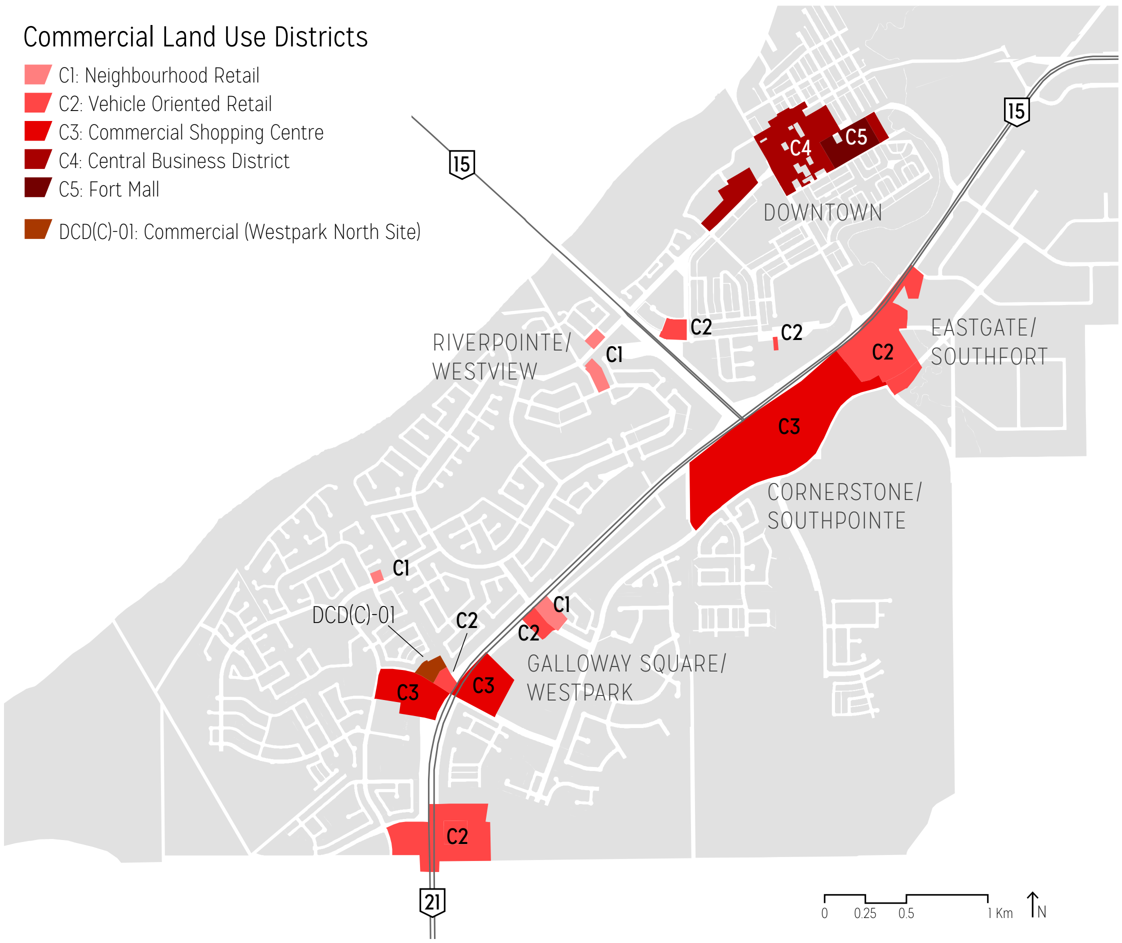
The City's Land Use Bylaw addresses commercial lands in "Part 6 - Commercial Land Use Districts".

Although Commercially-zoned land comprises about two percent (2%) of all land use in Fort Saskatchewan, the Urban Reserve Land Use District represents areas that have potential for new growth (25%).

As such, Urban Reserve areas adjacent to existing Vehicle Oriented Retail and Commercial Shopping Centre districts (Eastgate, Southpointe and the south entrance to the City) may have potential to absorb new commercial development, if and as demand warrants, though it must be important to ensure that any such development maintains compatibility with the City's overall vision for retail retention, expansion and attraction.

2

Figure 2.2
COMMERCIAL LAND USE DISTRICTS



2.5
COMMERCIAL LAND USE CONTEXT

Figure 2.2 shows the commercial lands in the City. The areas shown in red depict land currently zoned for Commercial Land Uses.

The map illustrates concentrations of Commercial lands in which existing as well as major future commercial development are or may be situated.

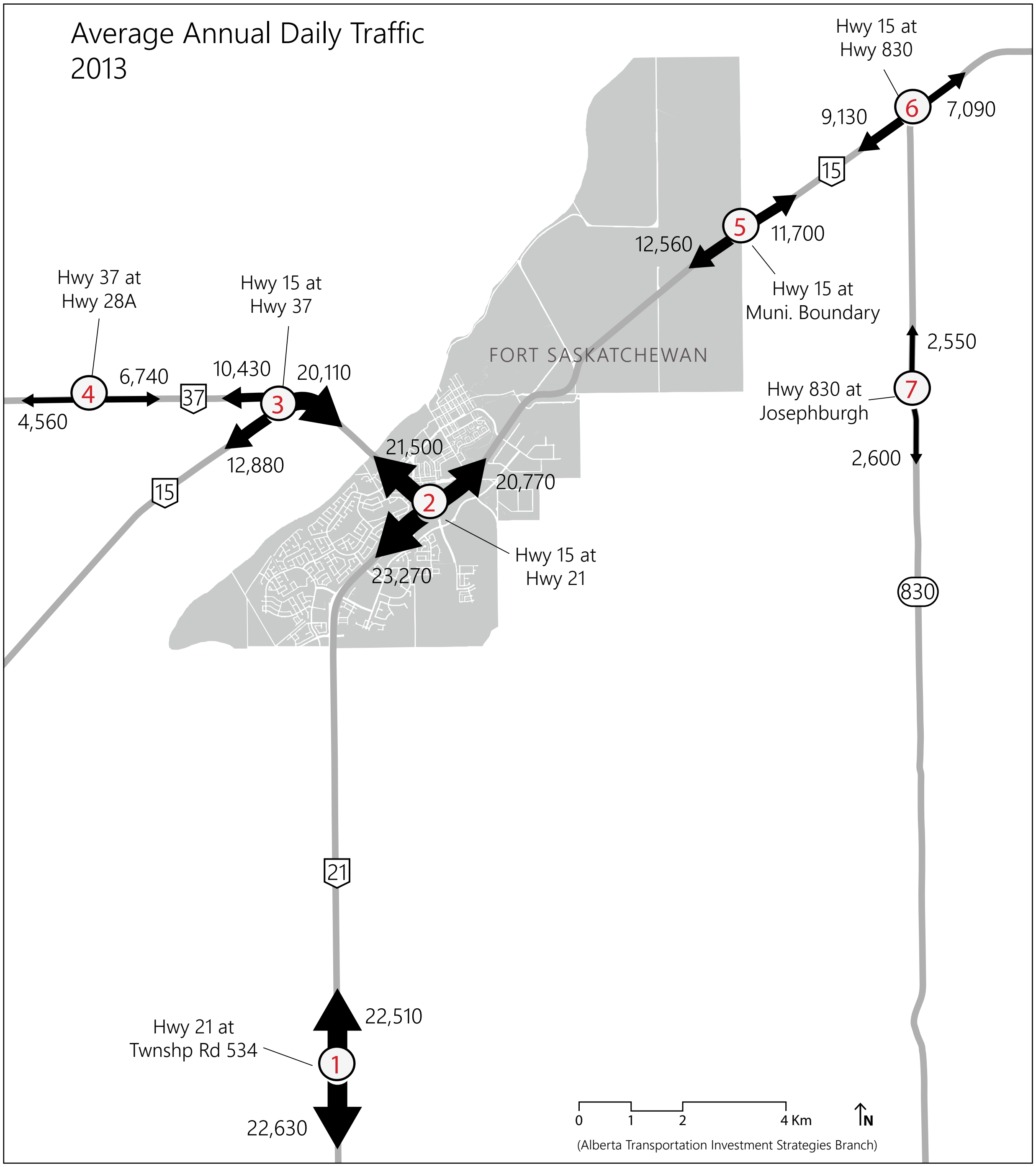
2.6
TRANSPORTATION CONTEXT

One of the most significant aspects to successful commercial development relates to patterns of transportation. Most significantly to retail businesses, the ability to be accessible as well as visible to high volumes of traffic is among their most major considerations. For a localized market such as Fort Saskatchewan, a retail location relative to strong and accessible transportation patterns remains an important component, as illustrated by recent retail developments at the convervgence of Hwy 21 & Hwy 15, where traffic counts are highest in the City.

Figure 2.3

CITY OF FORT SASKATCHEWAN TRAFFIC COUNTS

(Source: Government of Alberta)



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Accordingly, **Figure 2.3** reveals the major high volume traffic corridors, which are located along Hwy 21, Hwy 15, Hwy 37 and Hwy 830.

The Alberta Ministry of Transportation provides traffic counts on major highways. Referring to **Figure 2.3**, the most recent 2013 traffic counts by the Province illustrated Average Annual Daily Traffic (AADT) at the following intersections:

1) Hwy 21 at Township Rd 534

North on Hwy 21 = 22,630
South on Hwy 21 = 22,510
East on Twp Rd 534 = 140
West on Twp Rd 534 = 480

2) Hwy 15 at Hwy 21

North on Hwy 15 = 20,770
West on Hwy 15 = 21,500
South on Hwy 21 = 23,270

3) Hwy 15 at Hwy 37

East on Hwy 15 = 20,110
South on Hwy 15 = 12,880
West on Hwy 37 = 10,430

4) Hwy 37 at Hwy 28A

North on Hwy 28A = 9,390
South on 17th St. = 6,250
East on Hwy 37 = 6,740
West on Hwy 37 = 4,560

5) Hwy 15 at Municipal Boundary

North on Hwy 15 = 11,700
South on Hwy 15 = 12,560

6) Hwy 15 at Hwy 830

North on Hwy 15 = 7,090
South on Hwy 830 = 2,540
South on Hwy 15 = 9,130

7) Hwy 830 at Josephburgh

North on Hwy 830 = 2,550
South on Hwy 830 = 2,600

Traffic patterns closely mirror retail hot spots particularly in the central areas where the largest concentrations of traffic flow are in the range of 20,000 - 23,000 AADT and for which regional traffic is important for larger format and "Power Centre" type uses.

Incoming traffic flows indicate there is some inflow from rural areas to the northwest, however inflow from the south and west is more significant. The Hwy 21 corridor connecting Fort Saskatchewan to greater Edmonton is the highest trafficked corridor, which bodes well for attracting further retail interest, particularly that which is compatible with Fort Saskatchewan's trade area. However, it should be noted that the majority of this high traffic volume is likely more a commuting workflow than a destination shopping flow.

2.7 DEVELOPMENT & BUILDING PERMITS

A review of data on development and building permits in the City of Fort Saskatchewan over the last several years illustrates a sustained pattern of development activity.

As evidenced in **Figure 2.4**, over the period of 2006-2013, the City of Fort Saskatchewan has exhibited strength as illustrated by an average of about 400 annual permits issued for all types of construction. The current year is on pace to surpass the average as well as 2013 levels, with about 500 building permits issued through September 2014.

The value of the above noted Building Permits for the current year (2014) through September has amounted to $60.76 million.

Over the period 2013, there were only 3 new construction starts for Commercial. Over the period 2006 to 2013 the average number of new construction starts for Commercial has been 3.5 per year.

Figure 2.4

CITY OF FORT SASKATCHEWAN NEW CONSTRUCTION STARTS 2006 - 2013

(Source: City of Fort Saskatchewan Residential, Institutional, Industrial & Commercial)

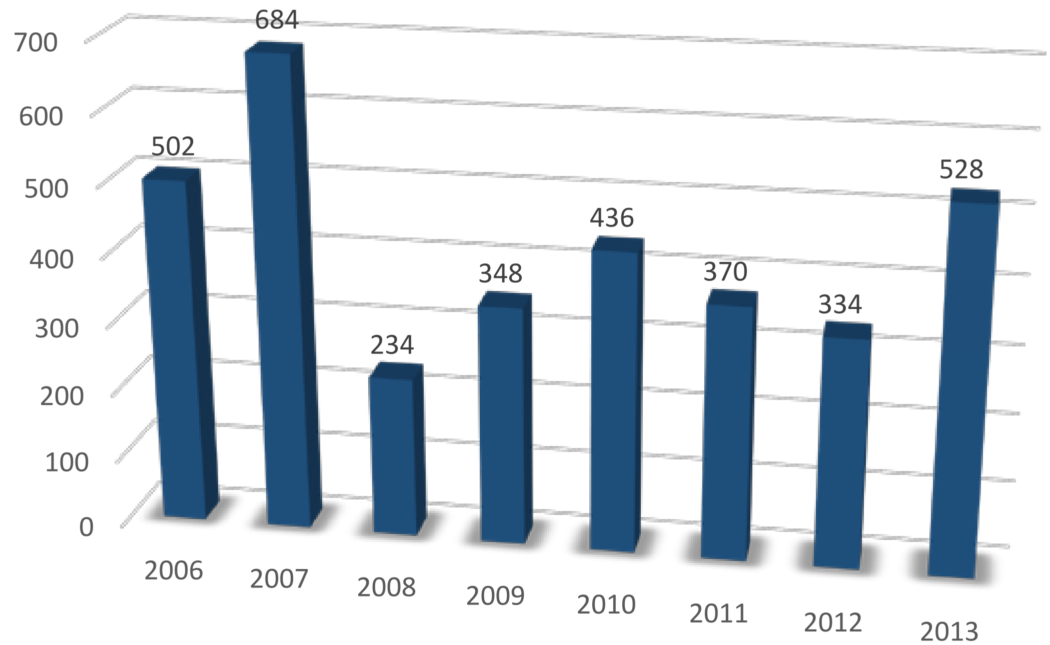

Photo credit: Cushing Terrell Architecture Inc. 2014

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Residential building permits continue to be very robust in the City of Fort Saskatchewan, averaging 430 permits per year over the period 2007 to 2013. 2013 exhibited significant growth in Residential, particularly new multi-family construction starts comprising 239 single family and 281 multi-family units.

The importance of residential to retail development is significant, particularly for the development and feasibility of potential additional local or community scale developments.

Overall building permit data reinforces the strong growth dynamics of the Fort Saskatchewan market and also illustrates a trend towards a diversified development market as evidenced by the increasing number of multi-family permits which bodes well for future intensification of areas such as the Downtown where multi-family formats will be an integral part of any ongoing enhancement and revitalization.

2.8 SUMMARY & IMPLICATIONS

The City of Fort Saskatchewan is a rapidly growing market with strong patterns of residential development supported by retail infrastructure that has responded and continues to respond in step with new demand as the market has grown.

The City has all the necessary criteria to support retail opportunities, though these opportunities may not be represented necessarily by large format retailers for whom Fort Saskatchewan's regional context relative to new emerging major nodes such as Emerald Hills and Manning Park may not be conducive.

Traffic counts, which are in excess of 20,000 to 23,000 vehicles in and around new major nodes does bode well for attracting further branded tenants for whom other areas of the community may not be as lucrative.

As is often the case in retail, tenants will seek to find the best location that will allow them the opportunity to garner sales that can justify rents. In this regard, the City of Fort Saskatchewan as will be seen in **Section 4.0** provides a range of options for local, regional and national tenants.

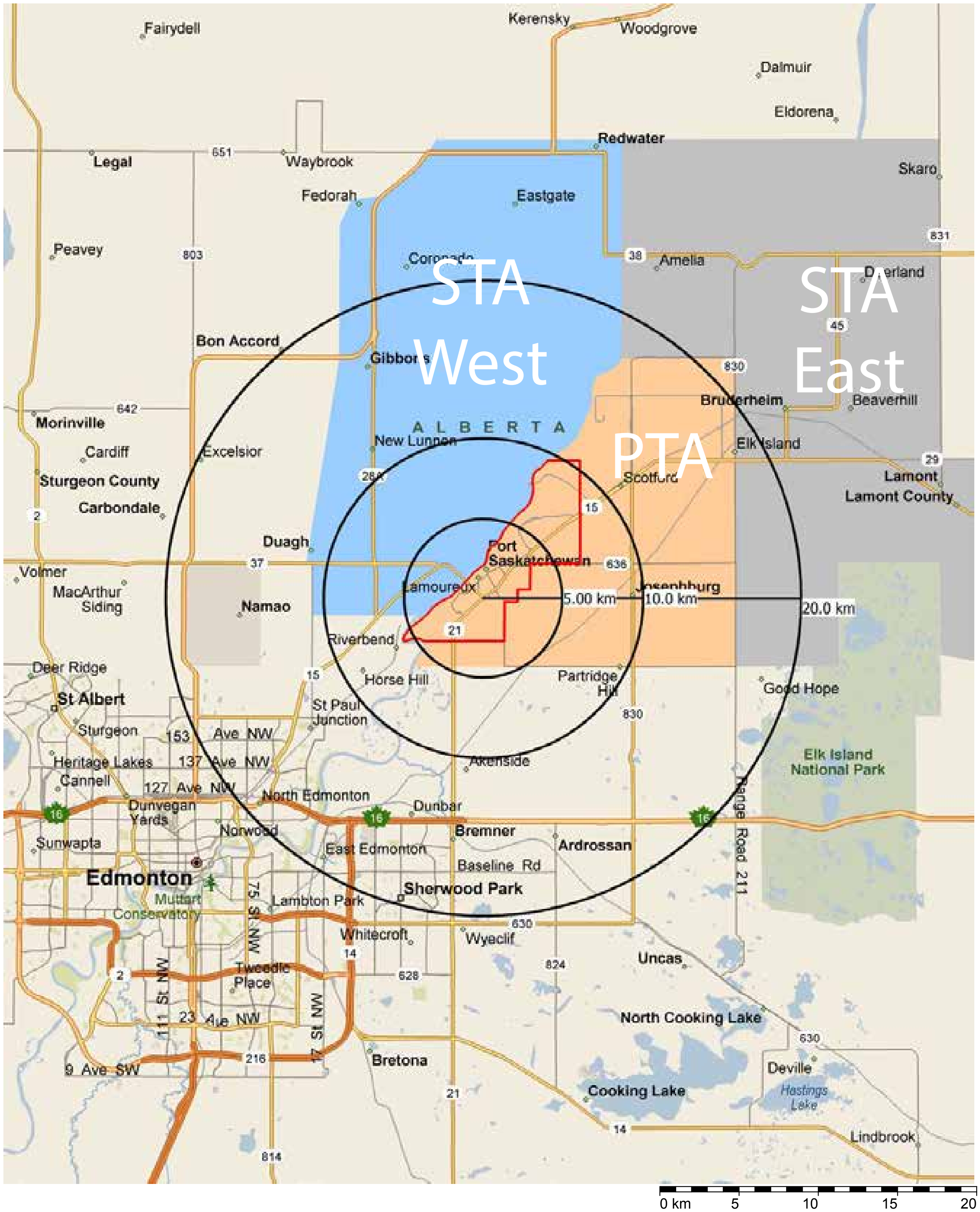
The City continues to be in the midst of economic strength, driven by continued oil and gas exploration, but beyond that the City of Fort Saskatchewan itself has a diversified economy driven by the expansion of Alberta's Industrial Heartland, as well as the emergence of retail itself as an important economic driver.

Mobility to and within the City of Fort Saskatchewan and the various new residential communities being developed in the South and East is allowing for retailers to set up businesses in all nodes of the City including Downtown, where drive times within the city are mere minutes apart when compared to other more congested communities nearby.

With additional Commercial and Industrial developments under construction or planned with service-ready sites, the City is able to accommodate retailers, investors and developers with projects from neighbourhood to community-scale formats.

Figure 3.1

CITY OF FORT SASKATCHEWAN RETAIL TRADE AREA



3 RETAIL TRADE AREA PROFILE

3.1 INTRODUCTION

In order to establish a framework for quantifying retail demand and subsequent gaps in the provision of shops and services, it is necessary to delineate and identify the Trade Area from which the City of Fort Saskatchewan's retail sales are most frequently and likely to be sourced and generated.

The Trade Area recognizes drive times and profiles the demographics and spending attributes and competition, which collectively help to shape and inform the market to prospective tenant, developer and investor interests and ultimately provides a rationalization for achievable market shares attributable to the Trade Area spending segments.

As a first step, a Trade Area was delineated to identify the geographic region from which regular patronage could be expected based on a series of boundary determinants.

The major considerations in delineating a Retail Trade Area are outlined in the following. These principles were applied to the City of Fort Saskatchewan to determine its current Trade Area, as well as to help sensitize future market share inputs from respective Trade Areas.

Retail Trade Area Determinants

i. Transportation networks, including streets and highways, which affect access, travel times (**Figure 3.1**), commuting and employment distribution patterns;

ii. Major infrastructure projects both planned or under development which will affect future travel patterns;

iii. The development vision, including an understanding of its site characteristics and potential target audience;

iv. The local and regional competitive environment, present and future;

v. The City's proposed generative uses (retail, cultural, civic, etc.) and their relationship within the wider market;

vi. Significant natural and man-made barriers (e.g. water features, highways and industrial areas);

vii. De facto barriers resulting from notable socioeconomic differentiation;

viii. Patterns of existing and future residential and commercial development; and

ix. Economic realities, such as provincial retail sales taxes.

Photo credit: Cushing Terrell Architecture Inc. 2014

3

As mentioned previously, a Trade Area is the geographic region from which the City of Fort Saskatchewan will draw regular patronage from local and regional residents.

Identifying the likely Trade Area is important to understanding the total market potential available to current and future tenants as generated by the local and regional residential base as well as its particular demographic and spending nuances. This provides clues as to the type of retail tenants that are compatible, the amount of retail floorspace supportable in the market and the current inflow or outflow of retail sales and for which categories such inflow or outflow exists.

A Trade Area is typically subdivided to provide a more refined analysis of the City's retail opportunity.

These subdivisions include a Primary Trade Area from which the majority of retail sales originate, and a series of Secondary Trade Areas, each of which is specifically delineated based on factors such as transportation, population, geographic barriers etc.

For this particular study, the Retail Trade Area shown in **Figure 3.1** has been cross-referenced and subsequently validated by the Consumer Intercept Survey, which is documented in **Section 6.0**. This Consumer Intercept Survey used postal codes of respondents to confirm and modify the Trade Area as depicted.

The resulting Trade Area for the City of Fort Saskatchewan comprises the following Primary and Secondary Trade Areas.

Primary Trade Area (PTA) includes the City of Fort Saskatchewan and the outlying small towns east of the North Saskatchewan River and within an approximate 10 minute drive time, such as Bruderheim and Josephburg.

Secondary Trade Area West (STA West) includes the residents of Sturgeon County west of the North Saskatchewan River up to and including the outlying smaller communities such as Gibbons and Redwater.

Secondary Trade Area East (STA East) is represented by the smaller towns located east and north of the PTA and includes towns such as Lamont, Beaverhill and other hamlets within Lamont County.

Part Time residents for whom Fort Saskatchewan is a temporary home while they work in the Oil & Gas Industry are another "untapped" component of the Retail Trade Area. Although not quantified as part of the full-time residential base, they nonetheless will be profiled in terms of their estimated retail potential and the types of shops and services that they utilize in the city.

3.2 POPULATION PROJECTIONS

Using data sources that include the City of Fort Saskatchewan, which recently completed a Municipal Census (2014), Statistics Canada and Environics Analytics, population estimates and growth forecasts were tabulated for each of the identified trade areas and further compared to the Edmonton and Alberta averages, where applicable.

Table 3.1

TRADE AREA POPULATION PROJECTIONS SUMMARY 2013 TO 2023

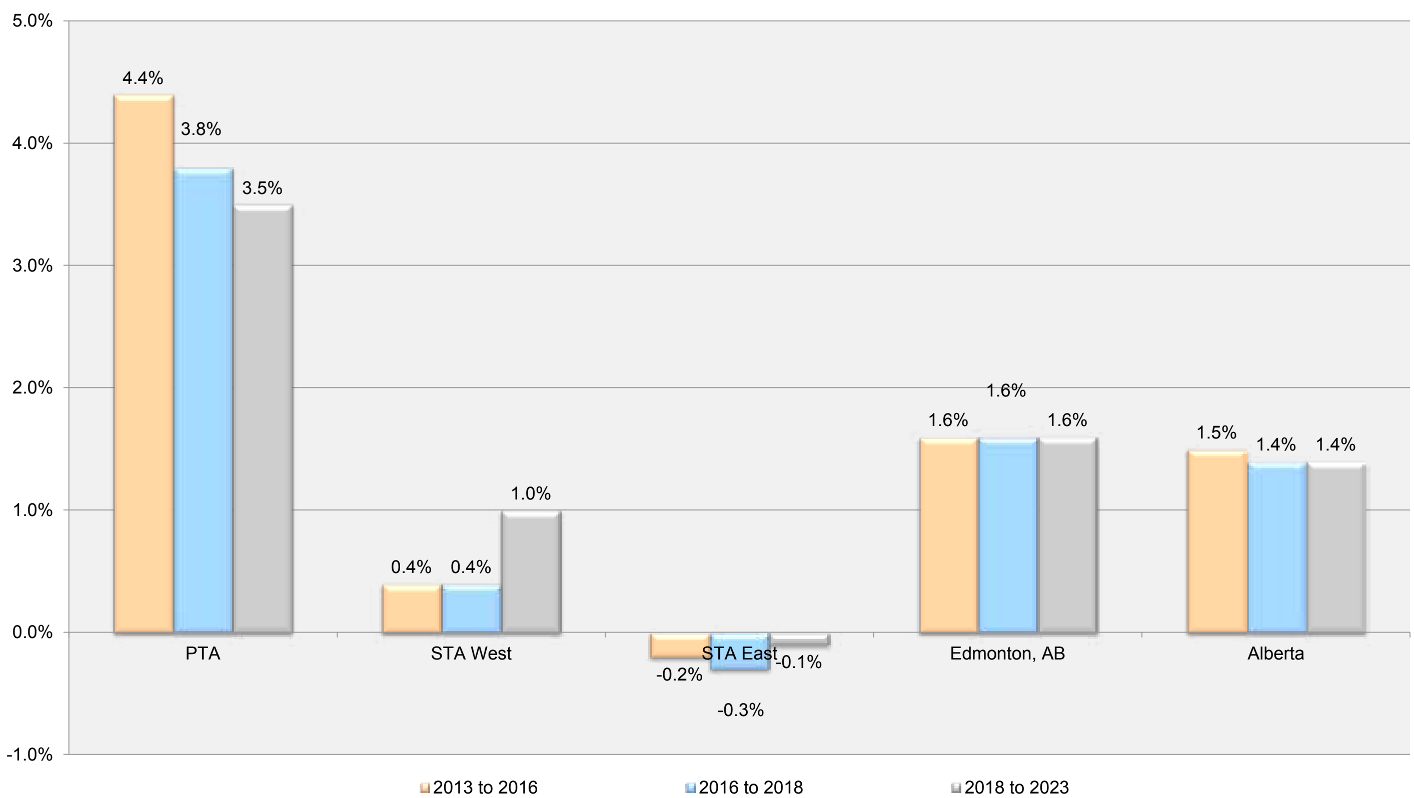
(Source: City of Fort Saskatchewan, Environics Analytics 2014 and Cushing Terrell Architecture Inc)

2013 Estimates and Projections Population Trends	City of Fort Sask	PTA	STA West	STA East	Edmonton, AB	Alberta	All of Canada
Total Population							
2013 estimated	21,795	22,781	7,895	4,688	1,241,933	3,897,557	35,332,670
2014 estimated	22,808	23,794	7,927	4,679	1,261,804	3,956,020	35,756,662
2016 projected	24,907	25,934	7,990	4,660	1,302,505	4,075,591	36,619,971
2018 projected	26,939	27,942	8,054	4,632	1,342,986	4,185,935	37,387,802
2023 projected	32,306	33,187	8,436	4,612	1,453,918	4,487,271	39,489,871
Change in Population (persons)							
2013 to 2016	3,112	3,153	95	-28	60,572	178,034	1,287,301
2016 to 2018	2,032	2,008	64	-28	40,481	110,344	767,831
2018 to 2023	5,366	5,244	382	-20	110,932	301,336	2,102,069
Change in Population (percent)							
2013 to 2016	14.28%	13.84%	1.20%	-0.60%	4.88%	4.57%	3.64%
2016 to 2018	8.91%	8.44%	0.81%	-0.60%	3.21%	2.79%	2.15%
2018 to 2023	19.92%	18.77%	4.74%	-0.43%	8.26%	7.20%	5.62%
Rate of Change in Population (percent per year)							
2013 to 2016	4.50%	4.40%	0.40%	-0.20%	1.60%	1.50%	1.20%
2016 to 2018	4.00%	3.80%	0.40%	-0.30%	1.60%	1.40%	1.10%
2018 to 2023	3.70%	3.50%	1.00%	-0.10%	1.60%	1.40%	1.10%

Figure 3.2

RETAIL TRADE AREA POPULATION GROWTH RATES

(Source: City of Fort Saskatchewan, Environics Analytics 2014 and Cushing Terrell Architecture Inc)



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40,000+ BY 2018

TOTAL TRADE AREA POPULATION

While using the City's most recent data for sensitizing projections, for the purposes of this study Cushing Terrell uses the 2013 Environics Analytics Western Canada data as a baseline wherever possible.

Using this data allows for better tabulation of the data at the block level for more accurate delineations. While having the most current data projections, it also allows for comparisons across other municipalities and at the Provincial level.

Table 3.1 provides a breakdown of the Trade Area Population in which the Primary Trade Area is shown to include the municipal boundaries of the City of Fort Saskatchewan. The purpose of this inclusion/exclusion was to allow for the City of Fort Saskatchewan to be isolated as its own demographic subset, thereby allowing for a more refined analysis of the demographics and spending patterns of the City's residents.

Referring to **Table 3.1**, the Total Trade Area (PTA + STA W + STA E) population forecasted to the end of 2014 is estimated to be in the range of just over 36,000. This population is forecast to surpass 40,000 by 2018 and 46,000 by 2023.

Within the Total Trade Area, the Primary Trade Area (PTA), which as noted includes the City of Fort Saskatchewan is estimated to be just shy of 26,000 and is forecast to exceed 33,000 by 2023 (an increase of almost 10,000 new residents).

Thus, it can be seen the Trade Area's future population growth (**Figure 3.2**) will be driven by the Primary Trade Area and more specifically by the City of Fort Saskatchewan itself.

Over the period 2008 to 2013 (using the City's Municipal Census), the City of Fort Saskatchewan grew from 16,793 to 22,808 residents; an average annual growth rate of 6.3%. Some comparables to this rate of growth include the City of Leduc which grew at an average annual rate of 6.8% and the City of Spruce Grove which grew at an average annual rate of 8.6%.

All of these markets of comparable sizes are experiencing significant population growth along with the requisite demand and pressures for retail opportunities.

Figure 3.3

TRADE AREA POPULATION AGE BREAKDOWN

(Source: City of Fort Saskatchewan Environics Analytics 2014 and Cushing Terrell Architecture Inc)

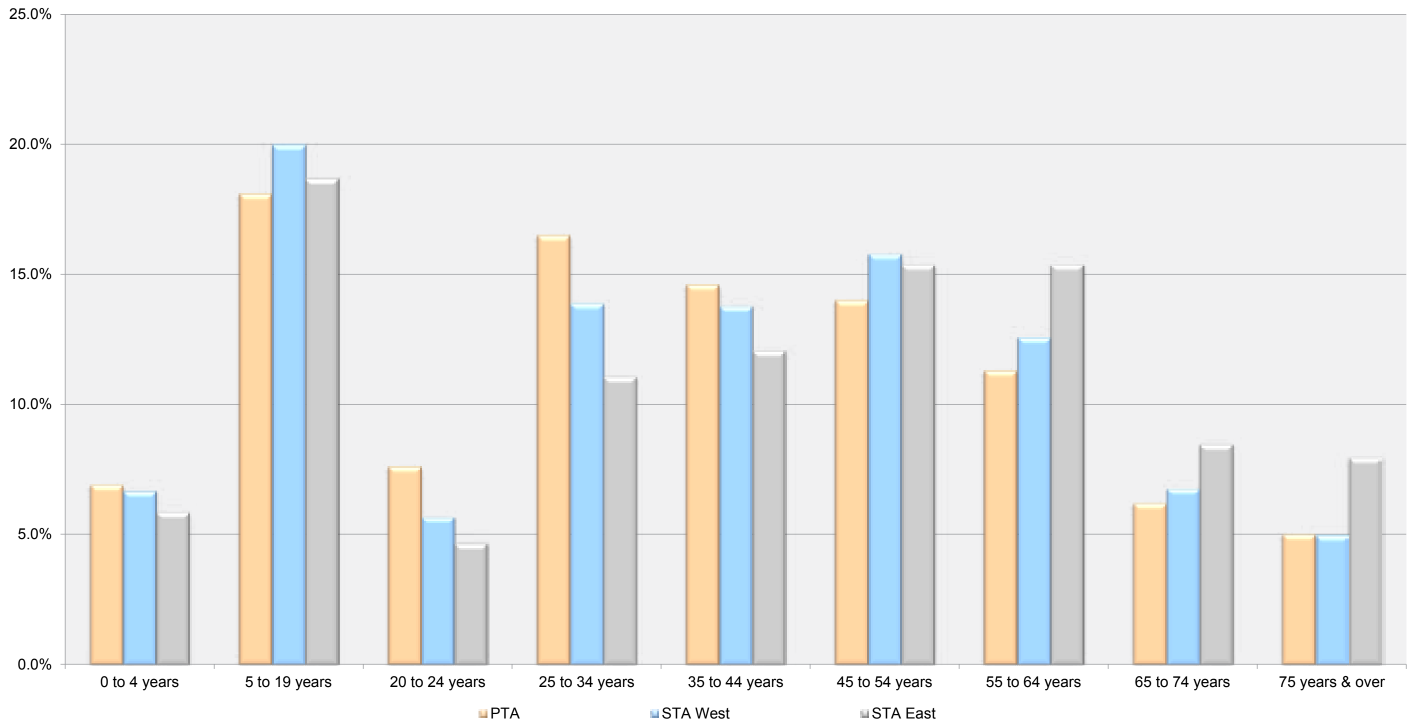


Table 3.2

TRADE AREA POPULATION AGE BREAKDOWN

(Source: City of Fort Saskatchewan Environics Analytics 2014 and Cushing Terrell Architecture Inc)

2013 Estimates Population by Age and Sex	City of Fort Sask	% %base	PTA	% %base	STA West	% %base	STA East	% %base	Edmonton, AB	% %base
2013 Total Population by Age	**21,795**		**22,348**		**7,895**		**4,688**		**1,241,933**	
0 to 4 years	1,526	7.00%	1,542	6.90%	529	6.70%	276	5.90%	78,202	6.30%
5 to 9 years	1,329	6.10%	1,341	6.00%	519	6.60%	298	6.40%	68,941	5.60%
10 to 14 years	1,221	5.60%	1,251	5.60%	501	6.30%	298	6.30%	65,967	5.30%
15 to 19 years	1,395	6.40%	1,453	6.50%	557	7.00%	280	6.00%	74,830	6.00%
20 to 24 years	1,678	7.70%	1,698	7.60%	451	5.70%	219	4.70%	95,943	7.70%
25 to 29 years	1,853	8.50%	1,855	8.30%	506	6.40%	241	5.10%	109,065	8.80%
30 to 34 years	1,809	8.30%	1,833	8.20%	589	7.50%	279	5.90%	102,043	8.20%
35 to 39 years	1,700	7.80%	1,721	7.70%	527	6.70%	273	5.80%	90,809	7.30%
40 to 44 years	1,504	6.90%	1,542	6.90%	566	7.20%	295	6.30%	86,247	6.90%
45 to 49 years	1,504	6.90%	1,564	7.00%	633	8.00%	323	6.90%	88,003	7.10%
50 to 54 years	1,526	7.00%	1,564	7.00%	614	7.80%	399	8.50%	91,772	7.40%
55 to 59 years	1,351	6.20%	1,408	6.30%	567	7.20%	396	8.40%	82,060	6.60%
60 to 64 years	1,068	4.90%	1,117	5.00%	431	5.50%	326	7.00%	62,779	5.10%
65 to 69 years	785	3.60%	827	3.70%	323	4.10%	228	4.90%	47,571	3.80%
70 to 74 years	545	2.50%	559	2.50%	215	2.70%	168	3.60%	32,934	2.70%
75 to 79 years	414	1.90%	425	1.90%	161	2.00%	143	3.00%	25,536	2.10%
80 to 84 years	262	1.20%	291	1.30%	108	1.40%	100	2.10%	19,927	1.60%
85 years and over	327	1.50%	335	1.50%	97	1.20%	146	3.10%	19,304	1.60%
Median Age - Total	35.2		35.5		37.8		43		36.4	

3

35

AVERAGE AGE IN CITY OF FORT SASKATCHEWAN

(36.4 ALBERTA AVERAGE)

Figure 3.2 illustrates the strong and dominant growth forecasts for the Primary Trade Area, as driven by the City of Fort Saskatchewan compared to the other retail Trade Areas, as well as compared to Edmonton and Provincial forecasts.

Strong growth in the City of Fort Saskatchewan, which represents the nucleus of the PTA, suggests that support for new retail shops and services will continue to grow, although retal development must occur in step with growth to ensure the appropriate balance for the community in terms of provision of services and retention of existing businesses, particularly local businesses.

The Trade Area dynamics for Fort Saskatchewan are expected to continue. More rooftops and more residents will be seeking opportunities closer to their primary residence, which means that retailers could be in a stronger position to tap into more frequent customers, which has the added benefit of providing more stable revenues.

3.3

AGE PROFILE

A summary of the current age profile, as documented in **Table 3.2 & Figure 3.3** reveal a very strong family profile with a significant segment in the 5 - 19 year age cohort and young adults entering their high income earning years, with an average age in the City of Fort Saskatchewan and PTA of 35 years of age.

Table 3.2 reveals that over 31% of the Primary Trade Area's population is currently between the ages of 25 to 44 years. This age cohort represents not only the family building stage, but also the income earning stage. A strong and young family demographic profile is a critical pre-requisite for many retailers looking at entering a market or establishing another location in an existing market.

From a retail perspective, spending on discretionary items such as Automobiles and Recreational Vehicles/Motorsports, Fashion, House & Home, Food & Beverage (away from home), Sporting Goods and Entertainment & Leisure is expected to be quite strong, though admittedly not all of this spending can be captured in Fort Saskatchewan given the high level of mobility of this spending age cohort.

While projects such as Cornerstone and Southpointe are looking to position themselves for these markets, these consumer segments are also becoming increasingly savvy and socially aware of the role that supporting local business has in fostering a sense of place and community.

A Citywide retail study of this nature must realize the role that all retail formats play in the establishment and evolution of a complete community.

CITY OF FORT SASKATCHEWAN ALBERTA

Table 3.3

TRADE AREA AVERAGE HOUSEHOLD INCOME BREAKDOWN

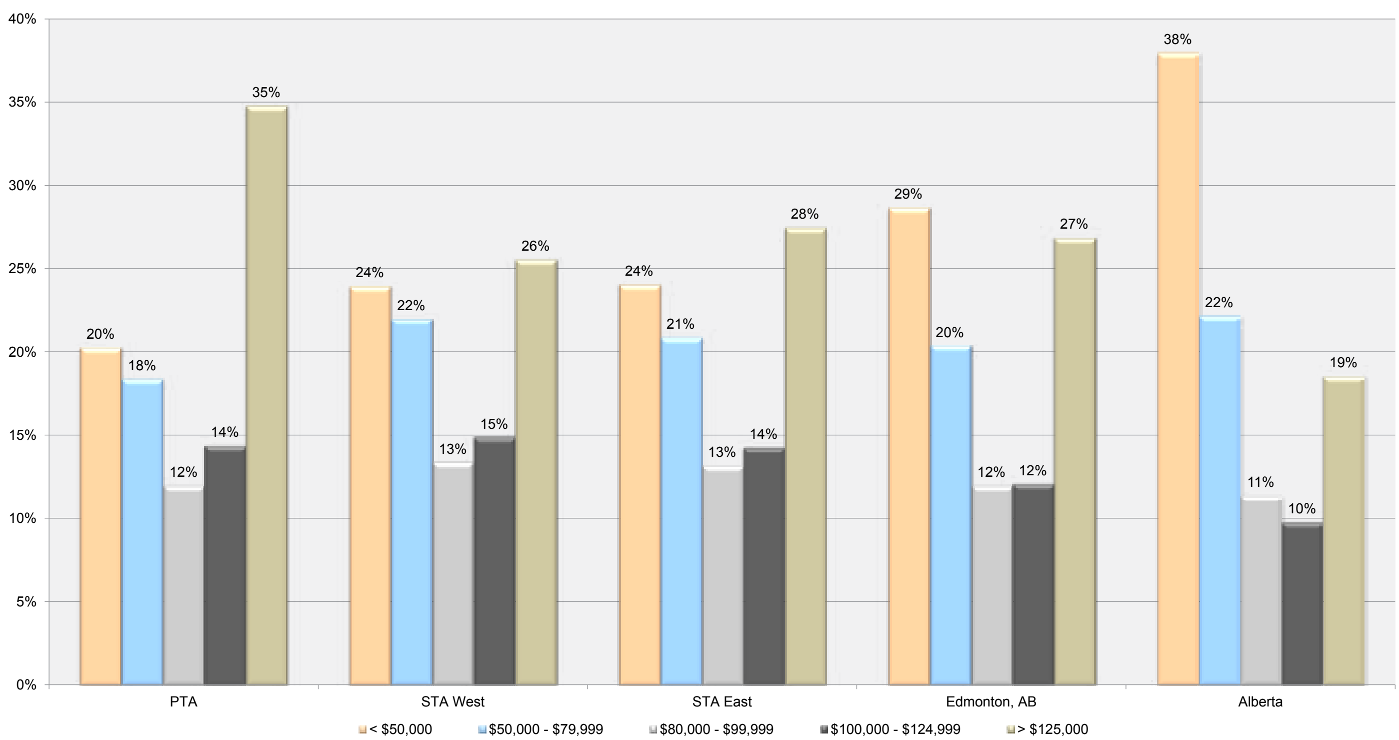
(Source: City of Fort Saskatchewan, Environics Analytics 2014 and Cushing Terrell Architecture Inc)

Income Trends	City of Fort Sask	PTA	STA West	STA East	Edmonton, AB	Alberta	All of Canada
Average household income							
2013 estimated	$113,361	$113,324	$88,787	$89,965	$103,668	$108,874	$86,661
2014 estimated	$118,360	$118,318	$92,656	$93,300	$108,199	$113,723	$90,403
2016 projected	$129,028	$128,976	$100,906	$100,347	$117,863	$124,077	$98,380
2018 projected	$137,094	$137,034	$107,133	$105,005	$125,173	$132,005	$104,419
2023 projected	$159,871	$159,779	$124,799	$117,518	$145,711	$154,345	$121,403
Aggregate household income ($000)							
2013 estimated	$976,038	$984,672	$260,323	$163,466	$50,108,757	$161,855,681	$1,224,103,177
2014 estimated	$1,066,442	$1,075,414	$281,025	$169,993	$55,658,636	$178,436,350	$1,337,247,099
2016 projected	$1,221,895	$1,272,219	$306,048	$182,832	$60,630,024	$194,683,017	$1,455,237,058
2018 projected	$1,410,012	$1,467,497	$331,577	$191,424	$67,002,103	$214,521,458	$1,591,147,582
2023 projected	$1,985,758	$2,064,185	$408,592	$212,943	$85,434,876	$271,866,524	$1,965,528,046
Change in average household income							
2013 to 2016	$15,667	$15,652	$12,119	$10,382	$14,195	$15,203	$11,719
2016 to 2018	$8,066	$8,058	$6,227	$4,658	$7,310	$7,928	$6,039
2018 to 2023	$22,777	$22,745	$17,666	$12,513	$20,538	$22,340	$16,984
Change in aggregate household income ($000)							
2013 to 2016	$245,857	$287,547	$45,724	$19,366	$10,521,267	$32,827,336	$231,133,881
2016 to 2018	$188,117	$195,278	$25,529	$8,592	$6,372,079	$19,838,441	$135,910,523
2018 to 2023	$575,746	$596,688	$77,015	$21,519	$18,432,774	$57,345,067	$374,380,464

Figure 3.4

TRADE AREA AVERAGE HOUSEHOLD INCOME BREAKDOWN

(Source: Environics Analytics 2014 and Cushing Terrell Architecture Inc)



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35%

PERCENTAGE OF CITY'S HOUSEHOLDS EARNING OVER $125,000 PER YEAR (27% ALBERTA AVERAGE)

Consequently, some retail nodes will not compete, nor can they, with the previously noted newer and larger comparison retail nodes, but rather a blend of local and branded shops and services could be very well positioned within closer proximity to peoples' primary residences and areas of employment, such as Downtown (Fort Mall redevelopment) or Westpark.

Restaurants, both family-casual as well as brewpub formats are also well-served in being closer to residential areas.

Fort Saskatchewan however, at its core is a bedroom community and many of the residents will still seek shopping opportunities in areas where there is a critical mass of offering. The relative proximity of new nodes such as Emerald Hills and Manning Town Centre as well as other traditional nodes such as the Sherwood Park Mall will continue to attract the strong demographic segment that resides in Fort Saskatchewan, particularly for Department Store Type Merchandise (DTSM) such as Fashion, Electronics and Home Furnishings.

Therefore, Fort Saskatchewan should look to consolidating and focusing on a provision of shops and services that are most compatible and sought by the target demographic profiles, which would include full-service restaurants, conveniences and personal services.

3.4 INCOME PROFILE

Household and Per Capita Incomes are among the most direct determinants in identifying patterns of spending and potential thereof for Retail, Food & Beverage, Entertainment and Services.

A summary of the current average Household Income in the Retail Trade Area, as documented in **Table 3.3 and Figure 3.4** reveals an average Household Income in 2014 estimated at over $118,000 in the City of Fort Saskatchewan and its Primary Trade Area, which is $5,000 above with the Provincial average and $10,000 higher than the City of Edmonton average.

To supplement this Statistics Canada figure, the Consumer Intercept Survey (refer to **Section 6.0**) documented a similar trend whereby over 22.5% of all respondents indicated a household income of higher than $125,000 per annum.

Table 3.3 also reveals that Household Income in the City of Fort Saskatchewan is forecast to grow at an average annual rate of 3.9% per annum, over the 5-year period 2013 to 2018.

Figure 3.4 shows the former trend whereby 35% of the PTA households earn over $125,000, which is 16% higher than the Provincial average.

With average household sizes in the Trade Area ranging from 2.5 to 2.6, which is relatively consistent with the provincial average, the income profile illustrates a market that is well positioned to benefit from higher levels of discretionary spending on retail shops and services both in Fort Saskatchewan and outside of the City.

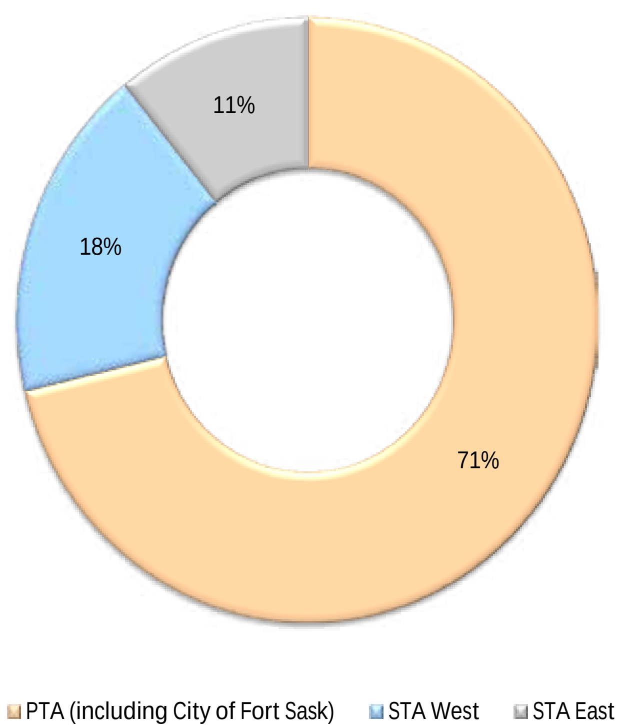
Higher incomes have positive implications for discretionary spending on a variety of goods and services, not the least of which are Fashion, House & Home and Restaurants.

CITY OF FORT SASKATCHEWAN ALBERTA

Table 3.4
TRADE AREA RETAIL SPENDING
(Source: Environics Analytics 2014 and Cushing Terrell Architecture Inc)

Retail Spending by Merchandise Category	2014 (Year End Est.)					
	City of Fort Sask Aggregate Retail Spending	City of Fort Sask Temp Workforce	PTA Including City of Fort Sask Aggregate Retail Spending	STA West Aggregate Retail Spending	STA East Trade Area Aggregate Retail Spending	TOTAL Trade Area Aggregate Retail Spending
Grocery & Specialty Foods	$86,977,426	$8,770,961	$101,613,365.68	$25,958,101	$16,588,039	$144,159,506
Pharmacy	$9,250,349	$932,822	$10,886,956.80	$3,149,972	$2,057,356	$16,094,285
Alcohol & Tobacco	$8,776,686	$885,057	$10,521,612.24	$4,196,892	$2,996,375	$17,714,879
Personal Services	$15,352,235	$1,548,147	$17,804,251.84	$3,905,228	$2,321,516	$24,030,996
Clothing & Apparel	$31,243,146	$3,150,615	$36,109,420.91	$8,191,155	$4,847,417	$49,147,993
Footwear	$7,950,099	$801,702	$9,158,015.00	$1,943,404	$1,164,614	$12,266,033
Jewelry & Accessories	$5,210,287	$525,415	$5,993,738.10	$1,277,182	$680,644	$7,951,563
Health & Beauty	$8,228,724	$829,799	$9,533,464.71	$2,453,048	$1,405,635	$13,392,148
Home Furnishings & Accessories	$23,599,534	$2,379,820	$26,932,690.85	$5,243,813	$2,718,718	$34,895,222
Home Electronics & Appliances	$27,175,221	$2,740,399	$31,401,955.38	$6,662,221	$4,037,586	$42,101,763
Home Improvement & Gardening	$8,674,524	$874,755	$10,759,419.04	$3,985,052	$2,591,459	$17,335,930
Books & Multimedia	$9,101,749	$917,837	$10,474,997.23	$2,422,347	$1,390,210	$14,287,554
Sporting Goods & Recreation	$6,519,824	$657,471	$7,535,053.59	$1,703,932	$913,952	$10,152,938
Toys & Hobbies	$1,773,912	$178,885	$2,084,361.99	$442,101	$345,142	$2,871,606
Miscellaneous Specialty	$9,259,636	$933,758	$10,927,590.81	$3,395,584	$2,107,489	$16,430,663
Full-Service F&B	$20,600,044	$2,077,346	$23,889,505.03	$6,940,131	$3,911,252	$34,740,888
Limited Service F&B	$11,488,264	$1,158,497	$13,267,806.67	$3,427,759	$1,873,255	$18,568,820
Entertainment & Leisure	$17,859,860	$1,801,021	$20,508,442.61	$5,446,442	$2,778,492	$28,733,377
Auto Parts & Accessories	$5,321,737	$536,654	$6,411,875.75	$2,103,051	$1,363,216	$9,878,143
Auto/RV/Motorsports Dealership	$81,200,601	$8,188,416	$94,401,346.58	$22,768,217	$14,060,209	$131,229,773
TOTAL RETAIL CATEGORIES ONLY	**$395,563,859**	**$39,889,375**	**$460,215,871**	**$115,615,632**	**$70,152,577**	**$645,984,079**

Figure 3.5
TRADE AREA RETAIL SPENDING BY TRADE AREA
(Source: Environics Analytics 2014 and Cushing Terrell Architecture Inc)



~70%

CITY OF FORT SASKATCHEWAN RESIDENTS' SHARE OF TOTAL TRADE AREA SPENDING

3.5
PART TIME RESIDENT PROFILE

As noted previously, the Oil & Gas industry in and around Fort Saskatchewan has created an additional demographic segment that similarly seeks local shops and services. While the types of shops and services may differ from those of the full-time resident base, this segment of part-time or temporary residents regardless has an impact on retail demand.

The Consumer Intercept Survey of the part-time resident base yielded a profile that is best characterized by a demographic dominated by males in the two age cohorts of 18-24 years and 45-54 years. This is a representation of a demographic who either do not have children yet or have children who have "left the nest". As such, they will be spending their disretionary income predominantly on themselves. This yearly income of the part-time resident is very high whereby 25% earn between $100,000 and $125,000 and a further 30% earn over $125,000.

Since a large share of these part-time residents stay at hotels in Fort Saskatchewan, estimates suggest that there are approximately somewhere in the range of 2,000 to 2,500 of these part-time residents that are in essence an additional piece to the Trade Area.

3.6
RETAIL SPENDING PROFILE

Building upon the Trade Area demographic profile analysis, an assessment was made of the Trade Area's retail spending profile. This provides a more refined understanding of the opportunity for retailing within the City of Fort Saskatchewan.

The key questions it seeks to answer are:

- How much do Trade Area residents spend on Convenience retail (such as Grocery and Pharmacy), on Comparison retail[1] (such as Fashion and Home Furnishings), and Leisure (Food & Beverage and Entertainment)?
- What spending patterns or trends does the Trade Area expenditure profile demonstrate? And how is spending forecast to change over the coming years?
- What types of retail goods and services are garnering inflow of sales dollars and which categories are exhibiting outflow of sales (or leakage).

Detailed information of retail spending within the Trade Area was collected from Environics Analytics; a leading supplier of demographic and consumer expenditure information and the Conference Board of Canada. Data was collected at a detailed micro-geographic scale for individual street blocks. This data was then aggregated to each respective Trade Area in order to build a spending profile, that is specific to each respective Trade Area.

Each of the major three categories of spending (Convenience, Comparison and Leisure) was assessed at a detailed category-by-category level then aggregated into major categories.

The initial task involved developing an understanding of how each of the delineated Trade Area residents spend their shopping and leisure dollars on a per capita basis for each of 20 merchandise categories.

[1] Comparison Retail comprises retail categories that one would usually compare prices or shop around. Examples include Automobiles, Fashion, Footwear, House & Home, Books, Specialty Retail. The term Comparison Retail is synonymous with the Industry Term DSTM, which refers to Department Store Type Merchandise or GAFO, which refers to General Merchandise, Apparel Accessroies, Furniture and Other Stores.

Figure 3.6

TRADE AREA RETAIL SPENDING SUMMARY 2014

(Source: Environics Analytics 2013 and Cushing Terrell Architecture Inc)

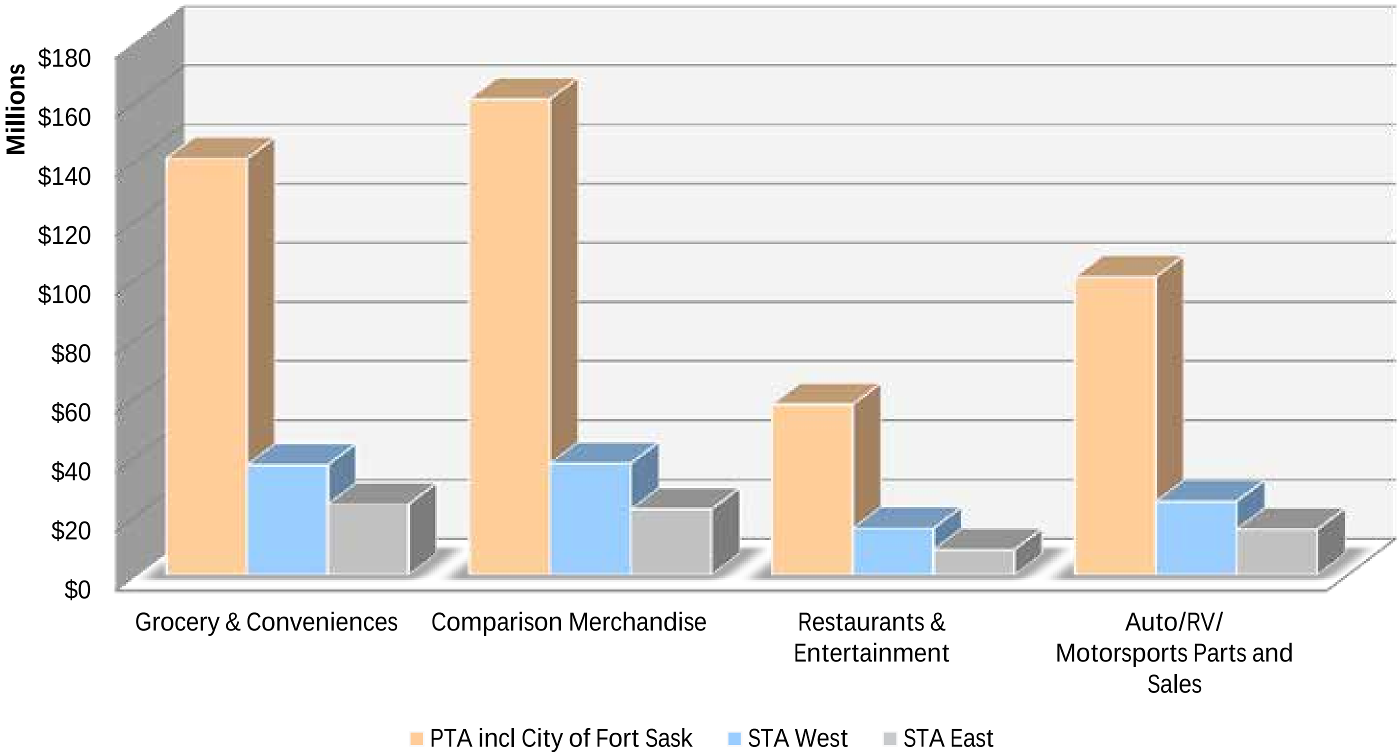
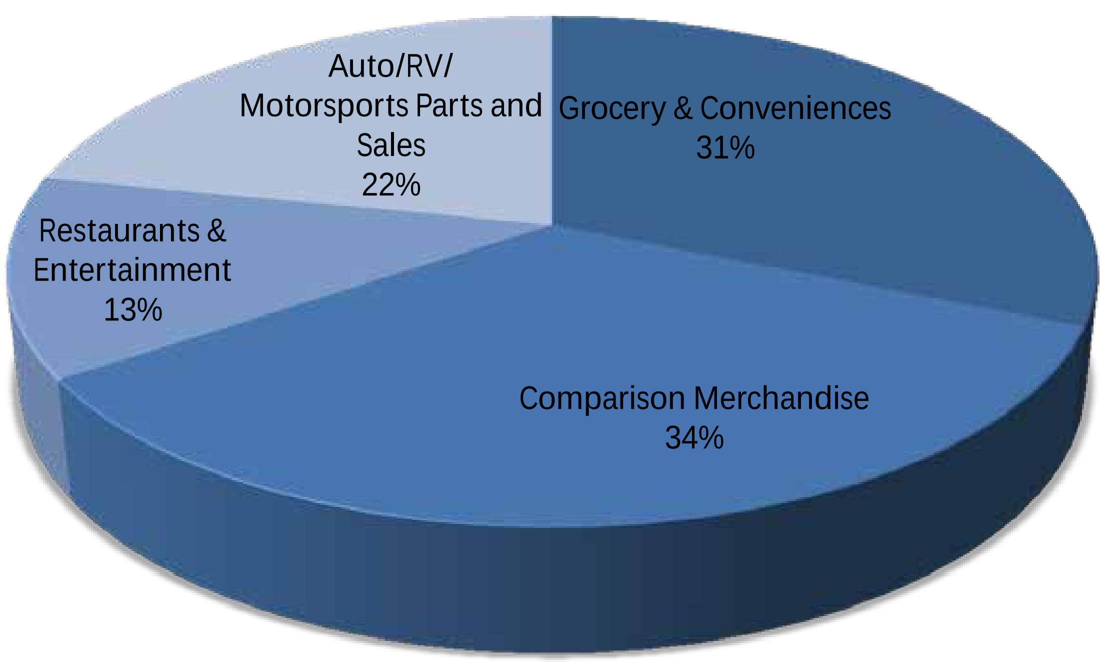


Figure 3.7

TRADE AREA RETAIL SPENDING BY GENERAL CATEGORY

(Source: Environics Analytics 2013 and Cushing Terrell Architecture Inc)



Once this Trade Area spending profile was established, the data was aggregated by population to quantify the total size of the Trade Area's retail market.

Having established the Trade Area boundaries, population and demographic profile, the size of the retail market and its anticipated growth was projected using retail spending data from Environics Analytics Inc.

As illustrated in **Table 3.4**, the Total Trade Area for the City of Fort Saskatchewan is estimated at $646 Million (Y/E 2014 estimate).

The fact that Fort Saskatchewan is a more locally-driven retail node, as opposed to regional, is evidenced in the fact that over 70% of the Trade Area retail spending originates from the Primary Trade Area, of which 61% comes from City of Fort Saskatchewan residents alone.

Additionally, given the proximity of Strathcona County and its new large-scale retail developments on the north side of the County combined with new developments in Northeast Edmonton, the ability of Fort Saskatchewan to tap into spending further south is limited.

Part-time residents represent an approximate $40 Million market. During their residency in Fort Saskatchewan they have a propensity to spend the majorityof their income on Grocery, Personal Services and Food & Beverage. It is these critical segments that the City of Fort Saskatchewan should ensure it has the proper provisions.

Retail spending on Comparison Merchandise by Trade Area residents is very strong and when combined with the Auto/RV/Motorsports categories reinforces the strength of the market's disposable and discretionary income.

Moreover, healthy patterns of spending on categories such Clothing, Footwear, Jewelry, House & Home, Computers & Electronics etc provide a benchmark against which prospective tenant, developer or investor interests could gauge the opportunity, though as mentioned most of the larger retailers are likely to look at Emerald Hills and Manning Town Centre before Fort Saskatchewan.

Regardless of where residents spend their money, The Top 5 retail spending categories for the Total Trade Area are:

1. *Grocery & Specialty Foods - $123 Million*
2. *Auto/RV/Motorsport - $112 Million*
3. *Clothing, Apparel & Footwear - $52 Million*
4. *Home Electronics & Appliances - $35 Million*
5. *Full-Service Restaurants - $30 Million*

Another noteworthy category of spending, which ranks only marginally behind Full-Service Restaurants is Home Furnishings ($29 Million).

3.7 SUMMARY & IMPLICATIONS

Fort Saskatchewan's Retail Trade Area reflects a realistic look at where the majority of customers are likely to come from and on what shops and services they are most likely to spend their money.

Both Emerald Hills and Manning Town Centre are in the midst of developing significantly sized retail developments with strong clusters of destination and Department Store Type Merchandise. Each of these projects has Fort Saskatchewan as part of their Primary Trade Area and thus it would be difficult for the City of Fort Saskatchewan to compete directly against these emerging strong retail nodes.

Tamarack Brewery, Montana | designed by Cushing Terrell Architecture Inc.

3

Therefore, the Retail Trade Area for Fort Saskatchewan must be realistic and not overstate the area against which it will compete.

Accordingly, the Retail Trade Area for the City of Fort Saskatchewan is a reflection of the competitive influences as well as a realization that residents of Fort Saskatchewan and the communities north, west and east will still like the convenience and accessibility that Fort Saskatchewan provides for a critical mass of more neccessity-based merchandise, while not discounting the need for more essential comparison items.

The Trade Area Demographic Profile illustrates a very strong local trade area that will grow from 35,000 in 2013 to approximately 46,000 over the next decade.

Fort Saskatchewan's strengths lie in its demographics, which are substantiated by a significant household income well above the regional and provincial averages.

Secondly, the Trade Area has a strong and dynamic young family profile who are both mobile in their shopping patterns, yet are increasingly seeking opportunities to spend their money closer to home for more frequent purchases.

Overall, Fort Saskatchewan represents a $646 Million retail market (as of Y/E 2014) in which categories such as Grocery, Automotive/RV and Restaurants, Clothing/Apparel & Footwear represent significant spending segments.

As will be seen in forthcoming sections, Fort Saskatchewan's retail demand and prospects for retail growth will mirror the propensity of residents to spend their dollars in their own community versus outside (i.e. retained spending versus outflow).

For Fort Saskatchewan to be a successful retail market it will require the right mix of shops and services and right-sizing to accommodate realistic demand expectations.

CITY OF FORT SASKATCHEWAN ALBERTA

Photo credit: Cushing Terrell Architecture Inc. 2014

4 RETAIL MARKET SUPPLY

4.1 INTRODUCTION

The dynamics of the overall retail market provide critical indicators as to the performance of the retail and moreover the magnitude of demand and resulting opportunity for which niches could be filled.

This section will provide a detailed picture of the overall Citywide retail mix comprising a detailed inventory of the retail centres/nodes and tenants therein that make up the City of Fort Saskatchewan's retail market.

To further assess the level of retail supply, a comprehensive inventory and evaluation was conducted with respect to locations, format and amount of space (**refer to Appendix A** for detailed inventory listing). This evaluation creates a foundation upon which retail "gaps" could be quantified and determined.

The inventory will reflect current as well as proposed or future retail centres/nodes, such that the City can be understood relative to competitive influences and potential tenant opportunities today and into the near future.

The purpose of the competitive evaluation is to firstly identify a foundation for demand and current retail performance (also known as retail sales productivity) followed by identifying the potential types of tenants and/or merchandise categories for whom Fort Saskatchewan could represent a compatible fit.

4.2 REGIONAL RETAIL MARKET CONTEXT

The northeast Edmonton region has three major retail nodes that create competitive alternatives for shopping outflow within Fort Saskatchewan's Retail Trade Area. In total, these three nodes currently represent about 1.673 million sq. ft. of retail space, though at buildout this figure will increase to over 2.0 million sq. ft. These include the following:

1. Manning Town Centre/Clareview Centre

Manning Town Centre is a new regional retail node located approximately 20 kilometers (about 15 minute drive) southwest of Fort Saskatchewan and at buildout will have over 800,000 sq. ft. of retail. Major retailers in this node for whom Fort Saskatchewan is a target market include Costco, Cabela's and Empire Theatres.

2. Emerald Hills Centre

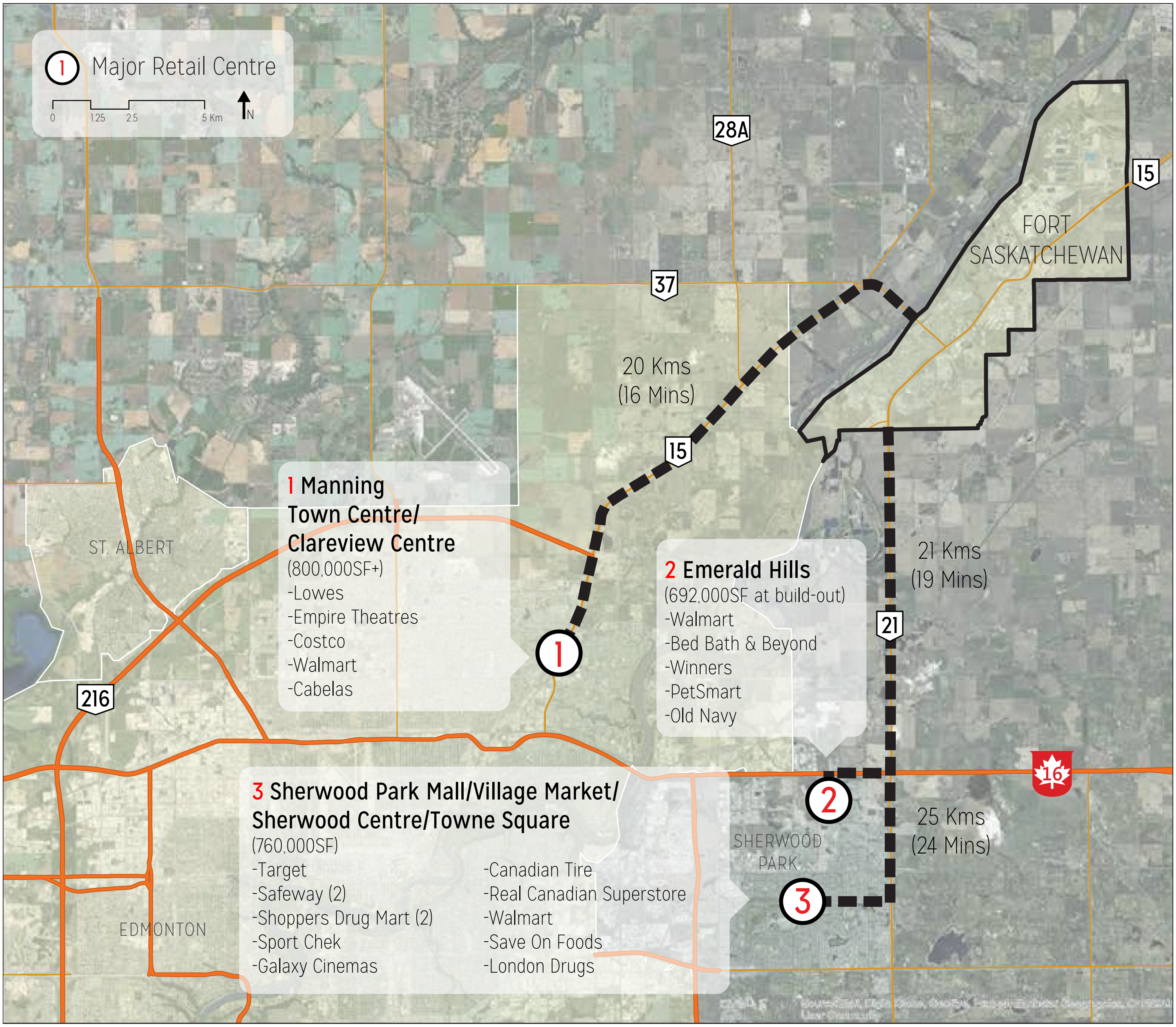
At 21 kilometers away, Emerald Hills Centre is another new major regional retail node and about 15 minute drive time from the City of Fort Saskatchewan. Walmart, Bed Bath & Beyond, Winners, PetSmart, Wine & Beyond and Old Navy are major tenants, though many more are planned. Emerald Hills is scheduled to be just under 700,000 sq. ft. at buildout.

3. Sherwood Park Mall/Village Market/ Sherwood Centre/Towne Square

These four clusters combine to offer about 760,000 sq. ft. of retail space, and are spread out along the major corridors of Sherwood Drive, Wye Road and Baseline Road in Sherwood Park.

Figure 4.1

FORT SASKATCHWAN REGIONAL RETAIL MARKET CONTEXT



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Sherwood Park Mall is a regional enclosed centre located approximately 25 kilometers, or about 25 minutes drive from Fort Saskatchewan. According to the Consumer Intercept Survey, Sherwood Park Mall continues to be a major comparison shopping destination for residents of Fort Saskatchewan. Over twenty percent (21.5%) of Survey Respondents indicated that Sherwood Park Mall was their Primary Comparison (or DSTM) shopping destination. Anchoring the 430,000 sq. ft. mall are Target, Safeway, Shoppers Drug Mart, Sport Chek and Galaxy Cinema.

Sherwood Towne Square, also approximately 25 minutes away is the location of the nearest Real Canadian Superstore to Fort Saskatchewan. This location suggest that perhaps Real Canadian Superstore may be considered as a potential target tenant for Fort Saskatchewan, given its current store network strategy. Village Market and Sherwood Centre front either side of the east-west Wye Road corridor and are home to Canadian Tire and a Walmart Supercentre, as well as several medium-format retailers that are also located in Fort Saskatchewan.

4.3 RETAIL PROJECTS

Figure 4.2 documents and highlights the major retail nodes and projects in the City of Fort Saskatchewan. This diagram also includes areas of future development.

Figure 4.2 clearly illustrates the concentrations of retail activity along Highways 15 and 21, which are highlighted by Power Centres such as Cornerstone and Southpointe, freestanding retailers such as Walmart, Home Depot and Canadian Tire as well as Shoppers Drug Mart, Safeway and Staples.

The following provides brief narratives on the major projects planned or currently under development in the City of Fort Saskatchewan that are ready to accommodate potential retailers.

Fort Mall

The Fort Mall was formerly a180,000 sq. ft. enclosed community retail centre in the downtown area. The growth of retail offerings along the highways contributed to the Fort Mall's underperformance and as a result its current redevelopment and repositioning as an externalized pedestrian oriented, mixed-use development.

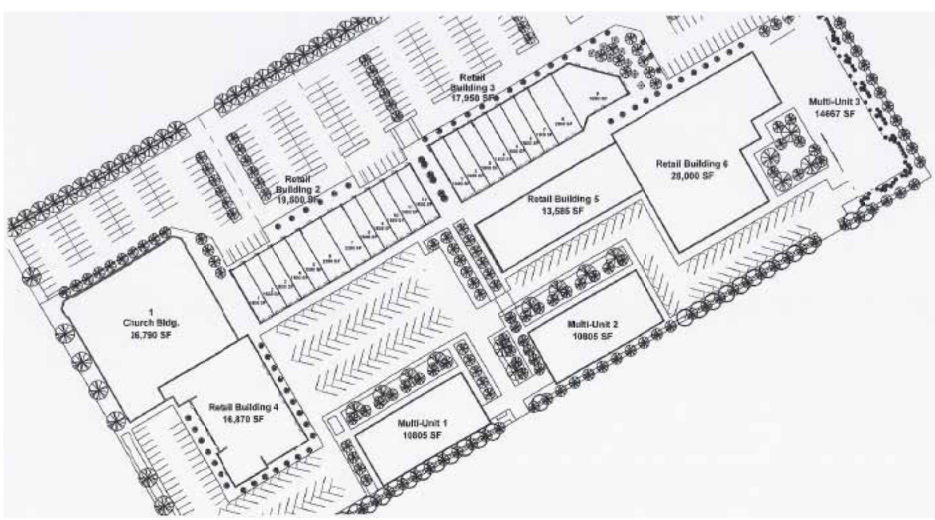
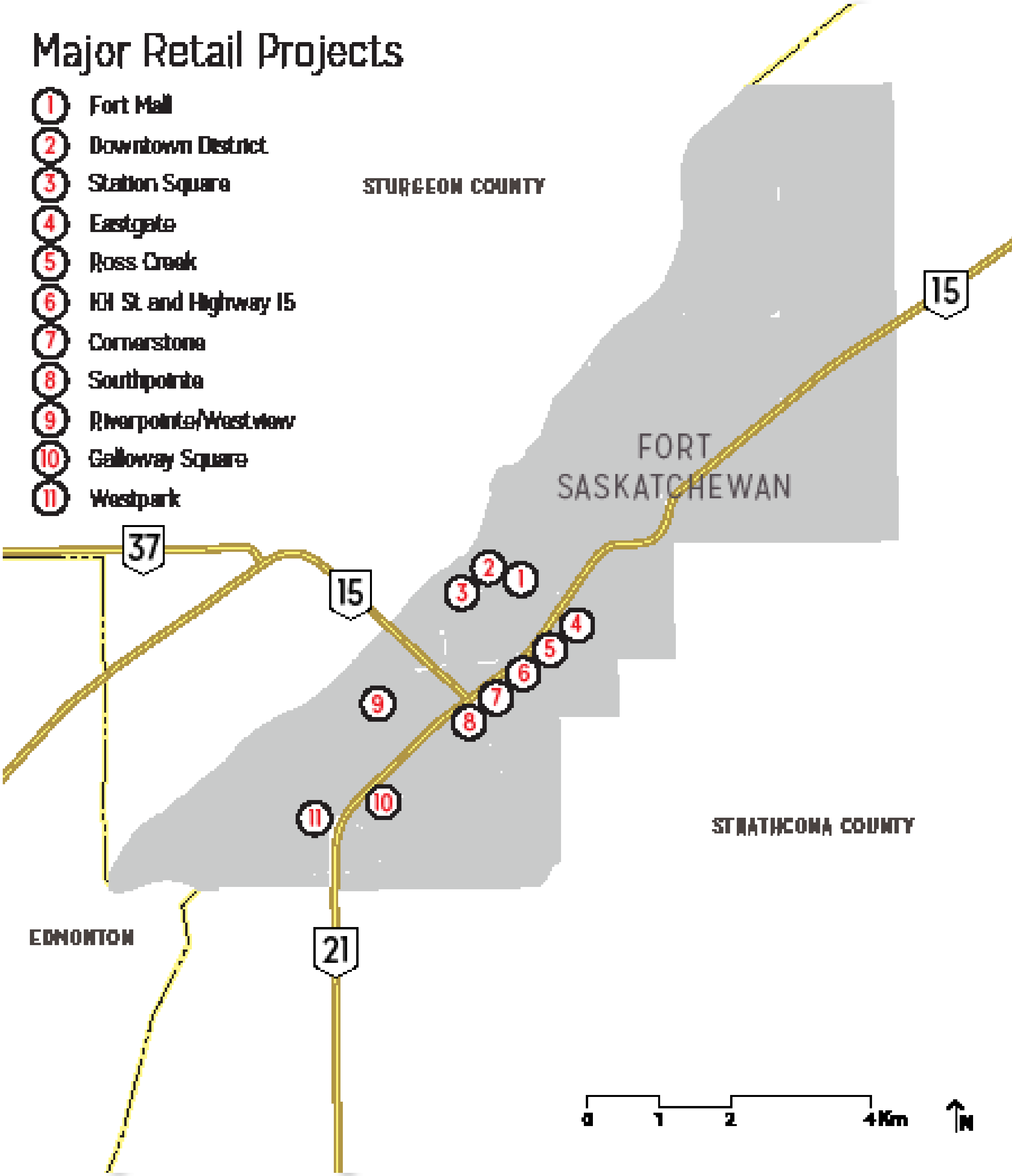


Figure 4.2

CITY OF FORT SASKATCHEWAN RETAIL INVENTORY & PROJECTS

(Source: City of Fort Saskatchewan, Cushing Terrell Architecture Inc)



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The Fort Mall was a vehicle-oriented suburban retail environment surrounded by lower density residential uses. As of December 2014, the site is under constrution with redevelopment plans calling for a horizontally mixed-use retail commercial and multi-family residential development. The plan calls for conversion of the formerly enclosed centre to an outward-facing externalized retail environment, which will provide higher quality retail units with much improved visibility to Downtown vehicular and pedestrian traffic.

The City's Land Use Bylaw was amended to accommodate for standalone residential uses on the roughly twelve (12) acre site. The new "C5 - Fort Mall Redevelopment District" was specifically requested and prepared to accommodate the project. The site was subsequently subdivided to accommodate the mix of uses.

Downtown District

Fort Saskatchewan's downtown is an approximate 20 hectare (50 acre) commercial district comprised of smaller-format retail, office and residential uses set in an urban core. One- and two-storey street fronted buildings contribute to a traditional retail environment conducive to window shopping and pedestrian activity. General policy direction for the downtown is to promote local neighbourhood servicing retail and office commercial uses.

An ongoing revitalization effort began in 2008 with City Council's direction to complete a Downtown Area Revitalization Plan (DARP). Projects are championed by the Downtown Redevelopment Advisory Committee (DRAC) and the Downtown Business Council, who both guide business improvement efforts in the Downtown Redevelopment Area.

One example is the Downtown Storefront Program that incentivizes businesses to improve their street-facing facades. A $10 million streetscaping and infrastructure improvement project was also completed in 2010.

The Downtown, as with many others across the region, province and country are succeptible to external competitive pressures for retail growth and therefore it will be important as the city grows to ensure that the Downtown vibrancy and vitality that the City and its businesses have worked so diligently to maintain is not adversely impacted by unnecessary retail developments on the periphery of the City, except where clearly not compatible with the Downtown.

Station Square

Station Square is an approximately 3.5 hectare (9 acre) retail cluster adjacent to downtown. Major tenants include a CO-OP grocery, TD Canada Trust, ATB Financial and Snap Fitness.

A largely vehicle-oriented, neighbourhood-serving strip centre, Station Square benefits from adjacency to downtown and the City's residential neighbourhoods. A recently built three-storey structure provides additional service-oriented retail and office space.

Eastgate Plaza

Eastgate Plaza is an older smaller 1.2 hectare (3 acre) retail node fronting Highway 15 in the northern part of the City. This older development comprises approximately 35,000 sq. ft. of vehicle-oriented commercial space, a roughly 20,000 sq. ft. home improvement store and a 15,000 sq. ft. auto dealership. Eastgate Plaza itself is a small piece of the much larger Eastgate Business Park, an older, established light industrial district.

Ross Creek Crossing

Ross Creek Crossing is a retail development of about 8 hectares (20 acres) with roughly 45,000 sq. ft. of vehicle-oriented retail. Ross Creek has available vacant land between two commercial strip centres with good visibility and accessibility from Highway 15, creating potential for future retail development. A new medical office building offers a small pharmacy to serve the neighbourhood.

101 Street and Highway 15

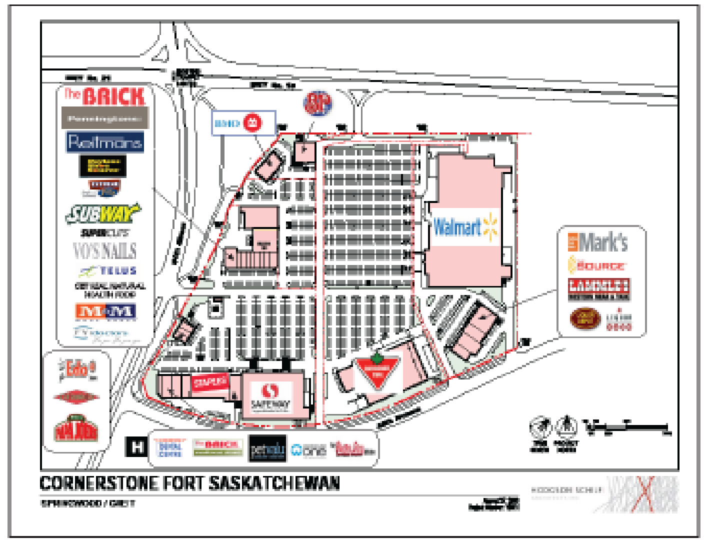
This 10 hectare (26 acre) development is sandwiched between the Cornerstone Power Centre and Ross Creek. Various commercial uses such as hotels, self-storage, a No Frills grocery and Source For Sports currently occupy space in this development, which also benefits from excellent highway visibility and access. There is currently some infill land available, which would help to further create critical mass.

Cornerstone

Cornerstone is a large retail power centre with the most square footage of national and branded tenants in Fort Saskatchewan. At 13 hectares (32 acres) and with roughly 350,000 sq. ft. of retail space, and approximately 30 tenants, Cornerstone offers a multi-destination retail option for consumers in the Trade Area. Walmart, Canadian Tire, Staples and Safeway are the centre's anchor tenants.   For residents of Fort Saskatchewan, Cornerstone including Safeway is the most preferred convenience retail node as indicated by 63% of Consumer Survey respondents' responses.

Southpointe

This 13.5 hectare (34 acre) development consists of about 140,000 sq. ft. of retail space with 17 national and branded tenants, including Home Depot, Shoppers Drug Mart, Starbucks, Fatburger and Orginal Joe's.



Southpointe currently has 6 parcels totalling 6 hectares (15 acres) of vacant commercially-zoned land, suggesting Southpointe is one of the most prominent locations for future vehicle-oriented commercial shopping centre growth.

Riverpointe/Westview

Located in isolation from the other major retail clusters in Fort Saskatchewan, Riverpointe/ Westview is a small neighbourhood-serving strip centre. With about 13,000 sq. ft. of retail space in Riverpointe and another 28,000 sq. ft. in Westview, retailers in this collective node average about 1,900 sq. ft. Both centres currently have vacant space available for lease.

Galloway Square

Galloway Square is a new retail development of around 15,000 sq. ft. on about one hectare (2.4 acres) of land. Including an additional full-service restaurant (Ricky's Grill) associated with a hotel across the street for a total of 9 tenants.

4 1.15 million sf

CITY OF FORT SASKATCHEWAN'S RETAIL INVENTORY

Westpark

Westpark is a new, developing retail node near the south entrance to the City that includes three commercial corners at a major intersection of Highway 21. The Westpark node, being developed by Qualico currently has 16 retailers on about 5.3 hectares (13 acres), with an additional 3.6 hectares (9 acres) planned for future commercial. At build-out Westpark will be a mixture of neighbourhood-serving and community-scale retail tenants. The retail component of Westpark is being developed to coincide with the development of an adjacent large residential neighbourhood.

As is common in a market the size of Fort Saskatchewan, retail developments in the City represent a wide range of formats with new developments being provided at the community and neighbourhood scale such as Cornerstone/ Southpointe, Westpark and Station Square respectively.

As the Fort Saskatchewan market continues to grow and evolve and new developments become more appropriate for tenants, areas like the Downtown or other older projects such as the Fort Mall will need to find ways to enhance or redefine their spaces and positioning, realizing that certain tenants, particularly those with an established brand will likely target the newer developments in close proximity to new emerging residential hot spots, such as in the south/southeast areas of the City.

Table 4.1

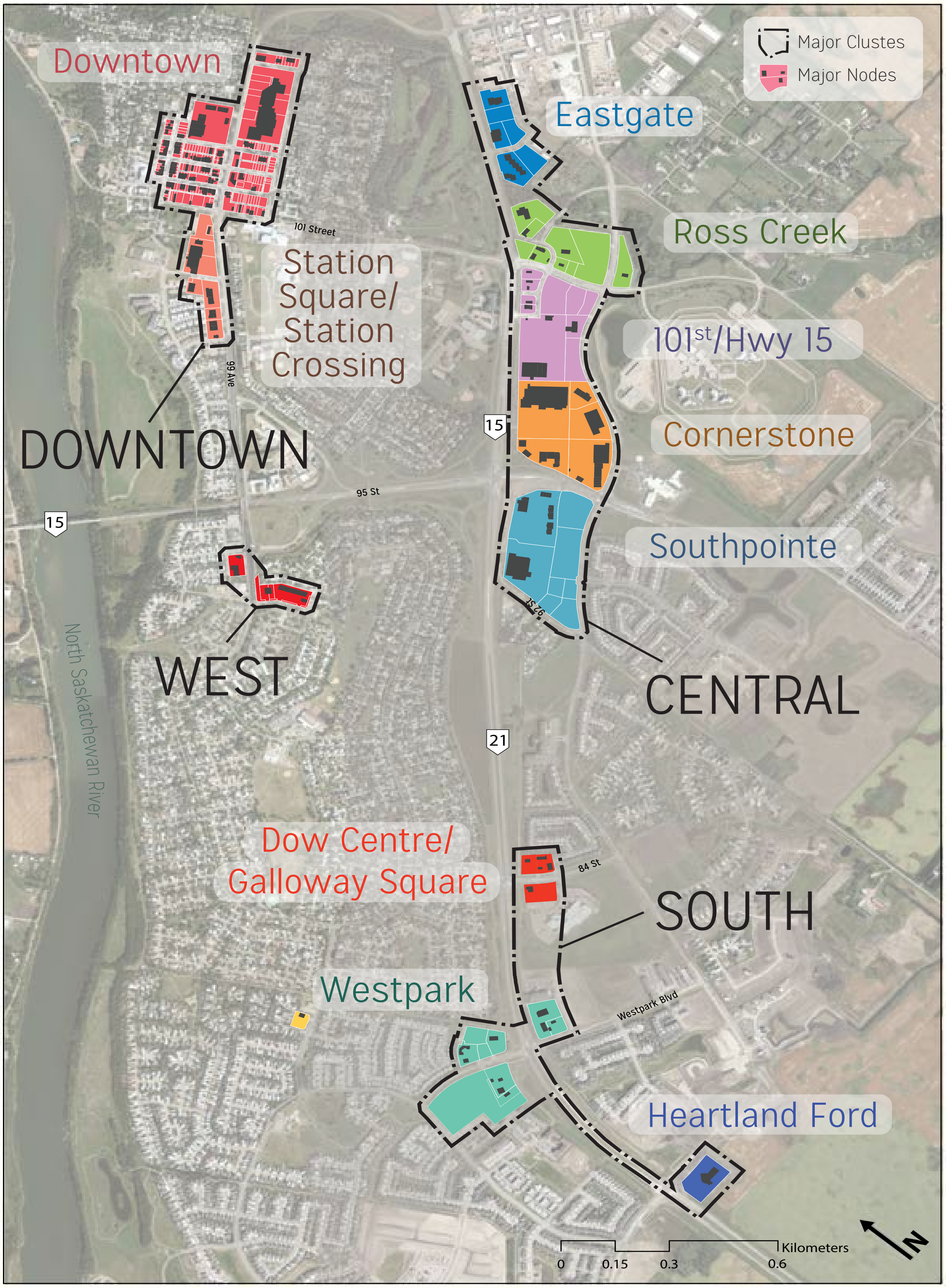
CITY OF FORT SASKATCHEWAN RETAIL INVENTORY

(Source: City of Fort Saskatchewan Cushing Terrell Architecture Inc)

Merchandise Category	Existing Inventory (SF)	Existing Inventory (%)	Number of Stores	% of Number of Stores	Average Store Size
Grocery & Specialty Foods	178,675	15.58%	15	5.4%	11,697
Alcohol & Tobacco	23,644	2.06%	13	4.6%	1,819
Pharmacy	34,426	3.00%	4	1.4%	8,550
Personal Services	160,814	14.02%	74	26.3%	2,173
Clothing & Apparel	79,891	6.97%	6	2.2%	12,715
Footwear	4,741	0.41%	2	0.7%	2,345
Jewelry & Accessories	6,019	0.52%	2	0.7%	2,989
Health & Beauty	31,061	2.71%	21	7.5%	1,477
Home Electronics & Appliances	19,744	1.72%	3	1.1%	6,369
Home Furnishings & Accessories	38,301	3.34%	5	1.8%	7,437
Home Improvement & Gardening	119,551	10.42%	3	1.2%	36,191
Books & Multi-Media	2,403	0.21%	1	0.4%	2,387
Sporting Goods & Outdoor Recreation	22,781	1.99%	2	0.8%	10,547
Toys & Hobbies	13,936	1.22%	2	0.8%	6,452
Specialty Retail	82,617	7.20%	33	11.8%	2,492
Full Service F&B	65,253	5.69%	20	7.1%	3,263
Limited Service F&B	56,868	4.96%	35	12.5%	1,624
Entertainment & Leisure	50,119	4.37%	8	2.8%	6,265
Auto Parts & Accessories	58,398	5.09%	8	3.0%	7,033
Auto/RV/Motorsports Dealership	57,400	5.01%	5	1.8%	11,480
VACANT	40,134	3.50%	17	6.0%	2,361
TOTAL	**1,146,775**	**100.00%**	**281**	**100%**	**4,081**

Figure 4.3
RETAIL NODES
(Source: Cushing Terrell Architecture Inc.)

Identified Retail Node (Includes vacant retail spaces)	Total Inventory (sf)	Number of Stores	Average Store Size (sf)
CENTRAL	651,757	80	8,147
SOUTH	82,988	29	2,862
DOWNTOWN	362,949	149	2,436
WEST	49,082	23	2,134
TOTAL	**1,146,775**	**281**	**4,081**



4.4
CITYWIDE RETAIL INVENTORY

To document the retail inventory for the City of Fort Saskatchewan, Cushing Terrell conducted on-the-ground fieldwork in which every retail project and retail node was documented in terms of the retail store brand, merchandise category and estimated unit size.

The inventory was categorized into the same merchandise categories that were profiled in the retail spending so that a direct comparison could be taken. In some cases where retail data was not available, store sizes were estimated using leasing plans, developer websites, GIS and satellite mapping measurements.

As documented in **Tables 4.1 and 4.2**, the City of Fort Saskatchewan has an estimated retail floorspace of approximately 1.15 million sq. ft. This retail floorspace is comprised of approximately 311 retail premises that range from Auto Dealerships to Restaurants and Personal Services such as Florists or Salons.

In this store count, those businesses that may be more office related (e.g. Professional Services such as lawyers), but nonetheless occupy ground level traditional retail frontage are noted, however the retail inventory does not account for these Professional Services, since they do not have typical "retail sales productivity" applicable to their business.

Table 4.2
RETAIL INVENTORY BY CATEGORY & NODE
(Source: City of Fort Saskatchewan, Cushing Terrell Architecture Inc)

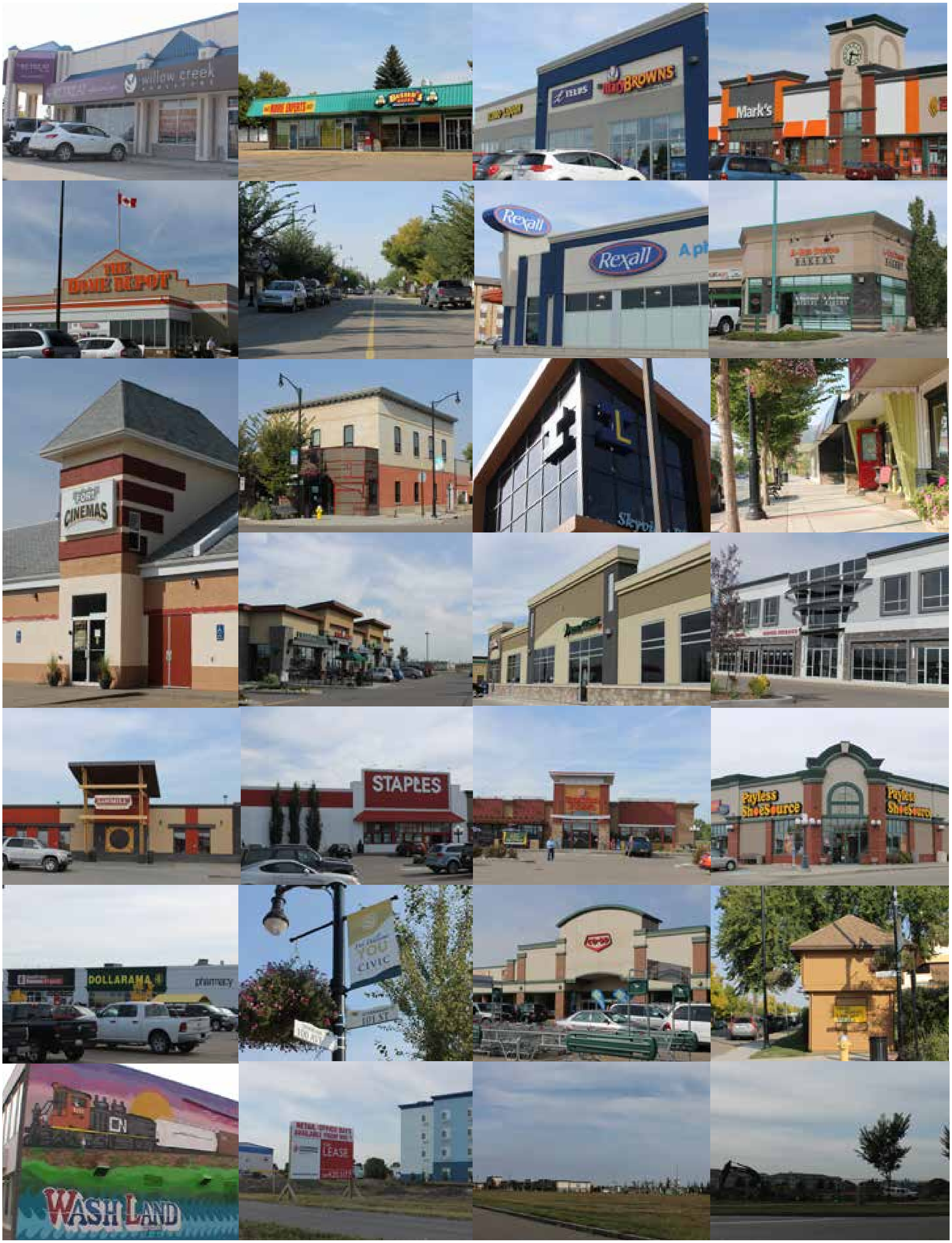
Merchandise Category	IDENTIFIED RETAIL NODE (sf)				TOTAL (sf)	TOTAL (# of Stores)
	CENTRAL	SOUTH	DOWNTOWN	WEST		
Grocery & Specialty Foods	120,673	6,734	47,127	4,142	**178,675**	**15**
Alcohol & Tobacco	11,130	4,071	4,541	3,903	**23,644**	**13**
Pharmacy	23,495	9,732	0	1,200	**34,426**	**4**
Personal Services	39,635	8,085	107,274	5,821	**160,814**	**74**
Clothing & Apparel	61,552	0	18,339	0	**79,891**	**6**
Footwear	4,129	0	611	0	**4,741**	**2**
Jewelry & Accessories	2,000	0	4,019	0	**6,019**	**2**
Health & Beauty	7,168	3,376	16,465	4,051	**31,061**	**21**
Home Electronics & Appliances	15,455	0	4,289	0	**19,744**	**3**
Home Furnishings & Accessories	37,075	0	0	1,226	**38,301**	**5**
Home Improvement & Gardening	115,679	0	3,872	0	**119,551**	**3**
Books & Multi-Media	1,000	0	1,403	0	**2,403**	**1**
Sporting Goods & Outdoor Recreation	21,976	0	805	0	**22,781**	**2**
Toys & Hobbies	12,000	0	1,936	0	**13,936**	**2**
Specialty Retail	45,306	1,930	32,899	2,482	**82,617**	**33**
Full Service F&B	22,190	13,568	25,677	3,818	**65,253**	**20**
Limited Service F&B	31,944	9,853	10,642	4,429	**56,868**	**35**
Entertainment & Leisure	4,618	0	35,501	10,000	**50,119**	**8**
Auto Parts & Accessories	41,622	1,510	15,266	0	**58,398**	**8**
Auto/RV/Motorsports Dealership	31,243	24,129	2,028	0	**57,400**	**5**
VACANT	1,867	0	30,257	8,010	**40,134**	**17**
TOTAL	**651,757**	**82,988**	**362,949**	**49,082**	**1,146,775**	**281**

CITY OF FORT SASKATCHEWAN ALBERTA

Figure 4.4

REPRESENTATIVE CITY RETAIL IMAGERY

Source: Photos by Cushing Terrell Architecture Inc.)



4

213,000 sf

AMOUNT OF GROCERY/PHARMACY FLOORSPACE IN CITY

The inventory does however distinguish and therefore take into account Personal Services (e.g. Dental, Financial, Salons etc.) that do occupy traditional streetfront retail spaces.

A review of the Fort Saskatchewan's competitive retail environment provides a number of indicators as to potential merchandise and tenant opportunities.

The local market has reached a threshold whereby a number of other branded chains could have sufficient market support to warrant a location and in some cases second or multiple locations depending on the type of retailer, however there is currently a deficiency in the quality of retail space and configurations suitable for new market entries. One such example would be Shoppers Drug Mart whose typical model would require a population of approximately 10,000 to justify a store of 15,000 sq. ft. -18,000 sq. ft.

4.5

RETAIL INVENTORY BY NODE

Based on fieldwork and inventory, Fort Saskatchewan's Retail environment was allocated into four nodes. Each node was determined based on geographic and spatial factors such as road networks, patterns of residential development or types of inventory. The result were the following nodes totaling 1.15 million sq. ft.

- CENTRAL 651,750 sf
- DOWNTOWN 362,950 sf
- SOUTH 83,000 sf
- WEST 49,000 sf

The Central and South nodes comprise the majority of the comparison or destination types of shops and services, while the Downtown node has a large number of local and independent Specialty Retail and Limited Service F&B businesses. The West node is comprised of Neighbourhood-serving shops and services.

Table 4.2 provides a breakdown of the City's retail inventory by category and by node and reveals the strengths and weaknesses of each. It is worth noting however, that because a specific node may not have any retail space, this does not suggest that there is a void, but rather could be simply a reflection of the area being more local in its trade area. This is particularly the case for the West node, which provides the basic day-to-day needs for its local trade area residents.

Conversely, the Central node has a wide array of all types of shops and services, though its largest share of retail category is Grocery & Specialty Foods with 120,673 sf or 19% of the total Central node floorspace. This is further validation as to why Consumer Survey respondents see this area as their Primary Convenience node.

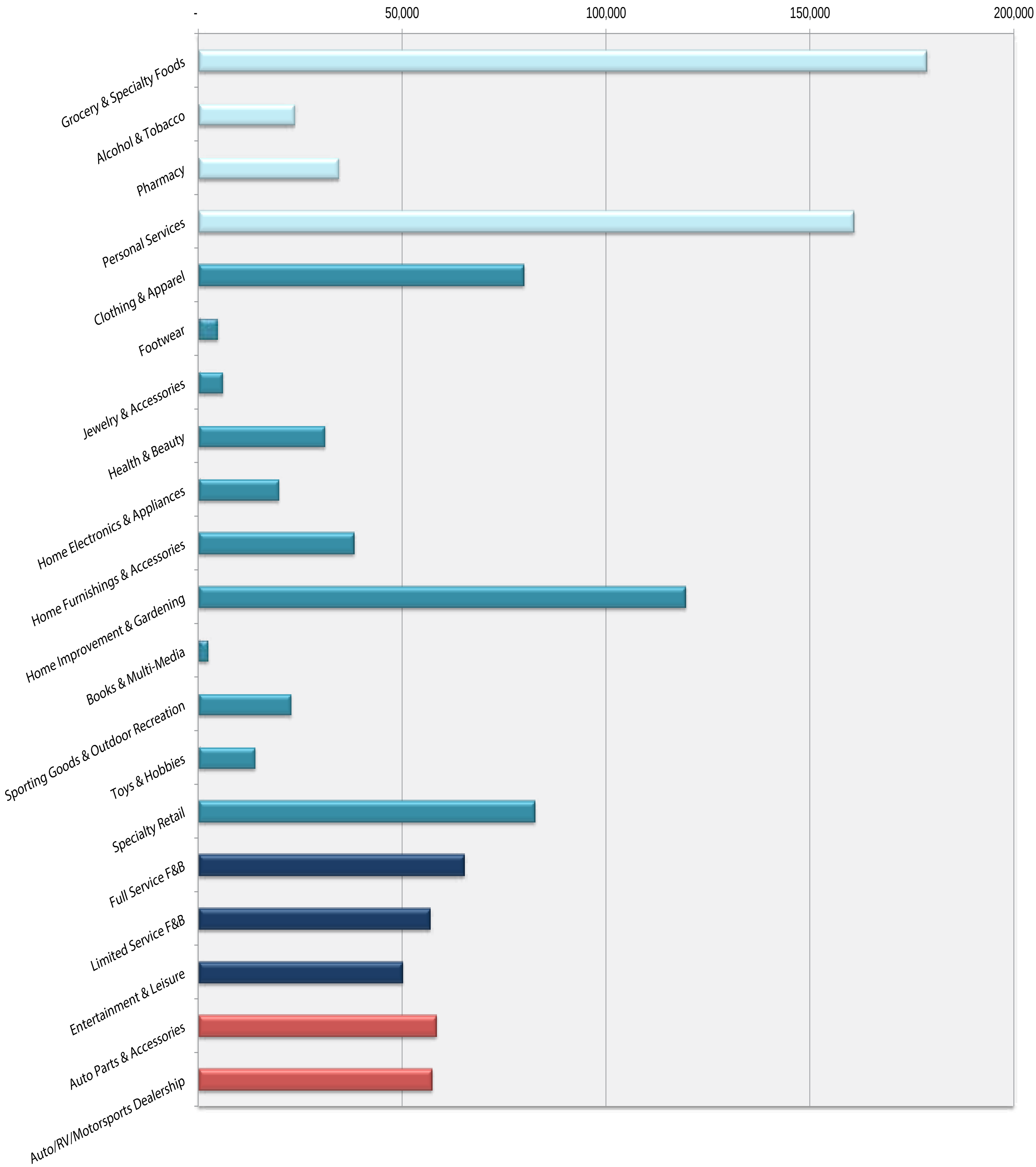
The Downtown node's largest retail category is Personal Services which currently accounts for 30% of the total Downtown floorspace. This high ratio is driven by the fact that the Downtown features smaller format, neighbourhood-serving retail with nearby residential.

The current lack of retail categories in the South node is misleading due to the continued development of the Westpark project and the fact that retail development tends to follow rooftops, and the south is the core residential growth area in the city.

Figure 4.5

CITY OF FORT SASKATCHEWAN RETAIL INVENTORY FLOORSPACE BY CATEGORY

(Source: Cushing Terrell Architecture Inc. 2014)



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NUMBER OF RETAIL STORES IN THE CITY OF FORT SASKATCHEWAN

The current vacancy in the Downtown node accurately gauges the ongoing revitalization, as most of this vacant space (30,250 sq. ft.) is located in the Market Square or Fort Mall centres which are currently being redeveloped. Other than these projects, the Downtown has a relatively strong rate of occupancy.

4.6
RETAIL INVENTORY BY CATEGORY

Categories of retail were also incorporated into the overall inventory list as shown in **Figures 4.5 & 4.6**. Designating retail categories to the overall inventory makes it possible to conduct a category void analysis for Fort Saskatchewan.

Table 4.3
RETAIL INVENTORY SUMMARY BY NODE & CLASS

(Source: City of Fort Saskatchewan, Cushing Terrell Architecture Inc)

Identified Retail Node (Includes vacant retail spaces)	Total Inventory (sf)	Inventory Class A (sf)	Inventory Class B (sf)	Inventory Class C (sf)
CENTRAL	651,757	191,378	407,786	52,594
SOUTH	82,988	29,224	20,693	33,071
DOWNTOWN	362,949	18,269	108,412	236,268
WEST	49,082	955	17,484	30,643
TOTAL	**1,146,775**	**239,825**	**554,374**	**352,576**

This is important to note since future growth in the City will continue to put pressure on the Downtown over time. But if the Downtown continues to ensure its positioning and vibrancy, it too can maintain a viable alternative to the more expensive, higher rent locations in the city.

Relative to the amount of space in the South node, Auto/RV/Motorsports Dealerships represent approximately 29% of the South node floorspace, as a result of the Heartland Ford relocation. Being located on the heavily-trafficked southern entrance to the City creates a highly desirable location for these uses.

Categories were designated to correspond directly with the categories of retail utilized in the household expenditure data, thereby allowing for retail inflow and outflow calculations to correlate.

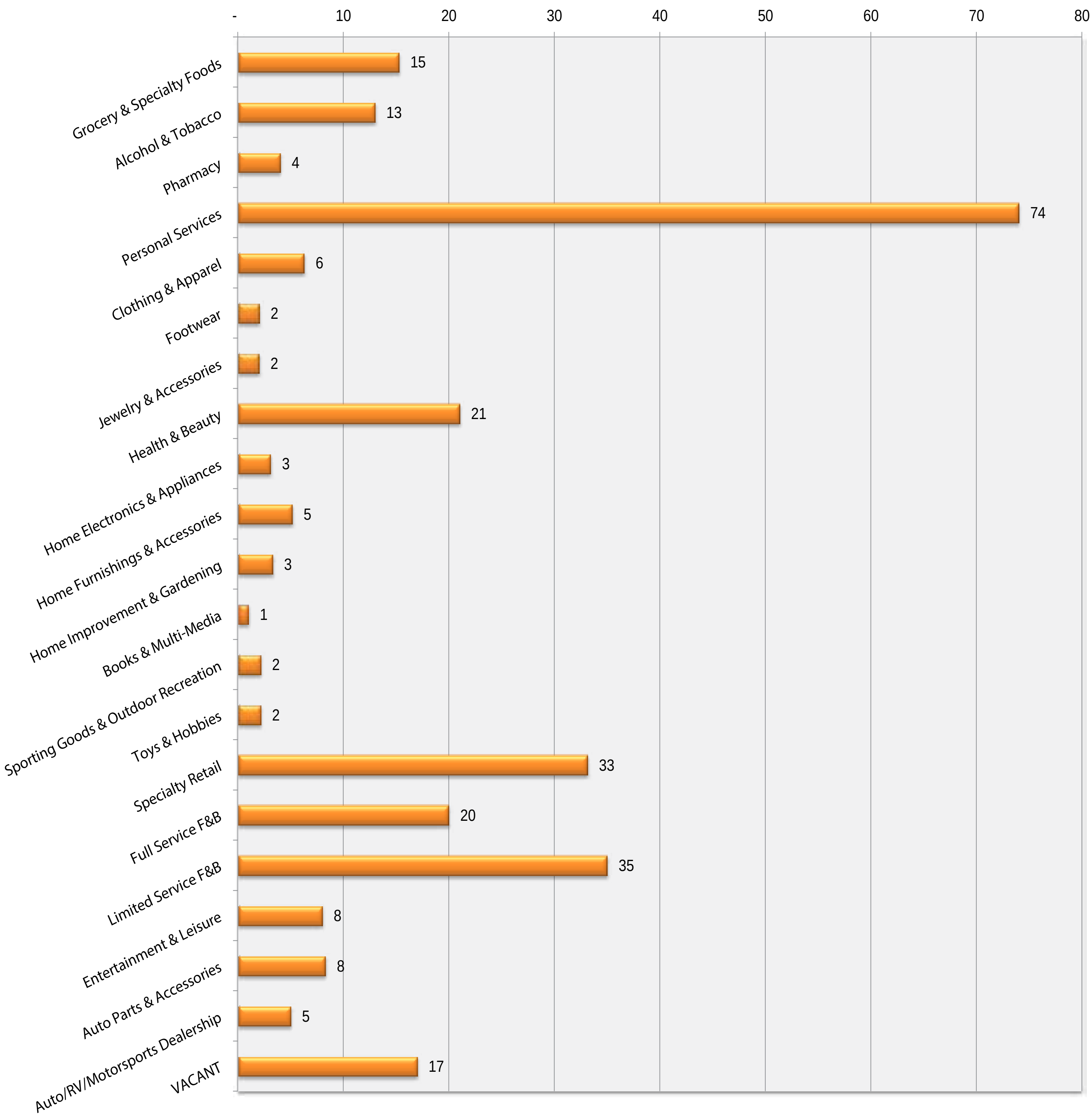
On a citywide basis, the Top 5 retail categories in terms of overall retail floorspace include:

1. *Grocery & Specialty Foods 178,700 sf*
2. *Personal Services 160,800 sf*
3. *Home Improvement 119,550 sf*
4. *Specialty Retail 82,600 sf*
5. *Clothing and Apparel 79,900 sf*

Figure 4.6

CITY OF FORT SASKATCHEWAN RETAIL INVENTORY BY CATEGORY & NUMBER OF STORES

(Source: Cushing Terrell Architecture Inc. 2014)



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Newer developments/redevelopments such as those identified in **Figure 4.2** (e.g. Cornerstone/ Southpointe, Westpark) have the potential to create a better foundation for success for both local and branded tenants. Location will always be one of the most critical determinants, particularly for a comparison retailer for whom patronage is required from beyond a localized trade area. It will be challenging for Fort Saskatchewan to compete for Comparison retailers, given the development of both Emerald Hills and Manning Town Centre, which have the locational benefit of being able to intercept consumer traffic.

The majority of categories which show a low level of inventory include Jewelry & Accessories (6,000 sq. ft. in 4 stores), Footwear (4,740 sq. ft. in 4 stores) and Books & Media (2,400 sq. ft. in 3 stores). Together these three categories make up only 1.1% of Fort Saskatchewan's total retail inventory. Each of these categories may be considered under-served, however they are more conducive to Fort Saskatchewan's market profile, when considering the demographics and typical store size formats.

However, industry-wide the Book industry continues to struggle in the face of on-line competition by vendors such as Amazon. Nonetheless, a store such as Indigo/Chapters, which is undergoing a transformational shift to become a "cultural department store" could represent a potential addition to the City's retail inventory, though again it would likely be challenging when considering Fort Saskatchewan's external competitive forces.

4.7 RETAIL INVENTORY BY CLASS

As previously shown through a retail inventory category analysis and location analysis, the Fort Saskatchewan retail market would seem to be largley in balance.

Fort Saskatchewan's retail landscape and inventory is dominated by the Central and Downtown nodes, but the South node has recently begun to exhibit strength, partly due to the location which places this node in the strongest location to tap into new residential development in the city.

The analysis shown in **Table 4.3** is a valuable tool to shed light on opportunities associated with categories of retail which either may be relying on Fort Saskatchewan's older infrastructure or may be looking to relocate to more modern spaces in the coming years.

The categorization of class is based on a subjective evaluation criteria such as the age of the building (e.g. older than 5 yrs), locational attributes (e.g. parking, access, visibility) and whether the tenant is a chain store or local (refer to notation beside **Figure 4.7**).

The role of the classification is to provide a sensitized figure against which sales productivities can be forecast. For example, a clothing store in Downtown Fort Saskatchewan is likely to have a lower sales productivity than a clothing store in the Cornerstone Centre. Such differences need to be taken into account when estimating retail sales and resulting demand.

CITY OF FORT SASKATCHEWAN ALBERTA

Beartooth Harley Davidson, Montana | designed by Cushing Terrell

4

48.5 sf

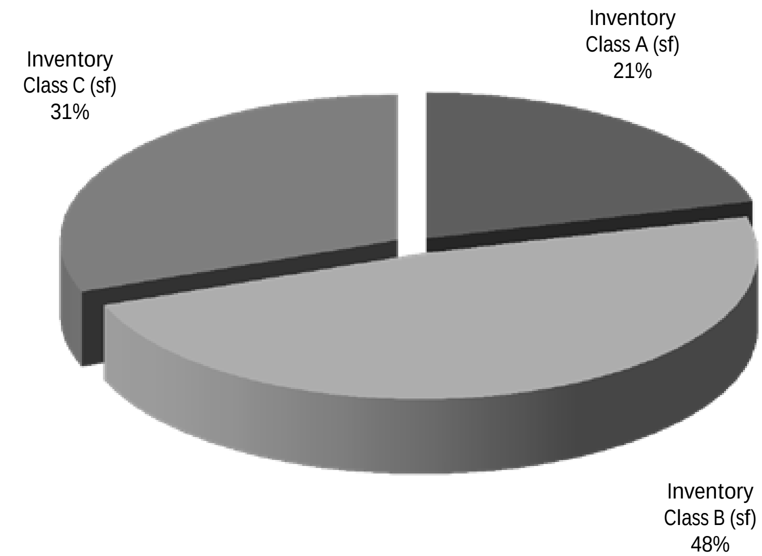
RATIO OF TOTAL RETAIL FLOORSPACE PER CAPITA IN CITY

Figure 4.7

CITY OF FORT SASKATCHEWAN RETAIL INVENTORY BY CLASS OF RETAIL SPACE

(Source: Cushing Terrell Architecture Inc. 2014)

Note: The allocations as Class A, B or C is a subjective assessment based on the following attributes:
Class A *is considered to be a newer retail space occupying a high profile location with strong traffic counts, access and egress.*
Class B *is considered to be older retail space that may have been recently renovated, but still benefits from adequate visibility, traffic counts as well as access and egress.*
Class C *is considered to be outdated or obsolete retail space located in low traffic areas, with resulting lower customer patronage rates.*



As displayed in **Figure 4.7**, the calibre of retail in Fort Saskatchewan can best be classified as average in that the majority of retail spaces fall within the B Class quality (50%). A Class accounts for 22%, but is expected to increase while C Class comprises 28% of the total retail space.

With the number of new developments either under construction or proposed in the City, the amount of A Class space is expected to increase. An increase in higher quality retail spaces will create notable opportunities for exposing the Fort Saskatchewan brand and opportunity to new-to-market retailers as well as those tenants wishing to relocate or add additional locations.

4.8

RETAIL SPACE PER CAPITA

Retail space per capita is an industry measure of the ratio of retail space against a city's population. An examination of retail space per capita provides a general indication as to whether a market is under-retailed or over-retailed.

In most urban markets in Canada and the United States, a typical benchmark for ALL retail space per capita is in the range of 30 sq. ft. to 40 sq. ft. (Source: International Council of Shopping Centers).

For most markets that fall within the 30 to 40 sf per capita range, they are typically self-serving markets, meaning they do not have a significant regional trade area, but rather fulfill the demand and needs of its own City's population base.

When applying the retail inventory for the City of Fort Saskatchewan against the City's population, the resulting per capita ratio is 48.5, which suggests the City could be slightly over-retailed. This figure does not though take into account the quality of the retail space and thus it should be acknowledged that older obsolete space can sometimes skew this figure. Regardless, it does provide a general indication.

Per capita space ratio can be further used as a guide when forecasting future demand for the City.

10 Barrell Brewpub Restaurant, Idaho | designed by Cushing Terrell

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4.9

SUMMARY & IMPLICATIONS

The resulting inventory for the City of Fort Saskatchewan illustrates a community oriented retail offering that provides essential shops and services for residents of Fort Saskatchewan as well as populations within an approximate 15 - 20 minute drive, primarily north, northwest and east of the City.

Overall, the City's inventory has grown substantially over the past few years to a point now whereby the city should exercise caution so as to not be over-retailed in categories that could negatively impact areas such as Downtown.

The City has an estimated retail inventory of almost 1.15 million sq. ft. and a vacancy of less than 4% which suggests a healthy retail environment.

The city sits at a point where the retail market in terms of inventory and vacancies as well as downtown viability are relatively balanced and in good stead.

The analysis of the city's retail inventory reveals strength in convenience retail categories.

The biggest threat to Fort Saskatchewan's retail outlook will come from the newer developing projects at Emerald Hills and Manning Town Centre.

Rather than trying to compete with those larger projects, the City of Fort Saskatchewan has the opportunity to target specific categories and tenants that can maintain the city's balance while at the same time capitalizing on voids in the market.

Photo credit: Cushing Terrell Architecture Inc. 2014

5 RETAIL DEMAND & GAP ANALYSIS

5.1
INTRODUCTION

The following section will quantify the amount of supportable floorspace in the City of Fort Saskatchewan as justified by the Trade Area it serves. After determining the supportable and residual floorspace (if and as determined), the retail gap analysis will measure the difference between the supply and demand as presented in terms of inflow or outflow of retail sales.

5.2
RETAILFLOORSPACEDEMANDBYTRADE AREA SEGMENT

Tables 5.1 through 5.8 depict the Retail Floorspace demand estimates that are estimated to come from Fort Saskatchewan's respective Retail Trade Area's. This measure of retail demand is used to further rationalize the current amount of inventory in the City and further highlight where particular areas of deficiency or opportunity may lie as it relates to the overall retail offering in the City.

By dividing the aggregate Trade Area retail spending potential by category-specific retail sales productivity estimates (measured in $ per sq. ft.); a metric commonly used by the retail industry to quantify sales performance, the estimated warranted floorspace can be calculated.

Once the estimated expenditure for each Trade Area is calculated an estimated market share is applied to each category, which reflects an estimate on how much retail sales the City of Fort Saskatchewan could reasonably be expected to garner from each respective Trade Area.

Market Share estimates are derived in part from the results of the Consumer Intercept Survey which asked respondents what percentage of their retail spending on a specific category was "inside Fort Saskatchewan" or "outside Fort Saskatchewan.

This resulting new expenditure then has a category-specific sales productivity applied which results in an estimated floorspace demand figure attributable to each Trade Area segment.

City of Fort Saskatchewan Supply - Demand

Starting with **Table 5.1**, the City of Fort Saskatchewan as a stand-alone market is quantified to determine, based on expenditure and market shares, just how much retail space the City's 28,000 residents could reasonably justify, not taking into account inflow of any kind.

Accordingly, **Table 5.1** reveals that the City's residents could justify approximately just over 453,000 sq. ft. of retail space, at an overall retained market share of 48%.

Since this study is examining the City of Fort Saskatchewan's retail market, the resulting market shares and demand are viewed as "retained" in that 48% of total City of Fort Saskatchewan resident spending is retained in the City of Fort Saskatchewan. The remaining 52% is considered outflow and spent elsewhere in Sherwood Park, Strathcona County or the City of Edmonton.

The resulting figures in **Table 5.1** depict a market that retains strong market share for conveniences and neccessity goods, but much of the DSTM or Comparison Goods purchases are made outside of Fort Saskatchewan.

CITY OF FORT SASKATCHEWAN ALBERTA

TABLE 5.1

CITY OF FORT SASKATCHEWAN RETAIL FLOORSPACE DEMAND

Retail Spending by Merchandise Category	2014 (Year End Est.)			
	City of Fort Saskatchewan Retail Sales Productivity ($psf)	Fort SaskatchewanRetained Market Share	Retained Sales $	Floorspace Demand (sf)
Grocery & Specialty Foods	$570	75%	$65,233,069	114,544
Pharmacy	$600	75%	$6,937,762	11,563
Alcohol & Tobacco	$500	75%	$6,582,515	13,165
Personal Services	$313	55%	$8,443,729	27,020
Clothing & Apparel	$261	30%	$9,372,944	35,981
Footwear	$275	30%	$2,385,030	8,689
Jewelry & Accessories	$632	30%	$1,563,086	2,473
Health & Beauty	$442	55%	$4,525,798	10,251
Home Furnishings & Accessories	$237	20%	$4,719,907	19,915
Home Electronics & Appliances	$640	25%	$6,793,805	10,611
Home Improvement & Gardening	$300	55%	$4,770,988	15,903
Books & Multimedia	$352	20%	$1,820,350	5,179
Sporting Goods & Recreation	$228	25%	$1,629,956	7,165
Toys & Hobbies	$228	25%	$443,478	1,949
Miscellaneous Specialty	$218	35%	$3,240,873	14,901
Full-Service F&B	$365	50%	$10,300,022	28,219
Limited Service F&B	$646	65%	$7,467,372	11,559
Entertainment & Leisure	$200	30%	$5,357,958	26,790
Auto Parts & Accessories	$375	45%	$2,394,782	6,386
Auto/RV/Motorsports Dealership	$450	45%	$36,540,271	81,201
TOTAL RETAIL CATEGORIES ONLY	**$420**	**48%**	**$190,523,693**	**453,464**

TABLE 5.2

PART-TIME FORT SASKATCHEWAN RESIDENT RETAIL FLOORSPACE DEMAND

Retail Spending by Merchandise Category	2014 (Year End Est.)			
	Temp Residents Retail Sales Productivity ($psf)	Temp Residents Inflow Market Share	Inflow Sales $	Floorspace Demand (sf)
Grocery & Specialty Foods	$570	36.5%	$3,201,401	5,621
Pharmacy	$600	36.5%	$340,480	567
Alcohol & Tobacco	$500	45.0%	$398,276	797
Personal Services	$313	75.5%	$1,168,851	3,740
Clothing & Apparel	$261	18.0%	$567,111	2,177
Footwear	$275	6.0%	$48,102	175
Jewelry & Accessories	$632	6.0%	$31,525	50
Health & Beauty	$442	6.0%	$49,788	113
Home Furnishings & Accessories	$237	1.5%	$35,697	151
Home Electronics & Appliances	$640	9.5%	$260,338	407
Home Improvement & Gardening	$300	7.5%	$65,607	219
Books & Multimedia	$352	6.0%	$55,070	157
Sporting Goods & Recreation	$228	6.0%	$39,448	173
Toys & Hobbies	$228	6.0%	$10,733	47
Miscellaneous Specialty	$218	8.5%	$79,369	365
Full-Service F&B	$365	45.0%	$934,806	2,561
Limited Service F&B	$646	43.0%	$498,154	771
Entertainment & Leisure	$200	11.5%	$207,117	1,036
Auto Parts & Accessories	$375	28.5%	$152,946	408
Auto/RV/Motorsports Dealership	$450	0.0%	$0	0
TOTAL RETAIL CATEGORIES ONLY	**$417**	**20%**	**$8,144,819**	**19,534**

TABLE 5.3

PTA (INCLUDING CITY) RETAIL FLOORSPACE DEMAND

Retail Spending by Merchandise Category	2014 (Year End Est.) PTA Incl Fort Sask Retail Sales Productivity ($psf)	PTA Inflow & Retained Market Share	Inflow & Retained Sales $	Floorspace Demand (sf)
Grocery & Specialty Foods	$570	85%	$86,371,361	151,662
Pharmacy	$600	85%	$9,253,913	15,423
Alcohol & Tobacco	$500	85%	$8,943,370	17,887
Personal Services	$313	65%	$11,572,764	37,033
Clothing & Apparel	$261	40%	$14,443,768	55,446
Footwear	$275	40%	$3,663,206	13,345
Jewelry & Accessories	$632	40%	$2,397,495	3,794
Health & Beauty	$442	65%	$6,196,752	14,036
Home Furnishings & Accessories	$237	30%	$8,079,807	34,092
Home Electronics & Appliances	$640	35%	$10,990,684	17,166
Home Improvement & Gardening	$300	65%	$6,993,622	23,312
Books & Multimedia	$352	30%	$3,142,499	8,940
Sporting Goods & Recreation	$228	35%	$2,637,269	11,592
Toys & Hobbies	$228	35%	$729,527	3,207
Miscellaneous Specialty	$218	45%	$4,917,416	22,609
Full-Service F&B	$365	60%	$14,333,703	39,270
Limited Service F&B	$646	75%	$9,950,855	15,404
Entertainment & Leisure	$200	40%	$8,203,377	41,017
Auto Parts & Accessories	$375	55%	$3,526,532	9,404
Auto/RV/Motorsports Dealership	$450	55%	$51,920,741	115,379
TOTAL RETAIL CATEGORIES ONLY	**$413**	**58%**	**$268,268,662**	**650,018**

TABLE 5.4

STA WEST RETAIL FLOORSPACE DEMAND

Retail Spending by Merchandise Category	2014 (Year End Est.) STA West Retail Sales Productivity ($psf)	STA West Inflow Market Share	Inflow Sales $	Floorspace Demand (sf)
Grocery & Specialty Foods	$570	25%	$6,489,525	11,395
Pharmacy	$600	25%	$787,493	1,312
Alcohol & Tobacco	$500	25%	$1,049,223	2,098
Personal Services	$313	25%	$976,307	3,124
Clothing & Apparel	$261	10%	$819,115	3,144
Footwear	$275	10%	$194,340	708
Jewelry & Accessories	$632	10%	$127,718	202
Health & Beauty	$442	20%	$490,610	1,111
Home Furnishings & Accessories	$237	5%	$262,191	1,106
Home Electronics & Appliances	$640	10%	$666,222	1,041
Home Improvement & Gardening	$300	50%	$1,992,526	6,642
Books & Multimedia	$352	5%	$121,117	345
Sporting Goods & Recreation	$228	10%	$170,393	749
Toys & Hobbies	$228	25%	$110,525	486
Miscellaneous Specialty	$218	10%	$339,558	1,561
Full-Service F&B	$365	20%	$1,388,026	3,803
Limited Service F&B	$646	10%	$342,776	531
Entertainment & Leisure	$200	10%	$544,644	2,723
Auto Parts & Accessories	$375	20%	$420,610	1,122
Auto/RV/Motorsports Dealership	$450	15%	$3,415,233	7,589
TOTAL RETAIL CATEGORIES ONLY	**$408**	**18%**	**$20,708,154**	**50,793**

TABLE 5.5
STA EAST RETAIL FLOORSPACE DEMAND

Retail Spending by Merchandise Category	2014 (Year End Est.) STA East Retail Sales Productivity ($psf)	STA East Inflow Market Share	Inflow Sales $	Floorspace Demand (sf)
Grocery & Specialty Foods	$570	80%	$13,270,431	23,302
Pharmacy	$600	80%	$1,645,885	2,743
Alcohol & Tobacco	$500	80%	$2,397,100	4,794
Personal Services	$313	80%	$1,857,212	5,943
Clothing & Apparel	$261	20%	$969,483	3,722
Footwear	$275	20%	$232,923	849
Jewelry & Accessories	$632	20%	$136,129	215
Health & Beauty	$442	50%	$702,818	1,592
Home Furnishings & Accessories	$237	10%	$271,872	1,147
Home Electronics & Appliances	$640	20%	$807,517	1,261
Home Improvement & Gardening	$300	75%	$1,943,594	6,479
Books & Multimedia	$352	5%	$69,510	198
Sporting Goods & Recreation	$228	25%	$228,488	1,004
Toys & Hobbies	$228	50%	$172,571	759
Miscellaneous Specialty	$218	25%	$526,872	2,422
Full-Service F&B	$365	30%	$1,173,376	3,215
Limited Service F&B	$646	25%	$468,314	725
Entertainment & Leisure	$200	20%	$555,698	2,778
Auto Parts & Accessories	$375	45%	$613,447	1,636
Auto/RV/Motorsports Dealership	$450	30%	$4,218,063	9,373
TOTAL RETAIL CATEGORIES ONLY	**$435**	**46%**	**$32,261,304**	**74,157**

TABLE 5.6
TOTAL TRADE AREA RETAIL FLOORSPACE DEMAND

Retail Spending by Merchandise Category	2014 (Year End Est.) Total Floorspace Demand (sf)	Current City Retail Inventory (sf)	Total Residual Demand (sf)
Grocery & Specialty Foods	186,359	178,675	7,683
Pharmacy	19,479	23,644	-4,166
Alcohol & Tobacco	24,779	34,426	-9,647
Personal Services	46,100	160,814	-114,714
Clothing & Apparel	62,312	79,891	-17,579
Footwear	14,902	4,741	10,161
Jewelry & Accessories	4,211	6,019	-1,808
Health & Beauty	16,739	31,061	-14,322
Home Furnishings & Accessories	36,345	19,744	16,601
Home Electronics & Appliances	19,468	38,301	-18,833
Home Improvement & Gardening	36,432	119,551	-83,118
Books & Multimedia	9,483	2,403	7,080
Sporting Goods & Recreation	13,346	22,781	-9,435
Toys & Hobbies	4,451	13,936	-9,485
Miscellaneous Specialty	26,592	82,617	-56,025
Full-Service F&B	46,288	65,253	-18,965
Limited Service F&B	16,659	56,868	-40,209
Entertainment & Leisure	46,519	50,119	-3,600
Auto Parts & Accessories	12,162	58,398	-46,237
Auto/RV/Motorsports Dealership	132,342	57,400	74,943
TOTAL RETAIL CATEGORIES ONLY	**774,968**	**1,106,642**	**-331,674**

5

Much of this decision is based on the relative proximity of Edmonton and its major metropolitan shopping areas to the City of Fort Saskatchewan. This trend will become even more evident as Emerald Hills and Manning Town Centre continue to provide larger format Comparison retail, within a 25-minute drive time of the City of Fort Saskatchewan.

Part-Time Resident Supply - Demand

As profiled in the Demographic Section, the estimated 2,300 part time or temporary residents in the City of Fort Saskatchewan can be treated as residents during the time in which they reside at hotels in Fort Saskatchewan.

Accordingly, and based on a 20% overall market share of their total spending, **Table 5.2** reveals that part time residents could justify demand for approximately 20,000 sq. ft. Much of this demand is warranted for cateogories such as Grocery, Pharmacy, Personal Services and Food & Beverage (Full and Limited Service formats).

Total Primary Trade Area (Including City of Fort Saskatchewan) Supply - Demand

Table 5.3 illustrates the combined demand resulting from the Total Primary Trade Area, which includes the City of Fort Saskatchewan, part-time residents and other neighbouring residents as delineated in the Trade Area. The figures reveal demand for approximately 650,000 sq. ft. of retail at a combined market share of approximately 58%.

To account for spending inflow originating outside of the City of Fort Saskatchewan, Cushing Terrell also quantified the Secondary Trade Areas.

Accordingly, each of these additional inflow areas and their resulting spending and market shares have been estimated to document the amount of floorspace attributable to each.

Secondary Trade Area West Supply - Demand

Each of the Secondary Trade Areas is much less populated as the Primary Trade Area and as such the amount of demand attributable is lower.

For these Secondary Trade Areas, demand is in the form of Convenience and more lower-order Comparison or Department Store Type Merchandise such as everyday Fashion, Automobiles or Leisure, such as Sporting Goods and Toys.

Table 5.4 reveals the demand for floorspace in the City of Fort Saskatchewan attributable to residents in the STA West at approximately 51,000 sq. ft. at a market share of 18%.

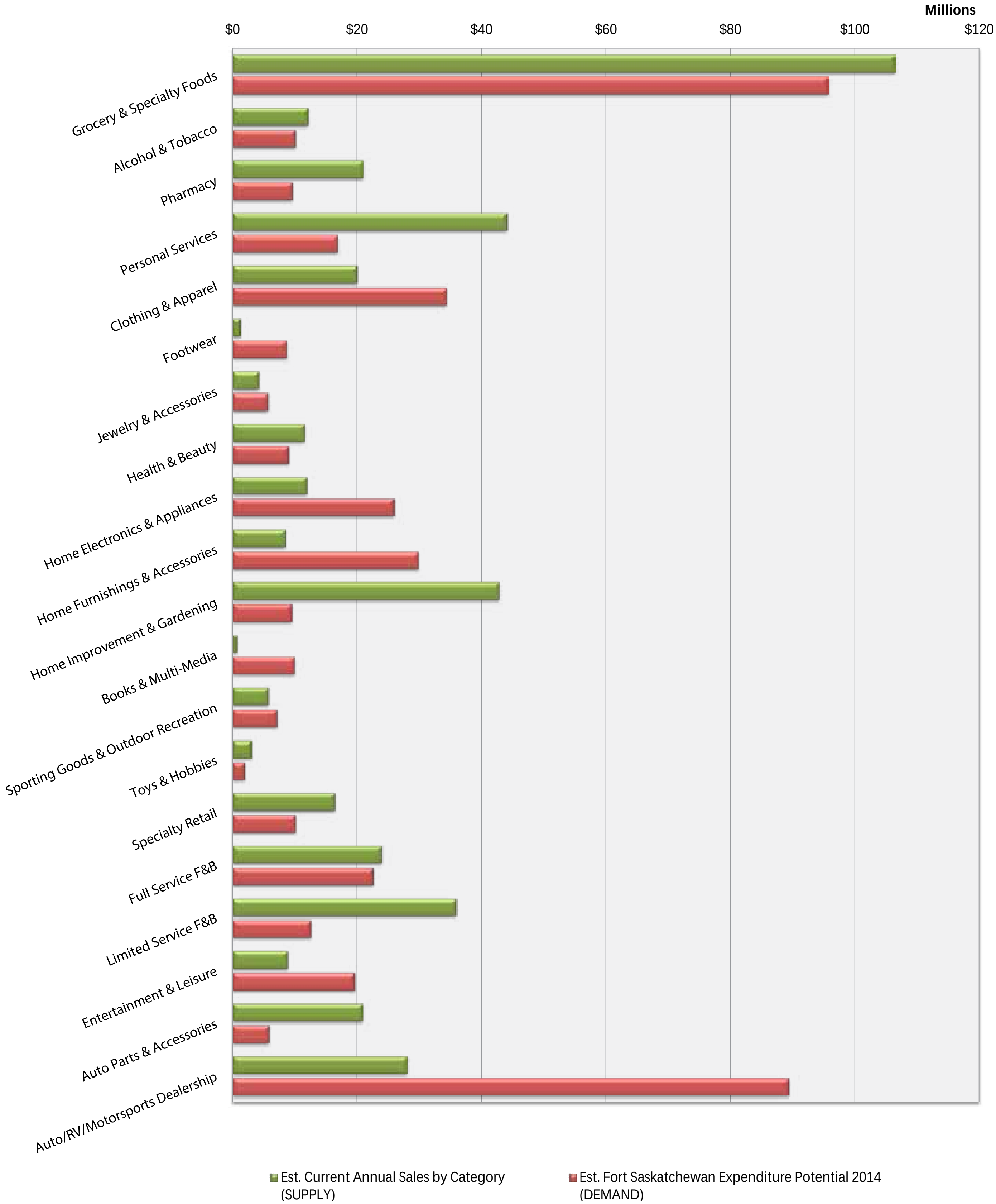
Secondary Trade Area East Supply - Demand

Table 5.5 reveals the demand for floorspace in the City of Fort Saskatchewan attributable to residents in the STA East at approximately 74,000 sf at a market share of 46%.

The STA East is seen to be the area with a higher market share than the STA West because much of the consumer base from the STA East will have to pass through the City of Fort Saskatchewan and thus can be intercepted or more conveniently accommodated by the City's shops and services.

FIGURE 5.1

CITY OF FORT SASKATCHEWAN RETAIL SPENDING SUPPLY AND DEMAND



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Total Trade Area Supply - Demand

Table 5.6 aggregates the total demand for floorspace in the City of Fort Saskatchewan attributable to residents of the Primary and Secondary Trade Areas at approximately 775,000 sq. ft.

When compared against the current city's occupied retail inventory or supply at 1.1million sq. ft., the difference between demand and supply equates to almost 332,000 sq. ft. of retail space. In other words, the City has 332,000 sq. ft. more retail space than current demand warrants.

If one factors into the equation forecasted population growth in the total trade area of approximately 9,800 over the next decade to 2024 (the majority of which will be in the City of Fort Saskatchewan), then estimated future floorspace demand could grow by approximately 250,000 sf.

This estimate is based on growth in retail spending from 2014 levels at 2.5% per annum and further assumes an overall market share of total spending at 60% (current overall market share is 49.7%) and a retail sales productivity of $375 per sq. ft.

When factoring future growth against the current negative residual demand, the forecasts suggests the City should focus its retail tenant recruitment strategy on specific tenants and merchandise categories that exhibit strong retail sales inflow potential. Examples include Grocery, Pharmacy and Food & Beverage.

5.3 RETAILGAPANALYSISQUANTIFICATION

The previous analysis quantified the supply vs. demand in terms of retail floorspace only. This next step involves quantifying the supply vs. demand in terms of retail sales performance and spending.

The process for calculating the retail surplus/ inflow involved estimating the current annual retail sales for each respective merchandise category in the City of Fort Saskatchewan.

This estimated annual retail sales value was calculated by applying a retail sales productivity (using industry baseline averages as determined by the International Council of Shopping Centers) against the inventory and further sensitized by the classification of the retail store (refer to the detailed Retail Inventory in **Appendix A**).

Table 5.7 and Figure 5.1 illustrate the Retail Gap Analysis on a category-by-category basis for the City of Fort Saskatchewan.

Given the rate of market shares, it is not surprising that Fort Saskatchewan exhibits a high degree of retail sales leakage (outflow) of spending dollars.

TABLE 5.7

RETAIL INFLOW / OUTFLOW ESTIMATES

Merchandise Category	Est. Current Annual Sales by Category (SUPPLY)	Est. Fort Saskatchewan Expenditure Potential 2014 (DEMAND)	Fort Saskatchewan Outflow / Inflow Estimates	Fort Saskatchewan Outflow / Inflow Factor
Grocery & Specialty Foods	$106,467,293	$95,748,387	$10,718,907	5.3
Alcohol & Tobacco	$12,162,863	$10,183,171	$1,979,692	8.9
Pharmacy	$21,026,130	$9,661,743	$11,364,387	37.0
Personal Services	$44,041,815	$16,900,383	$27,141,433	44.5
Clothing & Apparel	$20,018,367	$34,393,761	-$14,375,394	-26.4
Footwear	$1,261,648	$8,751,801	-$7,490,153	-74.8
Jewelry & Accessories	$4,253,652	$5,735,702	-$1,482,049	-14.8
Health & Beauty	$11,574,897	$9,058,523	$2,516,374	12.2
Home Electronics & Appliances	$11,950,128	$25,979,354	-$14,029,226	-37.0
Home Furnishings & Accessories	$8,511,879	$29,915,620	-$21,403,741	-55.7
Home Improvement & Gardening	$42,844,375	$9,549,279	$33,295,096	63.5
Books & Multi-Media	$722,260	$10,019,586	-$9,297,326	-86.6
Sporting Goods & Outdoor Recreation	$5,762,575	$7,177,295	-$1,414,720	-10.9
Toys & Hobbies	$3,067,107	$1,952,797	$1,114,311	22.2
Specialty Retail	$16,371,625	$10,193,395	$6,178,231	23.3
Full Service F&B	$23,932,428	$22,677,389	$1,255,038	2.7
Limited Service F&B	$35,904,214	$12,646,762	$23,257,452	47.9
Entertainment & Leisure	$8,869,683	$19,660,881	-$10,791,198	-37.8
Auto Parts & Accessories	$20,962,617	$5,858,390	$15,104,227	56.3
Auto/RV/Motorsports Dealership	$28,079,134	$89,389,017	-$61,309,883	-52.2
VACANT				
TOTAL	**$427,784,690**	**$435,453,234**	**-$7,668,544**	

5

5.4
RETAIL INFLOW & OUTFLOW

Cushing Terrell utilized a methodology of comparing Supply and Demand as generated by the Retail Spending patterns of the Trade Area Residents. This comparison of Supply and Demand results in a measure of Inflow or Outflow.

Inflow/Outflow conveniently measures the balance between the volume of supply (retail sales) generated by retail in Fort Saskatchewan and the demand (spending by households) within the same area.

Inflow (sometimes referred to as Surplus) in an area represents a condition whereby the supply exceeds the area's demand and where retailers are attracting shoppers that reside outside the normal or Primary Trade Area.

Outflow (sometimes referred to as Leakage) in an area represents a condition whereby a market's supply is less than the demand. In other words, retailers outside the market area are fulfilling the demand for retail products and thus demand is outflowing or leaking out of the normal or Primary Trade Area.

Table 5.7 reveals a pattern of spending that again clearly substantiates the idea that the City of FortSaskatchewan has a more localized Retail Trade Area with commensurate sales outflow.

In fact, it is common for many markets, particularly those closer to major metropolitan areas to have many areas where sales outflow occurs.

The Inflow/Outflow factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total inflow) to -100 (total outflow). A positive value represents inflow of retail opportunity where customers are drawn in from outside the trade area. A negative value represents outflow of retail sales, a market where customers are drawn outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales.

In the case of Fort Saskatchewan, **Table 5.7** reveals a pattern in which more day-to-day types of categories are generating inflow and surplus sales and could thus be targeted by retailers.

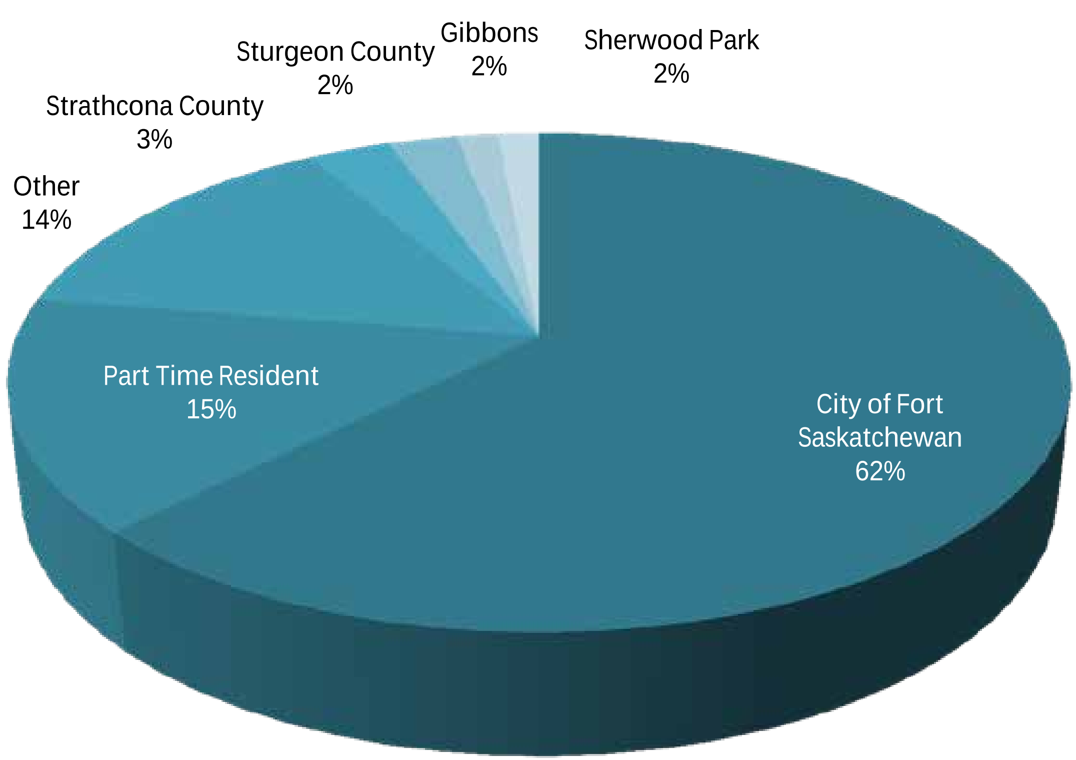
Conversely, the categories exhibiting outflow are all the types of categories that people are prepared to drive 30 - 45 minutes to access, which brings into play a wide array of projects that even includes South Edmonton Common and West Edmonton Mall. The soon-to-be completed northeast component of the Anthony Henday will only increase acessibility to areas like West Edmonton Mall.

Given Fort Saskatchewan's retail trade area demographics and spending attributes, specific target categories include Grocery, Pharmacy, Personal Services, Toys & Hobbies, Full & Limited Service F&B, Health & Beauty.

A market like Fort Saskatchewan in which inflow exists for specific categories and where it would be difficult to provide a comparison offering that could be competitive in the market is more poignant in that retailers can have the confidence in knowing that demand is already present in a market.

FIGURE 6.1

CONSUMER SURVEY RESPONDENT RESIDENT ORIGIN



6 CONSUMER INTERCEPT SURVEY

6.1 INTRODUCTION

As an integral part of the Retail Market & Gap Analysis, a Consumer Intercept Survey was conducted in which the residents of Fort Saskatchewan and the surrounding communities were randomly interviewed.

Respondents were interviewed at strategic locations (Dow Centennial Centre, Cornerstone Centre, Downtown and the Kanata Hotel) in the community to ascertain their preferences for merchandise categories/store types and retailers in the City of Fort Saskatchewan. Other important areas of information gathered through this process included collecting data associated with where residents currently conduct the majority of their shopping, how frequently they shop, how much they spend and what types of formats/ stores they prefer.

In total, 200 respondents provided a sample size which ensured the study was statistically valid with a confidence level of 95% and a margin of error of 6.93. Utilizing the Statistical Package for the Social Sciences (SPSS) the data has been prepared in correlation with the study's objectives.

6.2 RESPONDENT DEMOGRAPHICS

As a foundation for the Consumer Intercept Survey, the locations were chosen to get a valid cross-section of resident and consumer traffic flow in various areas throughout the City.

An important component to determining and validating the Retail Market & Gap Analysis quantification is ensuring that a representative sample of the trade area is interviewed. **Figure 6.1** illustrates the breakdown of Respondent residences for the Consumer Intercept Survey, revealing 62% of respondents currently live in the City of Fort Saskatchewan, with a further dispersed representation from surrounding Counties and towns.

Furthermore, **Figure 6.2** illustrates a postal code "heat map" that shows density from which Survey Respondents originated using FSA codes which are the first 3 digits of a postal code (for privacy protection).

Figure 6.2 clearly illustrates a consistent pattern with the Retail Trade Area documented in **Figure 4.1**, in which the majority of patronage is sourced to the City and surrounding towns, but emanates northwest, north and east, with less dependence on populations to the south.

Figures 6.3 and 6.4 provide a snapshot of the demographics of the respondents and further validate the statistical demographics by revealing a similar age profile dominated by the 25-44 year old age cohort. Furthermore, 25% of the respondents have a household income of greater than $125,000 and just under 50% of respondents were above $100,000.

6.3 PREFERRED SHOPPING LOCATIONS

Consumer Survey respondents were specifically asked the following questions pertaining to their current shopping habits:

FIGURE 6.2

CONSUMER SURVEY RESPONDENT "HEAT MAP" BY POSTAL CODE (forward sortation area e.g. T8V)

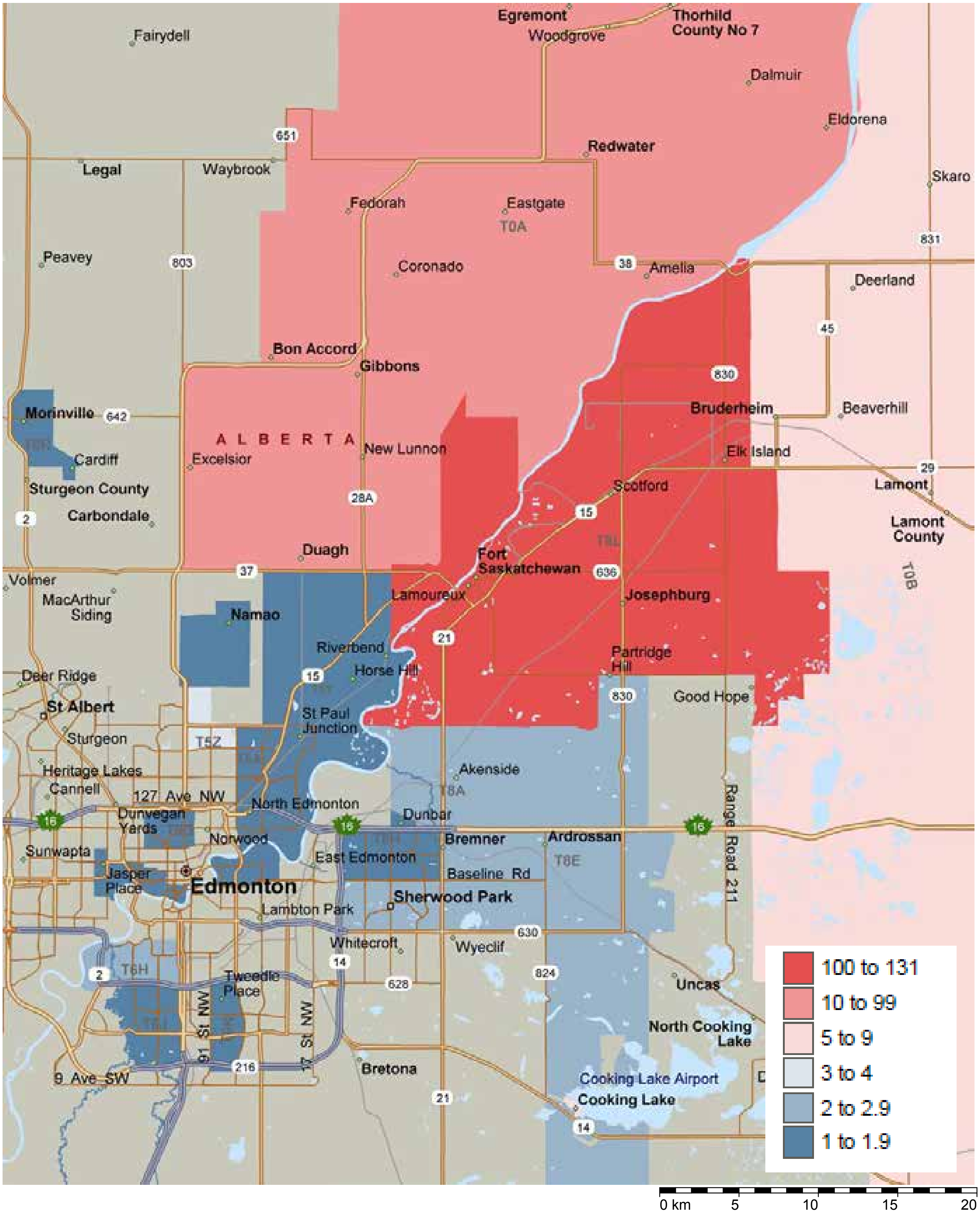


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FIGURE 6.3

CONSUMER SURVEY AGE PROFILE ALL RESPONDENTS

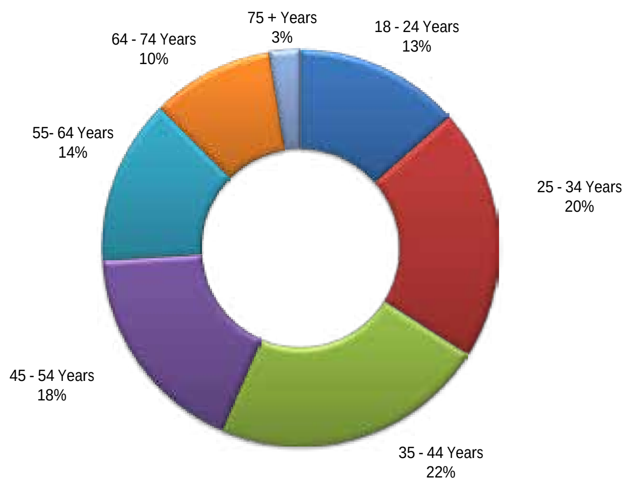
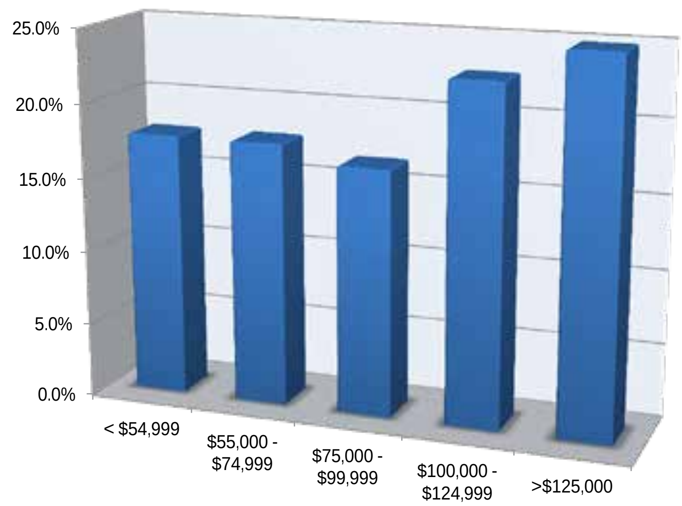


FIGURE 6.4

CONSUMER SURVEY INCOME PROFILE ALL RESPONDENTS



- What is your primary shopping centre for convenience goods?
- What is your reason for choosing this location?
- What is your primary shopping centre for comparison goods?
- What is your reason for choosing this location?
- What do you most like about the shopping opportunities in Fort Saskatchewan?
- What do you dislike the most about the shopping opportunities in Fort Saskatchewan?

Figures 6.5 to 6.15 identify the current shopping environment preferences for respondents and reveals expected results as it pertains to locations and decision-making factors. But it also yields insight into what consumers are expecting in the shopping environments, as well as in the merchandise mix and overall offering.

Primary Convenience Shopping Centre

Figures 6.5 and 6.6 indicate that Cornerstone and Safeway is the dominant location for consumers to shop for convenience necessities, such as groceries. The primary reason for this overwhelming dominance is the price of the goods/merchandise as well as the fact that Cornerstone is central to their primary residence and allows for one-stop-shopping.

From a convenience perspective COSTCO, on the other hand did not resonate as highly as expected, although it does rank quite high among the types of shops desired in the community. This would seem to represent a disconnect in consumers' needs vs wants.

FIGURE 6.5

WHAT IS YOUR PRIMARY CONVENIENCE SHOPPING CENTRE?

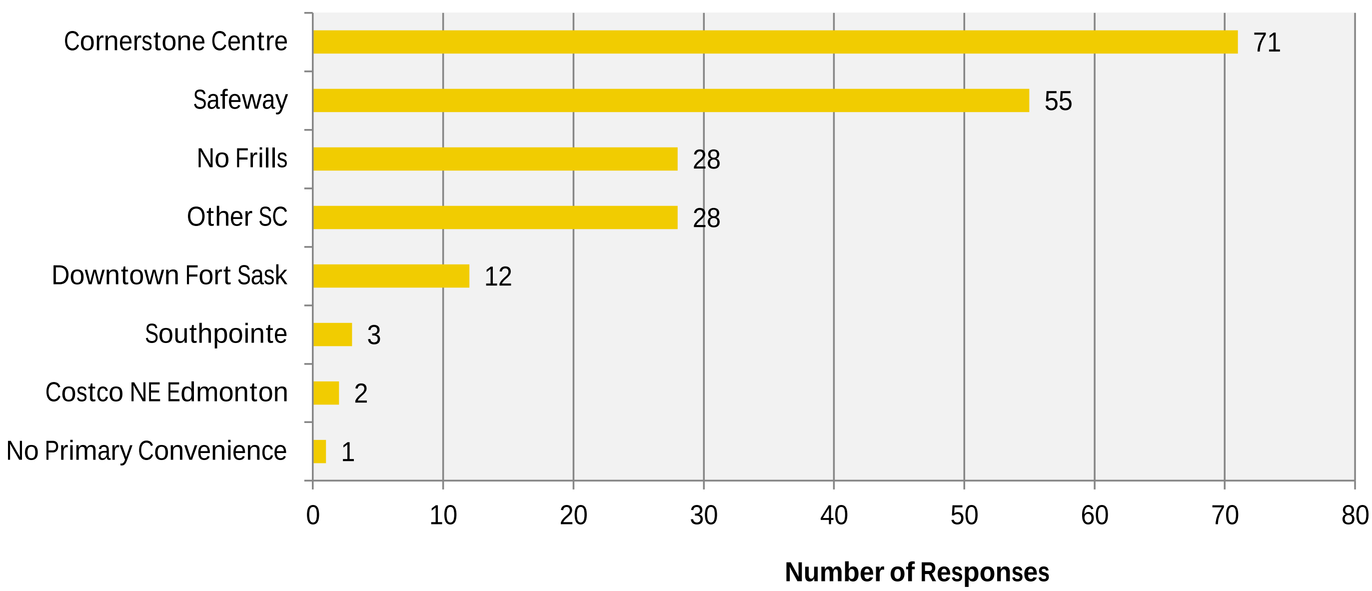
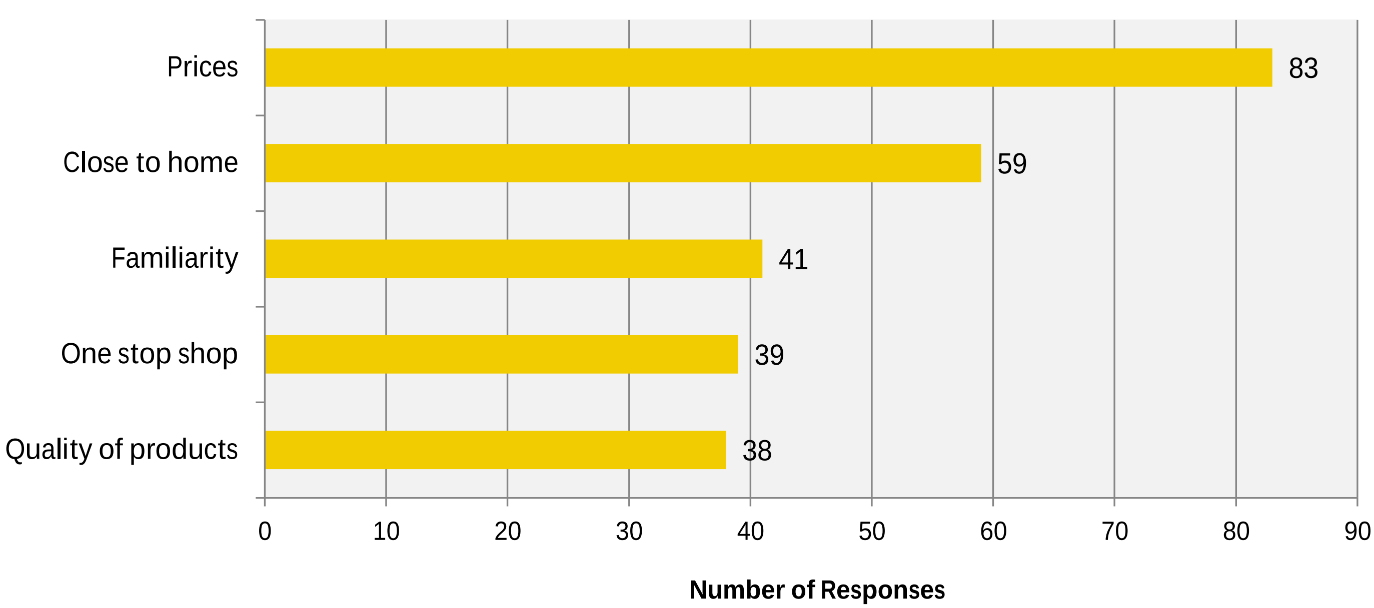


FIGURE 6.6

WHAT IS YOUR PRIMARY REASON FOR CHOOSING A CONVENIENCE SHOPPING CENTRE?



Primary Comparison Shopping Centre

Figures 6.7 and 6.8 illustrate that Cornerstone is also the most dominant shopping centre for consumers looking for comparison merchandise, such as Clothing, Footwear, Books, Electronics, House & Home etc.

However, the "other" category which comprises centres such as South Edmonton Common and West Edmonton Mall ranks very highly also in terms of the number of responses.

From a specific location, the Sherwood Park Mall garnered 43 responses suggesting that this is a well used retail node and given that it is approximately 25 minutes drive time, it is likely to continue as a popular location.

In terms of the reasons for shopping at an identified Comparison shopping location, prices are the most common response, while close to home, familiarity and the ability to one-stop-shop are important. These factors likely explain the popularity of the Sherwood Park Mall for Fort Saskatchewan residents.

The retail inflow and outflow identified previously clearly illustrates that consumers have a strong willingness to visit retail nodes outside of Fort Sakatchewan for their Convenience and Comparison goods and services.

This trend combined with the population and spending dynamics reinforces the need for Fort Saskatchewan to be cautious in the retailers it targets, since it will be hard to compete against current and emerging comparison retail nodes.

Given the price consciousness of respondents, Fort Saskatchewan could target price points and broader market appeal tenants. For example, tenants such as Real Canadian Superstore, Old Navy, Value Village or JYSK who may not have Fort Saskatchewan on their radar, could be well-served to be presented with the opportunity, so long as another store in their network strategy is feasbile and they are not located at Emerald Hills.

The challenge for the majority of fashion retailers would be the requirement for an indoor retail space, such as that provided at Sherwood Park Mall or the requirement for co-tenancy of other complementary or competitive brands.

Figure 6.14 and the detailed full response in **Appendix C** illustrates a range of tenants that the City or its developers could target. While there are retailers that may not be a realistic fit for Fort Saskatchewan, there are others whom respondents have indicated a preference to have in the City of Fort Saskatchewan that are compatible.

6.4 LIKES & DISLIKES OF RETAIL IN FORT SASKATCHEWAN

Figures 6.9 and 6.10 highlight the "likes" and "dislikes" of the respondents as it relates to the current shopping opportunities in Fort Saskatchewan.

Overwhelmingly, respondents like the fact that the shops are close to home and meet their basic needs as well as a very strong response towards supporting local businesses and Downtown Fort Saskatchewan.

FIGURE 6.7
WHAT IS YOUR PRIMARY COMPARISON SHOPPING CENTRE?

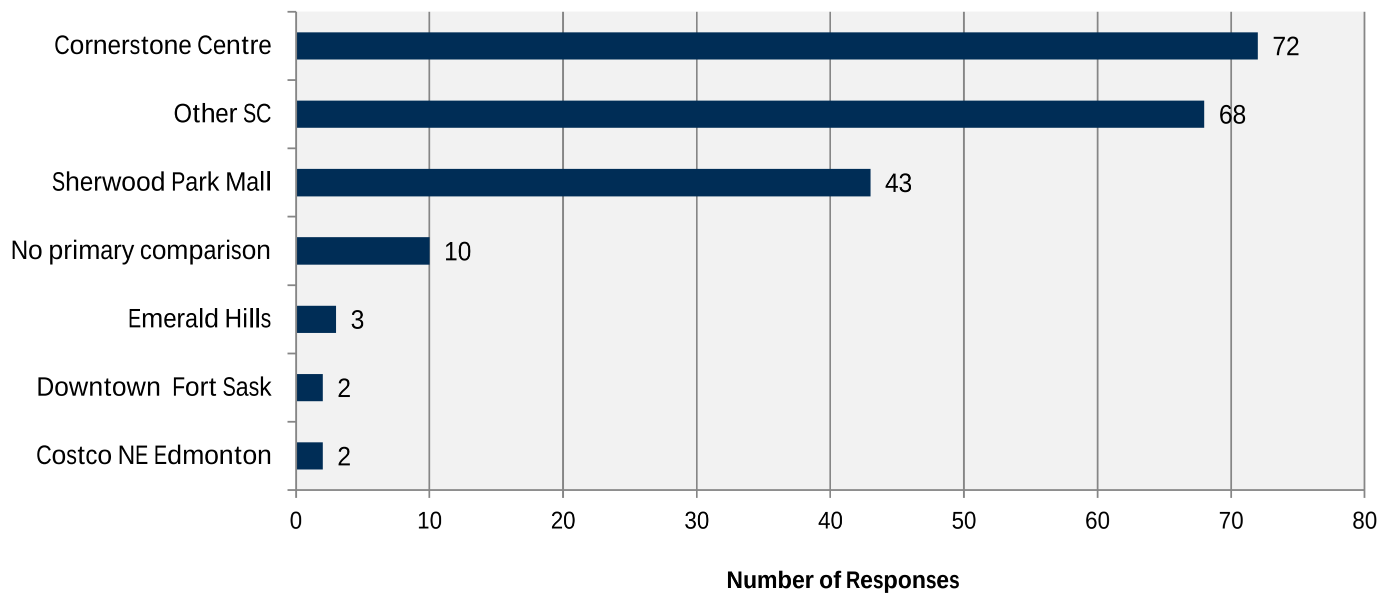


FIGURE 6.8
WHAT IS YOUR PRIMARY REASON FOR CHOOSING A COMPARISON SHOPPING CENTRE?

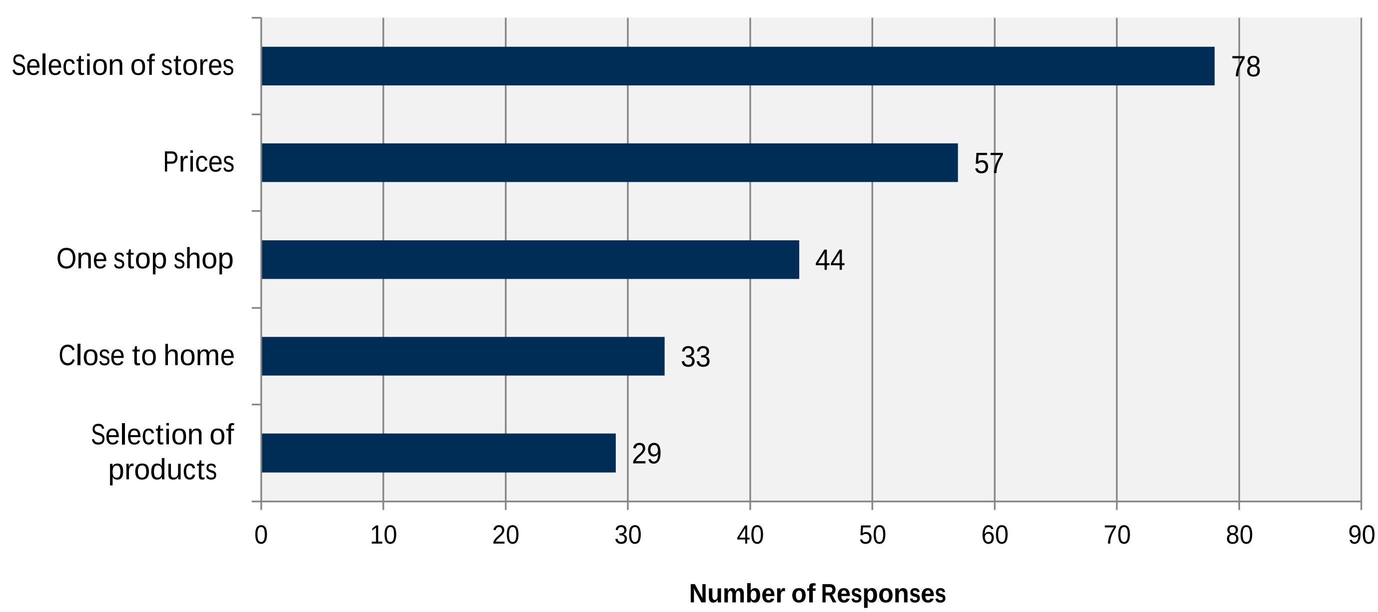


FIGURE 6.9

WHAT DO YOU LIKE MOST ABOUT SHOPPING IN FORT SASKATCHEWAN?

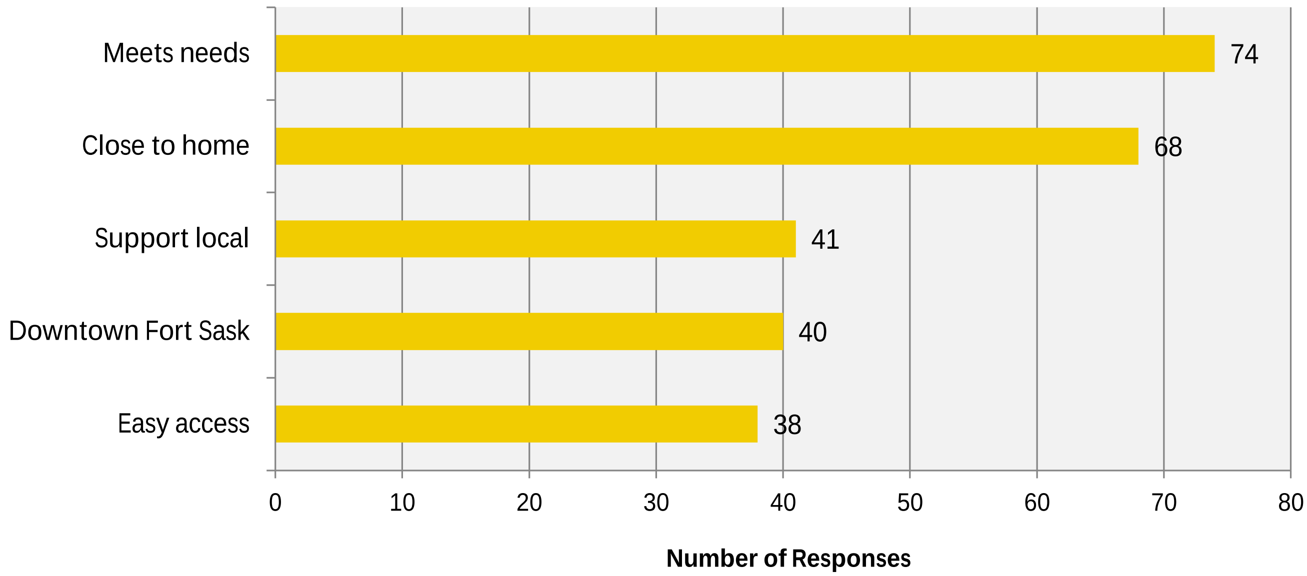


FIGURE 6.10

WHAT DO YOU DISLIKE MOST ABOUT SHOPPING IN FORT SASKATCHEWAN?

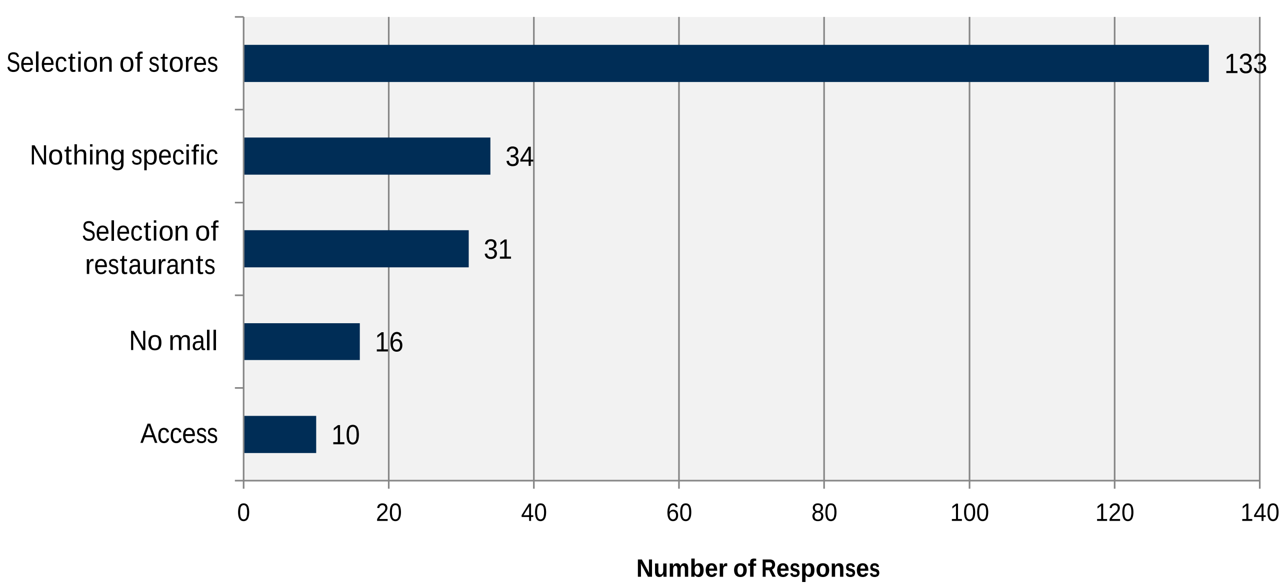
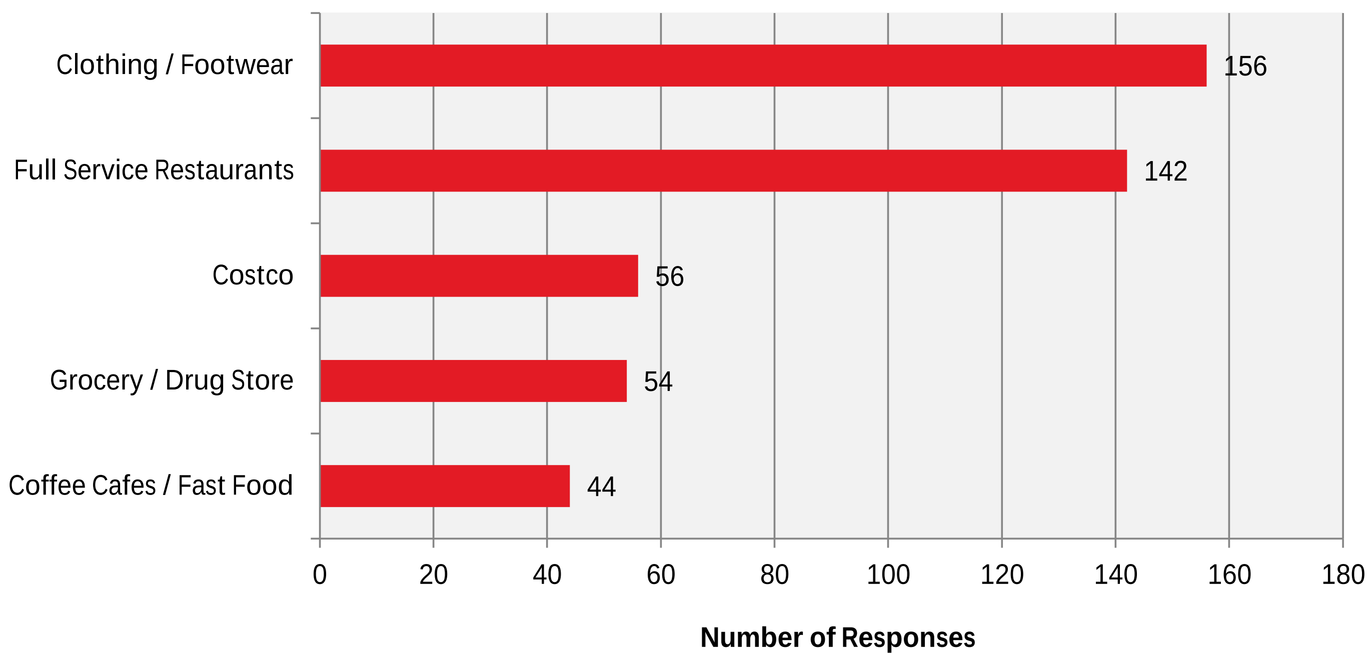


FIGURE 6.11

WHATNEWSTORES/SERVICESWOULDINCREASEYOURSPENDINGINFORTSASKATCHEWAN?



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It is worth reiterating that with the City's current 'relative' balance of supply to demand that the Downtown should be a key consideration when thinking of new retail developments, other than those already approved and under construction, such as Westpark.

It is encouraging that respondents have such a high response rate to supporting local and Downtown Fort Saskatchewan.

The selection of shops and restaurants were each mentioned as a dislike. As the Fort Saskatchewan market continues to grow, it is to be expected that respondents will want more shops and services. Achieving the balance of the types of shops and services the residents want with the types shops and services that are compatible with the City's demographics, trade area and development projects will be the key to success.

The trend of a market to want a better selection of shops is a reflection on the aspirational nature of the consumer whereby they are responding positively to the growth and introduction of stores in the market, but still want to have more retailers that they are accustomed to seeing in other markets such as Edmonton, even if the reality is that they may not locate in Fort Saskatchewan.

This is most accurately depicted in **Figure 6.11** which reveals overwhelming respondents' desires for more clothing/footwear. While there are brands in the market, such as Old Navy or Children's Place that would be compatible fits for Fort Saskatchewan, the reality is that the city is more likely to attract full service restaurants.

Figures 6.12 through 6.14 provide a list of shops and restaurants that could locate in Fort Saskatchewan's various retail nodes/formats.

6.5 DESIRED SHOPS & SERVICES

Figures 6.11 through 6.15 illustrate the responses to questions that sought the following:

1. What New Stores/Services would increase you spending in Fort Saskatchewan? (**Figure 6.11**)
2. What Full-Service Restaurants do you want to see in Fort Saskatchewan? (**Figure 6.12**)
3. What Limited-Service Restaurants do you want to see in Fort Saskatchewan? (**Figure 6.13**)
4. What Retail Stores do you want to see in Fort Saskatchewan? (**Figure 6.14**)
5. What types of stores do you want to see in Fort Saskatchewan? (**Figure 6.15**)

Referring to **Figure 6.11,** which allows for multiple responses, respondents overwhelmingly want to see more Clothing & Footwear stores (156 responses) and Full-Service Restaurants (142 responses) in Fort Saskatchewan. An increase in the quality and quantity of the above two categories would be well-received by the respondents and overall trade area residents.

Similarly, though to a slightly lesser degree, Costco was singled out as a retailer desired in Fort Saskatchewan.

A reflection of the more localized nature of Fort Saskatchewan's trade area is evidenced in the desire to have more Grocery/Drug Store and Limited Service F&B in the City. These are the types of tenants that should be prioritized for targeting along with Full Service Restaurants.

THE KEG & EARL'S

MOST CITED RESTAURANTS DESIRED BY CONSUMER RESPONDENTS

FIGURE 6.12

WHAT FULL-SERVICE RESTAURANTS DO YOU WANT TO SEE IN FORT SASKATCHEWAN?

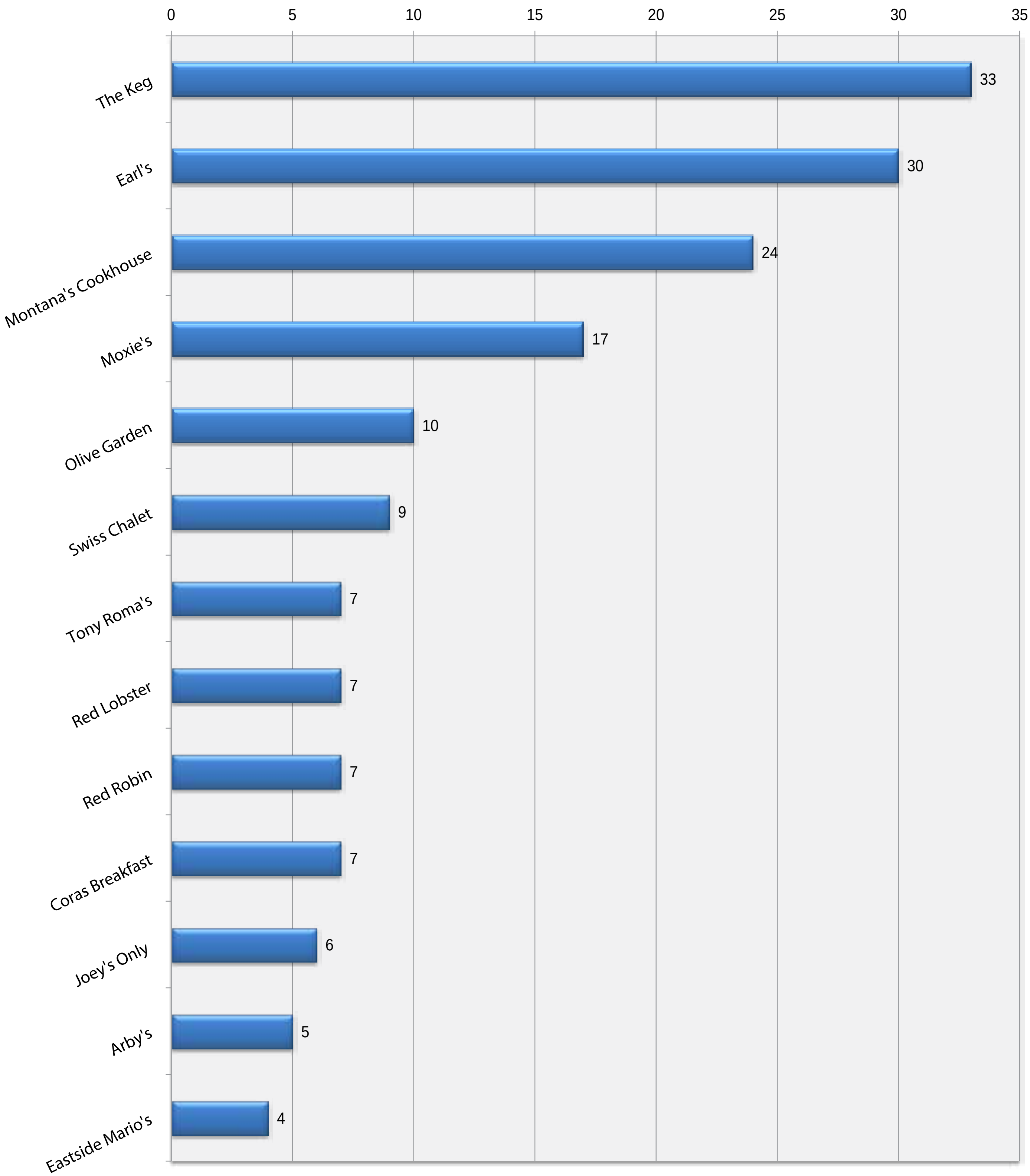

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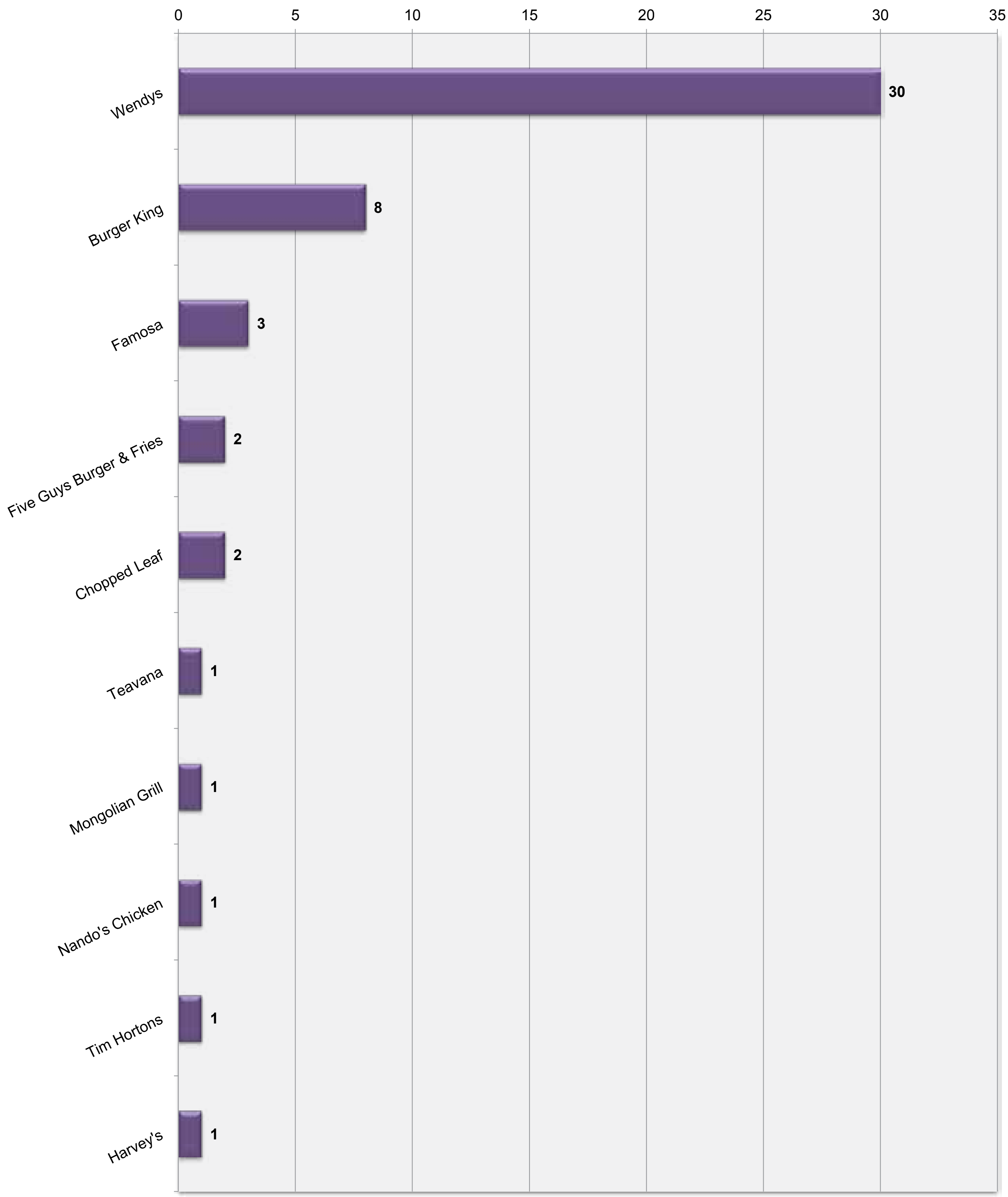
FIGURE 6.13

WHAT LIMITED-SERVICE RESTAURANTS DO YOU WANT TO SEE IN FORT SASKATCHEWAN?



COSTCO

MOST CITED RETAILER DESIRED BY CONSUMER RESPONDENTS

FIGURE 6.14

WHAT RETAIL STORES DO YOU WANT TO SEE IN FORT SASKATCHEWAN?

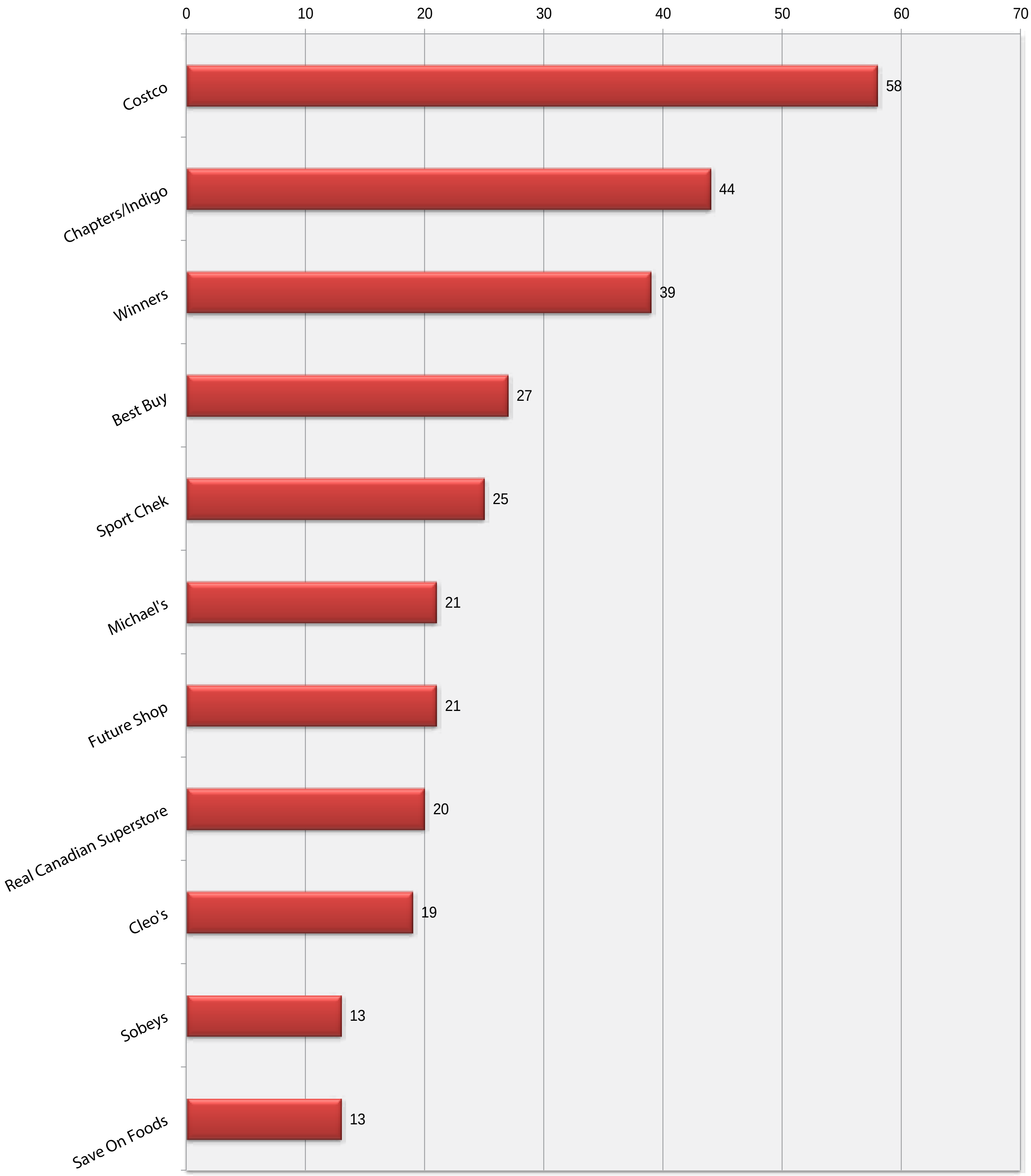


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FIGURE 6.15

WHAT TYPES OF STORES DO YOU WANT TO SEE IN FORT SASKATCHEWAN?

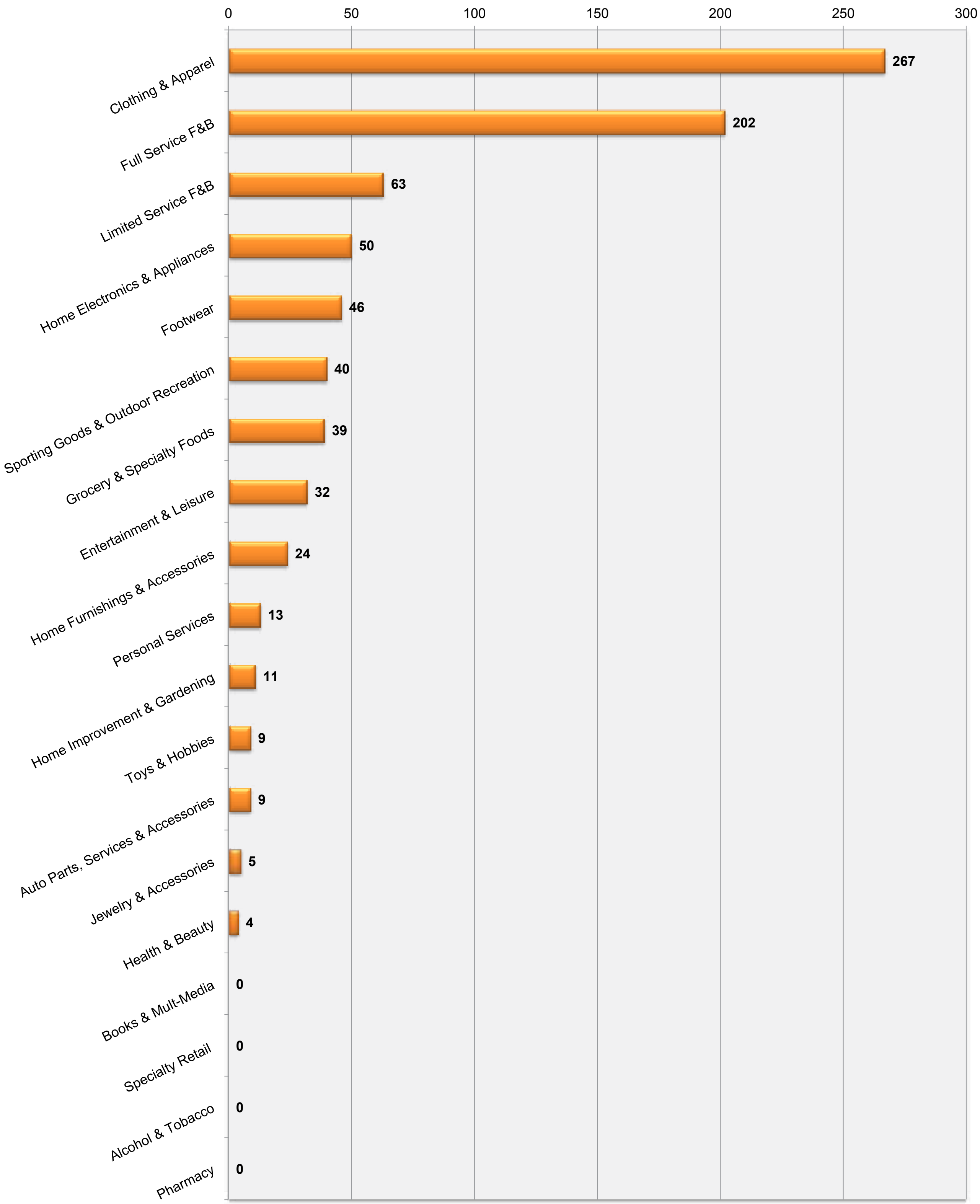


FIGURE 6.16

SPENDING VERSUS IMPORTANCE RATINGS FOR ALL RESIDENT RESPONDENTS

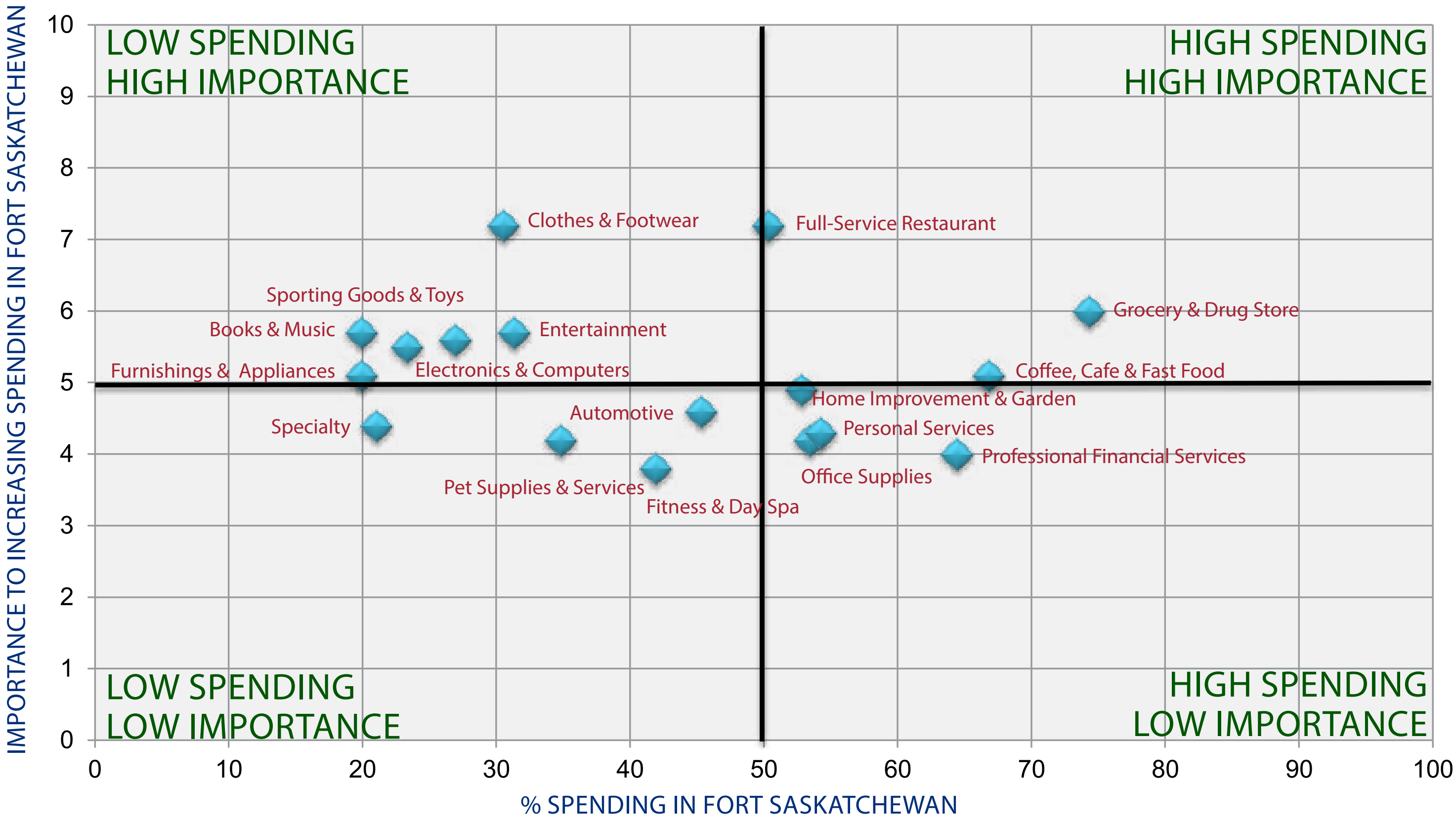
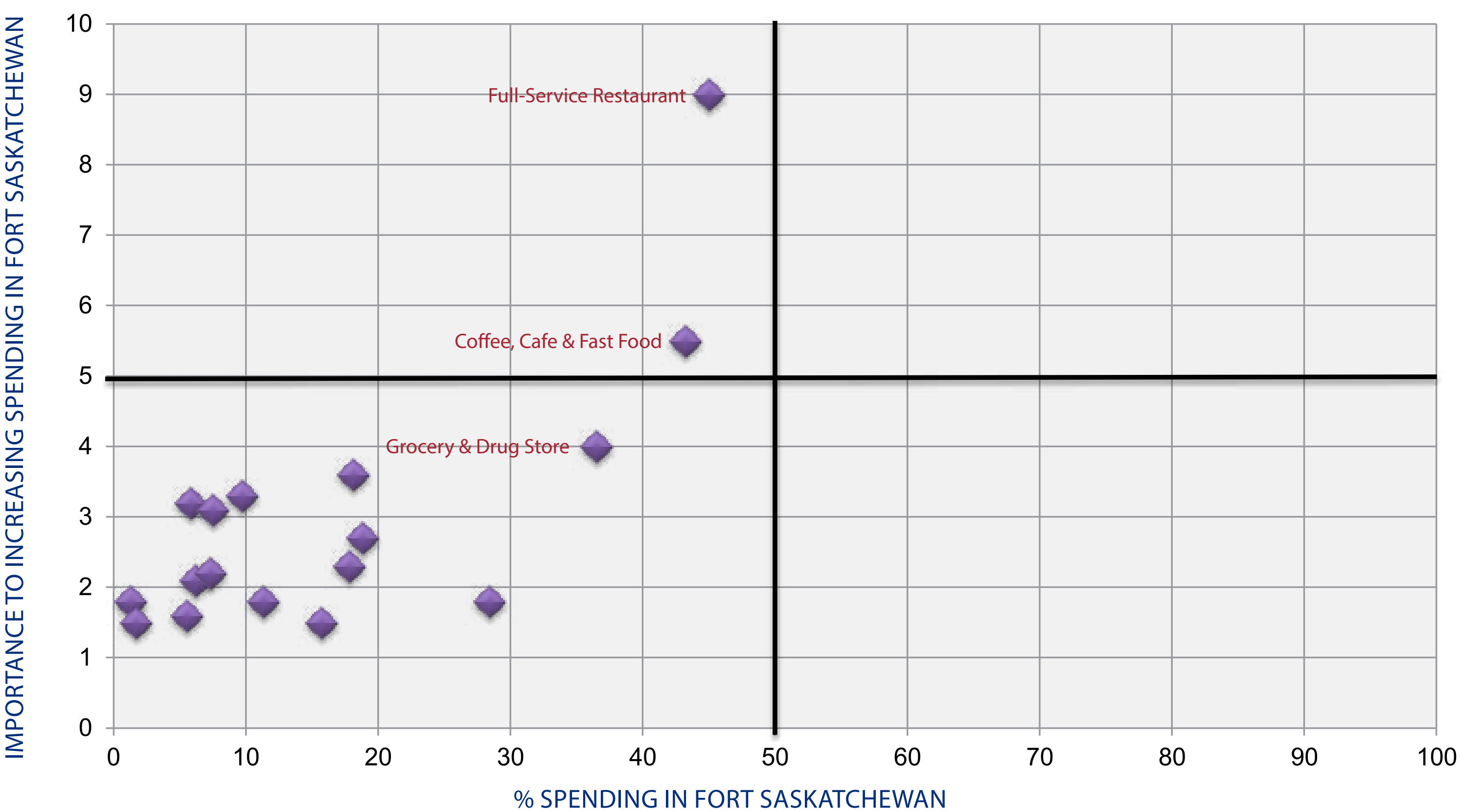


FIGURE 6.17

SPENDING VERSUS IMPORTANCE RATINGS FOR TEMPORARY RESIDENTS



6 FULL-SERVICE F&B GROCERY & DRUGSTORE

MOST SOUGHT RETAIL CATEGORIES BY CONSUMER RESPONDENT

In response to the desire to see more Full-Service Restaurants (i.e. those with table service) in Fort Saskatchewan, **Figure 6.12** specifically asked respondents for tenant names. This question elicited a significant responses for the following:

1. *The Keg*
2. *Earl's*
3. *Montana's*
4. *Moxie's*

Full-Service Restaurants, such as those identified are most likely to locate in high customer traffic and popular shopping areas and as such the Cornerstone or Westpark.

While Fort Saskatchewan has a strong contingent of Limited Service Restaurants (i.e. those without table service), there was still a strong response indicated for more Limited Service Restaurants. What is most compelling from the responses however is that Wendy's was the overwhelming identified retailer sought in the community.

Cafes and coffee shops continue to be in high demand with optimal locations available throughout the City.

This suggests opportunities for more local independents, for whom areas in the Downtown core could be strong. In downtowns such as Fort Saskatchewan where external development pressures have created challenges, it is often the local merchants and businesses that have the ability to create a shop local culture in redefining downtown spaces.

Figure 6.14 illustrated a desire to have many formats that would be junior box or larger in size. It is reasonble to assume that these tenants, some of whom are already at Emerald Hills, such as Winners, would be more enticed to locate in Emerald Hills than Fort Saskatchewan simply given the trade area penetration.

There may be some degree of opportunity to attract these users, though it would probably be in the best interest of the City to target smaller retailers that could infil in the existing retail nodes with targeted categories and retailers that are inherently more compatible with Fort Saskatchewan's trade area.

6.6 ALLRESPONDENTSSPENDINGVERSUS IMPORTANCE

Figures 6.16 to 6.21 take a more honed in approach in looking at the Consumer Responses by seeing where differences may exist in spending and importance ratings by Full Time vs Part-Time Respondent, Age Cohort and Household Income.

The initial process is to illustrate for ALL Respondents, the correlation or possibly lack thereof between the amount of spending in Fort Saskatchewan on Retail Categories and the Respondents' importance for a respective category in increasing their spending in the City.

The results shown diagrammatically in **Figure 6.16** shows that the categories of Full Service Restaurants and Grocery/Drug Store have the highest proportion of spending inside Fort Saskatchewan, yet still have among the highest importance ratings for retaining further spending.

FIGURE 6.18

PERCENTAGE SPENDING IN FORT SASKATCHEWAN BY RESPONDENT AGE COHORT

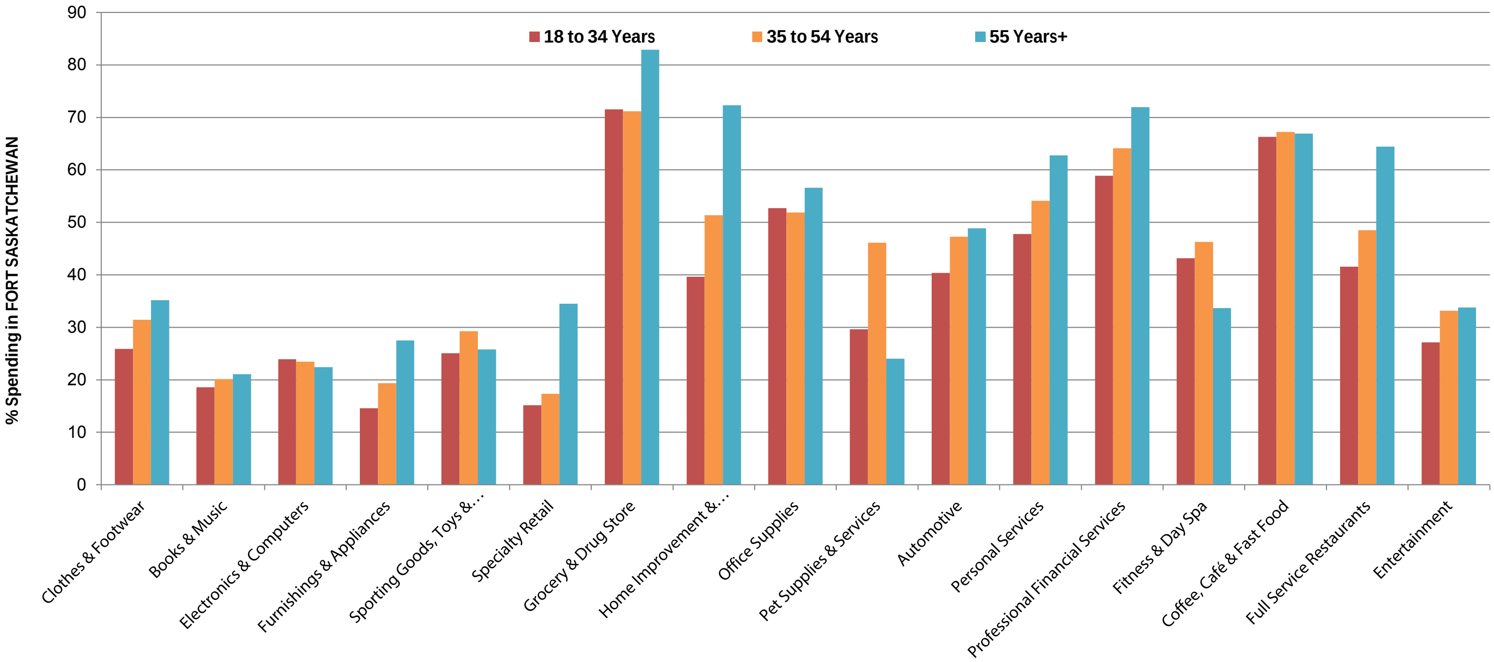
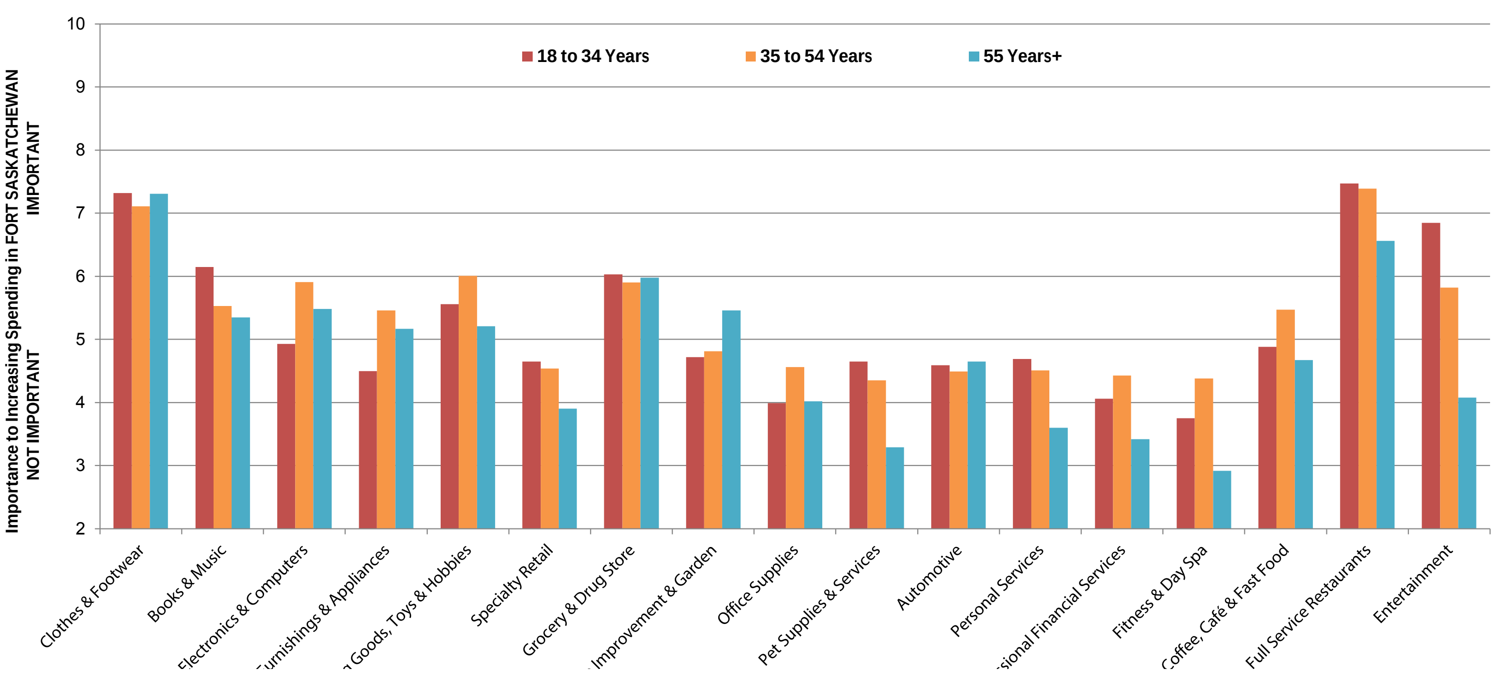


FIGURE 6.19

IMPORTANCE RATING TO INCREASE SPENDING BY RESPONDENT AGE COHORT



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Although spending on Clothes and Footwear is not high in Fort Saskatchewan, **Figure 6.16** does imply through its importance rating that if more Clothes and Footwear were introduced more spending could be retained in Fort Saskatchewan.

Figure 6.17 illustrates the part-time residents spending vs importance and reveals a clear distinction that full service restaurants would be the most important retail category to increasing their spending in Fort Saskatchewan.

In the spectrum of low spending to high importance, the respondents clearly would like to see more offering of comparison merchandise in the City. For residents of the City of Fort Saskatchewan, an increase in the amount and/or quality of Full Service Restaurants and Grocery/ Pharmacy as well as compatible Clothes & Footwear could go a long way in retaining further spending

6.7 RESPONDENTCROSS-TABULATIONSOF SPENDING VERSUS IMPORTANCE

The process of cross-tabulating the former responses for ALL respondents and breaking them down into Age and Income sheds some refined analysis to the retail market and can also help to further identify the types of tenants that would find Fort Saskatchewan a strategic fit in their store network development strategy.

Spending & Importance By Respondent Age

Figures 6.18 & 6.19 illustrate the spending and importance ratings for respondents as broken down into the Respondent Age Cohort.

- *18 - 34 Years*
- *35 - 54 Years*
- *55 + Years*

An examination of the spending and importance by age indicates some clear distinctions between the younger and older age cohorts in the City.

In terms of spending retained INSIDE Fort Saskatchewan, the Baby Boomers or those 55 years and older have the strongest spending profile across almos all categories, but most notably for categories such as Grocery, Home Improvement, Specialty Retail, Personal Services, Professional Financial Services and Full Service Restaurants. However, when looking at the importance of these same categories to increasing spending, the Baby Boomer segment does not place as high a value on these as do the emerging younger age cohorts.

The implications of this finding are two-fold. Firstly, while the Baby Boomers are a strong spending segment today, they are not the growth demographic in Fort Saskatchewan Market, as evidenced by the average age at just over 35 years. Moreover, this pattern suggests that the Baby Boomers are generally happy and satisfied with the offering in the City of Fort Saskatchewan, while the emerging growth cohort are not as satisfied and are seeking new experiences and formats and are thus most likely to be the ones leaving Fort Saskatchewan for items like Clothing and Restaurants.

Secondly, and most importantly is the fact that the young family demographic, aged 18-34 years, with emerging incomes and young families have the greatest desire to see more offering in the community as a way of retaining their spending.

FIGURE 6.20

PERCENTAGE SPENDING IN FORT SASKATCHEWAN BY RESPONDENT HOUSEHOLD INCOME

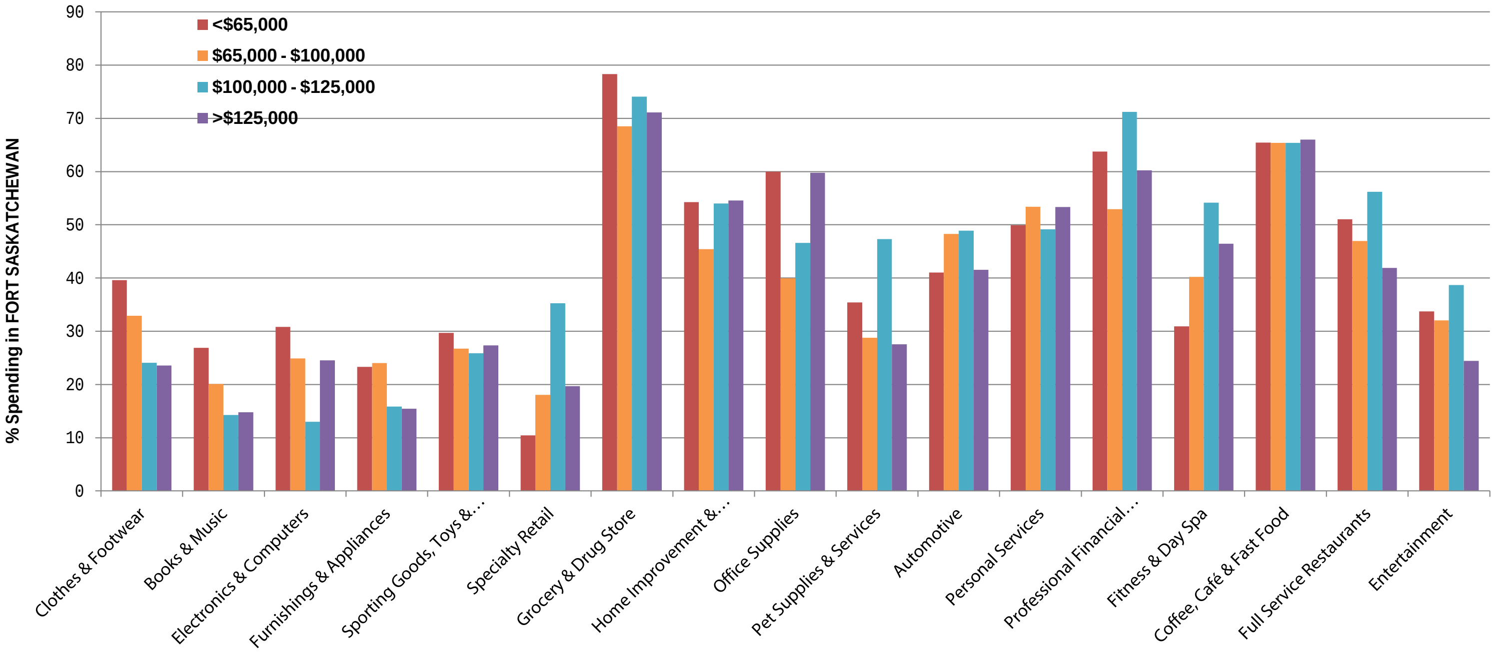
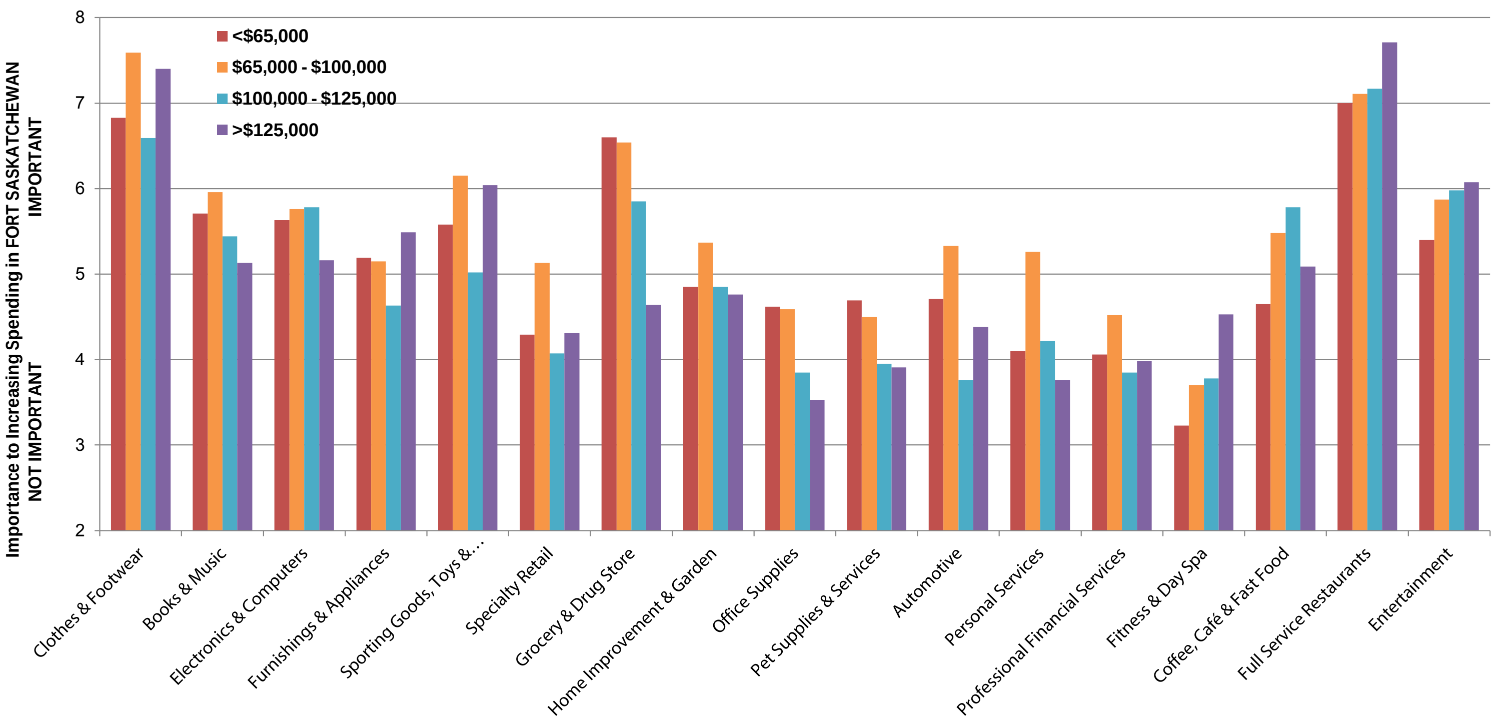


FIGURE 6.21

IMPORTANCE RATING TO INCREASE SPENDING BY RESPONDENT HOUSEHOLD INCOME



Moreover, it is this demograhic age group that also has the largest representation in the trade and as such has the most aggregate spending power for retailers to tap into.

Prospective retailers will realize the opportunity to cater to a market for which there are many more potential tenant opportunities. Specifically, those within the 18 - 34 year old age cohort are most likely to benefit from improvements in the retail offering in Fort Saskatchewan.

The 18 - 35 year old age cohort represents the dominant age bracket for spending on entertainment and equally has the highest importance on entertainment to increase their spending. Similar to the 18 - 34 year old market, the 35 - 54 year olds are also a strong spending demographic.

Retail spending has thus far catered more to the older demographic, but as the age profile illustrates, future emphasis should be geared toward the next generation of consumers who want to support the Fort Saskatchewan local businesses, but equally are prepared to leave Fort Saskatchewan for purchases.

Spending & Importance By Respondent Household Income

Figures 6.20 & 6.21 illustrate the spending and importance ratings for respondents as broken down into the Respondent Household Income.

- *<$65,000*
- *$65,000 - $100,000*
- *$100,000 - $125,000*
- *>$125,000*

An examination of the spending and importance by income also illustrates some slight variations in preferences, which in turn can be reflective of the types of targeted categories and tenants.

One would expect that the highest income segment (i.e. those earning more than $100,000) would spend the most across the board on retail shopping, leisure and entertainment.

In fact, while that is true for some categories such as Clothing & Footwear, Home Furnishings & Appliances and Full Service Restaurants, the income bracket comprising $65,000 to $100,000 exhibits the strongest expenditure patterns in the City for the majority of categories and in particular Clothing & Footwear, Books & Music, Sporting Goods Toys & Hobbies, Automotive and Personal Services.

Figure 6.21 illustrates a pattern whereby Clothing and Footwear and Sporting Goods, Toys & Hobbies would be most desired by the $65,000 - $100,000 income bracket. Since these categories are most likely indicative of the family forming years, it would further suggest that the types of retailers would be more family oriented, casual and value priced (e.g. Old Navy)

The highest income segment (>$125,000) have a very strong desire to have more Clothing an Restaurants in Fort Saskatchewan.

Grocery/Drug Store have a much higher importance for incomes below $100,000 than for those above. This suggests that the market could support a traditional grocery like a Save On Foods or Real Canadian Superstore, although the latter would likely require an adjustment or relocation of the No Fills, which is a Loblaws format.

Daily Grind Coffee, Montana | designed by Cushing Terrell

6

6.8
SUMMARY & IMPLICATIONS

The Consumer Intercept Survey yielded findings that reinforce the more localized trade area for the City of Fort Saskatchewan.

The majority of respondents indicated a desire to have more Clothing & Footwear, Full Service Restaurants and Grocery. These particular categories were not only identified as specific categories, but the spending patterns and importance ratings of the respondents validated these sentiments.

Respondents identified a number of recognized restaurant and retailer brands. While Fort Saskatchewan is well positioned to attract many of the full and limited service restuarants identified, caution should be exercised as it relates to the list of comparison retailers. many of the desired comparison retailers are mid to larger formats who are likely to be drawn to new developments at Emerald Hills and/or Manning Town Centre.

As such, Fort Saskatchewan should use the Consumer Survey trends that suggest targeting smaller more value-oriented retailers that could infill existing retail nodes, thus not necessitating another new retail node or nodes of any consequence.

The types of tenants sought by respondents combined with their spending patterns suggests that the most compatible locations capable of fulfilling retailer site location requirements will likely fall in the Central and South nodes and to a lesser degree the Downtown, although the redevelopment of the Fort Mall will provide a significant and viable option for tenants looking for newer space at potentially more affordable rates.

The Downtown area, will continue to face external pressures resulting from continued growth on the fringe of the City. The Downtown is still recognized as a key node that can accommodate future tenant opportunities, particularly in the specialty retail, food & beverage categories and personal services categories.

The most significant appeal of Fort Saskatchewan's retail market is the strength and spending propensity of the high earning and fast growing young family segment in the 18 to 55 year age range.

A young, family-oriented market, with disposable incomes is a core prerequisite many retailers look for when selecting a market. Combined with Fort Saskatchewan's trade area and validation from the Consumer Intercept Survey, the Fort Saskatchewan market is well-positioned to attract specifically targeted categories and tenants.

35.0

CITY OF FORT SASKATCHEWAN AVERAGE AGE

35%

CITY OF FORT SASKATCHEWAN RESIDENTS WITH HOUSEHOLD INCOMES >$125,000

35,000

RETAIL TRADE AREA POPULATION AT END OF 2013

$35 Million

TOTALTRADEAREARETAILSPENDINGONFULLSERVICERESTAURANTS

35

NUMBER OF SPECIALTY RETAIL SHOPS IN THE CITY OF FORT SASKATCH

3.5%

CITY OF FORT SASKATCHEWAN RETAIL VACANCY

7 CONCLUSION

7.1 FINDINGS & CONSIDERATIONS

The Retail Market & Gap Analysis for the City of Fort Saskatchewan entailed an extensive process that included the following methodological stages:

- *A detailed tabulation of the city's existing retail inventory further allocated into retail categories and sensitized by node and estimated retail sales performance;*
- *A Consumer Intercept Survey at various locations in Fort Saskatchewan to ascertain respondent origins, spending habits and preferences;*
- *A methodical and rationalized market area penetration resulting in a validated Retail Trade Area with population and detailed retail spending on a category-by-category basis;*
- *A quantification of the City's current supply versus demand in terms of supportable retail floorspace and resulting sales inflow and outflow estimates.*

The results of the Market Analysis yielded the following key findings and considerations for the City of Fort Saskatchewan's retail environment:

KEY FINDINGS:

- Fort Saskatchewan's demographic profile is comprised of a young, family demographic with an emerging affluence and corresponding discretionary income.
- Fort Saskatchewan's Retail Trade Area catchment serves a market of over 36,000 full time residents, which is forecast to increase by an additonal 10,000 new residents over the next decade.
- The City of Fort Saskatchewan has an estimated part-time residential population of between 2,000 and 2,500 attributable to the Oil & Gas/Industrial Heartland.
- The City of Fort Saskatchewan currently has approximately 1.15 million sq. ft. of total retail space with a vacancy of only 3.5%.
- Current estimates for demand suggest that the City is marginally over-retailed, however this is attributable to specific categories such as Personal Services, Specialty Retail and Limited Service Restaurants.
- The majority of retail categories in the City are largely in balance with current demand estimates.
- Future growth forecasts suggest the City could conservatively accommodate an additional 250,000 sq. ft. of new retail space by 2023.
- Competitive influences from neighbouring areas to the south will continue, particularly as new nodes such as Emerald Hills and Manning Town Centre effectively restrict Fort Saskatchewan's retail trade area from penetrating south.

Photo credit: Cushing Terrell Architecture Inc. 2014

7

- Fort Saskatchewan's retail inventory is well-positioned to provide community scale appeal for day-to-day necessities as well as casual essential comparison items such as everyday Apparel, Toys & Hobbies and Food & Beverage.

- Fort Saskatchewan has a net sales leakage of only $8 million (Y/E 2014 estimate).

- Fort Saskatchewan does a very good job of retaining and attracting Convenience Spending from its Trade Area with a net inflow of $51 million.

- Fort Saskatchewan garners strong inflow from Limited Service Restaurants ($23.2 million).

- Fort Saskatchewan's Total Trade Area penetration of the Full-Service Restaurant category could be stronger (currently at an estimated 47%).

- Fort Saskatchewan's major leakage occurs in Automotive/RV Dealers ($61.3 million) Clothing & Footwear ($21.9 million) and Home Furnishings ($21.4 million).

- Consumer Survey Respondents would like to see more Full-Service Restaurants, Grocery and Clothing & Footwear at value to mid price points. An enhanced offering in these categories could lead to further retention of sales dollars in Fort Saskatchewan as well as more inflow from surrounding towns and counties.

CONSIDERATIONS

- Ensure that retail growth does not come at the expense of the Downtown.

- Promote the infill of existing and developing retail nodes as a way of cultivating critical mass and critical mix.

- Prioritize key target categories and tenants that can benefit from the sales inflow as well as curbing some outflow.

- Avoid trying to compete with the major retail nodes at Emerald Hills and Manning Town Centre, but rather solidify the City's role as a strong service centre as th closest urban centre to Alberta's Industrial Heartland.

- Market the City's offering of shops and services to the identified north, northwest and eastern parts of the trade area to attract and retain more of their spending.

- Over the next decade, the City of Fort Saskatchewan should strive to increase its market share of retail spending from City Residents from an estimated 48% today to 58% by 2024. An increase of 10% could result in approximately upwards of $40 million in additional sales retained in the city.

REPRESENTATIVE TARGET TENANTS

7

REPRESENTATIVE TARGET TENANTS

ValueVillage
Good deeds. Great deals.

MASTERMIND toys

The Vitamin Shoppe

SPORTCHEK

LUSH

Education Station

PEARLE VISION

mattress mattress INC.

CAMPERS VILLAGE
OUTDOOR ADVENTURE STORE

OLD NAVY

FedEx Kinko's
Office and Print Center

Home Outfitters

Marshalls

JYSK

Bosley's
Caring for pet wellness and nutrition

orangetheory

save on foods
SO MUCH more IN STORE

la Vie en Rose

THE CHILDREN'S PLACE

Indigo
Books · Gifts · Kids

ICING

daniadown HOME

CHUCK E. CHEESE'S

REAL CANADIAN Superstore

RICKI'S

ALIA N TANJAY

BOOTLEGGER

GLOBAL PET FOODS

Photo credit: Cushing Terrell Architecture Inc. 2014

RETAIL
Market & Gap Analysis

City of Fort Saskatchewan

APPENDICES

CUSHING TERRELL
ARCHITECTURE INC.

keyfax
market research

CITY OF FORT SASKATCHEWAN ALBERTA

Retail Business Name	Retail Node	Retail Cluster (DOWNTOWN, CENTRAL, SOUTH, DOWNTOWN, WEST	General Retail Category	NAICS	Est. Area (SF)
Century 21 Realty	101st/Hwy 15	CENTRAL	Personal Services	531212	1,165
Dollarama	101st/Hwy 15	CENTRAL	Specialty Retail	45299	10,123
Fountain Tire	101st/Hwy 15	CENTRAL	Auto Parts & Accessories	44132	13,411
Gas Bar Convenience	101st/Hwy 15	CENTRAL	Grocery & Specialty Foods	44719	582
Jiffy Lube	101st/Hwy 15	CENTRAL	Auto Parts & Accessories	811199	1,375
KFC Taco Bell	101st/Hwy 15	CENTRAL	Limited Service F&B	722512	1,922
No Frills	101st/Hwy 15	CENTRAL	Grocery & Specialty Foods	44511	34,383
Pizza Hut	101st/Hwy 15	CENTRAL	Limited Service F&B	722512	2,474
Quiznos Sub	101st/Hwy 15	CENTRAL	Limited Service F&B	722512	1,165
Real Canadian Liquor Store	101st/Hwy 15	CENTRAL	Alcohol & Tobacco	44531	5,485
Tim Hortons	101st/Hwy 15	CENTRAL	Limited Service F&B	722512	2,320
Winners Way Source for Sports	101st/Hwy 15	CENTRAL	Sporting Goods & Outdoor Recreation	45111	9,976
Z Chiropractic	101st/Hwy 15	CENTRAL	Personal Services	621310	1,165
Bank of Montreal	Cornerstone	CENTRAL	Personal Services	522111	5,987
Boston Pizza	Cornerstone	CENTRAL	Full Service F&B	722511	6,799
Canadian Tire	Cornerstone	CENTRAL	Auto Parts & Accessories	45299	15,000
Canadian Tire	Cornerstone	CENTRAL	Books & Multi-Media		0
Canadian Tire	Cornerstone	CENTRAL	Clothing & Apparel		1,000
Canadian Tire	Cornerstone	CENTRAL	Footwear		500
Canadian Tire	Cornerstone	CENTRAL	Grocery & Specialty Foods		500
Canadian Tire	Cornerstone	CENTRAL	Health & Beauty		0
Canadian Tire	Cornerstone	CENTRAL	Home Electronics & Appliances		2,000
Canadian Tire	Cornerstone	CENTRAL	Home Furnishings & Accessories		5,000
Canadian Tire	Cornerstone	CENTRAL	Home Improvement & Gardening		15,000
Canadian Tire	Cornerstone	CENTRAL	Jewelry & Accessories		0
Canadian Tire	Cornerstone	CENTRAL	Limited Service F&B		0
Canadian Tire	Cornerstone	CENTRAL	Personal Services		0
Canadian Tire	Cornerstone	CENTRAL	Pharmacy		0
Canadian Tire	Cornerstone	CENTRAL	Specialty Retail		5,000
Canadian Tire	Cornerstone	CENTRAL	Sporting Goods & Outdoor Recreation		8,000
Canadian Tire	Cornerstone	CENTRAL	Toys & Hobbies		8,000
Cornerstone Dental Centre	Cornerstone	CENTRAL	Personal Services	621210	2,277
Edo Grill Sushi	Cornerstone	CENTRAL	Limited Service F&B	722511	1,514
Extreme Pita	Cornerstone	CENTRAL	Limited Service F&B	722512	1,055
Fatburger	Cornerstone	CENTRAL	Full Service F&B	722512	1,724
FYi doctors	Cornerstone	CENTRAL	Personal Services	621320	3,169
Get Real Natural Health Food	Cornerstone	CENTRAL	Grocery & Specialty Foods	44529	1,024
Lammle's Western Wear	Cornerstone	CENTRAL	Clothing & Apparel	44814	4,365
Liquor Barn	Cornerstone	CENTRAL	Alcohol & Tobacco	44531	2,723
M & M Meat Shop	Cornerstone	CENTRAL	Grocery & Specialty Foods	44521	1,024
Mark's	Cornerstone	CENTRAL	Clothing & Apparel	44814	5,570
Papa John's Pizza	Cornerstone	CENTRAL	Limited Service F&B	722512	1,298
Payless Shoe Source	Cornerstone	CENTRAL	Footwear	44821	1,629
PetValu	Cornerstone	CENTRAL	Specialty Retail	453910	2,717
Reitman's	Cornerstone	CENTRAL	Clothing & Apparel	44812	7,818
Safeway	Cornerstone	CENTRAL	Grocery & Specialty Foods	44511	42,660
Staples	Cornerstone	CENTRAL	Specialty Retail	45321	12,862
Subway	Cornerstone	CENTRAL	Limited Service F&B	722512	1,024
Supercuts	Cornerstone	CENTRAL	Health & Beauty	812116	1,024
Telus	Cornerstone	CENTRAL	Specialty Retail	532210	1,024
The Brick	Cornerstone	CENTRAL	Home Furnishings & Accessories	44211	10,966
The Brick Mattresses	Cornerstone	CENTRAL	Home Furnishings & Accessories	44211	2,791
The Source	Cornerstone	CENTRAL	Home Electronics & Appliances	44314	3,455
VO's Nails	Cornerstone	CENTRAL	Health & Beauty	812115	1,024
WalMart	Cornerstone	CENTRAL	Auto Parts & Accessories	45299	8,000
WalMart	Cornerstone	CENTRAL	Books & Multi-Media		1,000
WalMart	Cornerstone	CENTRAL	Clothing & Apparel		40,000
WalMart	Cornerstone	CENTRAL	Footwear		2,000
WalMart	Cornerstone	CENTRAL	Grocery & Specialty Foods		40,000
WalMart	Cornerstone	CENTRAL	Health & Beauty		4,000
WalMart	Cornerstone	CENTRAL	Home Electronics & Appliances		10,000
WalMart	Cornerstone	CENTRAL	Home Furnishings & Accessories		10,000
WalMart	Cornerstone	CENTRAL	Home Improvement & Gardening		8,000
WalMart	Cornerstone	CENTRAL	Jewelry & Accessories		2,000
WalMart	Cornerstone	CENTRAL	Limited Service F&B		2,000
WalMart	Cornerstone	CENTRAL	Personal Services		1,000
WalMart	Cornerstone	CENTRAL	Pharmacy		4,000
WalMart	Cornerstone	CENTRAL	Specialty Retail		10,000
WalMart	Cornerstone	CENTRAL	Sporting Goods & Outdoor Recreation		4,000
WalMart	Cornerstone	CENTRAL	Toys & Hobbies		4,000
Warehouse One	Cornerstone	CENTRAL	Clothing & Apparel	448140	2,799
Your Dollar Store With More	Cornerstone	CENTRAL	Specialty Retail	45299	3,580

A APPENDIX | RETAIL INVENTORY

Retail Business Name	Retail Node	Retail Cluster (DOWNTOWN, CENTRAL, SOUTH, DOWNTOWN, WEST	General Retail Category	NAICS	Est. Area (SF)
7-Eleven	Dow Centre/Galloway S	SOUTH	Grocery & Specialty Foods	447110	2,628
Amato Gelato	Dow Centre/Galloway S	SOUTH	Limited Service F&B	722512	675
Body TX Massage	Dow Centre/Galloway S	SOUTH	Personal Services	812190	1,075
Booster Juice	Dow Centre/Galloway S	SOUTH	Limited Service F&B	722512	255
Eclipse Health and Fitness	Dow Centre/Galloway S	SOUTH	Health & Beauty	71394	1,726
Fabutan	Dow Centre/Galloway S	SOUTH	Personal Services	812115	1,080
G & G Café	Dow Centre/Galloway S	SOUTH	Limited Service F&B	722512	255
Kids Fort Day Care	Dow Centre/Galloway S	SOUTH	Personal Services	624410	2,835
Quick Lube	Dow Centre/Galloway S	SOUTH	Auto Parts & Accessories	811199	1,510
ReMax	Dow Centre/Galloway S	SOUTH	Personal Services	531212	2,124
Ricky's Restaurant	Dow Centre/Galloway S	SOUTH	Full Service F&B	722511	5,095
7-Eleven	Downtown	DOWNTOWN	Grocery & Specialty Foods	445120	1,754
A Touch of Wellness	Downtown	DOWNTOWN	Specialty Retail	44529	346
Advance Driving School	Downtown		**Occupied Traditional Retail**		
Alberta Government	Downtown		**Occupied Traditional Retail**		
Ann's Day Care	Downtown	DOWNTOWN	Personal Services	624410	3,245
Apropos Therapy Centre	Downtown	DOWNTOWN	Personal Services	621340	1,238
Aunty Sue's Restaurant	Downtown	DOWNTOWN	Full Service F&B	722511	1,271
A-Win Insurance	Downtown	DOWNTOWN	Personal Services	524210	1,040
Barber Shop	Downtown	DOWNTOWN	Health & Beauty	812114	945
Blondes Brunettes & Redheads Salon	Downtown	DOWNTOWN	Health & Beauty	812115	2,169
CA Insurance Plans West	Downtown	DOWNTOWN	Personal Services	524210	1,114
Canuck Plumbing & Heating	Downtown	DOWNTOWN	Home Improvement & Gardening	416120	3,872
Caprice Lounge	Downtown	DOWNTOWN	Full Service F&B	72241	2,575
Career & Employment Resource Centre	Downtown		**Occupied Traditional Retail**		
Chinese Restaurant (Soon to be relocating)	Downtown	DOWNTOWN	Full Service F&B	722511	2,603
Chiropractic Clinic Laser Therapy	Downtown	DOWNTOWN	Personal Services	621310	1,204
CIBC	Downtown	DOWNTOWN	Personal Services	522111	4,474
Cinfully Pure Water	Downtown	DOWNTOWN	Specialty Retail	44529	813
CnH Appliances	Downtown	DOWNTOWN	Home Electronics & Appliances	44314	2,962
Cover to Cover Books	Downtown	DOWNTOWN	Books & Multi-Media	451310	1,403
Crystal Glass	Downtown	DOWNTOWN	Auto Parts & Accessories	441310	2,848
Daddeos Smoke Shop	Downtown	DOWNTOWN	Alcohol & Tobacco	413310	759
Daisy a Day	Downtown	DOWNTOWN	Specialty Retail	453110	949
Dance Moves	Downtown	DOWNTOWN	Entertainment & Leisure	611610	3,969
Dance Studio	Downtown	DOWNTOWN	Entertainment & Leisure	611610	890
Dare to Donair	Downtown	DOWNTOWN	Limited Service F&B	722512	1,479
Day Care	Downtown	DOWNTOWN	Personal Services	624410	3,116
Dental Clinic	Downtown	DOWNTOWN	Personal Services	621210	4,720
Dental Clinic	Downtown	DOWNTOWN	Personal Services	621210	1,687
Denture Care Centre	Downtown	DOWNTOWN	Personal Services	621210	627
Depot/Chamber of Commerce	Downtown		**Occupied Traditional Retail**		
Drayden Insurance	Downtown	DOWNTOWN	Personal Services	524210	2,684
Driving Force Driver Training	Downtown		**Occupied Traditional Retail**		
Edward Jones Investments	Downtown	DOWNTOWN	Personal Services	522111	1,939
Enhance It Embroidery	Downtown	DOWNTOWN	Specialty Retail	313310	1,156
Esso C Store - Tim Hortons	Downtown	DOWNTOWN	Grocery & Specialty Foods	44711	1,265
European Touch Message & Wellness	Downtown	DOWNTOWN	Personal Services	45322	1,336
Eye Masters/T's Nails	Downtown	DOWNTOWN	Personal Services	812115	703
Fake and Bake Tanning Salon	Downtown	DOWNTOWN	Personal Services	812115	972
Flo's Beauty Salon	Downtown	DOWNTOWN	Health & Beauty	812115	1,093
Fort Bottle Depot	Downtown	DOWNTOWN	Specialty Retail	418190	4,367
Fort Chiropractic Centre	Downtown	DOWNTOWN	Personal Services	621310	1,585
Fort Cleaners and Coin Laundry	Downtown	DOWNTOWN	Personal Services	812310	2,569
Fort Gasland	Downtown	DOWNTOWN	Auto/RV/Motorsports Dealership	441310	2,028
Fort Lanes	Downtown	DOWNTOWN	Entertainment & Leisure	71395	6,805
Fort Saskatchewan Newspaper	Downtown		**Occupied Traditional Retail**		
Fort Saskatchewan Veterinary Clinic	Downtown	DOWNTOWN	Personal Services	541940	1,779
Fort Shoe Repair	Downtown	DOWNTOWN	Footwear	811430	611

CITY OF FORT SASKATCHEWAN ALBERTA

Retail Business Name	Retail Node	Retail Cluster (DOWNTOWN, CENTRAL, SOUTH, DOWNTOWN, WEST	General Retail Category	NAICS	Est. Area (SF)
Giant Tiger	Downtown	DOWNTOWN	Clothing & Apparel	45299	17,375
Glenns Music Store	Downtown	DOWNTOWN	Specialty Retail	45114	476
Gold and Diamond Boutique	Downtown	DOWNTOWN	Jewelry & Accessories	44831	1,172
Gott the Gift Music Studio	Downtown	DOWNTOWN	Specialty Retail	45114	1,940
Grammie's Coffee Shop	Downtown	DOWNTOWN	Limited Service F&B	722512	1,182
Greenland Day Care	Downtown	DOWNTOWN	Personal Services	624410	3,465
Greenwood Medical Clinic	Downtown	DOWNTOWN	Personal Services	621110	5,254
Growers Direct Flowers	Downtown	DOWNTOWN	Specialty Retail	45311	1,906
Hair Do Salon	Downtown	DOWNTOWN	Health & Beauty	812115	677
Hair Junky's	Downtown	DOWNTOWN	Health & Beauty	812115	724
Home Team Advantage Promo Printing	Downtown	DOWNTOWN	Specialty Retail	323113	1,873
Husky Food Store	Downtown	DOWNTOWN	Grocery & Specialty Foods	44711	3,628
Imperial Appliances	Downtown	DOWNTOWN	Home Electronics & Appliances	44314	1,327
Investment Planning Counsel Corporation	Downtown		**Occupied TradItional Retail**		
Jacque Fenske MLA	Downtown		**Occupied TradItional Retail**		
Kelly & Thomas Accountants	Downtown	DOWNTOWN	Personal Services	541212	3,118
Kjenner Financial Services	Downtown	DOWNTOWN	Personal Services	541212	986
Kountry Knits	Downtown	DOWNTOWN	Specialty Retail	313310	1,765
La Perla Hair Studio	Downtown	DOWNTOWN	Health & Beauty	812115	1,163
Liberty Tax	Downtown	DOWNTOWN	Personal Services	541212	2,015
Liquor 4 You	Downtown	DOWNTOWN	Alcohol & Tobacco	44531	1,559
Little Rascals Trading Post	Downtown	DOWNTOWN	Toys & Hobbies	451120	1,238
Madison's Dog Grooming	Downtown	DOWNTOWN	Personal Services	812910	654
Mike's Hair	Downtown	DOWNTOWN	Health & Beauty	812116	630
Millers Ice Cream	Downtown	DOWNTOWN	Limited Service F&B	722512	224
Morgan's Printing	Downtown	DOWNTOWN	Specialty Retail	313113	2,286
Napa Auto Parts	Downtown	DOWNTOWN	Auto Parts & Accessories	44131	5,274
Our Kitchen Table Restaurant	Downtown	DOWNTOWN	Full Service F&B	722511	2,783
Parent Link Centre	Downtown		**Occupied TradItional Retail**		
Paul Hotke CPA	Downtown	DOWNTOWN	Personal Services	541212	1,390
Pawn Shop	Downtown	DOWNTOWN	Specialty Retail	522299	1,219
Perry's Pizza and Pasta	Downtown	DOWNTOWN	Limited Service F&B	722512	911
Pinder Chiropractic	Downtown	DOWNTOWN	Personal Services	621310	1,354
Pot's Restaurant	Downtown	DOWNTOWN	Full Service F&B	722511	2,997
Precision Hearing	Downtown	DOWNTOWN	Personal Services	621499	903
Ravenous FX	Downtown	DOWNTOWN	Specialty Retail	45310	433
RBC	Downtown	DOWNTOWN	Personal Services	522111	5,901
Realty Executives	Downtown	DOWNTOWN	Personal Services	531212	1,482
Richard's Donair and Sub	Downtown	DOWNTOWN	Limited Service F&B	722512	1,170
Roadready Auto Service	Downtown	DOWNTOWN	Auto Parts & Accessories	441310	2,071
Roland's Jewelry	Downtown	DOWNTOWN	Jewelry & Accessories	44831	2,847
Scotiabank	Downtown	DOWNTOWN	Personal Services	522111	4,706
Serenety Funeral Home	Downtown		**Occupied Traditional Retail**		
Servus	Downtown	DOWNTOWN	Personal Services	522111	3,543
Sharper Image	Downtown	DOWNTOWN	Specialty Retail	812116	1,176
Silky Nails	Downtown	DOWNTOWN	Health & Beauty	812115	955
Skate and Snowboard Shop	Downtown	DOWNTOWN	Sporting Goods & Outdoor Recreation	451112	805
Smilemakers Dental Centre	Downtown	DOWNTOWN	Personal Services	621210	2,633
Smith Insurance/NE Capital Industrial Assc (Up)	Downtown	DOWNTOWN	Personal Services	524299	3,222
Soulitude Salon & Spa	Downtown	DOWNTOWN	Health & Beauty	812115	1,292
Spotlight Gallery	Downtown	DOWNTOWN	Specialty Retail	453920	1,494
Strathcona Denture Clinic	Downtown	DOWNTOWN	Personal Services	621210	1,543
Street Kings	Downtown	DOWNTOWN	Clothing & Apparel	448199	964
Sub Joint	Downtown	DOWNTOWN	Limited Service F&B	722512	697
Tattoo Studio	Downtown	DOWNTOWN	Personal Services	812190	910
The Art of Nails	Downtown	DOWNTOWN	Health & Beauty	812115	717
The Atlantic Kitchen Restaurant	Downtown	DOWNTOWN	Full Service F&B	722511	1,873
The Bear's Den	Downtown	DOWNTOWN	Full Service F&B	72241	6,925
The Blu Poppie	Downtown	DOWNTOWN	Specialty Retail	453999	629
The Cash Store	Downtown	DOWNTOWN	Personal Services	522291	459
The Cooperators M. Friel Agencies	Downtown	DOWNTOWN	Personal Services	541212	2,712
The Downtown Diner	Downtown	DOWNTOWN	Full Service F&B	722511	1,084
The Fort Barber Shop	Downtown	DOWNTOWN	Health & Beauty	812114	692
The Hair Corner	Downtown	DOWNTOWN	Health & Beauty	812116	1,197
This and That Photography	Downtown	DOWNTOWN	Specialty Retail	541920	750
Time For Taxes	Downtown	DOWNTOWN	Personal Services	541212	831
Tire and Auto Repair	Downtown	DOWNTOWN	Auto Parts & Accessories	44132	5,073
Toadstool Music Studio	Downtown	DOWNTOWN	Personal Services	611610	500
Top Notch Games	Downtown	DOWNTOWN	Toys & Hobbies	451120	698
Treasures Past and Present	Downtown	DOWNTOWN	Specialty Retail	45322	728
Twice But Nice Thrift Store	Downtown	DOWNTOWN	Specialty Retail	45299	4,140
Unknown	Downtown		**Occupied Traditional Retail**		
Upscale Resale Consignment	Downtown	DOWNTOWN	Specialty Retail	44819	1,205

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Retail Business Name	Retail Node	Retail Cluster (DOWNTOWN, CENTRAL, SOUTH, DOWNTOWN, WEST	General Retail Category	NAICS	Est. Area (SF)
Vacant	Downtown	DOWNTOWN	VACANT		972
Vacant	Downtown	DOWNTOWN	VACANT		637
Vacant	Downtown	DOWNTOWN	VACANT		600
Vacant	Downtown	DOWNTOWN	VACANT		420
Vacant	Downtown	DOWNTOWN	VACANT		10,861
Vacant	Downtown	DOWNTOWN	VACANT		2,586
Vacant	Downtown	DOWNTOWN	VACANT		1,713
Vacant Old Garage	Downtown	DOWNTOWN	VACANT		861
Vacant Restaurant	Downtown	DOWNTOWN	VACANT		5,492
Vacant Restaurant	Downtown	DOWNTOWN	VACANT		2,554
Vacant (Telus relocated)	Downtown	DOWNTOWN	VACANT		2,287
Vivid Vision Optometrist	Downtown	DOWNTOWN	Personal Services		1,249
VN Express Restaurant	Downtown	DOWNTOWN	Full Service F&B	722511	1,067
Wash Land Coin Laundry	Downtown	DOWNTOWN	Personal Services	812310	983
Wild Rose Animal Clinic	Downtown	DOWNTOWN	Personal Services	541940	904
Winning Wines Plus	Downtown	DOWNTOWN	Alcohol & Tobacco	44531	386
Accounting Rescue (before redevelopment)	Downtown - Fort Mall	DOWNTOWN	Personal Services	541212	250
City Law Offices (before redevelopment)	Downtown - Fort Mall	DOWNTOWN	Personal Services	541110	1,000
Crazy Loon Pub and Grill (before redevelopment	Downtown - Fort Mall	DOWNTOWN	Full Service F&B	722510	2,500
Fort Gymnastics (before redevelopment)	Downtown - Fort Mall	DOWNTOWN	Entertainment & Leisure	611620	7,500
G & J Variety Store (before redevelopment)	Downtown - Fort Mall	DOWNTOWN	Specialty Retail	45299	750
Judy's Safety Co (before redevelopment)	Downtown - Fort Mall		**Occupied Traditional Retail**		
Life Church (before redevelopment)	Downtown - Fort Mall		**Occupied Traditional Retail**		
Romantic Secrets (before redevelopment)	Downtown - Fort Mall	DOWNTOWN	Specialty Retail	48120	1,000
Royal LePage Realty (before redevelopment)	Downtown - Fort Mall	DOWNTOWN	Personal Services	531212	1,000
Sewyn Time (before redevelopment)	Downtown - Fort Mall	DOWNTOWN	Specialty Retail	313310	750
Specialty Gifts and Novelties (before redevelopn	Downtown - Fort Mall	DOWNTOWN	Specialty Retail	45299	750
ATCO Gas	Eastgate		**Occupied Traditional Retail**		
Budget Rental Car	Eastgate	CENTRAL	Auto/RV/Motorsports Dealership	532111	2,107
Commercial Solutions, Inc	Eastgate		**Occupied Traditional Retail**		
Crystal Chrysler Dodge Ram	Eastgate	CENTRAL	Auto/RV/Motorsports Dealership	44111	13,729
Dance at Brijets	Eastgate	CENTRAL	Entertainment & Leisure	611610	4,618
Fort Technology Group	Eastgate		**Occupied Traditional Retail**		
Home Hardware Building Centre	Eastgate	CENTRAL	Home Improvement & Gardening	44411	17,175
Modo Mio Italian Restaurant	Eastgate	CENTRAL	Full Service F&B	722511	1,937
PartSource Auto Parts	Eastgate	CENTRAL	Auto Parts & Accessories	44131	3,835
Red-E Carpets	Eastgate	CENTRAL	Home Furnishings & Accessories	442210	2,176
Sears	Eastgate	CENTRAL	Home Furnishings & Accessories	45211	6,142
Unique Financial Services	Eastgate	CENTRAL	Personal Services	523930	2,054
Vacant	Eastgate	CENTRAL	VACANT		1,867
Heartland Ford	Freestanding	SOUTH	Auto/RV/Motorsports Dealership	441110	24,129
7-Eleven	Riverpointe/Westview	WEST	Grocery & Specialty Foods	44711	3,023
Angie's Liquor	Riverpointe/Westview	WEST	Alcohol & Tobacco	44531	1,546
Buster's Pizza	Riverpointe/Westview	WEST	Limited Service F&B	722511	1,584
Curves	Riverpointe/Westview	WEST	Personal Services	812190	1,527
Gloria's Soup Spot	Riverpointe/Westview	WEST	Limited Service F&B	722512	1,546
Herbal Magic	Riverpointe/Westview	WEST	Specialty Retail	44529	1,527
Johnny B Fitt	Riverpointe/Westview	WEST	Entertainment & Leisure	713940	10,000
Master Cleaner	Riverpointe/Westview	WEST	Specialty Retail	812320	955
Panago	Riverpointe/Westview	WEST	Limited Service F&B	722512	1,299
Pineview Liquor Store	Riverpointe/Westview	WEST	Alcohol & Tobacco	44531	2,357
Rainbow Restaurant	Riverpointe/Westview	WEST	Full Service F&B	722511	3,818
Retreat Salon and Spa	Riverpointe/Westview	WEST	Health & Beauty	812115	2,524
Shear Avenue	Riverpointe/Westview	WEST	Health & Beauty	812115	1,527
Shell Select C-Store	Riverpointe/Westview	WEST	Grocery & Specialty Foods	44711	1,119
Tantalize Tanning	Riverpointe/Westview	WEST	Personal Services	812115	1,527
The Medicine Shoppe	Riverpointe/Westview	WEST	Pharmacy	446110	1,200
Urban Dog Spaw	Riverpointe/Westview	WEST	Personal Services	812910	1,238
Vacant	Riverpointe/Westview	WEST	VACANT		2,565
Vacant	Riverpointe/Westview	WEST	VACANT		1,446
Vacant (MACS redevelopment)	Riverpointe/Westview	WEST	VACANT		2,471
Vacant (formerly Movie Experts)	Riverpointe/Westview	WEST	VACANT		1,527
Westview Medical Clinic	Riverpointe/Westview	WEST	Personal Services	621499	1,527
Willow Creek Homestore	Riverpointe/Westview	WEST	Home Furnishings & Accessories	442298	1,226

Retail Business Name	Retail Node	Retail Cluster (DOWNTOWN, CENTRAL, SOUTH, DOWNTOWN, WEST	General Retail Category	NAICS	Est. Area (SF)
A & W	South Fort	CENTRAL	Limited Service F&B	722512	2,162
Fas Gas Mart	South Fort	CENTRAL	Grocery & Specialty Foods	447110	500
Humpty's Family Restaurant	South Fort	CENTRAL	Full Service F&B	722511	4,127
McDonalds	South Fort	CENTRAL	Limited Service F&B	722512	5,432
Money Mart	South Fort	CENTRAL	Personal Services	522291	1,864
Roustabout's Restaurant	South Fort	CENTRAL	Full Service F&B	722511	5,562
South Fort Chevrolet	South Fort	CENTRAL	Auto/RV/Motorsports Dealership	44111	15,406
Spirits on 101 Liquor	South Fort	CENTRAL	Alcohol & Tobacco	44531	1,960
Subway	South Fort	CENTRAL	Limited Service F&B	722512	1,153
Yakimet's Pharmacy	South Fort	CENTRAL	Pharmacy	44611	3,047
Cann/Amm Occupational Therapy	Southpointe	CENTRAL	Personal Services	621340	749
Domino's Pizza	Southpointe	CENTRAL	Limited Service F&B	722512	1,079
DynaLIFE Laboratory Services	Southpointe	CENTRAL	Personal Services	621510	3,483
Fort Physical Therapy	Southpointe	CENTRAL	Personal Services	621340	2,355
H & R Block	Southpointe	CENTRAL	Personal Services	541212	1,200
Home Depot	Southpointe	CENTRAL	Home Improvement & Gardening	44411	75,504
Medical Clinic	Southpointe	CENTRAL	Personal Services	621499	3,614
Medical Imaging Consultants	Southpointe	CENTRAL	Personal Services	621510	5,876
Mucho Burrito	Southpointe	CENTRAL	Limited Service F&B	722512	1,796
Opa Greek	Southpointe	CENTRAL	Limited Service F&B	722512	1,976
Original Joe's	Southpointe	CENTRAL	Full Service F&B	722511	2,041
Q Nails	Southpointe	CENTRAL	Health & Beauty	812115	1,119
Rogers	Southpointe	CENTRAL	Personal Services	532210	1,080
Shoppers Drug Mart	Southpointe	CENTRAL	Pharmacy	44611	16,448
Solo Liquor	Southpointe	CENTRAL	Alcohol & Tobacco	44531	962
South Fort Dental	Southpointe	CENTRAL	Personal Services	621210	2,596
Starbucks Coffee	Southpointe	CENTRAL	Limited Service F&B	722512	1,779
Wok Box	Southpointe	CENTRAL	Limited Service F&B	722512	1,796
99th Avenue Liquor Store	Station Square	DOWNTOWN	Alcohol & Tobacco	44531	1,837
ATB Financial	Station Square	DOWNTOWN	Personal Services	522111	5,820
Co-op	Station Square	DOWNTOWN	Grocery & Specialty Foods	44511	40,480
Dairy Queen	Station Square	DOWNTOWN	Limited Service F&B	722512	2,111
Faces Spa and Salon	Station Square	DOWNTOWN	Health & Beauty	812115	2,714
Fort Cinemas	Station Square	DOWNTOWN	Entertainment & Leisure	51213	7,818
Fort Saskatchewan Dental Clinic	Station Square	DOWNTOWN	Personal Services	621210	2,607
Givens LLP	Station Square		**Occupied Traditional Retail**		
Hot & Fresh Pizza	Station Square	DOWNTOWN	Limited Service F&B	722511	2,867
K Lee Boutique	Station Square	DOWNTOWN	Health & Beauty	812115	1,498
Positivity Preschool	Station Square	DOWNTOWN	Personal Services	624410	2,343
Robin Hood Learning Centre	Station Square	DOWNTOWN	Personal Services	624410	2,660
Snap Fitness	Station Square	DOWNTOWN	Entertainment & Leisure	71394	8,519
TD Canada Trust	Station Square	DOWNTOWN	Personal Services	522111	4,848
Vacant Restaurant	Station Square	DOWNTOWN	VACANT	722511	1,275
A-Bun Dance Bakery	Westpark	SOUTH	Limited Service F&B	722512	1,697
Econo Liquor	Westpark	SOUTH	Alcohol & Tobacco	44531	2,278
Flower Petals	Westpark	SOUTH	Specialty Retail	45311	861
Husky Market	Westpark	SOUTH	Grocery & Specialty Foods	44711	2,153
Mantra Salon Spa	Westpark	SOUTH	Health & Beauty	812115	1,650
Mary Browns	Westpark	SOUTH	Limited Service F&B	722512	1,069
Pizza Delight	Westpark	SOUTH	Full Service F&B	722511	3,084
Planet Beach	Westpark	SOUTH	Personal Services	812115	971
Rexall	Westpark	SOUTH	Pharmacy	44611	9,732
River City Cigar Co.	Westpark	SOUTH	Alcohol & Tobacco	413310	983
Sawmill	Westpark	SOUTH	Full Service F&B	722511	5,389
Second Cup Coffee	Westpark	SOUTH	Limited Service F&B	722511	2,371
Shell Food Mart	Westpark	SOUTH	Grocery & Specialty Foods	44711	1,952
Telus	Westpark	SOUTH	Specialty Retail	532210	1,069
Tim Hortons	Westpark	SOUTH	Limited Service F&B	722512	2,603
Westpark Beverage Liquor Store	Westpark	SOUTH	Alcohol & Tobacco	44531	810
Wok n'go	Westpark	SOUTH	Limited Service F&B	722512	929
					1,146,775

B APPENDIX | CONSUMER SURVEY OPEN-ENDED RETAILER RESPONSES

Retailer / Tenant Type	Merchandise Category	Number of Responses
Costco	General Merchandise	58
Chapters/Indigo	Books & Multi-Media	44
Winners	Clothing & Apparel	39
The Keg	Full Service F&B	33
Wendys	Limited Service F&B	30
Earl's	Full Service F&B	30
Best Buy	Home Electronics & Appliances	27
Sport Chek	Sporting Goods & Outdoor Recreation	25
Montana's Cookhouse	Full Service F&B	24
Michael's	Specialty Retail	21
Future Shop	Home Electronics & Appliances	21
Real Canadian Superstore	General Merchandise	20
Cleo's	Clothing & Apparel	19
Moxie's	Full Service F&B	17
Sobeys	Grocery & Specialty Foods	13
Save On Foods	Grocery & Specialty Foods	13
Home Sense	Home Furnishings & Accessories	12
Bootlegger	Clothing & Apparel	12
Old Navy	Clothing & Apparel	11
Ricki's	Clothing & Apparel	10
Olive Garden	Full Service F&B	10
Lululemon	Clothing & Apparel	10
Children's Place	Clothing & Apparel	10
Swiss Chalet	Full Service F&B	9
Petsmart	Specialty Retail	9
Tan Jay	Footwear	8
Burger King	Limited Service F&B	8
Toys R Us	Toys & Hobbies	7
Tony Roma's	Full Service F&B	7
Red Robin	Full Service F&B	7
Red Lobster	Full Service F&B	7
Lowes	Home Improvement & Gardening	7
Coras Breakfast	Full Service F&B	7
Stitches	Clothing & Apparel	6
Spring	Footwear	6
Penningtons	Clothing & Apparel	6
Marshalls	Clothing & Apparel	6
Laura's	Clothing & Apparel	6

Retailer / Tenant Type	Merchandise Category	Number of Responses
Justice	Clothing & Apparel	6
Joey's Only	Full Service F&B	6
Gap	Clothing & Apparel	6
American Eagle	Clothing & Apparel	6
Aldo	Footwear	6
Addition Elle	Clothing & Apparel	6
HMV	Books & Multi-Media	5
Cabelas	Sporting Goods & Outdoor Recreation	5
Arby's	Full Service F&B	5
Alia	Clothing & Apparel	5
West 49	Clothing & Apparel	4
The Bay	General Merchandise	4
Suzanne's	Clothing & Apparel	4
Sears	General Merchandise	4
Pink	Clothing & Apparel	4
Pier 1	Home Furnishings & Accessories	4
Northern Reflections	Clothing & Apparel	4
Eastside Mario's	Full Service F&B	4
Coles	Books & Multi-Media	4
Ardene's	Jewelry & Accessories	4
Victoria's Secret	Clothing & Apparel	3
Shoe Warehouse	Footwear	3
Rona	Home Improvement & Gardening	3
Kins Market	Grocery & Specialty Foods	3
Joeys	Full Service F&B	3
Famosa	Limited Service F&B	3
Carter's	Clothing & Apparel	3
Cactus Club	Full Service F&B	3
Below The Belt	Clothing & Apparel	3
Aeropostale	Clothing & Apparel	3
Value Village	General Merchandise	2
Skechers	Footwear	2
Pro Bike Shop	Sporting Goods & Outdoor Recreation	2
Please Mum	Clothing & Apparel	2
Moores	Clothing & Apparel	2
London Drugs	General Merchandise	2
Le Chateau	Clothing & Apparel	2
La Senza	Clothing & Apparel	2
Kinkos	Specialty Retail	2

B

Retailer / Tenant Type	Merchandise Category	Number of Responses
IKEA	Home Furnishings & Accessories	2
Home Outfitters	Home Furnishings & Accessories	2
Hallmark/Carlton Cards	Specialty Retail	2
H&M	Clothing & Apparel	2
Guess	Clothing & Apparel	2
Global Pet Food	Specialty Retail	2
Garage	Clothing & Apparel	2
Gap Kids	Clothing & Apparel	2
Foot Locker	Footwear	2
Five Guys Burger & Fries	Limited Service F&B	2
Eddie Bauer	Clothing & Apparel	2
EB Games	Toys & Hobbies	2
Curves	Personal Services	2
Chopped Leaf	Limited Service F&B	2
Chili's	Full Service F&B	2
Cheesecake Factory	Full Service F&B	2
Bulk Barn	Specialty Retail	2
Bluenotes	Clothing & Apparel	2
Bed Bath & Beyond	Home Furnishings & Accessories	2
Bath & Body Works	Health & Beauty	2
Apple Store	Home Electronics & Appliances	2
Zara	Clothing & Apparel	1
Whole Foods	Grocery & Specialty Foods	1
VW Dealership	Auto/RV/Motorsports Dealerships	1
Urban Planet	Clothing & Apparel	1
Toyota	Auto/RV/Motorsports Dealerships	1
Town Shoes	Footwear	1
Tim Hortons	Limited Service F&B	1
TGIF	Full Service F&B	1
Teavana	Limited Service F&B	1
Target	General Merchandise	1
Tara Breads	Grocery & Specialty Foods	1
Taco Time	Limited Service F&B	1
Suzy Shier	Clothing & Apparel	1
Stokes	Home Furnishings & Accessories	1
Sterling	Footwear	1
State Farm Insurance	Personal Services	1
Starbucks	Limited Service F&B	1
Sof Moc	Footwear	1
Smart Set	Clothing & Apparel	1
Shoe Company	Footwear	1
Sephora	Health & Beauty	1
Second Cup	Limited Service F&B	1
Sarento's	Full Service F&B	1

Retailer / Tenant Type	Merchandise Category	Number of Responses
RW & CO	Clothing & Apparel	1
Runners World	Footwear	1
Royale Pizza	Limited Service F&B	1
ROSS	Clothing & Apparel	1
Quilts etc	Home Furnishings & Accessories	1
Osh Kosh	Clothing & Apparel	1
Old Spaghetti Factory	Full Service F&B	1
New York Fries	Limited Service F&B	1
Naturalizer	Footwear	1
Nando's Chicken	Limited Service F&B	1
Mr Mikes	Full Service F&B	1
Moutain Equipment Coop	Sporting Goods & Outdoor Recreation	1
Mongolian Grill	Limited Service F&B	1
LL Bean	Clothing & Apparel	1
Kelsey's	Full Service F&B	1
Kal Tire	Auto Parts, Services & Accessories	1
Izod	Clothing & Apparel	1
IHOP	Full Service F&B	1
Harvey's	Limited Service F&B	1
Golf Town	Sporting Goods & Outdoor Recreation	1
Forever 21	Clothing & Apparel	1
Ecco Shoes	Footwear	1
Dynamite	Clothing & Apparel	1
Denny's	Full Service F&B	1
Claire's	Jewelry & Accessories	1
Carter's	Clothing & Apparel	1
Carl's Jr	Limited Service F&B	1
Buffalo	Clothing & Apparel	1
Body Shop	Health & Beauty	1
Bellissima	Clothing & Apparel	1
Bella Maas Boutique	Clothing & Apparel	1
Bata Shoes	Footwear	1
Bass Pro	Sporting Goods & Outdoor Recreation	1
Banana Republic	Clothing & Apparel	1
Baby Palace	Clothing & Apparel	1
Axe Music	Specialty Retail	1
Atmosphere	Sporting Goods & Outdoor Recreation	1
Aritzia	Clothing & Apparel	1
Applebees	Full Service F&B	1
Andrea's	Clothing & Apparel	1

B

Retailer / Tenant Type	Merchandise Category	Number of Responses
Boutiques Downtown	Clothing & Apparel	4
Organic Food Store	Grocery & Specialty Foods	4
Womens Clothing	Clothing & Apparel	14
Childrens Clothing	Clothing & Apparel	9
Fabric Store	Specialty Retail	3
Greenhouses	Home Improvement & Gardening	1
Mens Clothing	Clothing & Apparel	9
Shoe Stores	Footwear	11
Snowboard/Bike/Runner	Sporting Goods & Outdoor Recreation	4
Fish/Meat Market	Grocery & Specialty Foods	4
Department Store	General Merchandise	1
Hair Salon	Personal Services	3
Childcare	Personal Services	2
Medical Clinic	Personal Services	1
Auto Parts/Repair/Body Shop	Auto Parts, Services & Accessories	6
Travel Agency	Personal Services	2
Windshield Repair	Auto Parts, Services & Accessories	2
Bowling Alley	Entertainment & Leisure	1
Movie Theatre	Entertainment & Leisure	16
Live Theatre	Entertainment & Leisure	1
Sports Bars/Pubs	Entertainment & Leisure	2
Paintball/Laser Tag	Entertainment & Leisure	1
Casino	Entertainment & Leisure	2
Live Music Club	Entertainment & Leisure	3
Family Fun Activities	Entertainment & Leisure	4
Arcade & Game Room	Entertainment & Leisure	1
Shooting Range	Entertainment & Leisure	1
Hot Yoga	Personal Services	2
Brazilian Steakhouse	Full Service F&B	1
Locally Owned Cafes	Limited Service F&B	7
Local Family Dining	Full Service F&B	11
Local Fine Dining	Full Service F&B	4
Local Steakhouse	Full Service F&B	2
Ethnic		5
East Indian		4
Chinese		4
Mexican		1
Greek		1
Japanese		3
Thai		3
Food Trucks		1

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