

Commercial / Retail Demand and Capacity Study

Bearspaw Area Structure Plan

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Prepared for: Rocky View County

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1 Executive Summary

1.1 Background

Rocky View County is updating the Bears paw Area Structure Plan (“Bears paw ASP”). The Bears paw ASP was adopted in 1994.

Bears paw comprises 25,000 acres of land situated between the Town of Cochrane to the west, the City of Calgary to the east, Glenbow Ranch Provincial Park to the south, and Township Road 264 and Township Road 262 to the north.

The Bears paw ASP is being updated to create a comprehensive land use strategy that is current, effective, consistent with other statutory plans, and reflective of residents’ vision for the future of Bears paw.

Tate Economic Research Inc. (“TER”) has been retained to prepare a Commercial / Retail Demand and Capacity Study as a component of the Bears paw ASP Review. The purpose of this study is to provide effective strategies to assist in the development of the Bears paw community and guide future commercial development.

The County has set out four primary objectives for this Commercial / Retail Demand and Capacity Study:

1. Trade Area Identification
2. Supply Analysis
3. Demand Analysis
4. Alignment with Strategic Plan

1.2 Summary of Findings

The findings of the background research and analysis are summarized as follows:



BEARSPAW
AREA STRUCTURE PLAN



Bylaw C-4128-93, Adopted January 18, 1994

MINERAL DISTRICT OF ROCKY VIEW NO. 44
Department of Planning and Development

1.2.1. Policy Context

Bearspaw is a country residential area characterized by estate residential development and agricultural uses. There are limited lands designated for commercial development which is reflective of the low density character of the community. However, more compact forms of residential development are being considered through the Bearspaw ASP Review.

The Glenbow Ranch Area Structure Plan (“Glenbow Ranch ASP”) is located immediately south of the Bearspaw ASP. It is planned to include significant residential development and a mixed-use main street.

1.2.2. Macro-Economic Analysis

The demand for retail space in Bearspaw is influenced by local market conditions, as well as economic factors occurring at a regional scale. The economic market conditions in the Calgary CMA are influenced by complex factors including the oil industry and the Covid-19 pandemic. Generally, the Calgary CMA, and Rocky View County specifically, are anticipated to experience population and employment growth over the forecast period.

1.2.3. Retail Trends Analysis

The impacts of E-commerce and the general shift in the retail environment will influence the type of retail that can be accommodated in Bearspaw. TER’s recommendations are made in the context of the challenges in retailing due to the changing nature of the retail environment.



Bearspaw Farmer's Market, Bearspaw

1.2.4. Supply Analysis

There is 13,900 square feet of retail commercial space in the Bearspaw ASP. The small amount of commercial space is a function of the proximity of significant retail concentrations in Calgary and Cochrane. These commercial concentrations provide Bearspaw residents with convenient access to retail and services.



Centex and Tim Hortons, Bearspaw

1.2.5. Demand Generators

There is population growth forecast within the Bearspaw ASP. Demand for commercial space within the Bearspaw ASP will be primarily generated by population growth. In addition, a component of demand will also be supported by pass-by traffic, as there are significant traffic volumes on Highway 1A which provides an opportunity to capture additional demand.

1.2.6. Market Demand Analysis

As the population of the Bearspaw ASP continues to grow there will be support for a more well rounded local retail and service offering. This will provide residents access to shopping opportunities within a more local manner, if desired. The ability to conduct daily shopping needs within the community is important if there is to be more compact development within the Bearspaw ASP.

The market demand analysis indicates that in the Reference Scenario there is demand for 192,800 square feet of retail commercial space by 2031 in the Bearspaw ASP, growing to 294,200 square feet by 2051.

Market demand in 2051 equates to 27.0 acres of commercial land required in the Bearspaw ASP.

The Glenbow Ranch ASP includes a Hamlet Commercial Area that is intended to be developed as a mixed-use main street that provides a range of small scale businesses. The Hamlet Commercial Area is located immediately south of Highway 1A and, if developed for commercial uses, could serve residents of the Bearspaw ASP, as well the Glenbow Ranch ASP.

1.2.7. Conclusion

Overall, this analysis indicates that the commercial structure of the Bearspaw ASP is sufficient to serve existing and future residents.

- Existing residents are well served by major commercial nodes in Calgary and Cochrane.
- There are opportunities to develop small scale commercial uses on existing zoned commercial sites around the area of Highway 1A and Bearspaw Road.
- There is a planned mixed-use main street within the Glenbow Ranch ASP which will provide opportunities for small scale retail and service uses, and will serve as a focal point for the community.

2 Policy Context

This section of the report outlines the existing planning policy context that guides development in Rocky View County and more specifically, within Bearspaw. This planning framework is being reviewed through the Bearspaw ASP Review and will likely change in order to meet newly defined goals for the area.

2.1 County Plan

The County Plan was adopted in 2013 and provides the policy framework for growth, land use planning and service delivery in Rocky View County. The County Plan directs residential growth towards the established Hamlet and Country Residential communities.

Bearspaw is defined in the County Plan as a Country Residential community. The goals of Country Residential communities are to:

- Create safe, healthy, and attractive communities;
- Maintain a strong sense of community;
- Encourage alternative residential development forms that retain rural character and reduce the footprint on the landscape; and,
- Provide an effective process to support efficient development of fragmented quarter sections in agricultural areas.

Section 10.5 of the County Plan addresses amendments to existing Country Residential Area Structure Plans, such as the Bearspaw ASP. This section states that alternative development forms, such as compact residential development should be considered:

“b. Consider alternative development forms, such as compact residential development or a Conservation Community, which retain rural character and reduce the overall development footprint on the landscape.”

Bearspaw is located within Central West Rocky View which includes six area structure plans that encompass a considerable amount of undeveloped land, the majority of which is identified for future homes. Growth pressures within Central West Rocky View include demand for non-traditional country residential

development within area structure plans, commercial growth along highways, and additional residential growth pressure outside of existing planned areas.

Section 14.0 of the County Plan outlines goals and policies for business development in Rocky View County and states that businesses provide:

- Employment and services;
- A commercial focus adding to the vitality of hamlets;
- Taxes to support community services; and,
- Local employment opportunities to reduce automobile dependence.

The goals of the various business areas are summarized as follows:

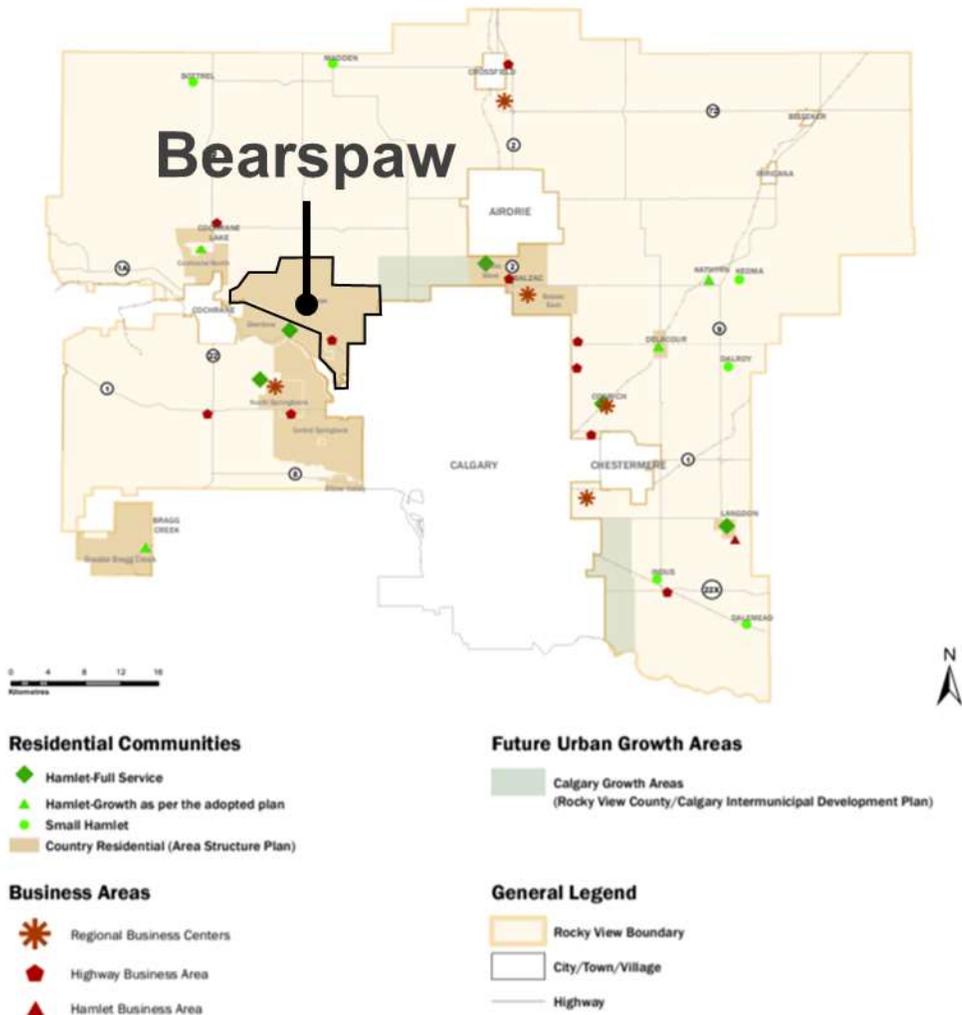
- Provide a range of business areas that serve County residents and Calgary region;
- Direct new commercial and industrial businesses to business areas;
- Support the growth of a variety of business areas, agriculture businesses, and home based businesses;
- Support hamlets in developing main streets or central commercial areas that add to the social fabric of the community and enhance services;
- Support business development that meets community and environmental goals; and,
- Increase business assessment base to support financial sustainability.

The County Plan identifies three types of business areas as locations for commercial and industrial development. These business areas are:

- Regional Business Centres;
- Highway Business Areas; and,
- Hamlet Business Areas.

Figure 2-1, on the following page, shows the locations of business areas in Rocky View County. This figure indicates that Bearspaw includes only one Highway Business Area located in the area of Bearspaw Road and Highway 1A.

Figure 2-1: Rocky View County Growth Structure



Source: Tate Economic Research Inc. based on Rocky View County County Plan, 2018.

Highway Business Areas are intended to capitalize on the provincial highway system. They are limited in size and are located in proximity to highway interchanges. The purpose of the Highway Business Area is to contribute to fiscal goals, provide destination commercial services to the travelling public, and provide employment opportunities. The County Plan indicates Highway Business Areas should have the following characteristics:

- Located near a provincial highway interchange;
- Land uses consistent with Highway Business Area uses;

- Limited development area close to one quadrant of the highway interchange;
- Planned in a comprehensive manner and not subject to incremental expansion;
- Meets environmental, infrastructure, and financial goals and policies of the County Plan;
- Minimizes adverse impacts on existing agriculture or residential development; and,
- Developed in consultation with Alberta Transportation and consistent with provincial freeway and access location plans.

2.2 Bearspaw Area Structure Plan

The Bearspaw ASP was adopted in 1994. It establishes a land use framework for Bearspaw, as well as guides future growth and development in the community. The following points summarize the objectives of the Bearspaw ASP:

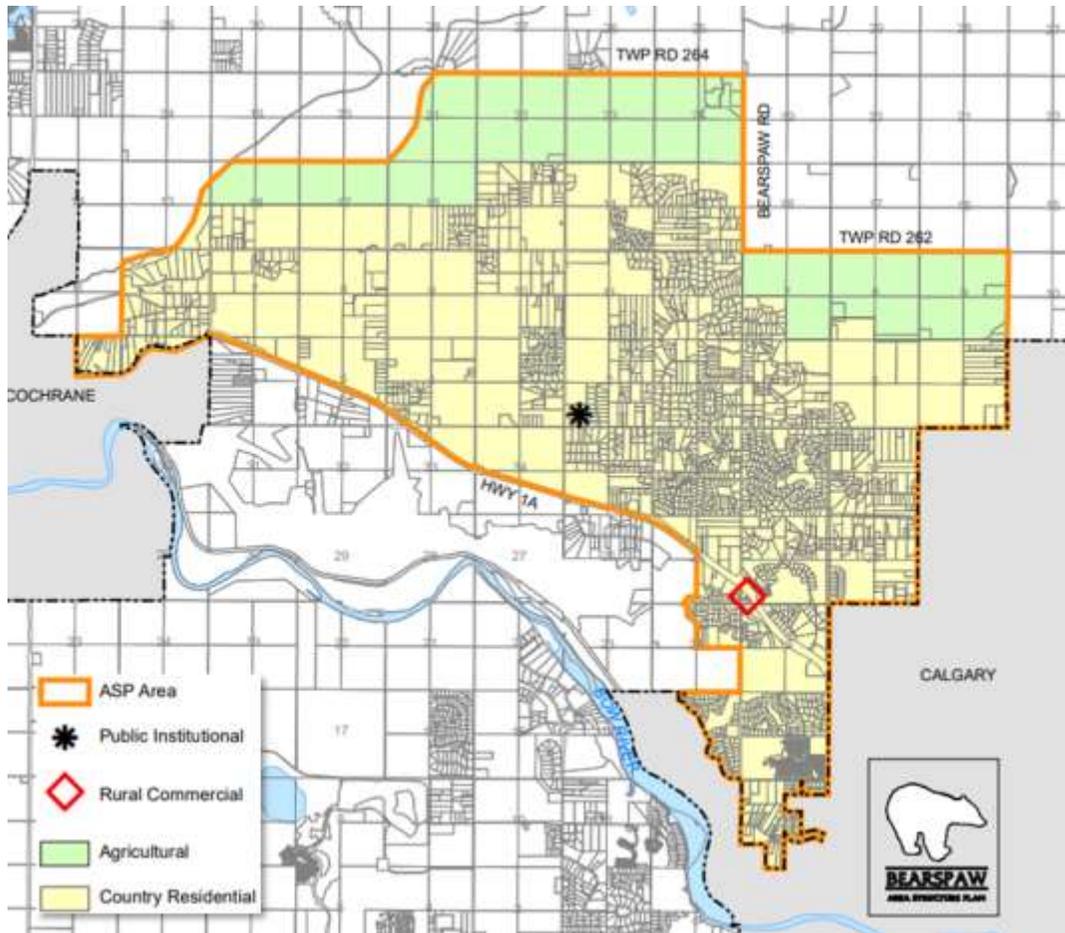
- To establish a future land use scenario that supports an efficient development pattern while protecting the character of the Bearspaw community;
- To achieve the goals and objectives of the General Municipal Plan and guide growth and change within the Plan Area through the implementation of sound land use planning policies;
- To facilitate the review and evaluation of the feasibility and appropriateness of any redesignation, subdivision and/or development proposal;
- To protect or enhance the unique natural features of the Plan Area by requiring proposals for development to consider these features and implement measures that will avoid or mitigate any resulting potentially negative impacts;
- To facilitate the provision of essential community services in accordance with the needs of current and future development within the Plan Area; and,

- To preserve the archaeological, historical and/or heritage within the Plan Area.

Figure 2-2, below, indicates the existing land use designations in Bearspaw. Bearspaw contains a mix of residential, agricultural and limited commercial and institutional uses. The majority of lands in Bearspaw are designated for residential and agricultural uses.

There are limited lands in Bearspaw designated for commercial uses. The single Rural Commercial designation applies to lands in the vicinity of Highway 1A and Bearspaw Road. The Rural Commercial designation corresponds with the Highway Business Area indicated in Figure 2-1. Section 8.2.7 of the Bearspaw ASP indicates that the Land Use Bylaw establishes the Land Use Districts that will accommodate the range of rural commercial land uses contemplated.

Figure 2-2: Bearspaw ASP Land Use



Source: Tate Economic Research Inc. based on Bearspaw Area Structure Plan, 1994.

2.3 Bearspaw Area Structure Plan Land Use Bylaw

The Rocky View County Land Use Bylaw regulates land use and development within Rocky View County. Within the Rural Commercial designation in Bearspaw, there are five Land Use Districts that permit commercial uses, which are described below:

C-MIX: Commercial, Mixed Urban District

- Purpose: “To provide for small scale business needs in support of comprehensive communities, where mixed use buildings may accommodate a variety of business types and scale. Development is intended to serve small to moderate sized residential communities and provide opportunities for local employment. The district includes high quality urban design standards. Vehicle oriented uses should be located so as to preserve and enhance the integrity of a pedestrian network.”

C-LRD: Commercial, Local Rural District

- Purpose: “To accommodate isolated businesses that provide for the needs of the local community and/or provide a specialty service to the region. These uses are typically located outside of Hamlets, Conceptual Schemes or Area Structure Plans and are required to be compatible with surrounding land uses.”

C-HWY: Commercial, Highway District

- Purpose: “To provide for development along primary and secondary highways and major transportation links including services to the traveling public and tourists, requiring high standard of visual quality and ease of access.”

B-REC: Business, Recreational District

- Purpose: “To provide local and regional recreational services, tourism opportunities, and entertainment services.”

DC: Direct Control

- Purpose: “To provide for development with unique characteristics, unusual site conditions or innovative design that require specific regulations unavailable in other Districts.”

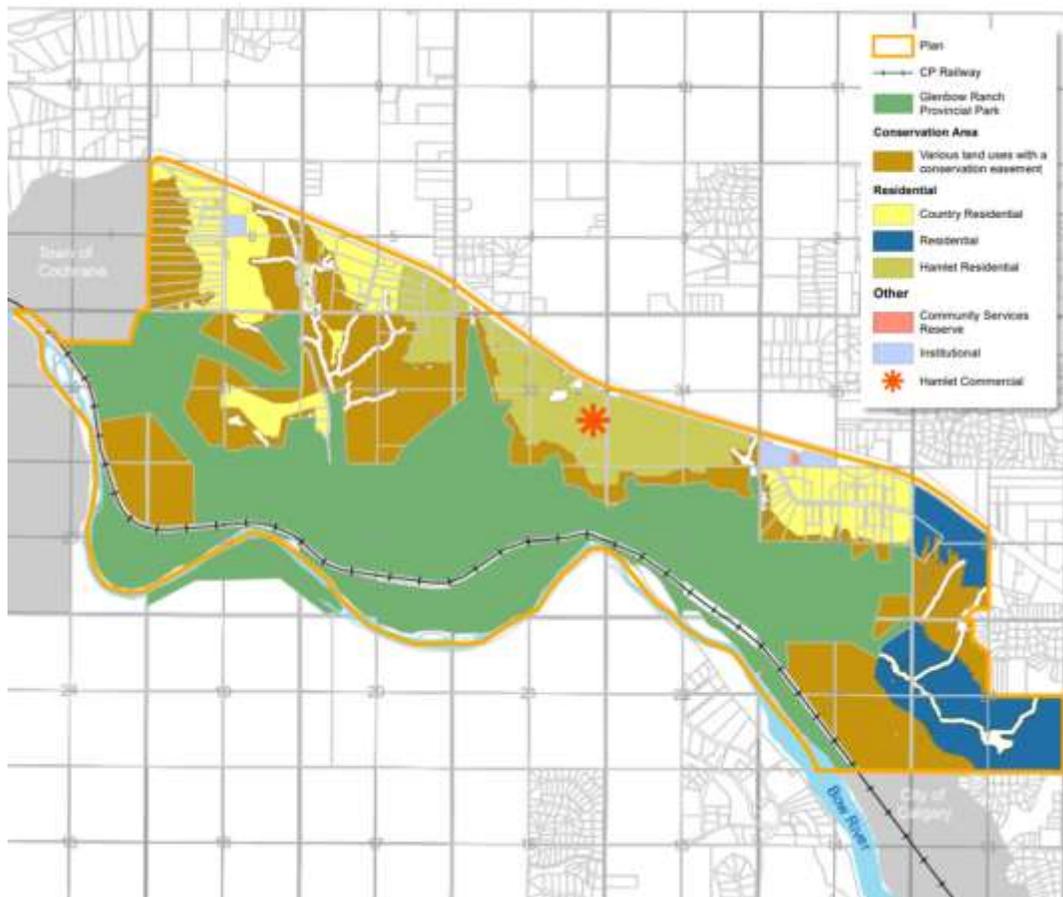
The Direct Control Land Use District is site specific and can permit commercial uses.

2.4 Glenbow Ranch Area Structure Plan

The Bearspaw ASP originally included the 9,000 acres of land located south of Highway 1A, north of the Bow River. In 2017, the Glenbow Ranch ASP was created, removing these lands from the Bearspaw ASP. The primary factor that differentiates the Bearspaw ASP and Glenbow Ranch ASP is that there are within two different policy areas. From a resident perspective, the two areas will function as one and the same.

Figure 2-3, below, indicates the land use designations within the Glenbow Ranch ASP. Currently, Glenbow Ranch is largely undeveloped. However, in the future, it is planned to include significant residential development and a Hamlet

Figure 2-3: Glenbow Ranch ASP Land Use



Source: Tate Economic Research Inc. based on Glenbow Ranch Area Structure Plan, 2017.

Commercial area. With respect to the Hamlet Commercial area, Section 11 of the Glenbow Ranch ASP states:

“This comprehensively designed, connected, and vital commercial area is intended to meet the day-to-day needs of local Rocky View residents and act as a community gathering place that fosters a sense of identity and strengthens community.”

The Hamlet Commercial Area is to function as a main street with a mix of commercial, institutional, and residential uses and serve as a focal points for the community. The Hamlet Commercial area is located on Range Road 33, south of Highway 1A. It will serve both Glenbow Ranch ASP and Bearspaw ASP residents.

2.5 Policy Context Summary

Bearspaw is a country residential area characterized by estate residential development and agricultural uses. There are limited lands designated for commercial development which is reflective of the low density character of the community. The retail and service needs of Bearspaw residents are primarily met by commercial nodes in Calgary and Cochrane.

However, more compact forms of residential development are being considered through the Bearspaw ASP Review. This form of residential development may warrant demand for new forms of retail commercial development.

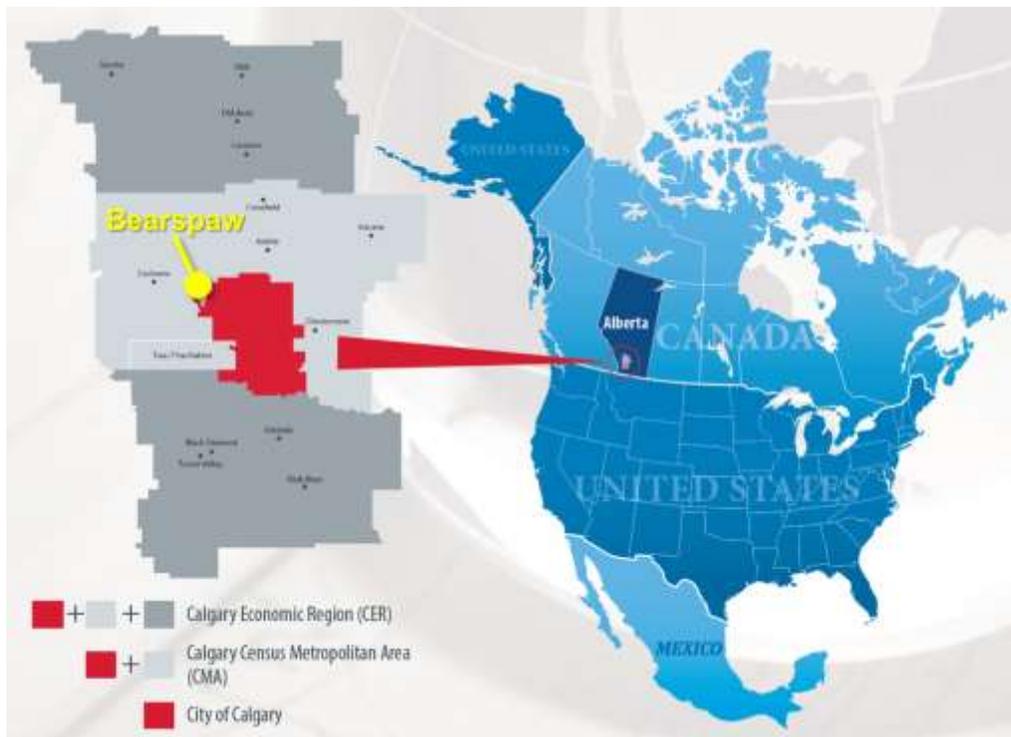
3 Macro-Economic Analysis

The following section of the report provides a high level assessment of factors influencing demand for retail commercial space in Bearspaw and the broader region. Generally, the demand for retail commercial space is driven by local market conditions. However, it is pertinent to examine trends occurring in the broader region.

3.1 Regional Economic Trends

Rocky View County is located within the Calgary Census Metropolitan Area (“Calgary CMA”) which is indicated in Figure 3-1, below. The Calgary CMA includes Calgary, Rocky View County, Airdrie, Chestermere, Cochrane, Crossfield, Irricana, and Tsuut’ina Nation.

Figure 3-1: Calgary Region

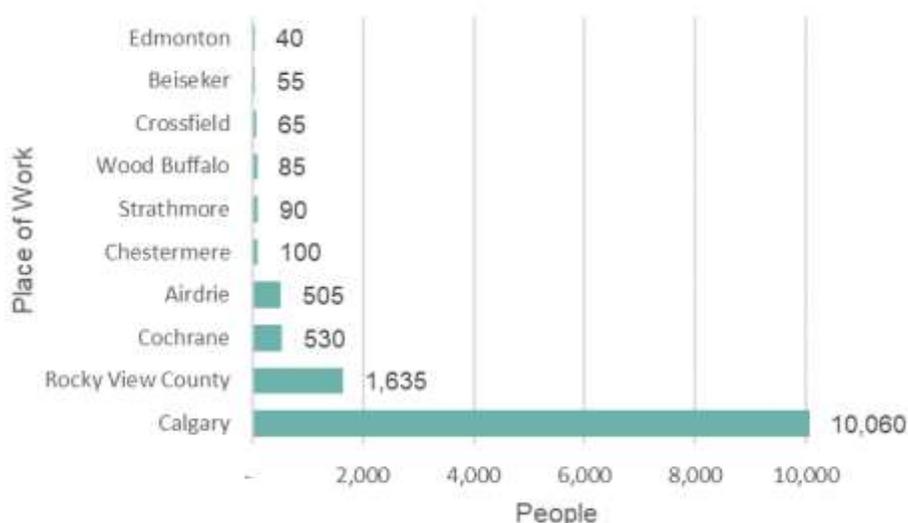


Source: Tate Economic Research Inc.; Basemap: Calgary and Region Economic Outlook 2021-2026, Fall 2021.

Rocky View County is integrated into the economy of the Calgary CMA. Figure 3-2, below, indicates the commuting flow from Rocky View County. This data indicates Calgary is the largest place of work for residents of Rocky View County. Other notable places of work include Rocky View County, Cochrane, and Airdrie.

Bearspaw is well integrated with the broader economic region. It shares borders with Calgary to the east and Cochrane to the west. In addition, Highway 1A bisects Bearspaw providing immediate access to the provincial highway system. As such, economic trends occurring within the broader Calgary CMA can be expected to impact demand for housing, jobs, and commercial space in Rocky View, and Bearspaw more specifically.

Figure 3-2: Rocky View Commuting Flow



Source: Tate Economic Research Inc., based on Statistics Canada Census of Population, 2016.

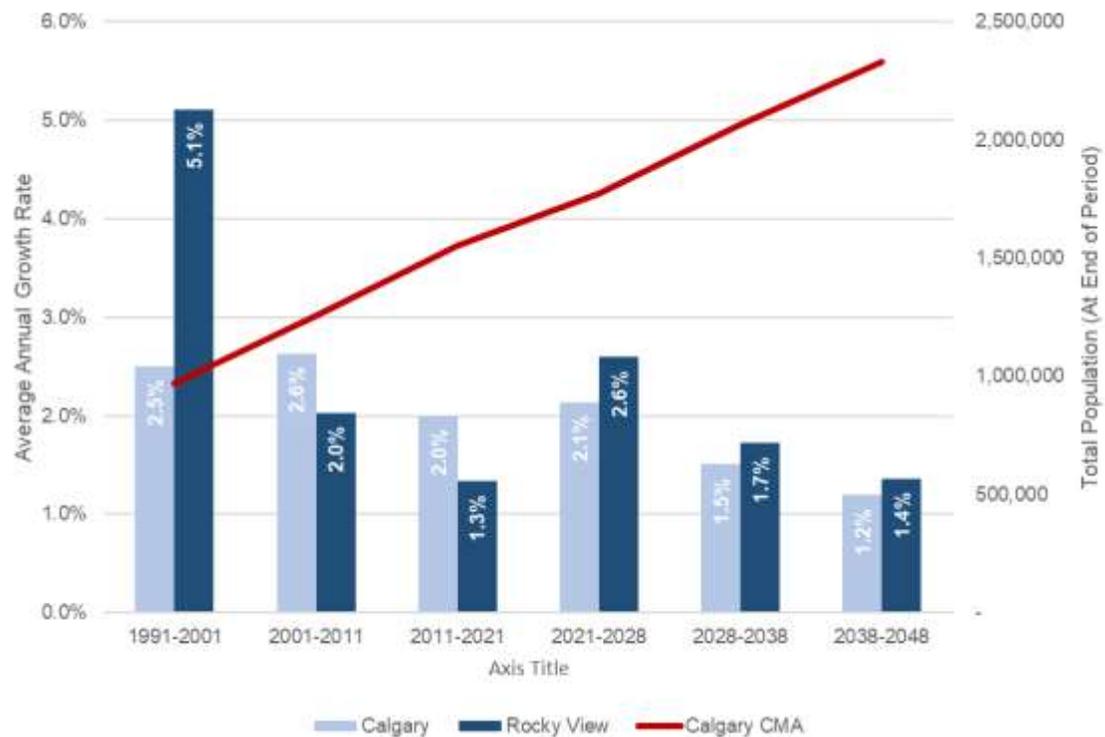
3.2 Population Trends

Typically, demand for retail commercial space is driven by population growth while other factors, such as employment, tourism, and demographics are secondary. The Calgary CMA has experienced significant population growth over the last two decades and is forecast to continue growing for the foreseeable future. Over the period of 2001 to 2021, the population of the Calgary CMA grew by approximately 580,000 people, or 60%. Over the period of 2021 to 2048, the population of the Calgary CMA is forecast to grow by approximately 780,000 people, or 44%.

The City of Calgary represents the largest population base and the majority of growth in the Calgary CMA. The population of Calgary in 2021 was approximately 1.4 million which represents nearly 90% of the total population of the Calgary CMA. The population of Calgary is forecast to grow by approximately 660,000 people by 2048 which represents 85% of the growth forecast in the Calgary CMA.

While Calgary represents the majority of population growth in the region, Rocky View County is experiencing significant population growth, albeit at a different scale. The population of Rocky View County has increased from approximately 31,000 people in 2001 to 43,000 in 2021. This represents growth of 12,000 people or 32%. The population of Rocky View County is forecast to grow by approximately 25,000 people over the period of 2021 to 2048 which represents growth of 57%.

Figure 3-3: Calgary CMA Population Growth



Source: Tate Economic Research Inc., based on rennie intelligence Calgary Metropolitan Region Board Area Projections, 2018 and Statistics Canada Census of Population, 2021.

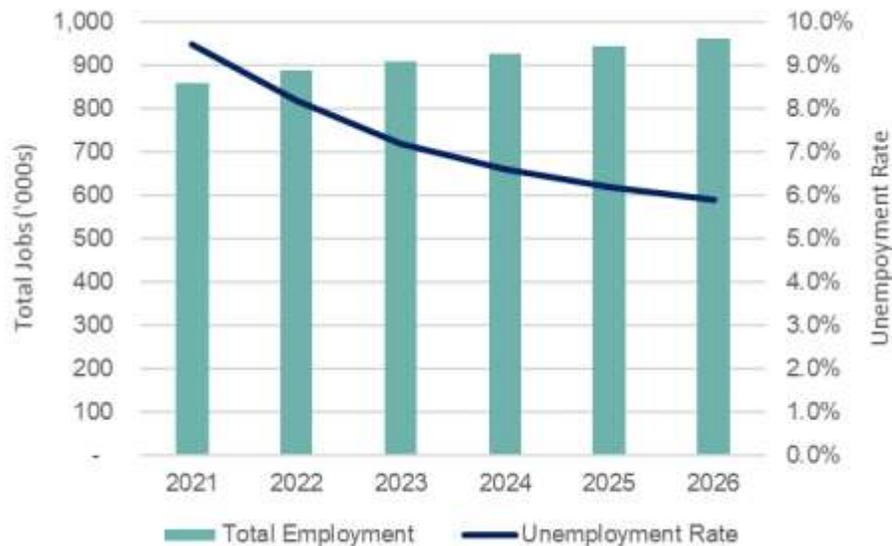
3.3 Employment Trends

Calgary is considered an open economy and is influenced by shifts occurring outside its borders. The growth of Calgary’s economy is influenced by

international trade and related to the export of crude oil. As such, the volatility of crude oil prices in the world market can have a significant impact on the economic growth and job market conditions in Calgary.

In 2018, the total employment base in the Calgary CMA was approximately 800,000 employees. The City of Calgary represents 94% of the total Calgary CMA employment base. Businesses in Rocky View County employ approximately 20,000 people, or 3% of the total employment base. Figure 3-4, below, indicates employment growth in the broader Calgary Economic Region, as indicated in Figure 3-1. This analysis indicates that the Calgary Economic Region is forecast to grow from 859,000 jobs in 2021 to 963,700 jobs in 2026 with unemployment decreasing from 9.5% to 5.9%.

Figure 3-4: Calgary Economic Region Employment Growth



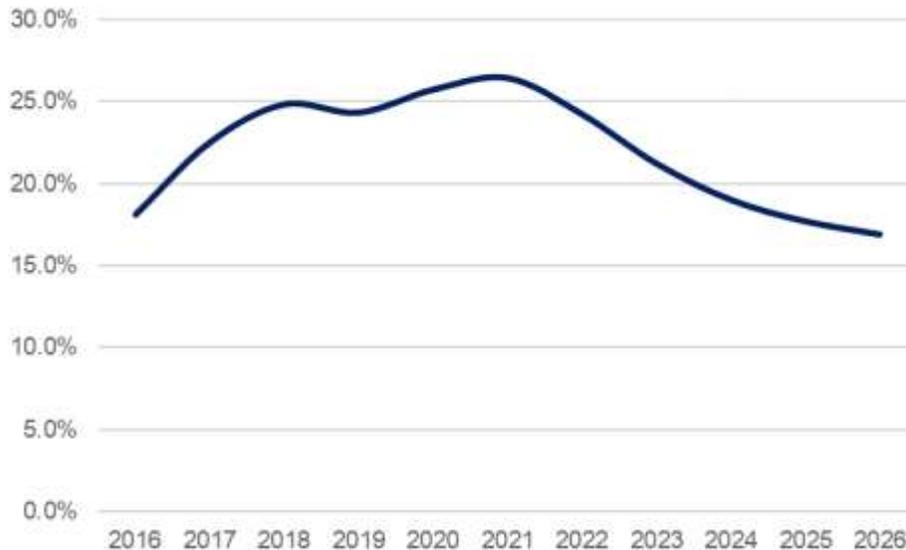
Source: Tate Economic Research Inc., based on City of Calgary, Calgary and Region Economic Outlook 2021-2026, 2021.

Rocky View County represents a significant portion of employment growth in the Calgary Economic Region. The majority of employment growth in Rocky View County is occurring within the Balzac Industrial Area which has become a major distribution node. Notable businesses include Sobeys, Walmart, Amazon, The Home Depot, and Lowe’s. There is additional space planned and under construction in the Balzac Industrial Area, including 600,000 square feet of space in the High Plains Industrial Park.

The Calgary office market has been in a state of decline as a result of market shifts, specifically within the oil industry. This trend has been exacerbated by the

Covid-19 pandemic. Figure 3-5, below, indicates historic and forecast downtown office vacancy in Calgary. This data indicates that office vacancy has increased from 18.1% in 2016 to 26.4% in 2021. Office vacancy is anticipated to decline over the next several years as Covid-19 implications are reduced.

Figure 3-5: Downtown Office Vacancy (Head Lease)



Source: Tate Economic Research Inc., based on City of Calgary, Calgary and Region Economic Outlook 2021-2026, 2021.

3.4 Macro Retail Market Conditions

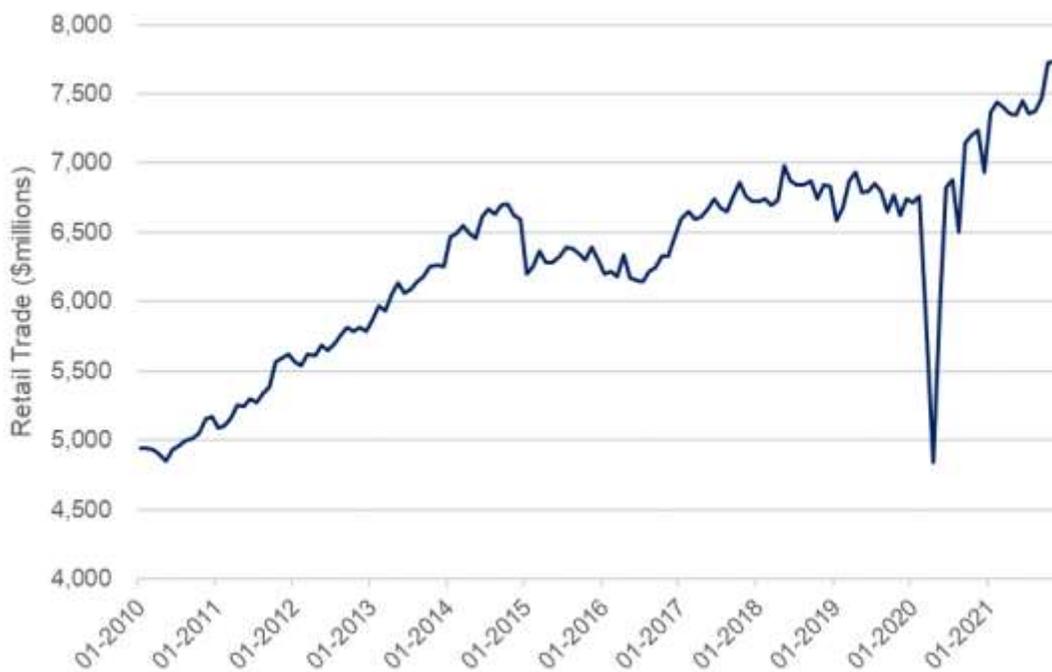
The Covid-19 pandemic has had significant implications for the retail industry. The impact on the retail market in Calgary is reflected in an increase in retail vacancies. However, this trend was occurring prior to the Covid-19 pandemic. Retail vacancy in Calgary has increased from 2% in 2011 to 7% in 2021.

In the City of Calgary, there is a significant amount of retail space in the planning process and 1.1 million square feet of retail space under construction. There are a number of proposed retail projects in Bearspaw, Cochrane and northwest Calgary (as outlined in Section 5 which follows). In addition to these projects, there are other major retail developments under construction elsewhere in Calgary, which include Mahogany Village Commons, The University District and Township. There was nearly 250,000 square feet of retail space completed in 2021 with absorption of 55,000 square feet.

Throughout the Covid-19 pandemic, businesses have been focusing on technological adaptation, cost reduction strategies, supply chain management and the rationalization of store footprints. However, it is anticipated that as Calgary’s economy continues to recover from the Covid-19 pandemic, a return to social shopping and renewed consumer optimism is expected to result in the introduction of new stores, expansions and the decline of retail vacancies.

The Covid-19 pandemic has not impacted all retailers to the same degree. For example, many suburban shopping centres in mature areas have been in demand as businesses search for pre-existing infrastructure to lower start up costs and to capture existing expenditures. Open air shopping centres anchored by essential retailers such as supermarkets and drug stores have fared particularly well. In addition, office vacancies have reduced foot traffic in major markets such as Downtown Calgary, creating a less attractive environment for retail.

Figure 3-6: Alberta Retail Trade



Source: Tate Economic Research Inc. based on Statistics Canada Retail Trade.

3.5 Macro-Economic Analysis Summary

The demand for retail space in Bears paw is influenced by local market conditions as well as economic factors occurring at a regional scale. The economic market

conditions in the Calgary CMA are influenced by complex factors including the oil industry and the Covid-19 pandemic. Generally, the Calgary CMA, and Rocky View County specifically, are anticipated to experience population and employment growth over the forecast period.

4 Retail Trends Analysis

This section of the report examines the specific retail and physical space trends that will influence the demand and supply of commercial space in Bears paw.

4.1 Covid-19

At the time of writing this report, we are in the midst of a global pandemic. The Covid-19 pandemic is a health crisis with significant economic implications. The impact on retailers has been, and continues to be, significant due to the restrictions on movement and the temporary closure or reduction of offerings at retailers and services in an effort to stop the spread of the virus.

When there is uncertainty, consumers pause on spending. Consumer confidence and associated discretionary expenditures after the 2008 financial crisis took almost 19 months to surpass pre-crash levels. There are varying opinions on how long it will take consumer expenditure to rebound as economies re-open. The reality is that the path to recovery is uncertain.

The pandemic will result in hastening the closure of some stores that were already struggling in the pre Covid-19 retail environment, which was challenged by changing consumer demographics and technology. There will also be stores that were successful and may close due to factors other than demand, such as issues with landlords, lifestyle changes, etc.

Conversely, Covid-19 has allowed some retail entrepreneurs to enter the market in locations that may have previously been difficult due to high rents or lack of available space. This shift has also been experienced in smaller rural markets. Through our recent work, we have seen first hand new stores openings by local entrepreneurs, as well as urban professional transplants.

- It is too early to declare any paradigm shift in terms of how and if the pandemic will impact the form and function of new retail space entering the market. Based on our observations from the beginning of the pandemic in March 2020 to the present, it is our opinion that the pandemic will not result in any structural changes to the retail operations that were not already occurring pre Covid-19 in various stages of adoption. Trends such as buy on-line pick up in store (BOPIS), ghost kitchens, food delivery, adoption of E-commerce and the diverging retail market were all

present pre Covid-19 and are being accelerated relative to their previous rates.

- While not structural in nature, there has been a renewed interest in buy and support local. While we think that this trend will likely endure, we also are starting to see national chains adopt more local products and allow regional managers to have more say in how their stores are stocked.
- It is too early to opine on the longer term implications of hybrid work from home on the spatial distribution of retail, specifically in employment oriented areas.

Impact on Bearspaw: Future retail commercial space in Bearspaw may be able to capitalize on the trends cited above. The movement towards buy local and authentic experiences may create an opportunity to expand or enhance the Bearspaw Farmers Market.

4.2 Macro Retail Trends

It is likely that no other period in the last 50 years has included more change in retail supply and demand dynamics than the period of 2015 to 2022. It is even more likely that the next five years will bring even greater change. Two of the major influences on retail demand have been:

- a) E-commerce
- b) Diverging Retail Market

In a general sense, consumers are still spending the same amount, however, the way they make those expenditures has changed from “brick & mortar” stores (traditional retail) to online. E-commerce has meant that many non discretionary transactional and some discretionary items can now be ordered on-line. The result is the replacement of physical store space and the rationalizing of store networks.

From a retail planning perspective, the primary implication is that the amount of physical space required to accommodate future retail demand has decreased.

E-commerce and the diverging retail market are linked. The diverging retail market can generally be described as follows: There are a growing number of households placing a greater emphasis on value retailing. The price of the product or service is often noted as the most important determinant of where

people shopped. This emphasis on value has given rise to a wide spectrum of off price and discount retailers as well as service providers. At the lower end, retailers such as Walmart and Dollarama are thriving, as well as value service providers such as Anytime Fitness.

Conversely, in more urbanized and specialized markets, the high-end market is also thriving. This pattern is particularly evident in certain categories such as specialty food, restaurants, clothing and recreational items and activities.

On a more local level, there is a growing resurgence of local, independent retail and services characterized by craft / maker markets, maker spaces, boutiques and specialty food purveyors. These types of stores, along with others, understand and capitalize on the power of experience and local presence. For some of these stores, E-commerce has strengthened their physical presence as they are able to reach a wider audience while having a storefront which is critical for customers to experience their brand in a physical setting. Their market reach has also been assisted by social media platforms which are more cost effective than traditional advertising media.

It should be noted that we do not believe e-commerce will lead to a 'retail apocalypse'. There is concrete evidence the Direct to Consumer (DTC) brands are realizing the benefits of brick & mortar stores. In addition, some categories such a book stores which were written off are experiencing a resurgence as consumers enjoy the "discovery" of finding new books which are not based on an algorithm.

- The net impact of the E-commerce and the diverging retail market is that while demand is still present, a decreasing portion of demand is being fulfilled through brick & mortar stores. Generally, supply of retail space will likely outpace demand and therefore creative and proactive leasing strategies will have to be employed to attract and retain tenants. In addition, national chain tenants are rethinking their store network and assessing how to serve a larger area through fewer stores.

"For a long time, retailing was the cornerstone or the foundation for placemaking. But just because you put a retail store in a certain spot doesn't mean that all of a sudden you have a great place. Now, retail continues to struggle, and the millennial generation is demanding a more qualitative experience rather than a quantitative experience: they want places that aren't necessarily about buying and selling, but rather about the experience of exchange between people."

**ULI Placemaking

- However, E-commerce and social media is also allowing a new generation of local entrepreneurs to set up physical stores outside of the traditional urban centres.

Impact on Bears paw: While the diverging market trend may not be evident in Bears paw, it does have an indirect impact on the overall retail market in terms of store network strategies. The impacts of E-commerce and the general shift in the retail environment will influence the type of retail that can be accommodated in Bears paw. TER's recommendations are made in the context of the challenge in retail tenanting due to the changing nature of the retail environment.

4.3 E-Commerce in Rural Environments

Delivery to rural areas is challenging due to higher costs, influenced by distance to distribution centres, low density populations and fewer service providers. However, advancements in fulfillment and distribution have improved access to E-commerce in rural environments. There are many rural communities that can now utilize e-commerce to fulfill a portion of their retail needs when previously they could not access online shopping platforms due to service areas and shipping costs. This is evident in the Canada Post 2020 Canadian E-Commerce Report which indicates that 21% of online shoppers in Canada live in rural areas.

In addition to improvements in distribution and fulfillment, Bears paw has the advantage of being rural in character but close in proximity to a major urban area. As a result of this, Bears paw residents have access to a variety of products through different E-commerce platforms. Bears paw residents can have products delivered from Amazon, Sobeys, Real Canadian Superstore, Walmart, Costco, Shoppers Drug Mart and others. In addition, restaurant delivery services, such as Skip the Dishes, also deliver to Bears paw.

Impact on Bears paw: The ability of Bears paw residents to fulfill a portion of their shopping needs via e-commerce channels will have an impact on the overall demand for retail market space.

4.4 Technology Driven Retail

Recent technological innovations have created new methods to provide both convenience and destination retail. These innovations mitigate operating costs and seasonal demand. These innovations include:

- Mobile Vending, such as the use of QR Codes in retail;

- Automated Retailing and Vending, such as the popular Carlo's Bake Shop 'Cake ATM' which now has 4 locations in Calgary. The success of the vending machines has resulted in a first brick & mortar location in Ontario;
- Another example is PizzaForno, the automated pizza vendor now operating in Edmonton. It offers freshly made pizzas, cooked and ready in under 3 minutes from a vending machine; and,
- Click and Collect Grocery Services, such as curbside pick up, delivery, and automated lockers allow customers to pick up groceries purchased online at convenient times, or have it delivered to them. Vancouver's Fresh St. Market installed a 24 hour refrigerated pick up locker for online customers. In Toronto, Loblaws has partnered with Metrolinx to install grocery lockers in various GO Transit stations.



Carlo's Bake Shop, Calgary



PizzaForno, Edmonton

Impact on Bearspaw: Technology driven retail platforms can be utilized in rural environments where demand for traditional retail may not be present.

4.5 Markets and Artisans

As discussed in Section 4.3, there has been a resurgence in local goods and small businesses. This sector is characterized by maker spaces, farmers markets, and boutique stores. Originally, markets offered farmers a location to sell their goods and produce. Now, they include a broad range of artisan goods and food and beverage operators.



Fresh St. Market, Vancouver

The farmer's market provides affordable spaces to small businesses in which to test ideas, promote products, and widen their reach. They function as a destination with a regional draw while also serving local residents.



Bears paw Farmer's Market, Bears paw

Bears paw Farmer's Market operates in the parking lot of the Bears paw Lions Club from June to October. The Farmer's Market includes over 100 vendors and offers a variety of grocery products, hot food vendors, and local artisans, among others.

This trend has created demand for new permanent markets. In northwest Calgary, a new 50,000 square foot farmer's market is under construction in the master planned community of Greenwich. Calgary Farmer's Market West is planned to open in the summer of 2022



Calgary Farmer's Market West Rendering, Calgary

4.6 Retail Trends Summary

The diverging retail market and E-commerce are shifting the way retailers view their store networks and business decisions. While technology driven retail has changed the way consumers can purchase goods and services, there has also been a resurgence in small businesses and locally produced goods.

5 Supply Analysis

The following section of the report examines the supply dynamics of Bearspaw.

5.1 Study Area Delineation

When conducting a market demand analysis for a specific retailer or development it is common to use a Trade Area approach. A retail Trade Area is defined as the geographic area from which the majority of sales originate from. Typically, a Trade Area accounts for 70 to 80 percent of a retailer's sales.

Given its estate residential character and lack of existing commercial retail space, delineating a Study Area is more appropriate than a typical Trade Area for a macro level examination of demand and resulting recommendations.

For the purpose of this report, TER has utilized the Bearspaw ASP as the Study Area for forecasting market demand. This section of the report summarizes the research and analysis that was conducted as input into this Study Area.

Figure 5-1: Study Area



Source: Tate Economic Research Inc.; Basemap: ESRI ArcGIS.

5.2 Commercial Inventory

In January of 2022, TER staff conducted an in-person on the ground inventory of all retail, service, and vacant space in the Bearspaw ASP, as well as northwest Calgary and Downtown Cochrane.

At present, there is limited retail commercial space in the Bearspaw ASP. There is approximately 13,900 square feet of retail commercial space in the Bearspaw ASP. The majority of this space is occupied by Flores and Pine, a 9,000 square foot full service restaurant and event space located at Bearspaw Road and Highway 1A. The remainder of the space is occupied by Tim Hortons, RE/MAX, Calgary Saddlery, Lions Club of Bearspaw, and two home based businesses, Willow Massage Clinic and KASI Kids Academy.



Flores & Pine, Bearspaw



Centex and Tim Hortons, Bearspaw

Bearspaw ASP residents currently conduct all of their retail shopping outside of the community. Cochrane and Calgary represent major shopping nodes that serve the day-to-day needs of Bearspaw ASP residents.

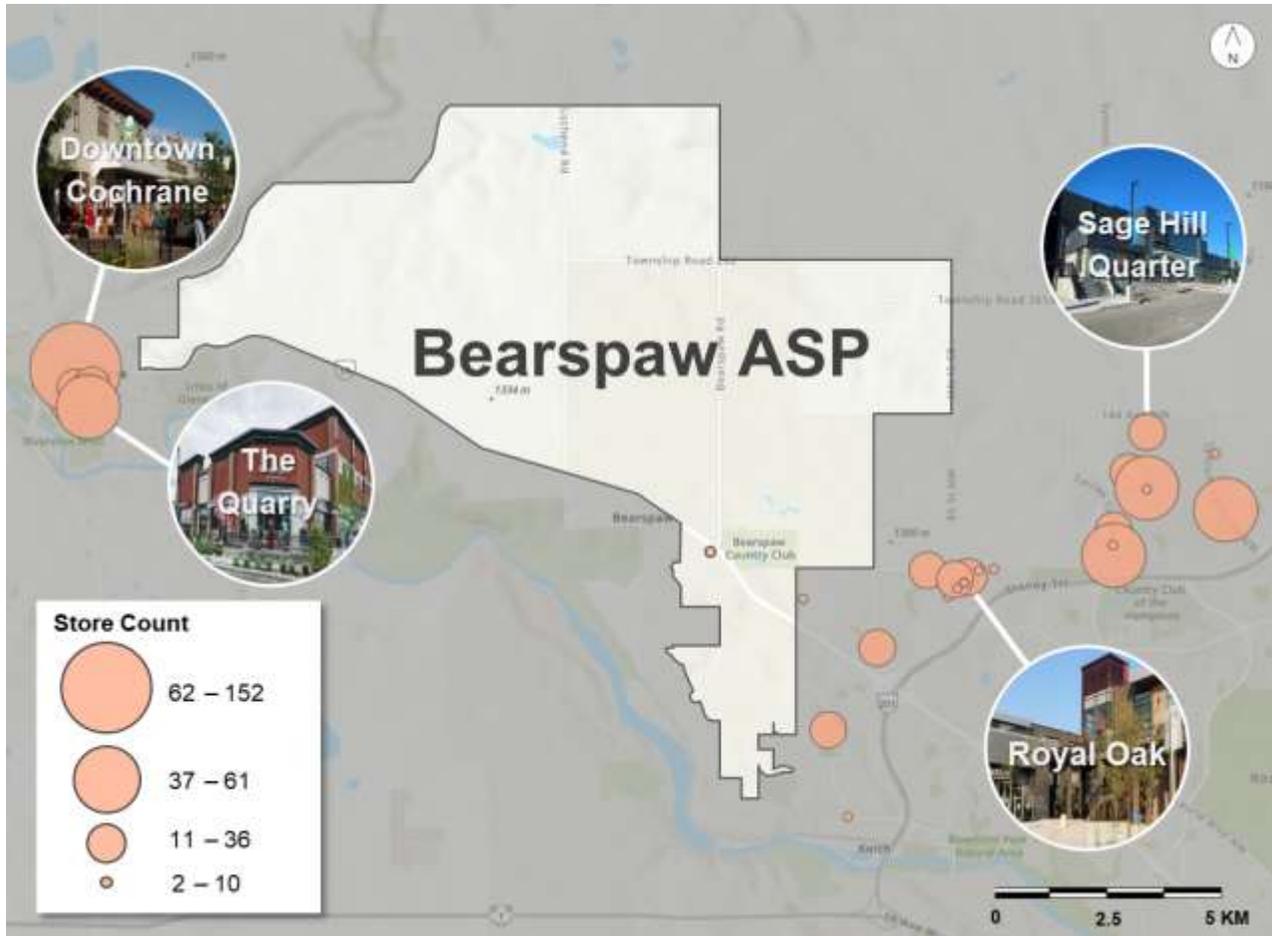
In addition to the above, the Bearspaw Farmer's Market operates in the parking lot of the Bearspaw Lions Club from June to October. The Farmer's Market includes over 100 vendors and offers a variety of grocery products, hot food vendors, and local artisans, among others.

5.3 Surrounding Retail Environment

Figure 5-2, below, indicates the competitive retail environment in northwest Calgary to the east and Downtown Cochrane to the west.

This analysis indicates that there is significant competition in northwest Calgary and Cochrane that currently serves Bearspaw ASP residents. Overall, there are 420 retail commercial businesses in northwest Calgary and 314 retail commercial businesses in Downtown Cochrane. This inventory includes major retailers such as Walmart, Canadian Tire and The Home Depot. There are also a number of supermarkets operating in the surrounding area, such as Co-op, Sobeys, Safeway, Save-On-Foods, and No Frills.

Figure 5-2: Surrounding Retail Environment



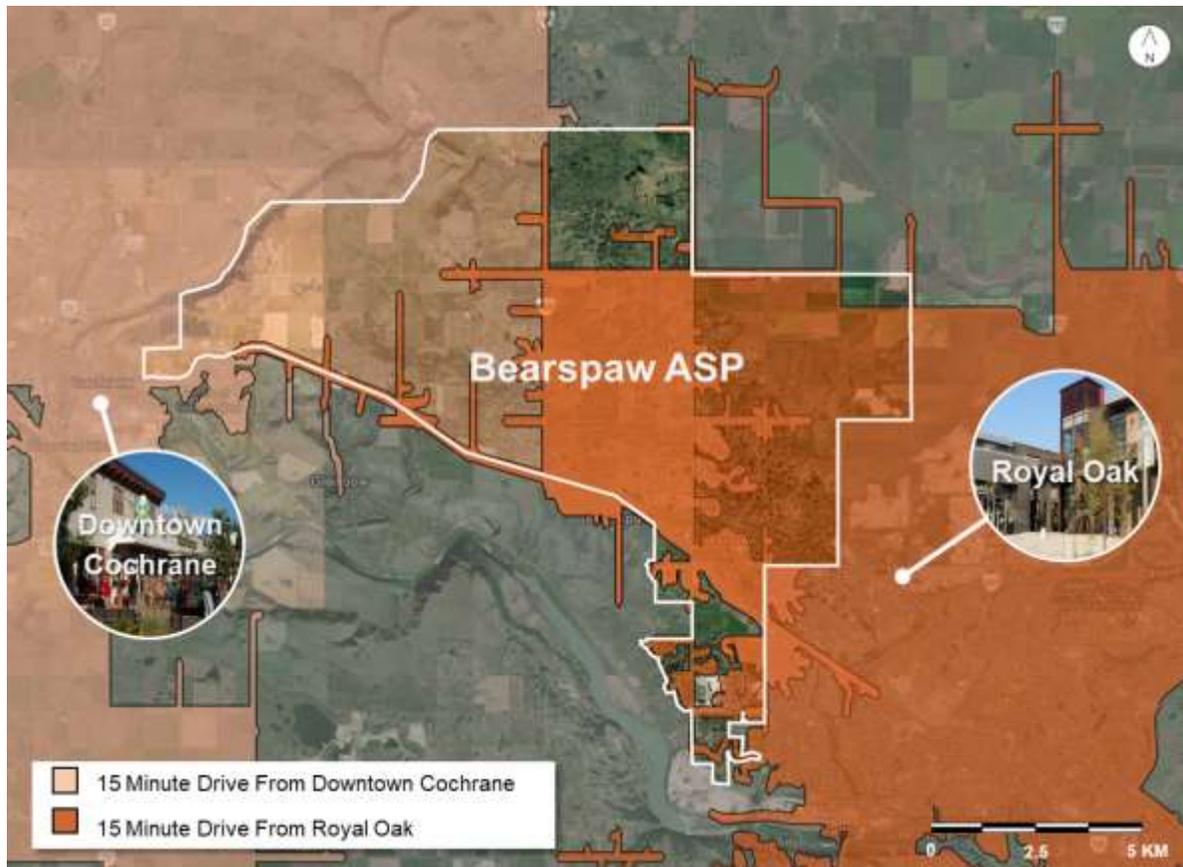
Source: Tate Economic Research Inc.; Basemap: ESRI ArcGIS.

5.4 Existing Retail Service Levels Surrounding Bearspaw

The shopping needs of Bearspaw ASP residents are served by retail commercial uses in Cochrane, Calgary, and elsewhere. The retail market in Cochrane includes major retailers such as Walmart, Canadian Tire, Save-On-Foods, Safeway and No Frills. The Royal Oak area includes major retailers such as Walmart, Sobeys, Dollarama, and London Drugs.

Figure 5-3, below, indicates a 15 minute drive from Downtown Cochrane and Royal Oak, a major shopping node in northwest Calgary. This analysis indicates that nearly 100% of Bearspaw ASP residents are within a 15 minute drive of Downtown Cochrane or Royal Oak. As such, Bearspaw ASP residents are within a convenient drive of a wide range of retail and service uses, albeit not in Bearspaw.

Figure 5-3: Retail Service Levels as Demonstrated by Drive Times



Source: Tate Economic Research Inc.; Basemap: ESRI ArcGIS.

5.5 Future Retail Environment Surrounding Bearspaw

In addition to the extensive retail competition discussed in the previous section of the report, there are a number of retail commercial developments proposed in northwest Calgary and Cochrane. Figure 5-4, below, identifies the locations of proposed retail commercial developments. Details of the development proposals are provided on the following pages.

Figure 5-4: Future Retail Competition



Source: Tate Economic Research Inc.; Basemap: ESRI ArcGIS.

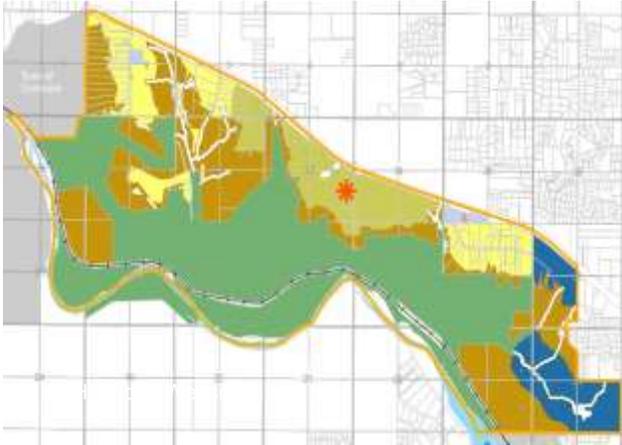
1. Burnswest – Cochrane



Burnswest is a 140-acre master planned development located in Cochrane. The development concept contemplates a mixed-use community with residential, retail, employment and recreational uses.

Retail: 12.6 acres

2. Glenbow Ranch Hamlet – Rocky View



The Glenbow Ranch Hamlet will include a central commercial area that will serve local Rocky View residents and Glenbow Ranch Provincial Park visitors. Development is intended to be mixed-use and support small-scale businesses. The ASP states that commercial development shall not exceed 125,000 square feet.

Retail: 125,000 square feet

3. Harmony – Rocky View



Harmony is a master planned lakeside community under construction in Springbank. Once complete, it will include a mix of uses including residential, retail, employment and recreational. The proposed retail component includes a Village Centre.

Retail: 115,000 square feet

4. Bingham Crossing – Rocky View



Bingham Crossing is a pedestrian-oriented shopping centre under construction in Springbank. It is planned to include shops, restaurants, and various lifestyle amenities. The first phase of Bingham Crossing will be 80 acres with 270,000 square feet of retail, including green spaces and seniors housing.

Retail: 445,000 square feet

5. Rockland Park – Calgary



Rockland Park is a master planned community under construction in northwest Calgary. It is planned to include an 85,000 square foot neighbourhood shopping centre.

Retail: 85,000 square feet

6. West – Calgary



West is a proposed 130 acre master planned development. The proposed concept contemplates a mixed-use walkable community with high density residential development and various living, shopping, and dining options.

Retail: 650,000 square feet

7. Greenwich – Calgary



Greenwich is a 59 acre master planned community currently under construction in northwest Calgary. Greenwich will be a mixed-use community with a residential, recreational, retail and office space curated to form an urban village. The development will also include a farmers market.

Retail: 395,000 square feet

8. Trinity Hills – Calgary



Trinity Hills is a master planned mixed-use community currently under construction in northwest Calgary. The retail component is anchored by Save-On-Foods and GoodLife Fitness.

Retail: 750,000 square feet

9. Bow River Shopping Centre - Calgary



Bow River is a 15 acre mixed-use development under construction at the intersection of the Trans-Canada Highway and Sarcee Trail. The retail component will include 160,000 square feet of retail space and will be anchored by a Real Canadian Superstore.

Retail: 160,000 square feet

10. Glacier Ridge – Calgary



Glacier Ridge is a proposed 832 acre master planned community at the northwest corner of 144 Avenue NW and Symons Valley Road NW. At build-out the community will include approximately 4,000 homes and 53 acres of commercial land distributed throughout the community.

Retail: 53 acres

11. Sage Hill Crossing – Calgary



Sage Hill Crossing is a master planned development under construction in northwest Calgary. At build-out it will include 1.2 million square feet of retail space, 1 million square feet of office space, a regional transit hub, and 4,500 residential units. The first two phases are complete and include approximately 400,000 square feet of retail space.

Retail: 1,200,000 square feet

5.6 Bears paw Zoned Commercial Land Inventory

The Bears paw ASP includes seven property parcels, both occupied and vacant, that are zoned for commercial uses. They are all located near the intersection of Bears paw Road and Highway 1A. These parcels include lands zoned Commercial Highway District, Commercial Local Rural District, and Commercial Mixed Urban District. In addition, there is one parcel zoned Direct Control that permits retail commercial uses. TER has excluded lands zoned Business Recreational District in this commentary, as these areas are occupied by entertainment uses that do not serve the retail and service needs of residents, such as golf courses and petting zoos.

In total, there is 11.1 acres of zoned commercial land in the Bears paw ASP. There are two vacant parcels which represent 2.9 acres of commercial land. In addition, there are two commercial parcels that are occupied by residential uses, which represent 4.8 acres of land.

5.7 Proposed Retail Commercial Space in Bears paw

There are two developments proposed in the Bears paw ASP that include a retail commercial component. These are Ascension and Glendale Mountain View which are indicated in Figure 5-5, on the following page.

Figure 5-5: Bearspaw Proposed Retail Space



Source: Tate Economic Research Inc.; Basemap: ESRI ArcGIS.

Ascension – Status: Approved Conceptual Scheme



Ascension is located at the southwest corner of 12 Mile Coulee Road Northwest and Highway 1A. The Conceptual Scheme has been approved for this development; but the land has not yet been zoned for commercial use. The proposal will include nearly 900 residential units and 48 acres of commercial land. The commercial component contemplates a “Market Place”, a multi-purpose, amenity, retail and entertainment destination.

Retail: 48 acres

Glendale Mountain View – Status: Under Review



Glendale Mountain View is located around the intersection of Range Road 35 and Highway 1A. This development is currently under review. It is proposed to include nearly 1,400 residential units and 26 acres of commercial land. The proposed commercial component contemplates a mixed-use node with local serving retail and service uses.

Retail: 26 acres

5.8 Supply Analysis Conclusion

There is limited existing commercial space and designated commercial land in the Bears paw ASP. However, the proposed Ascension and Glendale Mountain View developments have the potential to introduce a significant amount of new retail commercial space in the Bears paw ASP. The commercial component of these developments have highway visibility and could serve the travelling public. In addition there is a significant amount of commercial space developed in the areas surrounding the ASP.

6 Demand Generators

The demand for commercial space is generated from a variety of sources including the local Bearspaw ASP population, surrounding residents and employment, pass-by traffic, and tourism. The following section of the report examines the components of demand that will support commercial space within the Bearspaw ASP.

6.1 Study Years and Limitations

The main determinant of retail commercial demand is population growth. In order to forecast retail commercial demand a horizon year has been established. For the purpose of this analysis, we have used a 30 year horizon. A period of 30 years is considered appropriate for a planning exercise.

6.2 Population Scenarios

As part of the Bearspaw ASP update, the County is considering land use designations that permit higher density residential development within the Bearspaw ASP. The County has provided TER with two potential population scenarios:

1. High Growth Scenario A: 21,300 people
2. High Growth Scenario B: 30,900 people

These population scenarios represent the total build-out population of the Bearspaw ASP based on the number of housing units that can be accommodated as per the land use designations being contemplated.

The current population of the Bearspaw ASP is approximately 6,400 persons. Population growth within the Bearspaw ASP has been limited, with an average of 58 houses a year built since the adoption of the Bearspaw ASP. Based on historic growth it would take approximately 95 years to reach Scenario A and 156 years to reach Scenario 2.

TER has prepared a population forecast for the Bearspaw ASP, referred to as the Reference Scenario, based on a variety of factors, including proposed developments and historic growth rates within other communities in Rocky View. This forecast is intended to provide a reasonable estimate of population trends

within the Bearspaw ASP from which we can analyze commercial land needs over the short, medium, and longer term.

Figure 6-1: Bearspaw ASP Population Scenarios

	2021 ⁽¹⁾	2031 ⁽¹⁾	2041 ⁽¹⁾	2051 ⁽¹⁾
	<i>(rounded to the nearest 100)</i>			
Reference Scenario	6,300	8,100	11,200	13,000
High Growth Scenario A ^{(2), (4)}	6,300			21,300
High Growth Scenario B ^{(3), (4)}	6,300			30,900

Source: Tate Economic Research Inc.

- 1) Based on information provided by Rocky View County accounting for all conceptual schemes.
- 2) Based on the current growth rate, fast tracked to a 2051 horizon year.
- 3) Based on an increased density using the current growth rate fast tracked to a 2051 horizon year.
- 4) TER recognizes that the two High Growth scenarios are unlikely. However, modeling for this growth is instructive for the purposes of understanding population thresholds required for certain types of commercial space.

Impact on Bearspaw: The Reference Scenario and High Growth Scenarios provide significantly different outcomes. In the 2051 horizon year, the population of the highest scenario is more than double the Reference Scenario.

6.3 Demographic Profile

The following section examines the socio-economic characteristics of the Bearspaw ASP using various sources including Statistics Canada and Environics Analytics. Spending and shopping patterns are influenced by socio-economic characteristics that are both complex and interrelated. Figure 6-2, which follows, summarizes key demographic characteristics of residents.

TER has developed key demographic consumer profiles for Bearspaw ASP residents using Environics Analytics Prizm5 segmentation tool. Prizm5 classifies Canada's neighbourhoods into 67 unique lifestyle types by integrating geographic, demographic, and psychographic data. This tool creates a comprehensive picture of residents and customers according to their shared demographic, lifestyle, and behavioural traits. Prizm5 segments are ranked from 1 to 67 based on household income and spending habits.

Nearly 90% of Bearspaw ASP residents fall within two Prizm5 segments: Turbo Burbs (58% of residents) and The A-List (31% of residents). A summary of these profiles is provided below:

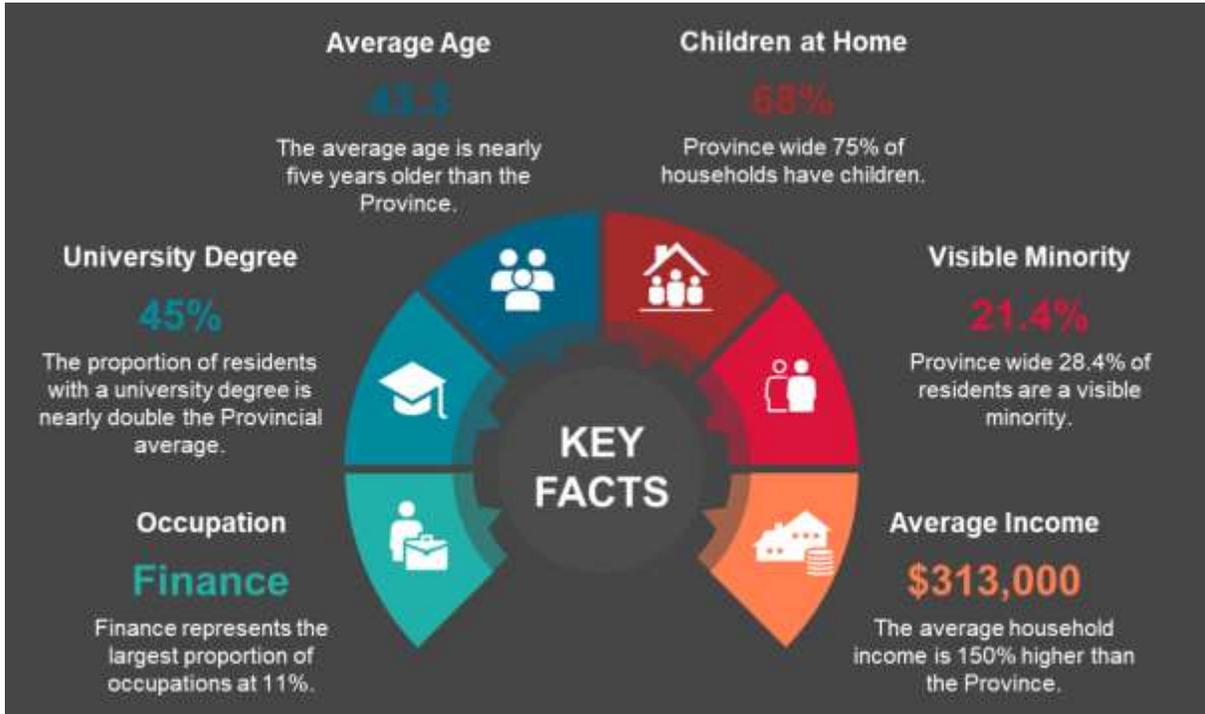
- Turbo Burbs:** Ranked 4 of 67, this is the wealthiest suburban segment. Found in the outer-ring of subdivisions of large cities, this segment mostly contains families with children between the ages of 10 and 25. Residents have well-paying jobs in finance, education, and government and spend a significant amount of time commuting to work. They live well, participating in outdoor sports and travelling extensively.
- The A-List:** Ranked 1 of 67, this is Canada’s most affluent segment comprising wealthy couples and families living in stately homes. Household maintainers are middle-aged with household incomes topping half a million dollars and children between 10 and 25. Adults are university educated and well compensated from executive positions. They live within an easy commute to downtown arts and entertainment venues and enjoy the theatre, opera, and musical concerts.



Population: 281,999 (0.74% of Canada)	Population: 489,718 (1.29% of Canada)
Households: 90,425 (0.60% of Canada)	Households: 162,533 (1.09% of Canada)
Average Household Income: \$545,511	Average Household Income: \$212,649
Average Household Net Worth: \$4,779,692	Average Household Net Worth: \$1,483,649
House Tenure: Own	House Tenure: Own
Education: University	Education: University/College/ High School
Occupation: White Collar	Occupation: White Collar/Service Sector
Cultural Diversity Index: Low	Cultural Diversity Index: Low
Sample Social Value: <i>Duty</i>	Sample Social Value: <i>Personal Challenge</i>

Impact on Bearspaw: The demographic profile of Bearspaw residents is ideal from the perspective of retail market demand. They are highly educated individuals who earn high incomes from jobs in finance, education, and government, as well as executive positions. These populations also have the ability to choose where to live and therefore convenient access to retail and service space is a choice.

Figure 6-2: Study Area Demographic Characteristics



Source: Tate Economic Research Inc.

6.4 Traffic Volume

Pass-by traffic from residents, workers, and visitors can generate demand for commercial space. From an automobile perspective, the Bearspaw ASP is well connected to the surrounding area via Highway 1A, which runs along the southern border of the Bearspaw ASP.

Highway 1A is a major thoroughfare that acts as a primary connection between Cochrane and Calgary. Traffic volume data indicates that Highway 1A in the vicinity of Bearspaw Road experiences average daily traffic of approximately 21,000 vehicles. This traffic is comparable to that of Highway 1 to the south. Vehicle traffic on Highway 1A comprises 97% passenger vehicles, and as such, likely represents people commuting to and from work, as well as people driving for recreational purposes.

Impact on Bearspaw: There is a significant amount of traffic that travels through Bearspaw on Highway 1A. This pass-by traffic may support additional commercial demand. However, the majority of this traffic is travelling between Cochrane and Calgary for work and is less likely to get off the highway to shop.

6.5 Demand Generators Summary

There is population growth forecast within the Bearspaw ASP. Demand for commercial space within the Bearspaw ASP will be primarily generated by population growth. In addition, a component of demand will also be supported by pass-by traffic as there are significant traffic volumes on Highway 1A which provides an opportunity to capture additional demand.

7 Market Demand Analysis

This section of the report presents the market demand analysis for the Bears paw ASP.

7.1 Market Demand Analysis Methodology

TER used an expenditure and per capita based market demand analysis to quantify the demand for retail and service space within the Bears paw ASP. The following graphic summarizes the methodology used for the market demand



analysis and the conclusions are presented in Section 7.3. A more detailed explanation of the methodology is provided in Appendix A.

7.2 Market Demand Analysis Results

Figure 7-1, below, presents the results of the market demand analysis. It indicates the warranted new space for each retail and service category to 2051. This represents the amount of retail and service space that could be supported within the Bearspaw ASP over the forecast period, but not necessarily the amount of space that is recommended. The amount of recommended space is discussed in the following section of the report and takes into account other factors, such as population distribution, locational requirements for local and national stores, the priorities of Bearspaw ASP residents, and a variety of other factors.

Overall, this analysis indicates that, in the Reference Scenario, there is demand for an additional 192,800 square feet of retail commercial space by 2031, growing to 258,000 square feet by 2041, and further to 294,200 square feet by 2051.

Figure 7-1: Total Warranted New Space (sq.ft.) ⁽¹⁾

	Reference Scenario				High Growth-A	High Growth-B
	2021	2031	2041	2051	2051	2051
Population ⁽²⁾	6,300	8,100	11,200	13,000	21,300	30,900
<u>Food & Beverage Retail</u>						
Supermarkets		18,200	24,700	28,500	46,400	67,300
Convenience & Specialty Food		2,800	3,500	4,200	6,700	9,500
Beer, Wine and Liquor		3,300	4,600	5,100	8,500	12,400
<u>Non-Food & Beverage Retail</u>						
Pharmacies & Personal Care		10,900	13,300	13,900	22,700	32,800
Other Non-Food & Beverage Retail		30,400	36,000	38,400	63,400	92,900
TOTAL RETAIL		65,600	82,100	90,100	147,700	214,900
<u>Services</u>						
Eating & Drinking		36,500	50,400	58,500	95,900	139,100
Personal		19,400	26,900	31,200	51,100	74,200
Financial, Real Estate, Legal		9,700	13,400	15,600	25,600	37,100
Medical, Dental, Health		12,200	16,800	19,500	32,000	46,400
Entertainment & Recreation		14,600	20,200	23,400	38,300	55,600
Other Services		34,800	48,200	55,900	91,600	132,900
TOTAL SERVICE		127,200	175,900	204,100	334,500	485,300
TOTAL RETAIL & SERVICE		192,800	258,000	294,200	482,200	700,200

Source: Tate Economic Research Inc.

¹⁾ Based on an expenditure and per capita based market demand analysis conducted by TER.

²⁾ Based on Figure 6-1.

In addition, if the High Growth Scenario A or Scenario B population scenarios were to be achieved, there would be demand for between 482,200 and 700,200 square feet of retail commercial space in the Bearspaw ASP.

It should be noted that for the purposes of this analysis the 'total' number is more relevant than the individual categories. Demand within individual categories will change along with retail trends and development concepts.

7.3 Potential Commercial Land Requirement

Overall, there is demand for 294,200 square feet of retail commercial space in the Bearspaw ASP by 2051. Using standard coverage ratios, this equates to 27.0 acres of commercial land required in the Bearspaw ASP by 2051. The proposed Ascension development includes 47.8 acres of commercial land. This is almost double the amount of commercial land required by 2051. In addition, if approved the proposed Glendale Mountain View will include 26.3 acres of commercial land.

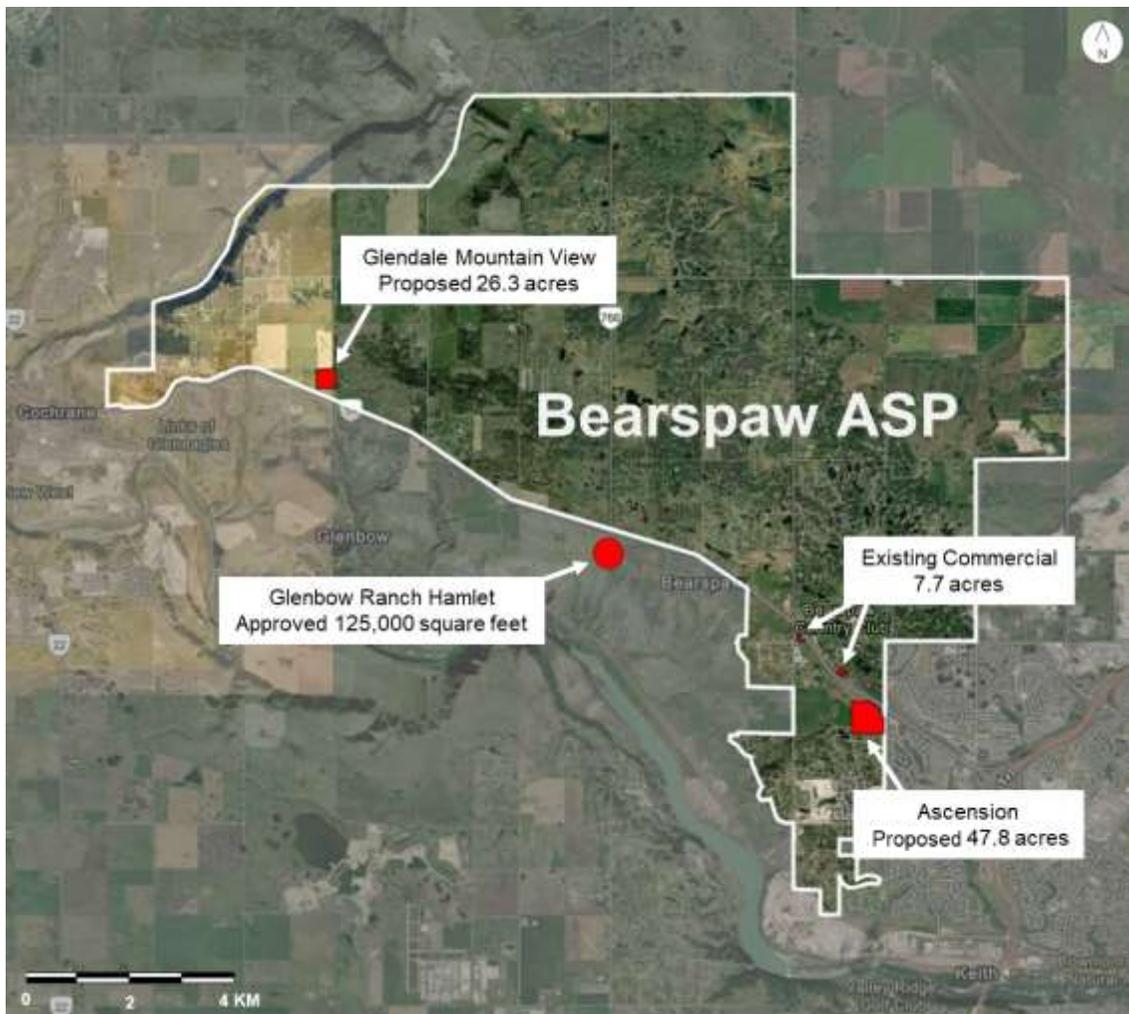
The low density nature of the Bearspaw ASP presents a challenge for potential retail commercial development. Retail and service tenants would need to draw customers from a wide geographic area. As such, it is more viable for retail commercial space to be located at the east and west borders of the Bearspaw ASP. This would allow businesses to draw customers from Cochrane or Calgary which have denser populations.

There may be an additional opportunity for small scale commercial uses oriented along Highway 1A. The existing commercial parcels located near Highway 1A and Bearspaw Road are likely sufficient to accommodate this demand, either through the development of vacant sites or intensification of occupied sites. There are two vacant parcels which represent 2.9 acres of commercial land and two commercial parcels that are occupied by residential uses, which represent 4.8 acres of land.

7.4 Glenbow Ranch Area Structure Plan Commentary

7.5 The market demand analysis presented in this section of the report quantifies the retail and service needs of Bearspaw ASP residents. However, the Glenbow Ranch ASP, which was formerly part of the Bearspaw ASP, is anticipated to experience significant population growth in the future. The only thing that differentiates the Bearspaw ASP and Glenbow Ranch ASP is that there are within two different policy areas. From a resident perspective, the two areas will function as one and the same. As such, TER has provided commentary related to the commercial structure of the Glenbow Ranch ASP.

Figure 7-2: Existing and Proposed Commercial Structure



Source: Tate Economic Research Inc.; Basemap: ESRI ArcGIS.

The following points provide commentary related to the commercial structure of the Glenbow Ranch ASP:

- The maximum build-out population being contemplated within the Glenbow Ranch ASP is 13,400 persons. This is similar to the population forecast for the Bearspaw ASP in the reference scenario;
- In the Reference Scenario, the Bearspaw ASP can support 294,200 square feet of retail commercial space. It is reasonable to assume that future Glenbow Ranch ASP residents will support a similar amount of space;
- The Glenbow Ranch ASP includes a Hamlet Commercial area that is intended to be developed as a mixed-use main street that provides a range of small scale businesses. It is planned to include 125,000 square feet of retail commercial space;
- As such, there is additional demand for approximately 169,200 square feet of retail commercial space in the Glenbow Ranch ASP, which equates to approximately 15.5 acres of commercial land; and,
- Combining demand for retail commercial space in the Bearspaw ASP (26.3 acres) and residual demand generated by Glenbow Ranch ASP residents (15.5 acres) results in a requirement for 41.8 acres of commercial land. This is less than the amount of commercial land approved in the Ascension development (47.8 acres).

Appendix A

The following points summarize the methodology used in the market demand analysis:

- The average per capita expenditure of Alberta residents for Non-Food & Beverage Retail and Food & Beverage Retail was calculated based on Statistics Canada Retail Trade data. This includes per capita spending for each individual retail category, as well as the distribution between in-store spending and e-commerce;
- The average per capita spending for the Province was adjusted to account for the demographic profile of Bearspaw ASP residents. The average income of Bearspaw ASP residents was indexed to the Province and input into a regression analysis which accounts for the income elasticity of Non-Food & Beverage Retail and Food & Beverage Retail spending;
- After accounting for e-commerce and the income of Bearspaw ASP residents, per capita expenditures were multiplied by the Bearspaw ASP population to arrive at the total Bearspaw ASP expenditure potential for each retail category;
- A portion of Bearspaw ASP expenditures will be spent at stores outside of the Bearspaw ASP, such as in Calgary and Cochrane. For each retail category, TER estimated the proportion of expenditures spent within the Bearspaw ASP. This capture rate is based on a number of factors, including population distribution, drive times, natural barriers, and the professional experience of TER;
- Similarly, there will be expenditures that originate from residents beyond the Bearspaw ASP, also referred to as inflow. Inflow can originate from residents living in the area surrounding the Bearspaw ASP, as well as visitors and tourists from throughout the Province and beyond. For each retail category, TER estimated the inflow of dollars from outside of the Bearspaw ASP, based on the factors outlined above;
- The resulting figure represents the expenditure potential that could be captured by retail commercial space in Bearspaw. Since retail commercial space in the Bearspaw ASP is currently limited, this figure represents the

amount of dollars available to support new retail space within the Bears paw ASP;

- Using industry standard sales per square foot levels the residual demand was converted into warranted additional retail space for each category; and,
- The market demand for service space has been calculated using a different methodology than that of retail space. Statistics Canada does not publish sales data for service businesses and as such, an expenditure based approach is not possible. TER has utilized a per capita methodology to quantify Bears paw ASP demand for service space. This approach consists of identify the amount of space required per capita for each service category and applying it to the population growth. This results in the amount of service space required to serve new Bears paw ASP residents.