



CLIENT UPDATE

WESTSIDE LAND CORPORATION

FALL 2018



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LETTER TO LANDOWNERS

Dear Westside Landowner,

After two years in recession, the TD Bank says Alberta's economy is heading in the right direction but warns there are still a number of hurdles that could hinder recovery.

According to the Alberta Government, Alberta's economy is growing at a rate of 2.7% projected for 2018, higher than the 2.1% ATB Financial predicted back in 2017 and higher than predictions made by the TD Bank of between 2.0-2.5. The provincial government expects strong exports, improving investment and continued population and earnings growth will continue into 2019 with predicted real GDP growth of 2.7%.

The recently announced free trade agreement with Mexico and the United States should provide more certainty and optimism to the entire Canadian economy. All combined these are positive economic signs that will help Calgary in its recovery.

As a sign of optimism, WLC is proud to announce that we have received another offer to purchase for the Tovero lands from a local developer with experience in Okotoks. This offer further indicates the favourable position of the Tovero lands for future development. The offer was presented to landowners and was accepted with closing expected early 2019. If the offer does not close, WLC will continue to have discussions with the Town of Okotoks on moving ahead with an area structure plan (ASP) for the Tovero lands in attempt to increase the value of the land.

In Airdrie, the City continues to work on the proposed East Points Community Area Structure Plan (CASP). A draft plan has been prepared with positive implication for WLC. Work on the CASP has been slowed down pending the review of the Calgary Metropolitan Plan Interim Growth Plan and the completion of an industrial attraction strategy. We are hopeful that the results of the industrial strategy and compliance review of the CASP with the Interim Growth Plan will be positive so that Council may approve the plan. No timeline has been identified by the City for when this may occur, however when it does it will have a positive result on land value.

In Rocky View County, Administration has released three future land use concept options in support of the Draft Springbank Area Structure Plan (ASP).

Even though only one option shows our Avion lands as being appropriate for business use, the other two options envision the land appropriate for country residential uses. This would be an upgrade from the current ASP which identifies our land as appropriate for Agricultural use with only a potential for residential. As with Airdrie, the County has limited their work on the plan until they have the opportunity to evaluate the plan in light of the Calgary Metropolitan Plan Interim Growth Plan. In anticipation of a positive evaluation we are proposing to list the property for sale this fall.

For Foxcreek, the Interim Growth Plan (IGP) is expected to encourage cooperation between municipalities to provide infrastructure in support of protecting source water quality and quantity; to promote intensification of development along regionally significant transportation corridors and intensify country residential areas. Our conceptual scheme, produced in partnership with our neighbours, is expected to align well with the anticipated IGP policies. As such, WLC has presented our conceptual scheme supporting Highway #8 as a development node to the County's Policy and Priorities Committee, various Councillors and the Calgary Metropolitan Growth Board in order to garner support. If our conceptual scheme is in compliance with the Interim Growth Plan and confirmed by the County, we will pursue revisions to the County Plan to identify our lands as a future growth node.

Albeit slower than what we had hoped for, Alberta's economy is on the upswing. For this reason, WLC is planning ahead to take advantage of the next wave of real estate growth anticipated in the Calgary region. With that, we will continue to work with area municipalities to gain approval of planning policy direction in support our future land use objectives.

Regards,



David Brezsnjak | President

EASTRIDGE

PHASE I & II

The City of Airdrie continues to work on the proposed East Points Community Area Structure Plan (CASP). Back in 2017 the City of Airdrie took a proactive approach by taking the initiative to prepare an industrial land use policy plan that include our Eastridge Phase I & II and four other quarter sections of land. This was viewed very positively as the City typically requires that land owners combine their efforts and create a developer funded plan which the City later scrutinizes.

A draft plan was prepared and circulated to participating landowners for comment resulting in positive changes to the plan. The plan was expected to be finalized in the spring with approval by Council slated for this summer. Unfortunately the City of Airdrie continues to take a start and stop approach to this important planning initiative. With the Calgary Metropolitan Region Board (CMRB) set to release the Interim Growth Plan this fall, the City has decided to delay presenting the East Points CASP to Council. The City will be reviewing the Interim Growth Plan and analysing the East Points CASP to ensure regional alignment before moving forward. Notwithstanding, they remain committed to having an open and transparent process.

During this period the City of Airdrie has commissioned an industrial attraction strategy for the East Points CASP lands. McSweeney & Associates have been hired to complete this study by mid-October in which they will be able to share these findings. The City wants to determine how successful they will be in attracting industrial businesses to Airdrie given the stiff competition from Rocky View County's Balzac business node located just south of town.

From the plan design perspective, the Draft plan presents very good land use options for our land including residential to buffer the neighbouring acreage owners to the south, as well as a range of light, medium and heavy industrial areas. Stormwater ponds and a regional park space will be a transition area that will help buffer the new residential from the light industrial zone.

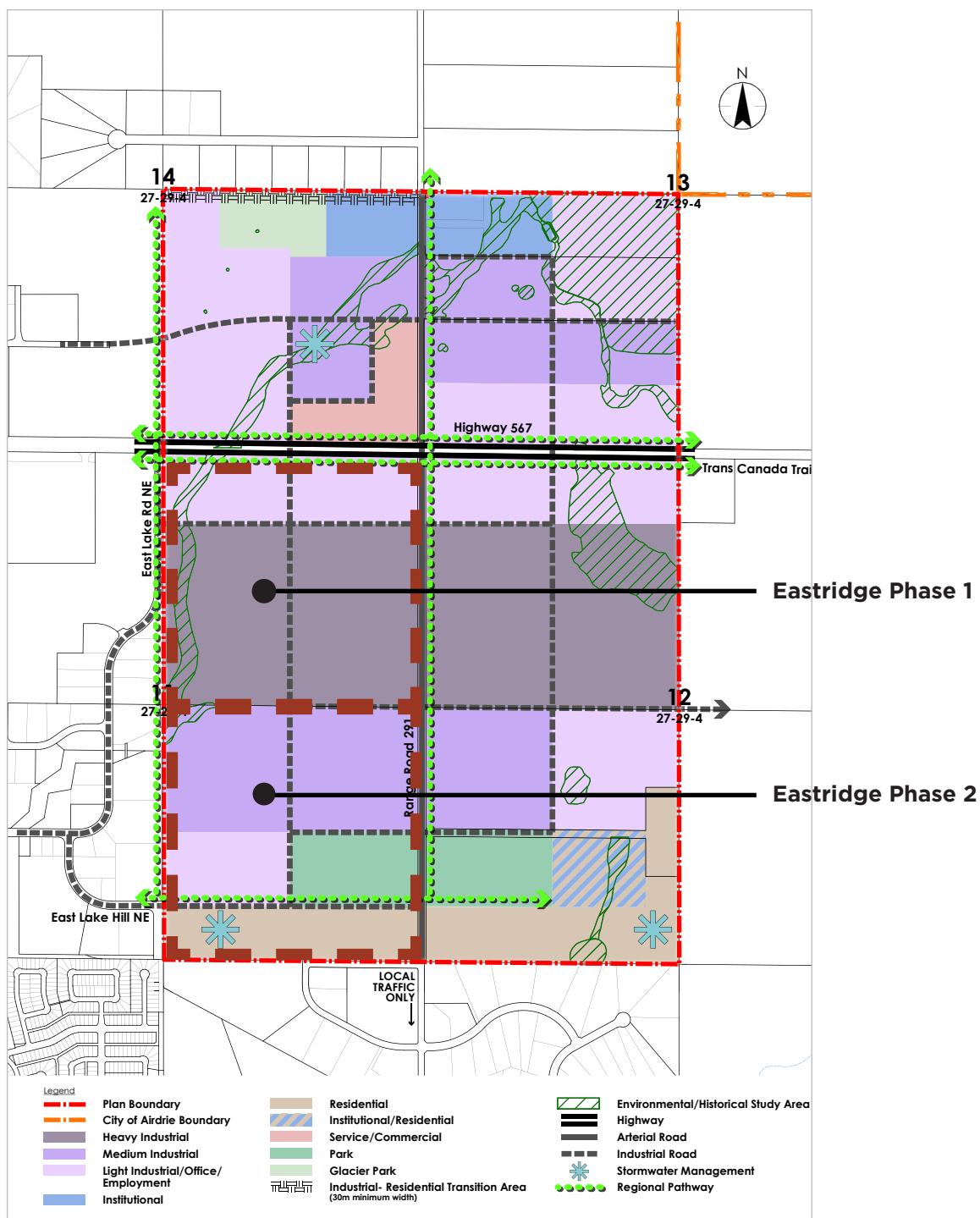
A mix of light, medium and heavy industrial areas provides a variety of uses that the City would like to attract in order to expand their non-residential tax base. The inclusion of residential areas will provide a diversified mix of uses that will help attract potential buyers. At full build out the CASP area is expected to create between 5100 and 6300 jobs.

Servicing will require an upgrade to the northeast water reservoir to service the lands prior to development within the CASP area however no upgrades to the sanitary system are anticipated. Important to us is that Eastridge Phase I & II will be included within the first phase of development that will enable our land to utilize existing City servicing capacity.

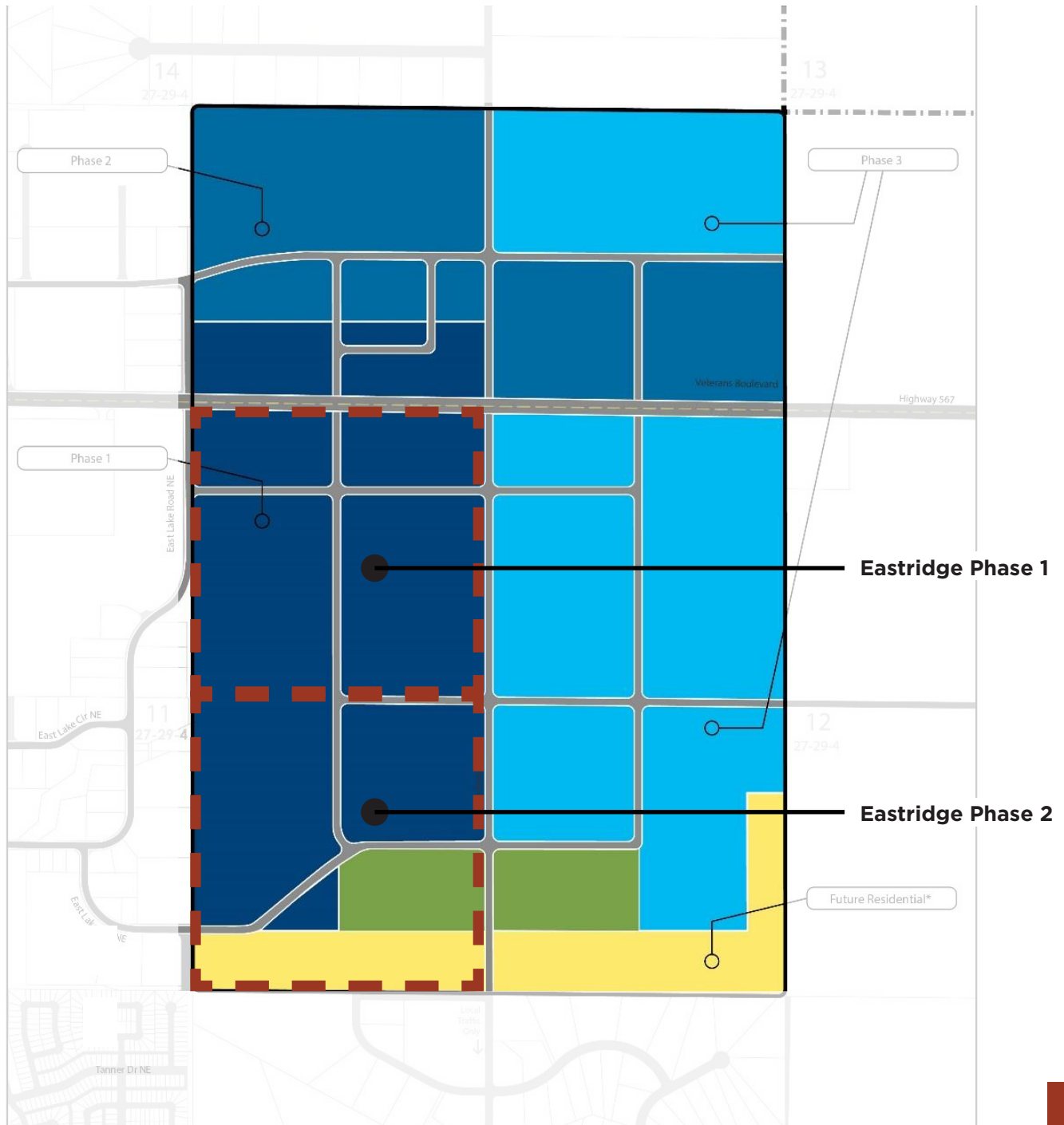
EASTRIDGE PHASE I & II

The successful outcome of this City's CASP initiative will be a significant step forward in providing planning direction and increased land valuation to our land. We will continue to emphasise the importance of the plan to City Council and to make sure its approval remains a high priority.

PROPOSED COMMUNITY AREA STRUCTURE PLAN



APPROVED FUTURE GROWTH AREAS



- Phase 1
- Phase 2
- Phase 3
- Future Residential*
- Park

- Highway
- Industrial Road
- Regional Pathway
- Plan Boundary
- City of Airdrie Boundary

*The future residential phase will only be commenced once the servicing capacity for industrial use has been reached or 80% of the Plan Area has been built out, whichever occurs first

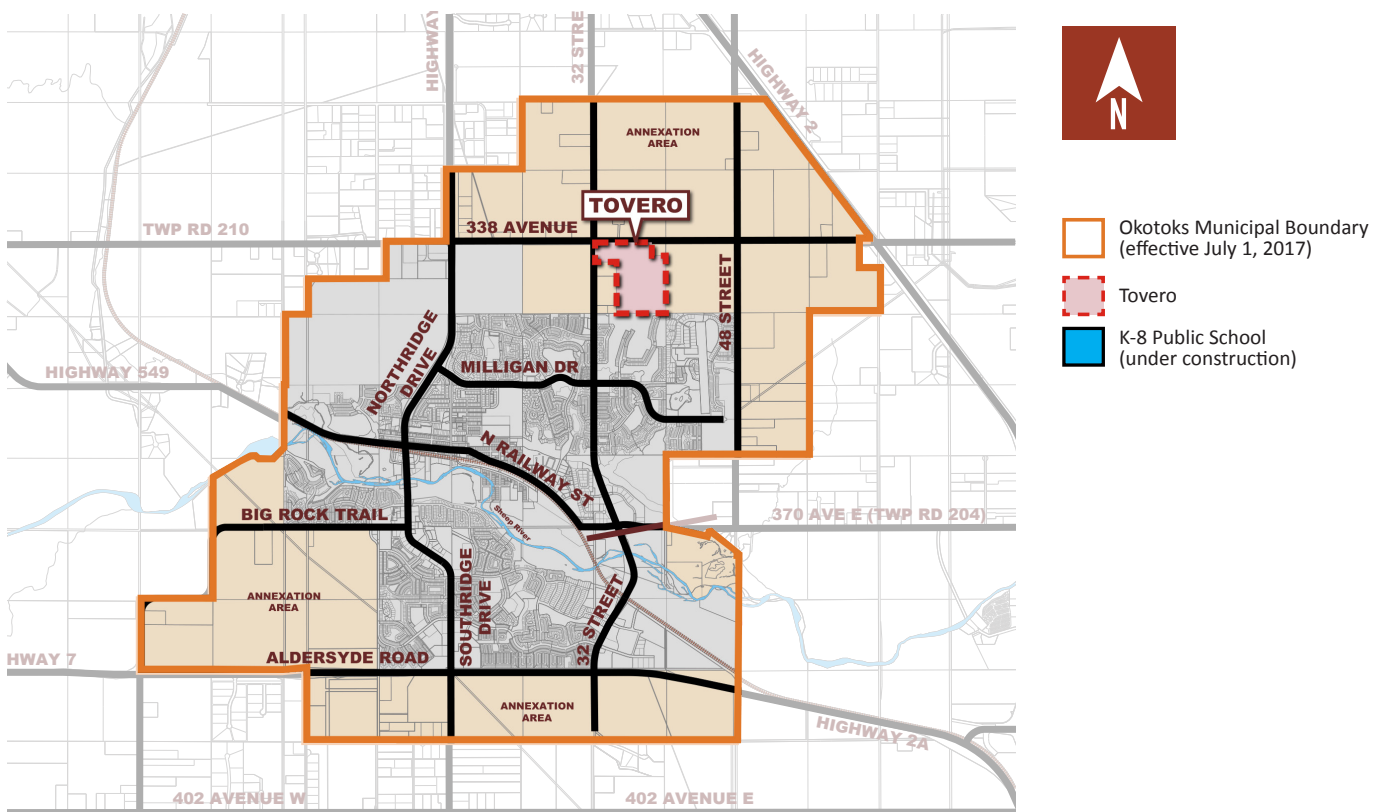


TOVERO

WLC is very excited to announce that we have received an offer to purchase the Tovero lands from a local developer with experience in Okotoks. This offer further indicates the favourable position of the Tovero lands for future development. The joint venture partnership voted to accept the offer and the purchaser now is working through their inspection period. If all conditions are removed, closing is expected in early 2019.

In the meanwhile, Westside Land Corporation (WLC) will continue discussions with the Town of Okotoks on moving ahead with an area structure plan (ASP) for the Tovero lands. WLC in conjunction with its consultant team (B&A Planning & CIMA+) has met numerous times with Town administration about the establishment of an ASP boundary for the Tovero lands. At this time the Town has not indicated a preferred ASP boundary and wishes to wait until the completion of the Town's Municipal Development Plan (MDP) update, which is scheduled for the end of 2018. WLC has also been in conversations with adjacent landowners about collaborative development options and with Crystal Ridge Golf Course about topics of mutual interest, such as storm water management and road access.

FIGURE 1



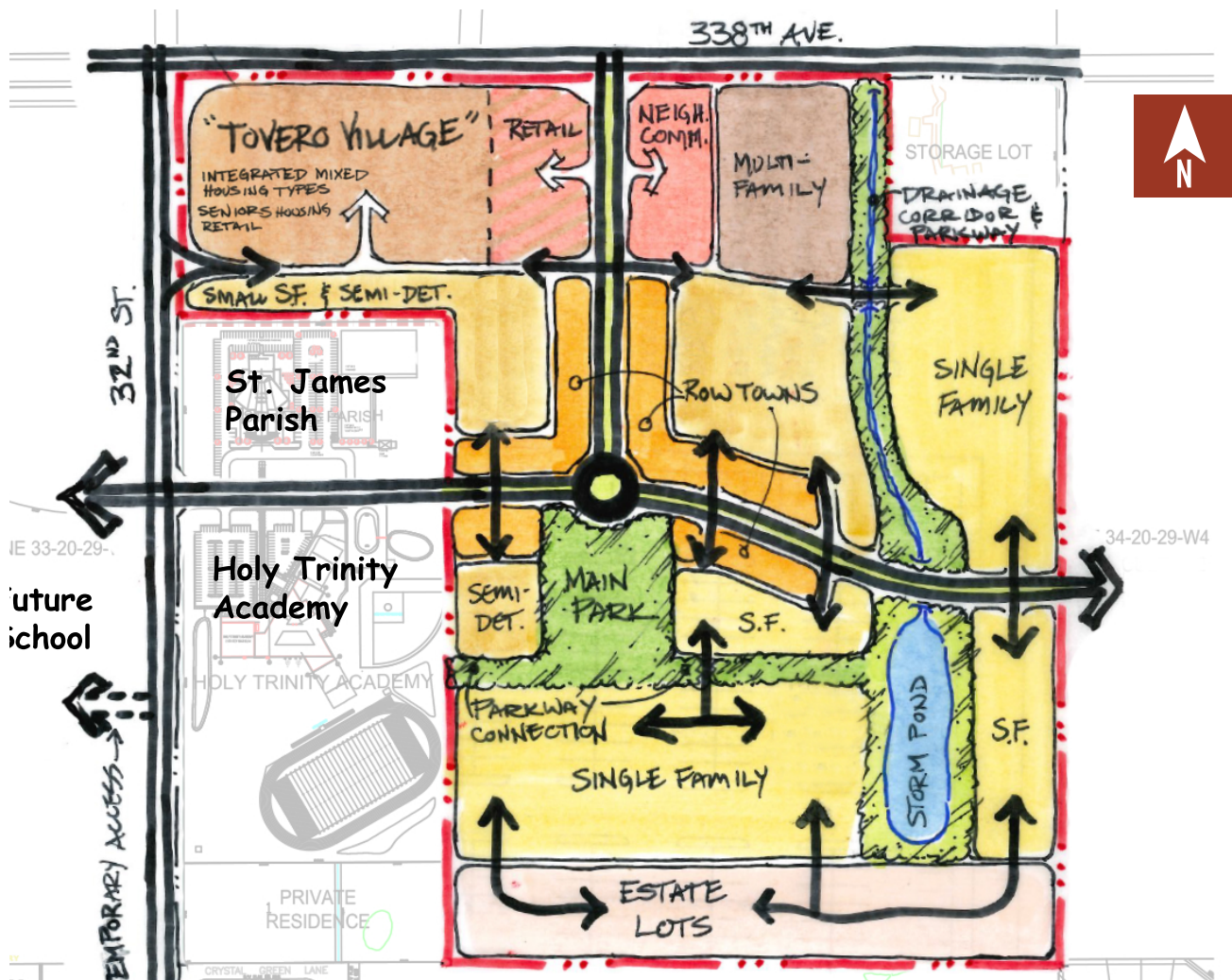
Across the road from Tovero the construction of a new K-9 public elementary school is underway and on-schedule for opening in September 2019. With the new school comes a lot of local excitement about growth in the Town and further expansion into this newly annexed area of north Okotoks.

Water is still a major discussion point in Okotoks as a final piped water solution to accommodate new growth beyond the current capacity of 30,000 residents has not yet been determined. The potential water pipeline to Calgary has not been finalized and a solution, although appearing imminent, has not yet been finalized. The Town indicated that developers may provide their own water licenses to expedite development approvals, but 40% of the water license would go to the Town, with 60% being allocated to the developer.

The Tovero lands remain a premier location for future residential and non-residential development within Okotoks and the Calgary region. The Tovero location on the north end of Okotoks is ideal as commuters make their way to Calgary with minimal impact on the Town's transportation infrastructure. Additionally, the public investment in this north area of Okotoks is significant; with a new K-9 school being built on a 40-acre site across the road that has additional capacity for a high school and public building. This investment builds on the existing Holy Trinity Catholic High School and St. James Parish on the same quarter section as Tovero.

Should the offer to purchase not proceed, WLC will continue to push the Town with defining the boundaries of the ASP and moving forward with the plan.

FIGURE 2

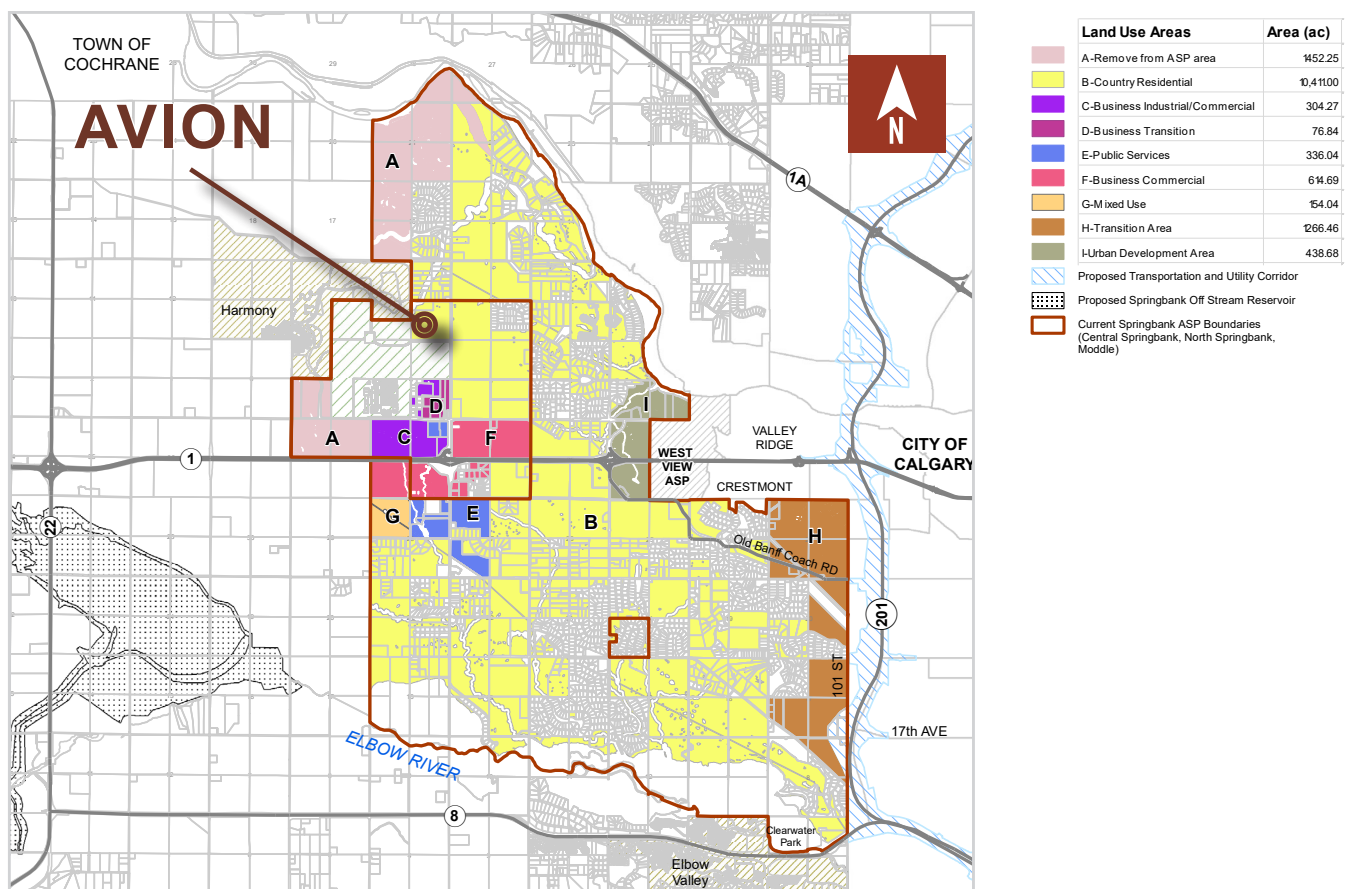


AVION

In June, Rocky View County hosted an open house to release the Draft update of the highly anticipated Springbank Area Structure Plan (ASP). The ASP is a County policy document that provides a vision and roadmap on where and what form of development should occur within the Springbank area west of Calgary. Although similar in nature to plans developed for urban municipalities, the Springbank ASP covers a much greater area.

The open house presented the public with a variety of future Land Use groupings identified on three development scenario maps. Scenario 1 represented a low development option while scenarios 2 & 3 represented moderate and high development options respectfully. The public was asked to comment on the Draft plan and development scenarios by logging onto a website where comments could be made specifically to individual parcels. To date, the County hasn't released any of the public feedback related to the draft plan.

DRAFT LAND USE SCENARIO# 1 LOW DEVELOPMENT

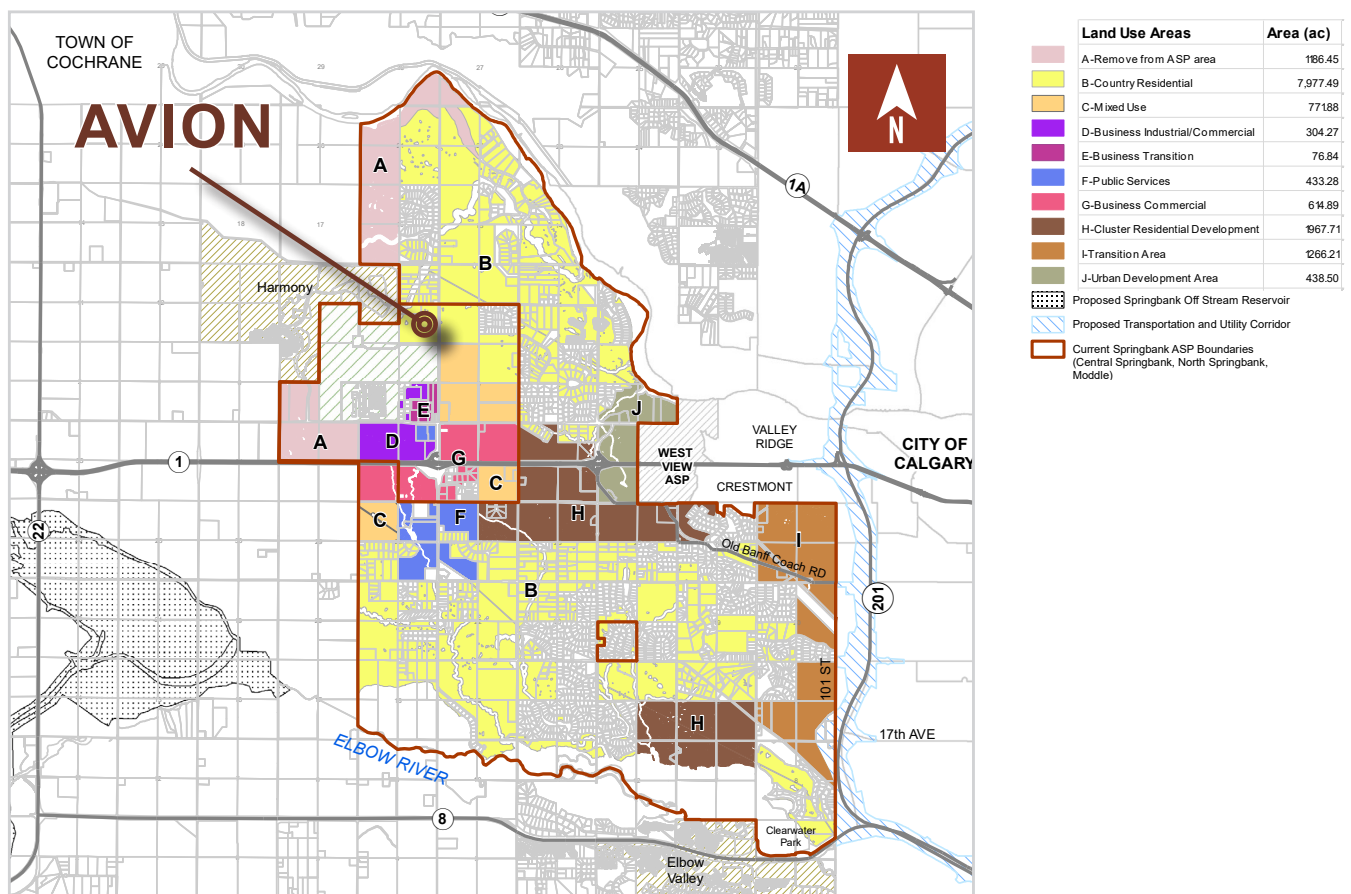


AVION

Although only the high development scenario #3 showed our Avion lands being appropriate for higher order uses, the other two scenarios will allow for country residential development.

Since the County open house we have met with the County planner and the area Councillor to highlight our concerns about the future land use of our land. Further meetings are in the works with the Reeve and other Councillors to gain support for a business park.

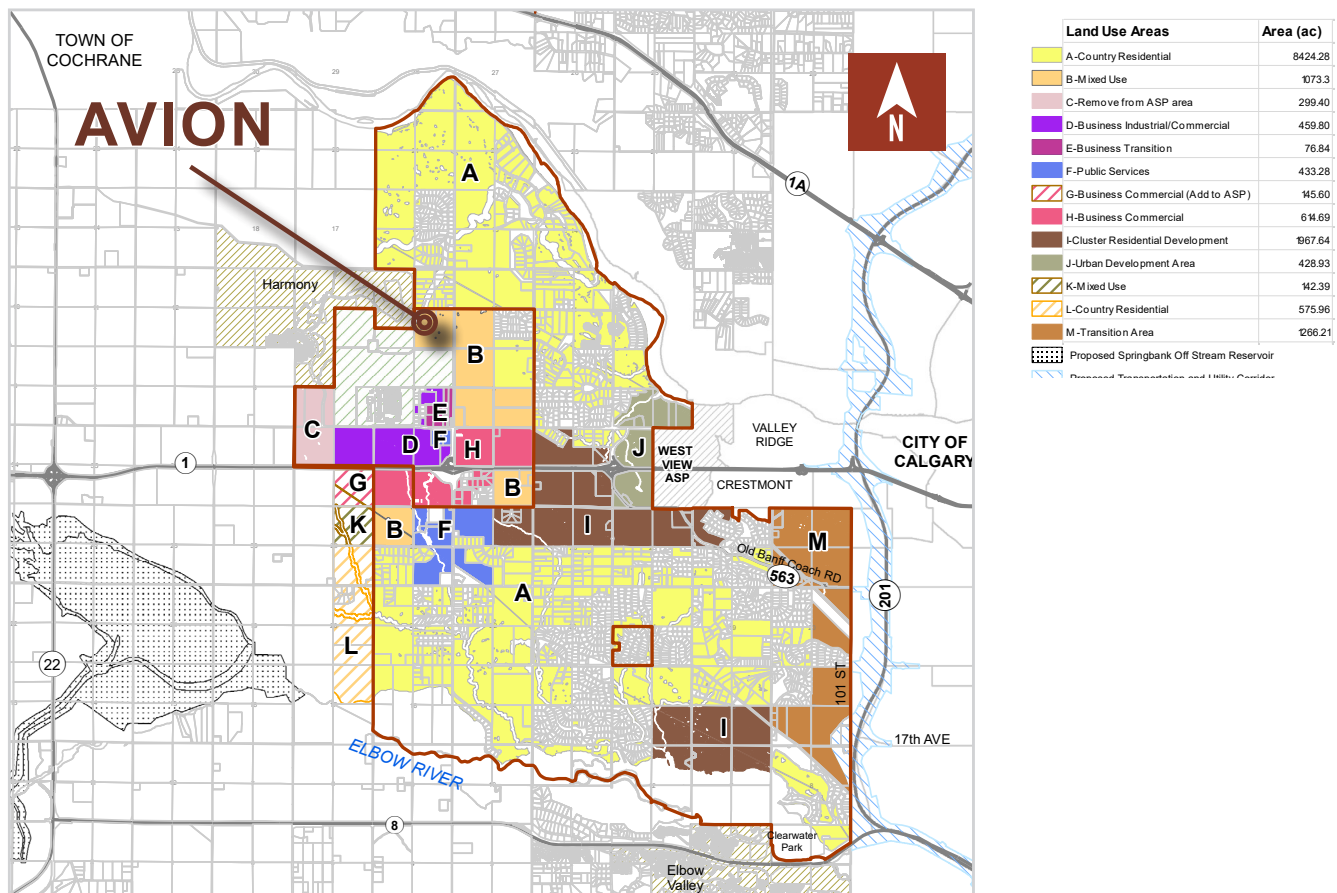
DRAFT LAND USE SCENARIO# 2 MODERATE DEVELOPMENT



In the meanwhile, the County has limited further work on the ASP review as they await the release of the Calgary Metropolitan Region Board (CMRB) Interim Growth Plan. The County wants to ensure that the ASP goals, objectives and aspirations are in-line with the Interim Growth Plan before progressing further. A Draft plan is expected to be release this fall.

WLC will continue to work with members of Council in order to have the future land use map in the Draft ASP amended to allow for a business park but are prepared to accept our property being included within a country residential future land use area. As such, WLC is looking to list the property this fall for future country residential development in hopes of grabbing the attention of potential buyers.

DRAFT LAND USE SCENARIO# 3 HIGH DEVELOPMENT

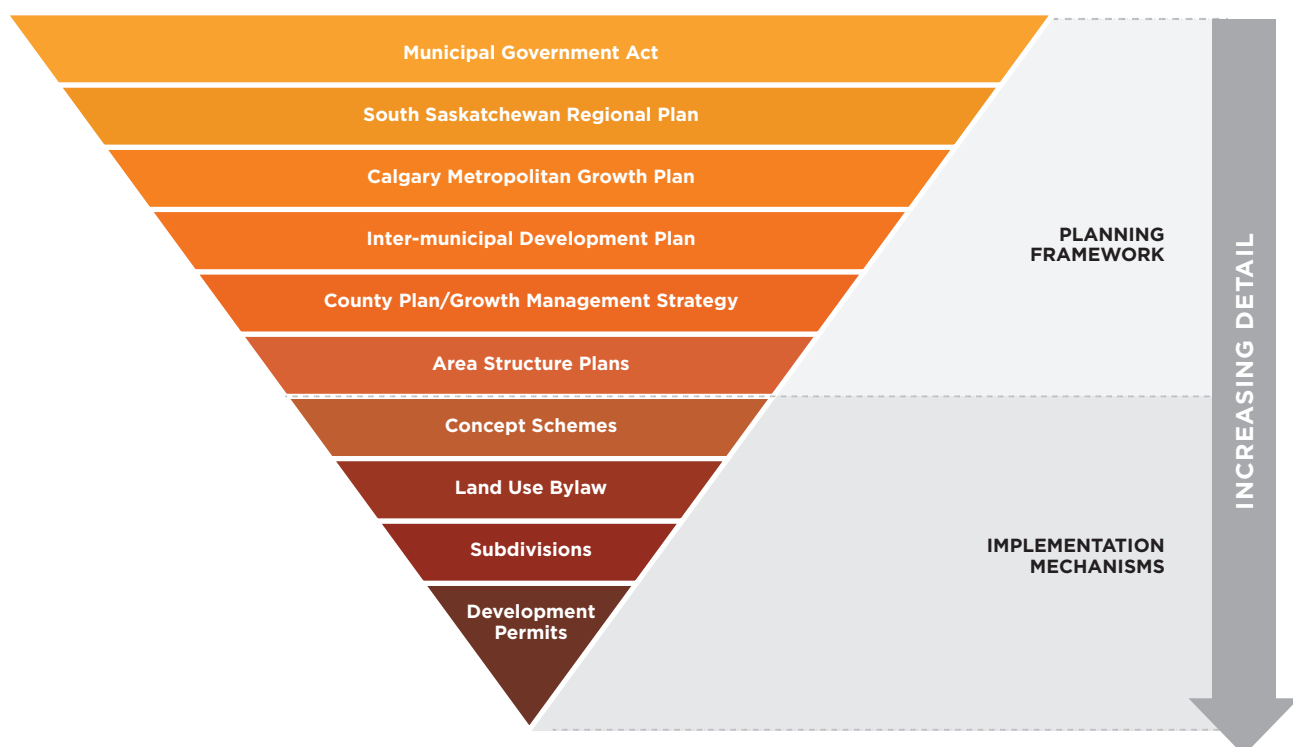


FOXCREEK

Our Foxcreek landholdings in Rocky View County, is part of a larger comprehensive designed development planned with our neighbours, Qualico Communities and Legacy Communities. This joint planned area is known as “Double Creek”. We have joined efforts to provide an all-encompassing development plan in hopes of gaining County support. Due to its desirable location within close proximity of the Rocky Mountain foothills and ease of access into Calgary via Highway #8, we feel that there is high demand for additional residential development in this area of the County. Currently the County Plan does not recognize this area as a future development node and as such, has not approved an area structure plan (ASP) for the area.

County administration is undertaking a review of the County Plan to evaluate key growth management considerations such as residential lot inventories, available land supply, utility servicing availability and market demand. Coupled with this work is the requirement by the Provincial government to create a Calgary Metropolitan Growth Plan (CMGP) to evaluate and make development growth decisions on a regional scale.

PLANNING HIERARCHY IN ALBERTA

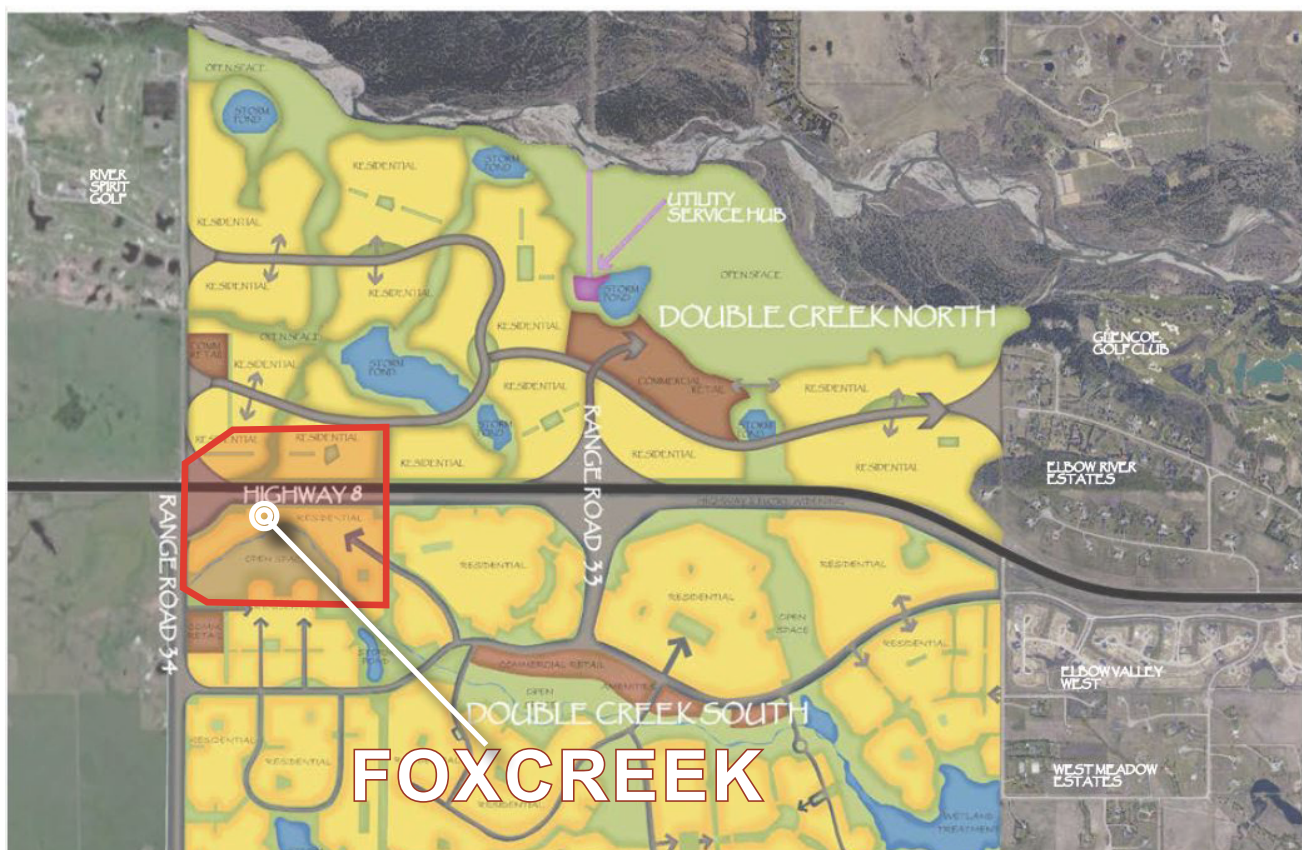


FOXCREEK

Double Creek consultants are advocating for the County to establish clear policy to support additional development within the Highway 8 corridor, specifically to include the Double Creek lands. In March, B&A Planning Group made a presentation to the County's Policy and Priorities Committee in support of Double Creek and the Highway #8 area being recognized as a development node. A similar presentation was made in September by another landowner located further west of Double Creek. As well, WLC has met with the Reeve, local and other Councilors to promote the merits of allowing further development to occur along Highway #8. Initial response from members of Council seems to be favorable but subject to the recommendations of the CMGP.

The province recognizes that growth of the Calgary region will generate increased demand for services and infrastructure needs. The CMGP will promote long-term sustainability of the region, ensure environmentally responsible land-use planning, and will develop policies regarding the coordination of regional infrastructure. This metropolitan plan will be overseen by a Growth Management Board made up of representatives from the City of Calgary and all surrounding municipalities.

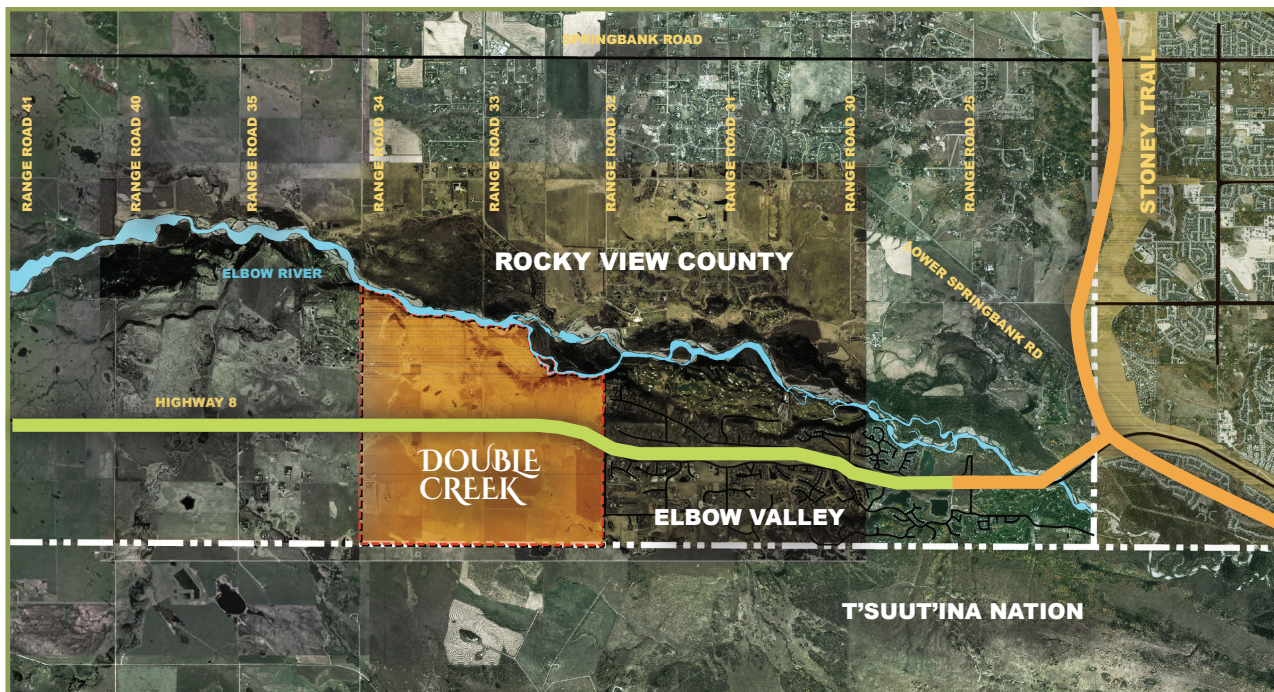
UPDATED DOUBLE CREEK CONCEPTUAL SCHEME PLAN INCLUDING FOXCREEK



The creation of a Calgary Metropolitan Growth Plan is a new requirement of the 2016 changes to the Municipal Government Act and is expected to provide integrated planning and service delivery direction to municipalities in the Calgary Region. The region includes rural municipalities such as Rocky View County and urban municipalities such as Airdrie, Okotoks, Strathmore, Chestermere, Cochrane and Calgary. All municipalities will have to ensure their individual policy plans conform to the higher order planning policies set out by the Calgary Metropolitan Growth Plan.

The Calgary Metropolitan Growth Board (CMGB) has been formed to create an Interim Growth Plan for release this fall. Our Planning consultant, B&A Planning Group, expects this plan and development evaluation tool to be released shortly to facilitate approvals in the Calgary Region on an interim basis while development of the full Calgary Metropolitan Growth Plan is being completed.

WLC has met with the Board to introduce Double Creek and identify the merits of the project prior to the release of the Interim Growth Plan. Expectations are that the Interim Plan will encourage cooperation between municipalities to provide infrastructure in support of protecting source water quality and quantity; promotes intensification of development along regionally significant transportation corridors and intensification of country residential areas. It is also expected to require a framework for inter-municipal collaboration regarding the provision of municipal services such as transportation, water, storm and sewer infrastructure as well as emergency services.



Extent of Ring Road Highway Twinning Single Lane Highway

A fantastic example of the move towards inter-municipal cooperation is the recent agreement between the City of Calgary and Rocky View County to extend the City's sanitary sewer line out to Elbow Valley West, just east of Double Creek. This is great news as the County has been negotiating with the City for over 10 years for this connection. In light of the pending Growth Plan, it is hoped that servicing agreements like this will become more common, helping to provide a template for which Double Creek can follow.

With our Double Creek partners we have devised a development plan that addresses municipal servicing needs that do not compromise the City of Calgary's fresh drinking water source by connecting to the City's sewage system as an important first link in a much larger regional servicing plan for central Springbank and the Highway #8 corridor. This plan protects Calgary's water source and provides the City with a revenue source to help operate their sanitary sewer system. The Double Creek plan also proposes to increase the intensity of development and contribute to the twinning of Highway #8 to make the development more accessible, efficient and self-sustaining. This Double Creek plan is believed to be in-line with many of the regional development goals anticipated in the Interim Growth Plan.

Double Creek has talked with the neighbours and have found them supportive of our development plans as we will be able to provide much needed commercial uses and facilities that will help create a more complete community for all to benefit from.

Double Creek has even prepared a Fiscal Impact Analysis report that indicated after full build out in 2046, revenues to the County would increase by \$1.8 million while expenditures would only increase by \$300,000 for a net benefit of \$1.5 million per year. This is estimated to be equal to an average annual reduction in municipal tax rates by 3.0%.

With the new Interim Growth Plan, many details will have to be studied in order to understand the implications on planning requirements for all municipalities. WLC and the Double Creek partnership will work with B&A Planning Group to evaluate the Interim Growth Plan as it comes available.

Should our proposed development meet the policies of the plan, we will pursue revisions to the County Plan to identify our area as a growth node. This designation would set the policy direction leading to the creation of a new Area Structure Plan for Double Creek. In order to lessen the burden on the County, the Double Creek partners are even willing to fund the new ASP so that planning policy supporting future development of the area can be prepared.

Once the ASP is approved WLC intends to sell our land to a developer to see the plan to fruition. Our initial hopes are that the Interim Growth Plan will provide the County with the justification they need to facilitate new development in the Double Creek area. To this end, WLC will continue to lobby Council in support of additional development along the Highway #8 corridor.

WLC SUPPORT TEAM

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B&A Planning Group

ENGINEERS

CIMA +

J.K. Engineering Ltd.

Jubilee Engineering

TRAFFIC IMPACT ASSESSMENT

Bunt & Associates Engineering Ltd.

GEOTECHNICAL AND GROUNDWATER INVESTIGATION, SOIL PERCOLATION AND PERCABILITY

Almor Engineering Associates Ltd.

LAND APPRAISERS

Atlas Group Limited

ENVIRONMENT SITE ASSESSMENTS

Base Property Consultants Ltd.

BIOPHYSICAL IMPACT ASSESSMENT

Hab-Tech Environmental

FINANCIAL ASSESSMENT

Applications Management Consulting Ltd.

PLAN, SITE DRAINAGE

Aqua Consulting Inc.

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CIBC

CIBC Wood Gundy

Canadian Western Trust

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