

EXECUTIVE SUMMARY TRANSLATION

Purpose of the Study

Estimate the recovery potential of the Mirabel terminal building and parking garage for non-airport activities

Description of subject

- The Mirabel terminal is exposed to **low highway traffic volumes**: app. 20,600 vehicles per day on Autoroute 50, as opposed to 102,000 per day on Autoroute 15 (section immediately south of Autoroute 50).
- The Mirabel terminal is **not centrally located in relation to the main population zones** in Montreal's northern suburbs and the Laurentians.
- Land use in the vicinity of the site is predominantly agricultural and industrial.
- **There is no public transit** serving the terminal.
- Total gross terminal area is approximately 1 million sq. ft. However—
 - The most attractive area is only 326,610 sq. ft. (**33% of the total**): this space comprises the **former passenger processing level** (level 3) and the mezzanine (level 4), minus the section of level 3 located beneath the mezzanine.
 - **Level 3 is divided lengthwise by the mezzanine, which reduces clear height in the underlying section to 9.5 ft.**, significantly reducing its appeal and potential for use.
 - **The 35.5 ft. of clear height on either side of the mezzanine exceeds** most other usage requirements and would engender additional fit-up and operating costs (energy, maintenance, etc.).
 - **The area beneath the mezzanine is quite large**—127, 902 sq. ft. (39%)—in relation to the 198,708 sq. ft. at full height (61%).
 - Given the capacity and configuration of the building, **the mezzanine can neither be expanded nor demolished to create an obstacle-free zone.**
 - **The other sections of the terminal offer limited recovery potential** due to height limitations, the absence of windows, access issues, etc.
- **Current operating costs** with the building vacant are **\$8/sq. ft.** for level 3. **If the building were occupied, the rate would be higher.**
- **Major upgrading is required should the terminal be converted.** The cost of the work could reach \$36 million, including \$27.6 million for the terminal (removal of asbestos installation, roofing, curtain walls, building mechanics, sprinkler

installation, etc.). For the terminal, this amounts to \$84.50 per sq. ft. for the area of level 3.

Analysis of potential uses

• Commercial/tourism and recreation/exhibition center

- **The site is poorly situated in relation to major population zones.**
- The predominance of agricultural and industrial land in the area around the terminal **limits potential synergy** with commercial and/or tourism and recreation use.
- **The main competing shopping centers are much better situated** in high-visibility locations central to their markets.
- A major commercial development—the **Premium Outlet/Smartcentre**—is currently under construction at exit 28 on Highway 15, less than 15 km from the Mirabel terminal.
- The terminal site is outside the **usual Montreal-area tourist circuit.**
- Recent exhibition and convention center projects in Quebec have around 60,000 sq. ft. of exhibition space (Drummondville and Sherbrooke). **The terminal is much too large to be used exclusively as an exhibition center:** it is more on the scale of Place Bonaventure (315,000 sq. ft. of exhibition space in the heart of downtown Montreal).
- **The company Syscomax has already announced plans for a multipurpose complex in the immediate vicinity of the terminal in 2015.**

• Industrial

- The **asking price** for large vacant industrial buildings (excluding land) **ranges from \$5.63 to \$27.52 per sq. ft.**
- The terminal building is 40 years old and has highly specific features **very different from those of a conventional industrial building.**
- Bombardier, Pratt & Whitney Canada, and Aerolia **recently made major investments in the vicinity of the airport, but none of them envisage recovering the terminal.**

Conclusion

- The Mirabel terminal building is 40 years old, and very near the end of its economic life as a terminal. Our review of projects involving other abandoned terminals in North America found that **terminal recovery is highly unlikely, and that most attempts end in dismantling and demolition so that the land can be redeveloped.**
- Even with upgrading, **the configuration of the terminal will limit** the building's appeal and flexibility for **other possible uses.**
- The terminal's **out-of-the-way location** is an important disadvantage.
- The terminal site has been openly available to investors for a number of years. **No projects have come to fruition and none are currently under study.** As time passes, the costs of upgrading and maintaining the building are likely to rise.

Our analysis shows that the terminal's potential for commercial, recreational, tourist, and/or industrial use is virtually nil and economically unjustified. The cost of maintaining the building is also likely to rise year after year.