

TO: CITY MANAGER 1996 JULY 17

FROM: DIRECTOR PLANNING & BUILDING

SUBJECT: LEASE OF BERRY POINT SITE - VANCOUVER PORT CORPORATION

PURPOSE: To apprise Council of the lease of the Berry Point site by the Vancouver Port Corporation (VPC) to Coal Island Ltd. for general marine industrial uses.

RECOMMENDATION:

1. **THAT** the Vancouver Port Corporation be requested to:
 - a) delay its public information meetings for the proposed use of the Berry Point site by Coal Island Ltd. beyond the summer vacation period to provide the public an improved opportunity to comment on the Port's proposals for Berry Point;
 - b) maintain the existing level of use at the Berry Point site pending completion of the Burrard Inlet Foreshore Management Plan which will provide a context for the City and the Port to define long term environmentally compatible uses and redevelopment plans for Berry Point.
2. **THAT** a copy of this report be forwarded to the Chair and Members of the Vancouver Port Board, 1900 Granville Square, 200 Granville Street, Vancouver, B.C. V6C 2P9.

R E P O R T

1.0 BACKGROUND

At its meeting of 1994 December 5, Council requested the Vancouver Port Corporation (VPC) to collaborate with the City in defining mutually acceptable uses and redevelopment plans for the Berry Point site (see *attached* Figure 1) including provision for public access. This request was made in response to information received from the VPC on 1994 November 24 that it was seeking expressions of interest for the long term lease of the Berry Point site. Subsequently, on 1995 December 19, members of Council and the Vancouver Port Corporation Board met to discuss issues related to the working relationship between the Board and the City.

On 1996 July 11, VPC staff advised City staff that the Port had entered into a 20 year lease agreement with Coal Island Ltd. for the Berry Point site. Coal Island Ltd. is the parent company of Shields Navigation Ltd. which is presently operating on the site under licence by the VPC. Lease negotiations for the site were concluded by the VPC in advance of a consultation process with the City, as previously requested by Council, on appropriate uses and redevelopment plans for the site.

The purpose of this report is to apprise Council that the VPC has entered into a 20 year lease agreement for the Berry Point site, with industrial activities and uses subject to the granting of permits from the Port, and to reiterate the request that the VPC work with the City in a collaborative manner to reach a mutually acceptable agreement on longer term uses and redevelopment plans for Berry Point.

2.0 VPC's PROJECT REVIEW PROCESS

Having concluded its lease agreement for the Berry Point site, the VPC is intent on completing its Project Review Process for the permitting of uses on the site. The Project Review Process would define the conditions and terms for specific uses proposed by Coal Island Ltd. The Project Review Process is administered by the VPC's Port Development Department through a Project Review Committee comprised of VPC staff. The VPC advises that their Project Review Process will consist of the following steps:

- ▶ **Provide Information to City of Burnaby** - representatives of the VPC and Coal Island Ltd. met with Planning Department staff on 1996 July 11 to inform City staff of proposed uses, development plan and schedule, and basic operations arising from the completed lease agreement.
- ▶ **Public Information Meetings** - the Port has scheduled public open house meetings for 1996 July 31 and August 14 from 4:00 p.m. to 8:00 p.m. at Confederation Centre. These meeting are intended to provide information to residents and interested parties on proposed uses of the Berry Point site. The Port expects to publish newspaper advertisements announcing the public information meetings shortly.

At the 1996 July 11 meeting with Port Staff, City Staff requested that the public information meetings be re-scheduled beyond the summer months to provide the public with an improved opportunity to comment on the proposed uses for Berry Point, and to provide the City with more adequate time to review the proposal. However, at this time, it appears that the Port is proceeding with its intended schedule for the approval of permits for Coal Island Ltd. at Berry Point.

- ▶ **Project Review Permit** - VPC advises that by the first week of 1996 September the Project Review Process will be completed and the Port will be in a position to issue permits for Coal Island Ltd.'s use of the site.

The VPC's Project Review Process provides an opportunity for VPC to inform the City and area residents of the anticipated use of the Berry Point site and to collect concerns and issues. However, the review process being followed by the VPC does not commit the VPC to working with the City in the definition of mutually acceptable uses and redevelopment plan, as previously requested by Council.

The VPC advises that the Port will be following its own internal process for the approval of land uses, issuance of building permits and the establishment of minimal site development requirements. The Port further advises that use of this site will not be subject to City preliminary plan approval (PPA) or building permit processes. It is noted that the previous tenant on the site, Goodwin Johnson Ltd., did make application through the City for a PPA and building permit to construct docks on the site.

The VPC has invited the City to undertake its own review of the proposal and to forward any issues and concerns for consideration as part of their internal review process.

3.0 EXISTING AND PROPOSED USES AND REDEVELOPMENT PLAN

Existing Uses

Existing use of the site consists of moorage and storage facilities for the dock fabrication operation of Coast Marine Ltd. located on the west end of the site. The northwest corner of the site is used by Shields Navigation Ltd. for its tug and barge operation. The docks and adjacent land are used by Shields to maintain and refit its tugs and barges, and for the loading of provisions and crews for its coastal barge service. Coal Island Ltd. has been allowed to conduct these limited activities on the site under licence by the VPC.

Proposed Uses

Under the **Port 2010 Land Use Management Plan** approved by the VPC, Berry Point is designated for Deep-Sea Terminal Use. Uses identified by the Port under this category are grain elevators, storage, handling and distribution of products in bulk, break bulk and general cargoes, storage, handling and distribution of containers, cruise ship terminals, and conditional uses. The existing zoning of the site is M3 - Heavy Industrial.

Under the 20 year lease agreement with the VPC, Coal Island Ltd. intends to use the Berry Point site as a multi-purpose marine service and industrial site. Specific industrial marine related activities include:

- ▶ **Tug and Barge Operations and Terminalling** - this involves the storage and transshipment of general cargo ranging from 40 - 60 foot bridge sections, culverts, vehicles, heavy equipment, fuels and compressed gasses. These activities are currently being undertaken by Shields Navigation Ltd. The tug and barge operation is expected to eventually generate up to 20 trucks per day using Penzance Drive.

Typical shipment to coastal communities involves the loading of a fuel barge at either the Chevron or Shelburn facilities followed by the loading of cargo at Berry Point using a barge ramp.

In addition, inbound transshipment of aggregates is also an identified potential feature of the business. Coal Island Ltd. currently leases out 2 scows for hauling aggregates. These scows could be used to move aggregates to the site for temporary storage until trucked off the site for use elsewhere. The proposal does not define the potential volume of aggregates or resulting truck movements that could occur should this aspect of the business be fully developed.

- ▶ **Dock Fabrication** - Coast Marine Ltd. is also located on the site for moorage of their barge and work vessel, as well as storage of construction materials and equipment for a floating dock manufacturing business.
- ▶ **Other Industrial Marine Uses** - Coal Island Ltd. plans to accommodate a variety of other industrial marine activities on the site as opportunities are presented. This may involve minor boat building and repair, engine repair, miscellaneous open air work, and other ad hoc marine industrial activities.

Other industrial marine uses will be accommodated on site through provision of boat lift equipment, covered storage, dry boat storage, and shop space, as needed, on the east portion of the site. The range of proposed users is relatively open-ended to allow the accommodation of business opportunities as they arise. As such no defined list of uses or users was available from VPC or Coal Island Ltd.

Operational Improvements

Proposed improvements are limited to those necessary to accommodate the operational requirements of the proposed uses. From an operational perspective, Coal Island Ltd., as the lessee, intends to undertake improvements that include the following:

- ▶ straightening and realigning portions of the shoreline through placement of salvaged concrete fill;
- ▶ installation of a floating barge ramp;

- ▶ placing an existing prefab 5,000 square foot, 2 storey office building on the site;
- ▶ construction, as needed, of a storage shed;
- ▶ installation of rail sidings to accommodate an expected maximum of 2 -3 rail shipments per week;
- ▶ construction of a crane pad for assisting in the loading of barges;
- ▶ creation of new mooring berths by permanently anchoring a barge in place on the shoreline; and
- ▶ providing various marine related facilities to accommodate small businesses and marine operators.

Site Servicing

The proposal contains minimal improvements to site servicing, limited to:

- ▶ extension of existing water, power and telephone services present at the entrance to the site;
- ▶ installation of wooden poles for overhead wires adjacent to the rail right of way;
- ▶ provision of pumpable septic tanks to contain sanitary sewage;
- ▶ storm water will be handled by surface drainage;
- ▶ some lighting will be provided as required for security and operations;
- ▶ some trees growing in soil being stored on the site may be retained as part of landscaping around the prefab office building, however, no other significant landscaping will be undertaken, such as screening between the industrial uses and the adjacent CPR / West Coast Express rail line; and
- ▶ the site will be re-graded and will retain its gravel surface, with some surface paving possibly undertaken in the longer term.

In terms of the standards applied to site servicing and development requirements for industrial sites elsewhere in the City, the proposed improvements to the Berry Point site are minimal and would not be sufficient to receive City approvals.

4.0 RESPONSE TO BURNABY ISSUES

At its meeting of 1994 December 5, Council advised the VPC of a number of specific issues that would need to be addressed in a collaborative manner to establish a mutually acceptable redevelopment plan for the Berry Point site. To this point, the VPC has proceeded independently in the designation of uses for the site and in setting minimal standards for the development of the site.

Based on the initial information received on the general development plan being prepared by Coal Island Ltd. and the VPC, the following information is provided in relation to the issues raised by Council:

Designation of Compatible Uses

Council had requested that the VPC work with the City in the definition of appropriate uses for the site that would be compatible with the surrounding and adjacent land uses.

It is uncertain whether in the longer term uses proposed for the site will be compatible with adjacent and surrounding land uses given the broad scope available for Coal Island to expand operations, to pursue business opportunities, and to sub-lease portions of the site to a broad range of smaller, independent marine industrial users without being subject to City PPA or Building Permit processes. Of particular concern is the potential number of truck movements that could occur on Penzance Drive, which is developed to an interim standard and passes through Confederation Park.

The broad scope given to Coal Island to pursue the expansion of operations on the site, as opportunities arise, creates a considerable amount of uncertainty with regard to future levels of operational noise, volume of heavy truck traffic, and environmental impacts. Specific information on uses and impacts, and agreements with respect to community safeguards remains to be provided by the Port.

Contribution to Employment and Tax Base

Council had also requested that longer term use of the Berry Point site make a positive contribution to industrial employment and the tax base of the City.

The proposed uses for the Berry Point site will make a very limited contribution of the employment and tax base of the City. Coal Island Ltd. expects that maximum employment on the site will be in the range of 30 - 35 people with servicing and development of the site limited to only very minor improvements to assist operations, such as the placement of a portable office building on the site.

Public Access

Council had requested that an overall concept plan for the property incorporate provision for public access to the waterfront with consideration given to protecting the future opportunities within the site for east-west pedestrian continuity along the Burrard Inlet foreshore area. In addition, Council had requested that consideration be given to incorporating a commercial or public boat launch facility within the redevelopment concept for the site.

The VPC has informed staff that public access to the site will not be provided as part of the proposed uses for the site.

Ecological Health of the Inlet

Council had also requested that the comprehensive redevelopment of the site make a positive contribution towards the ecological health of the inlet, the site, and its foreshore area.

Given the minimal level of improvements, and the plans for the accommodation of a variety of small marine industrial operations, the proposal contains few improvements from an environmental perspective. The VPC has advised that the placement of additional broken concrete fill to straighten the shore line will be subject to Department of Fisheries and Oceans requirements.

5.0 CONCLUSIONS & RECOMMENDATIONS

From the Port's perspective the proposed use of the Berry Point site is a necessary and integral component for the overall operations of a full service port. The Port advises that many small operators are being displaced from more urban sites in Vancouver, and there is a continuing need to accommodate these types of uses within the overall framework of Port operations. The Port also advised that the Berry Point site represents one of the few remaining opportunities for the Port to accommodate minor marine related industrial activities.

The non-collaborative approach taken by the VPC to approve a 20 year lease and to permit the proposed use of the Berry Point site by Coal Island Ltd. is cause for concern by the City. Specifically, the proposal for the use of Berry Point being pursued by the VPC fails to adequately address a number of issues previously raised by Council given:

- ▶ the lack of certainty that the proposed uses will be compatible with adjacent and surrounding land uses in the longer term, particularly with respect to the amount of industrial truck traffic on Penzance Drive.

- ▶ the minimal contribution that the proposed use of the site will make to industrial employment and to the tax base of the City.
- ▶ that no public access to the waterfront is being provided or planned.
- ▶ that the minimal level of site servicing and development being proposed will not make a positive contribution to the ecological health of the inlet, site or foreshore area.

In order to address these issues, it is proposed that the City reiterate the request that the VPC work with the City in a collaborative manner to reach a mutually acceptable agreement on the use and redevelopment plans for the Berry Point site. As an interim measure, it is proposed that the Vancouver Port Corporation be requested to delay the currently scheduled public information meetings beyond the summer months in order enable residents to have an improved opportunity to participate in the review, and to provide an opportunity for the City and the VPC to reach a mutually acceptable agreement on uses and development standards for Berry Point.

It is also proposed that the use of the site by Coal Island Ltd. be limited to existing uses under the existing licence arrangement. This would enable Coal Island Ltd. to maintain the viability of their existing operations on the site, while providing the City and the VPC with sufficient time to develop mutually acceptable plans for the site.

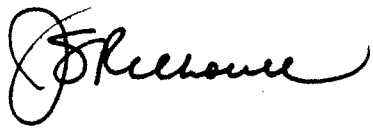
Staff recognize the need for an appropriate marine related industrial use of the Berry Point site, and understand the Port's obligation to provide for a multi-purpose marine industrial site that can accommodate a variety of minor marine related uses. However, from the City's perspective, the long term marine industrial use of Berry Point must be undertaken in a responsible manner that makes a positive contribution to the development of Burnaby. In order to meet the needs of the VPC and Burnaby over the long term, a comprehensive development plan is needed for the Berry Point site that:

- ▶ clearly defines and promotes the appropriate uses;
- ▶ provides safeguards to limit impacts on surrounding land uses;
- ▶ ensures provision of supporting services and facilities;
- ▶ ensures the ongoing compatibility and viability of desired uses;
- ▶ specifically limits the generation of truck traffic to and from the site along Penzance Drive;
- ▶ utilizes the potential of the adjacent rail line

- ▶ improves the environmental quality of the inlet, site and foreshore; and
- ▶ makes provision for safe and secure public access.

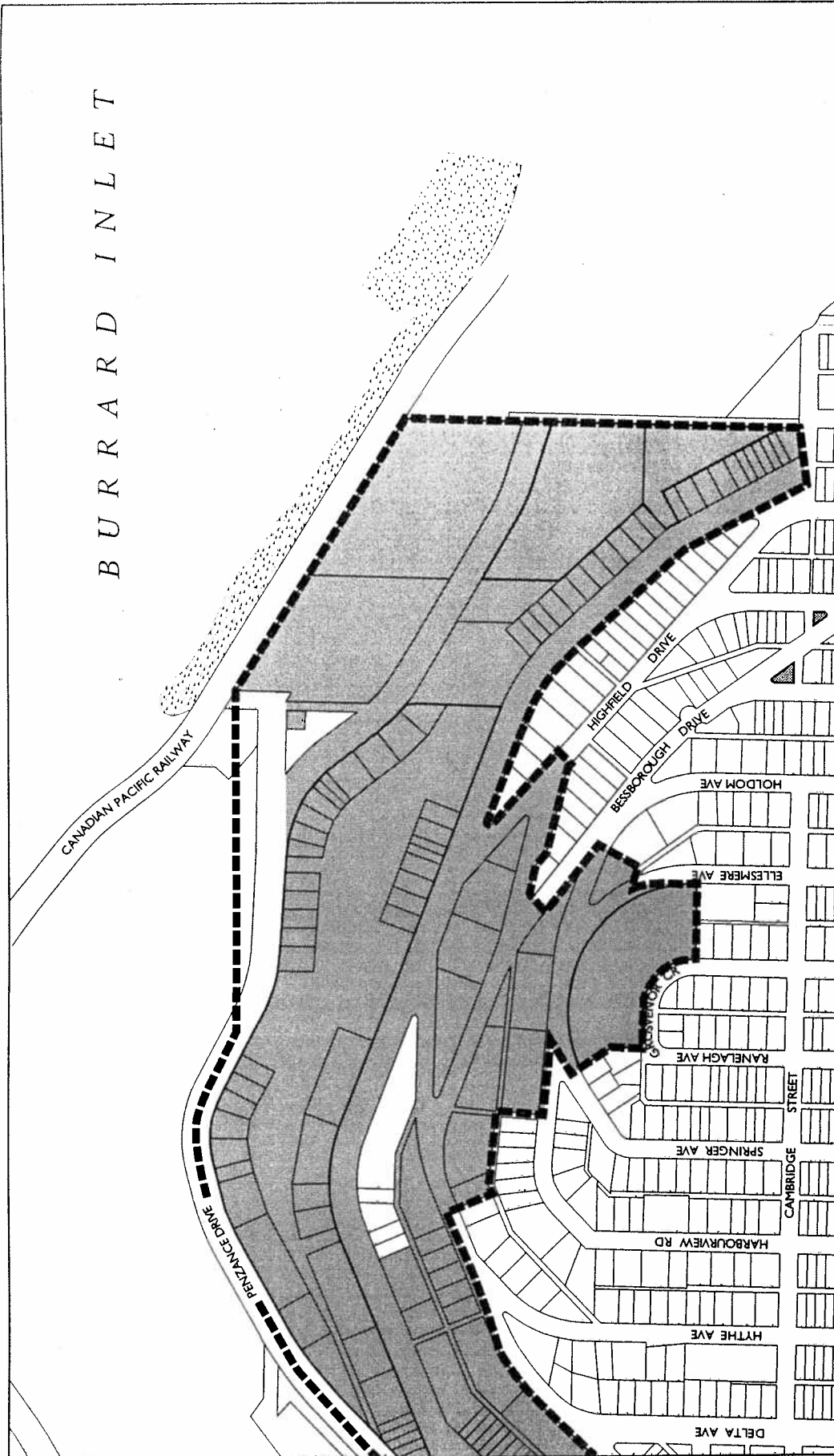
Formation of a comprehensive development plan for the site that is of mutual benefit to the Port and Burnaby would also enable the City to consider opportunities to contribute to the overall utility of the site through some public use of adjacent City lands, improved vehicle access to the Berry Point site, and the possible location of City services on the site of importance to the Port, such as a more centrally located fire boat station.

The formation of a mutually acceptable agreement on the use and redevelopment of the Berry Point site would set a positive precedent for the future relationship between the VPC and the City of Burnaby on other waterfront sites. It would be a significant step to establishing an ongoing mutually beneficial relationship between the City and the VPC.


D.G. Stenson, Director
PLANNING & BUILDING

LP:JSB/db

cc: Director Engineering
Director Finance
Director Parks & Cultural Services



Berry Point Site



Berry Point Site



Capitol Hill Conservation Area boundary



City owned properties



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Figure 1