

TO: CITY MANAGER

1998 AUGUST 17

FROM: DIRECTOR PLANNING AND BUILDING

**SUBJECT: ZONING BYLAW TEXT AMENDMENT:
BEVERAGE CONTAINER RETURN CENTRES**

PURPOSE: To recommend an amendment to the Zoning Bylaw to allow bottle return centres in the C2, C3 and C4 Commercial Zoning Districts.

RECOMMENDATION:

- 1) **THAT** the City Solicitor be authorized to prepare a bylaw amending the Burnaby Zoning Bylaw to permit beverage container return centres in the C2, C3 and C4 Commercial Zoning Districts in accordance with section 2.5 of this report.

R E P O R T

1.0 BACKGROUND INFORMATION:

- 1.1 Since 1988, discussion has been ongoing in British Columbia concerning a deposit refund system in B.C., following the publication of a Provincial Discussion Paper "The Provincial Role in Municipal Solid Wastes." In response to correspondence regarding expanding deposits on containers, Council has adopted two recommendations from the Environment & Waste Management Committee in the last five years. On 1993 February 13 Council adopted the recommendation that the City continue its support of any strategies on beverage container legislation that take into full account the hierarchy of the 3R's of waste management – Reduce, Reuse, then Recycle.

On 1997 January 20, Council adopted a recommendation reaffirming its support for the implementation of solid waste regulation amendments to include expansion of container deposit systems.

- 1.2 On 1997 December 08, the Ministry of Environment, Lands and Parks issued a News Release regarding the enactment of regulations to expand the beverage container deposit-refund system. The News Release stated that the provincial government approved a regulation requiring the beverage industry to expand the beverage container deposit-refund system to include all ready-to-drink containers except those used for milk and milk substitutes. Drinks added to the deposit-refund system as of October 01, 1998, include bottled water, all

carbonated and non-carbonated drinks, ice teas, wine, spirits, thirst quenchers, fruit and vegetable juices. Approximately 260 million additional containers sold in B.C. each year will be added to the deposit-refund system in 1998. Following two years of operation, brand-owners will be responsible for recovering at least 85 per cent of all beverage containers sold.

In order to effectively manage the larger quantity of containers being returned for refunds, the expanded system will involve a shift from a primarily retail-based collection system to a province-wide collection depot system. The regulation required brand-owners to begin implementing stewardship plans no later than April 01, 1998 by establishing collection depots across the province. Deposits and refunds will be applied on an expanded basis starting October 01, 1998. To ensure that the needs of all consumers are met, the province will maintain the current requirements of return-to-retail stores until collection depots are fully operating and consistently accepting the majority of containers in the system. Specifically, the legislation requires that a retailer must accept up to 24 containers per person per day that are of the same beverage category, container type and brand that the retailer sells. Additionally, with respect to the gradual shift from a point of purchase (P.O.P.) collection system to one predicated on collection depots, the legislation outlines the following:

“When the deputy minister has determined that approved stewardship plans have been fully implemented in a regional district, a retailer must accept, for return and refund, up to 6 containers per person per day that are of the same beverage category, container type and brand that the retailer sells to consumers.

When the deputy minister has determined that approved stewardship plans have been fully implemented in a regional district and the overall diversion rate in the regional district is at least 75% for a period of 3 consecutive months, or is a lesser diversion rate as permitted by the deputy minister, retailers in that regional district are not required to accept containers for return and refund.”

The new regulations were developed with guidance and recommendations from the 19-member Beverage Container Management Board, which represents a variety of interests including beverage manufacturers, depot operators, consumer associations, local government and environmentalists. A section of the approved regulations states that the required stewardship plans must demonstrate how depots will be convenient to all consumers, including those without access to automobiles and the disabled community, throughout the province. As noted earlier, the intent is to shift the focus from retail-based collection to a container return depot system.

The convenient location of such depots is related to locations permitted by the Zoning Bylaw

and therefore, a text amendment is required to accommodate collection depots within the appropriate zoning district(s).

- 1.3 On 1998 May 11 Council received correspondence from Lynn Kennedy, Vancouver City Councillor and Director of the Provincial Container Management Board. The letter provided an update on the beverage container deposit refund system. Three Stewardship Plans have been submitted to and approved by the Director Pollution Prevention and Remediation, MOELP.

The three plans were from the Brewers Distributors Ltd. (Labatts and Molsons), the Liquor Distribution Branch (wine, spirits and some beer) and Encorp Pacific Inc. (pop, juice, bottled water). A condition fundamental to the approval of each plan is “the province-wide container return system is to comprise a mix of depots, designated retail depots and returns of up to 24 containers per person per day at all retailers and agency stores not designated as depots provided they are adequately serviced by wholesale depots and/or owner/operator collection services.” The provision for returning beer and cider containers to liquor stores will remain. This mix of return options is expected to provide an adequate and convenient collection system for GVRD residents.

- 1.4 Currently, bottle return depots are considered as a principal use under the term “storage building” in the Burnaby Zoning Bylaw, which permits them in the M1, M2, M3, M4 and M5 industrial districts. The return of bottles for a refund at the point-of-purchase (P.O.P.) is considered an accessory use. Beverage container return centres are not currently permitted as a principal use in the commercial zoning districts in Burnaby.

2.0 GENERAL DISCUSSION:

- 2.1 The overall purpose of the Provincial Beverage Container Stewardship Program Regulation is to assure that industry does its part in protecting the environment by properly managing the packaging it produces. Through these regulations, the majority of the beverage containers not currently in the deposit-refund system will be diverted from the waste management stream to recycling or refilling. This is clearly a supportable general objective, as Council has indicated through the Environment and Waste Management Committee in the past.

The primary issue to be considered is the appropriate format, locations and operational standards.

- 2.2 This Department has been advised that the main reasons for advancing the separate depot system are:

- a) The expansion of the deposit system will include all ready-to-drink beverages, except dairy products. This will greatly complicate the return process for grocery stores, requiring staff training and new point-of-return systems in all stores accepting returns. Return centres will have electronic handling systems, unique in North America, to speedily process returns.
- b) The additional space required for the collection and storage of a wide variety of returned containers will decrease the selling space available to retailers.
- c) Staff costs for retailers, particularly corporate chains, are high for dealing with a relatively low value item such as returned containers.
- d) About half of the total number of used beverage containers returned to depots are generated from bottle drives by charitable groups. Retailers are unprepared and unwilling to deal with this level of volume.
- e) The expansion of the deposit system will further complicate the issue of mixing used containers in an environment where fresh food is sold. Some grocery retailers feel that this is the main argument against return-to-retail.

As already mentioned, while the Provincial government and the beverage industry favor the separate depot system, it is generally acknowledged that for the foreseeable future there will be a mix of the two, with some retailers continuing to accept containers as the system gradually shifts from point-of-purchase to a collection depot system.

- 2.3 Currently, all of the GVRD municipalities either allow, or are in the process of amending their applicable zoning bylaws to permit, bottle return centres as an outright principal use in their commercial zoning districts. For an updated status of such municipal considerations, see attached Table 1.
- 2.4 Encorp Pacific Inc. is a not-for-profit company owned by the beverage industry, and whose purpose is to provide a common collection system for used beverage containers on behalf of participating brand-owners. Encorp currently retrieves beverage containers through a network of 128 depot / return centres and 327 grocery chain stores.

Encorp, on behalf of the beverage industry, has presented the following information on the Return Centre concept:

- Return centres should be 2,500 to 3,000 sq. ft.

- Used beverage containers shall be immediately put into plastic bags and sealed for temporary storage once full.
- Bags of used beverage containers are collected from the return centres a minimum of twice a week and sent to processors for baling and recycling. The bags are picked up by five ton trucks.
- It is estimated that approximately 150 cars per day will visit the centres.

In addition to these attributes associated with the Encorp return centre model, it should be noted that a storefront presence would be a desirable component to the model from the City's perspective, as long as it is clearly and prominently signed.

- 2.5 The overall purpose of reducing the amount of containers in the waste management stream is supportable and the provision of convenient locations for the public is necessary. In an effort to help broaden the scope of the 3R's (Reduce, Reuse and then Recycle), it is recommended that Beverage Container Return Centres be included as a permitted use in the C2, C3 and C4 Commercial Zoning Districts, subject to a maximum size of not more than 280 m² (3,013.99 sq. ft.). The rationale for including them in these commercial districts is to ensure their accessibility – both vehicular and pedestrian – to as large a population as possible, and to maintain their close proximity to where the containers are purchased. In this regard, it is especially important that beverage container return depots be given the prospect of locating in our primary commercial centres, including town centres. Furthermore, bottle return centres will continue to be an outright principal use under the term "storage building" in the M1, M2, M3, M4 and M5 industrial zoning districts. Permitted in both industrial and commercial zones, the Zoning Bylaw would hence provide the opportunity for these centres to be conveniently situated throughout Burnaby.

The intent behind the aforementioned size restriction is to assure the unobtrusiveness of such a use in the commercial districts, and to encourage the provision of numerous smaller decentralized depots, making them similar to a personal service use for the everyday convenience of consumers. Moreover, limiting the size to 280 m² (3,013.99 sq. ft.) should not prove burdensome as Encorp Pacific Inc., in its promotional materials, stated that beverage container return centres should be 2,500-3,000 sq. ft. This size is also consistent with return centres permitted in the commercial zones of other GVRD municipalities (i.e. New Westminster, Richmond and Delta).

The following definition of a Beverage Container Return Centre has been suggested by Encorp Pacific Inc.:

Beverage Container Return Centre

A facility which is used for the collection, temporary storage and shipment of used beverage containers. Permitted activities include dispensing of deposits for returned containers, packaging and preparation for shipment.


All activities, including customer service areas, packaging and storage are to be carried out indoors. No outside storage or packing of materials is permitted. No collection of materials other than used, deposit-bearing, beverage containers is permitted.

Whereas this definition may be an adequate guideline for information purposes, the actual, more precisely worded, definition of Beverage Container Return Centre to be included in the Zoning Bylaw is to be determined by the City Solicitor following authorization by Council.

On site parking would be required at 1 space per 46 m² (495.16 sq. ft.) of gross floor area, similar to personal service establishments.

3.0 CONCLUSION:

- 3.1 In order to support Provincial regulations designed to divert the amount of containers in the waste management stream, it is necessary to permit more convenient locations for Beverage Container Return Centres in Burnaby. It is therefore recommended that Beverage Container Return Centres be permitted in the C2 Community Commercial, C3 General Commercial and C4 Service Commercial Zoning Districts as outright principal uses, subject to a maximum gross floor area of not more than 280 m² (3,013.99 sq. ft.). Return centres will also continue as acceptable "storage" uses in the M1, M2, M3, M4 and M5 Industrial Zoning Districts.



D.G. Stenson
Director Planning and Building

EK/ds

Attach.

cc: City Solicitor
Chief Licence Inspector

TABLE 1

**STATUS OF ZONING FOR BEVERAGE CONTAINER RETURN CENTRES
(AS OF 1998 AUGUST 12)**

Burnaby	Internal report completed, text amendment in process.
Coquitlam	Encorp is investigating specific areas in Coquitlam and has formally applied to the City for a text amendment to allow the use in commercial areas.
Delta	A bylaw was adopted by Council at the August 11, 1998 meeting.
Langley City	Return Centres are allowed in commercial zones except in the Downtown core.
Langley Township	Text amendments have been adopted by Council that permit return centres in most commercial zones.
Maple Ridge	Current zoning permits return centres in most commercial areas. Staff is currently verifying the specific wording of the relevant bylaws.
New Westminster	The bylaw allowing for return centres in most commercial zones went through public hearing with no opposition, and was adopted on July 6, 1998.
North Vancouver City	Return centres are considered to be "...services to the public" and are therefore permitted in most commercial zones.
North Vancouver District	The issue is still being reviewed.
Port Coquitlam	A staff report and text amendments are being prepared to allow for return centres in some commercial zones.
Richmond	Work is currently underway to allow return centres in some commercial zones. They would like to see a return centre in each of their major shopping centres which have grocery stores. Staff anticipates that the bylaw will be in place by mid-August.
Surrey	A staff report was addressed at the July 6, 1998 Council meeting. A public hearing is scheduled for September 20, 1998 with final adoption immediately afterward. It is expected that a return centre could be open by October 1, 1998.
Vancouver	Return centres are presently allowed as a "conditional use." Text amendments are being explored to permit them as an outright use.
West Vancouver	A staff report and text amendments are still required.
White Rock	A staff report and text amendments are in progress.

Source: GVRD, Encorp Pacific Inc.

