

Item	02
Manager's Report No.	02
Council Meeting	03/01/20

TO: CITY MANAGER 2003 January 14

FROM: DIRECTOR PLANNING AND BUILDING OUR FILES: 15.612

SUBJECT: **GLENWOOD INDUSTRIAL ESTATES**
North Fraser Way Road Alignment and
City Redevelopment Property RZ Ref. 09-99
SUB Ref. 00-73

PURPOSE: To seek Council approval for minor revisions to the approved road alignment and dedications from City property associated with the upgrade of North Fraser Way as part of the *Glenwood Industrial Estates* development, and to seek Council approval to consult with Premier Wood Products Ltd. on a strategy for the business to vacate the subject City redevelopment property.

RECOMMENDATIONS:

1. **THAT** Council approve the revised proposal for dedications from City property, as shown on *Sketch #4, attached*.
2. **THAT** Council authorize staff to consult with Premier Wood Products Ltd., the occupant of the City redevelopment property at 8890 North Fraser Way, to develop a general strategy for the business to vacate the City property, as outlined in Section 3.0 of this report.
3. **THAT** a copy of this report be sent to Premier Wood Products Ltd., Attention: Ms. Lena Simms, 8890 North Fraser Way, Burnaby, B.C. V3N 2R1, and CEI Architecture, Attention: Mr. John Scott, Suite 300 - 131 Water Street, Vancouver, B.C. V6B 4M3.

REPORT

1.0 BACKGROUND

On 2001 November 05, Council gave Second Reading to a Comprehensive Development (CD) Rezoning Bylaw based on the *Glenwood Industrial Estates Concept Plan*. *Glenwood Industrial Estates* consists of approximately 95 acres of land currently held by Canadian National Railway Properties Inc. (CNRP), shown as *Parcels A and B* on *Sketch #1, attached*. CNRP is pursuing the development servicing of the property based on the *Glenwood Industrial Estates Concept Plan* consistent with the adopted Big Bend Development Plan,

shown on *Sketch #2, attached*, and the City's Official Community Plan (OCP). The first phase of development involves the reconstruction of North Fraser Way, formerly Marshland Avenue, and the servicing of the City redevelopment lot (*Parcel E*) and lots within *Parcel A* for future Business Centre development. The City and CNRP properties involved in the proposed comprehensive plan of development are shown on *Sketch #1*.

This report outlines a proposal for a minor adjustment to the approved road alignment for North Fraser Way and resulting changes to required dedications from adjacent City property. This report also seeks Council approval for staff to consult with the existing tenant on the City redevelopment property, Premier Wood Products Ltd., to develop a general strategy for the business to vacate the City redevelopment property.

2.0 NORTH FRASER WAY ROAD ALIGNMENT

To enable CNRP to fulfill rezoning and subdivision servicing prerequisite conditions for the provision of services and the reconstruction of North Fraser Way to City standards as part of the first phase of development for *Glenwood Industrial Estates*, Council approved a proposed layout for a Highway Exchange Bylaw and dedications from City owned property as shown in *Sketch #3, attached*.

The approved road alignment anticipated the relocation of an existing CP rail spur and switching equipment, which serves the existing ABC Salvage operation located on Meadow Avenue, to a new location outside of the proposed road alignment. The location of the rail spur and associated switching equipment are indicated on *Sketch #1*. As a result of further engineering design work for the reconstruction of North Fraser Way, it has been determined that it is not feasible to relocate the rail spur and switching equipment that serves the ABC Salvage yard. The location of the rail spur and related switching equipment are constrained by its location adjacent to an open section of Jerry Rogers Creek, the existing curvature of the spur track, and its alignment in relationship to the ABC Salvage yard and operation.

As such, in order to provide for the required reconstruction of North Fraser Way, staff in consultation with the applicant have reviewed the road standard and alignment of North Fraser Way at Marine Way to define a revised alignment. The revised alignment shifts the road slightly to the west in order to maintain the existing location of the rail spur switching equipment. A dedicated left turning lane from North Fraser Way to Meadow Avenue was also eliminated to reduce the overall dedication requirements. The revised proposal results in an additional taking of an approximate 4.5 metre wide tapering dedication from the adjacent City redevelopment lot (*Parcel E*) near the intersection of North Fraser Way and Marine Way. It also results in a reduction of the dedication required from the City owned Gateway Feature area (*Parcel F*) located on the east side of North Fraser Way. The proposed revised alignment and changes to required dedications from City property are shown on *Sketch #4*. *Sketch #3* also shows a proposal for a minor road closure area that is not being advanced through the subdivision.

In order to allow for the reconstruction of North Fraser Way as required for the rezoning and subdivision servicing for Glenwood Industrial Estates, it is proposed that Council approve the revised dedication from City properties, as shown on Sketch #4.

3.0 CITY REDEVELOPMENT PROPERTY

3.1 Development Context

The subject City redevelopment property, *Parcel E* shown on *Sketch #1*, occupies a strategic location immediately adjacent to this entrance in the Big Bend area. This property, together with the planned landscape Gateway Feature on the City owned *Parcel F*, shown on *Sketch #1* and illustrated on *Sketch #5*, **attached** are intended to establish a high amenity gateway at this North Fraser Way entrance to the Big Bend area. This gateway is intended to establish an appropriate context for future higher quality, employment and tax base business centre development planned for approximately 170 acres of land associated with *Glenwood Industrial Estates* and the neighbouring *Burnaby Business Park* development.

As part of the comprehensive plan of development for *Glenwood Industrial Estates*, Council, on 2001 October 1, endorsed a proposal for a cost-sharing agreement with CNRP for the provision of services and road improvements immediately fronting and of benefit to the subject City redevelopment lot. City investment in servicing this lot would be recovered through its future sale for redevelopment consistent with its Business Centre designation.

As part of the plan of development, the City owned Gateway Feature lands (*Parcel F*) immediately across North Fraser Way from the City redevelopment site are to be landscaped by CNRP, to create the gateway entrance feature, as illustrated on *Sketch #5*. Through the rezoning process, CNRP has agreed to maintain the landscape feature, once constructed, through substantial completion of subdivision servicing of the lands associated with *Glenwood Industrial Estates (Parcel A and Parcel B)*.

3.2 History of Occupancy

The subject City redevelopment property (*Parcel E*) is currently rented to Premier Wood Products Ltd., a pallet manufacturing company, on a month to month basis. Wood pallets are used to provide a platform for the storage or transport of goods. The company rents an area of 1.98 acres in size, and operates on a total area of about 2.85 acres. Premier Wood Products Ltd. currently has 6 shareholders and 21 employees.

The following provides a brief chronology of the use of this property for a pallet plant operation:

1970 April Council leased the property to West Coast Woodworking Industries Ltd.

1971 June Council approved an assignment of the lease to a new company formed under the name of Consumer Pallet Ltd.

1978 November Council approved an assignment of a 5 year lease renewal to a new company called Bestwood Industrial Ltd. which operated under the name of Premier Wood Products. The lease agreement for Bestwood Industries specifically excluded a renewal clause in an effort to avoid entrenching this heavy industrial use of the property, and to ensure the property remained available to achieve City land use objectives as contained within the adopted Big Bend Development Plan.

1983 April Council approved a two year lease extension to facilitate the acquisition of the pallet plant operation by 26 employees (future shareholders) of the Premier Wood Products. The lease extension was intended to provide the operation with an opportunity to accumulate the capital needed to secure and relocate to a permanent location. In granting the lease extension, Council and the company agreed that there would be no extension of the lease agreement beyond 1985 October 31.

1985 February Council approved an extension of the lease to Premier Wood Products Ltd. to 1986 October, after which the property could be rented by the company on a month to month basis at a rate of \$1,200 per month plus applicable taxes until such time as it was required for City development purposes. In preparing the revised lease agreement, Council also requested that specific Council approval be sought for any future termination notice.

1986 November Since 1986 November, the property has continued to be rented to Premier Wood Products Ltd. on a month to month basis at the approved monthly rental rate.

In summary, a pallet plant operation has been located on this City lot over a 30 year period. The property has been leased/rented by Premier Wood Products Ltd. for a 20 year period as of 2003 April.

3.3 Relationship to Glenwood Industrial Estates

In pursuing the servicing requirements on North Fraser Way for *Glenwood Industrial Estates*, the City and CNRP have been operating under the premise that the Premier Wood Products Ltd. operation could continue to occupy the City redevelopment site until such time as Council approved the preparation and redevelopment of the property for sale for Business Centre office and specialized industrial use, consistent with adopted City plans.

At this time, however, new information indicates that the pallet plant building and operation will likely be significantly affected by the works required to upgrade North Fraser Way to service future *Glenwood Industrial Estates* and the *Burnaby Business Park* developments. This conclusion has arisen from an analysis of the works recently completed by CNRP for the required pre-load program on North Fraser Way immediately south of the subject City lot. In reviewing the monitoring data acquired through this first phase of the pre-load program, CNRP consultants have determined that the next phase of the required pre-load program on North Fraser Way fronting the pallet plant will likely have a significant settlement impact on the adjacent pallet plant building and yard area. Anticipated settlement is expected to occur relatively slowly over a planned 9 month pre-load period for the road, but is expected to ultimately result in marked distortion and damage to the existing pallet plant building and yard area.

Staff would note that the proposed adjustments to the alignment of North Fraser Way at Marine Way, as discussed in Section 2.0 of this report, in themselves will not aggravate the anticipated pre-load impacts discussed above.

3.4 Proposed Consultation with Premier Wood Products Ltd.

Staff have had an initial discussion with Premier Wood Products Ltd. regarding the anticipated impact on the City property arising from the planned pre-load, and have advised that the City will have a forthcoming need to secure the property in order to advance servicing works and to prepare the property for future redevelopment consistent with the adopted plan.

The representative of the company has advised that it will schedule a meeting of the remaining 6 shareholders of the company in the coming week to discuss the development of a plan for the business to vacate the property. The company representative indicated that it has been anticipated that the City would eventually

require the property for redevelopment purposes, and that the company may look at options to re-locate the business to other holdings of the shareholders. The company has also taken up a staff offer to refer industrial property brokers to the company to assist with its search for a new industrial property. The company has advised that it will re-contact staff once the shareholders have met.

As such, with Council approval, staff would propose to meet again with Premier Wood Products Ltd., following its shareholders meeting, to further develop an approach for the business to vacate the City property in order to allow the required road works on North Fraser Way to advance, and to enable the City to initiate other site development works (property remediation, clearing, filling, preloading) required to prepare this City site for future redevelopment consistent with City objectives.

These discussions would also seek to determine an appropriate notice period for the company that takes into consideration competing needs of the Big Bend Development Plan to advance servicing and road works on North Fraser Way, and of Premier Wood Products to arrange the affairs of the company. The current rental agreement requires that the company be given a minimum notice period of 1 month. CNRP are currently prepared to advance preload servicing works across the City redevelopment lot. The company has advised that it has about 6 weeks of inventory on site. Based on the preliminary discussions with Premier Wood Products Ltd., staff anticipate that a period of 3 to 6 months would be sufficient to achieve the relocation of the pallet operation.

Based on the above information, this report seeks Council authorization for staff to consult further with Premier Wood Products Ltd., the occupant of the City redevelopment property, to develop a general strategy for the business to vacate the City property. Following the proposed consultation with Premier Wood Products Ltd., staff would report back to Council on the results of the discussions to seek Council approval of the strategy developed for the company to vacate the City property.

4.0 NEXT STEPS

With Council approval for the revised proposal for dedications from City lands on North Fraser Way at Marine Way, CNRP would proceed to finalize engineering designs for associated road works as required to finalize the rezoning and subdivision approvals for Phase 1 development of *Glenwood Industrial Estates*.

With Council approval, staff would also undertake to consult further with Premier Wood Products Ltd. on a strategy for the company to vacate the City redevelopment property. A further report will be prepared for Council to outline the results of the consultation with Premier Wood Products Ltd. to seek specific Council approval for the developed strategy.



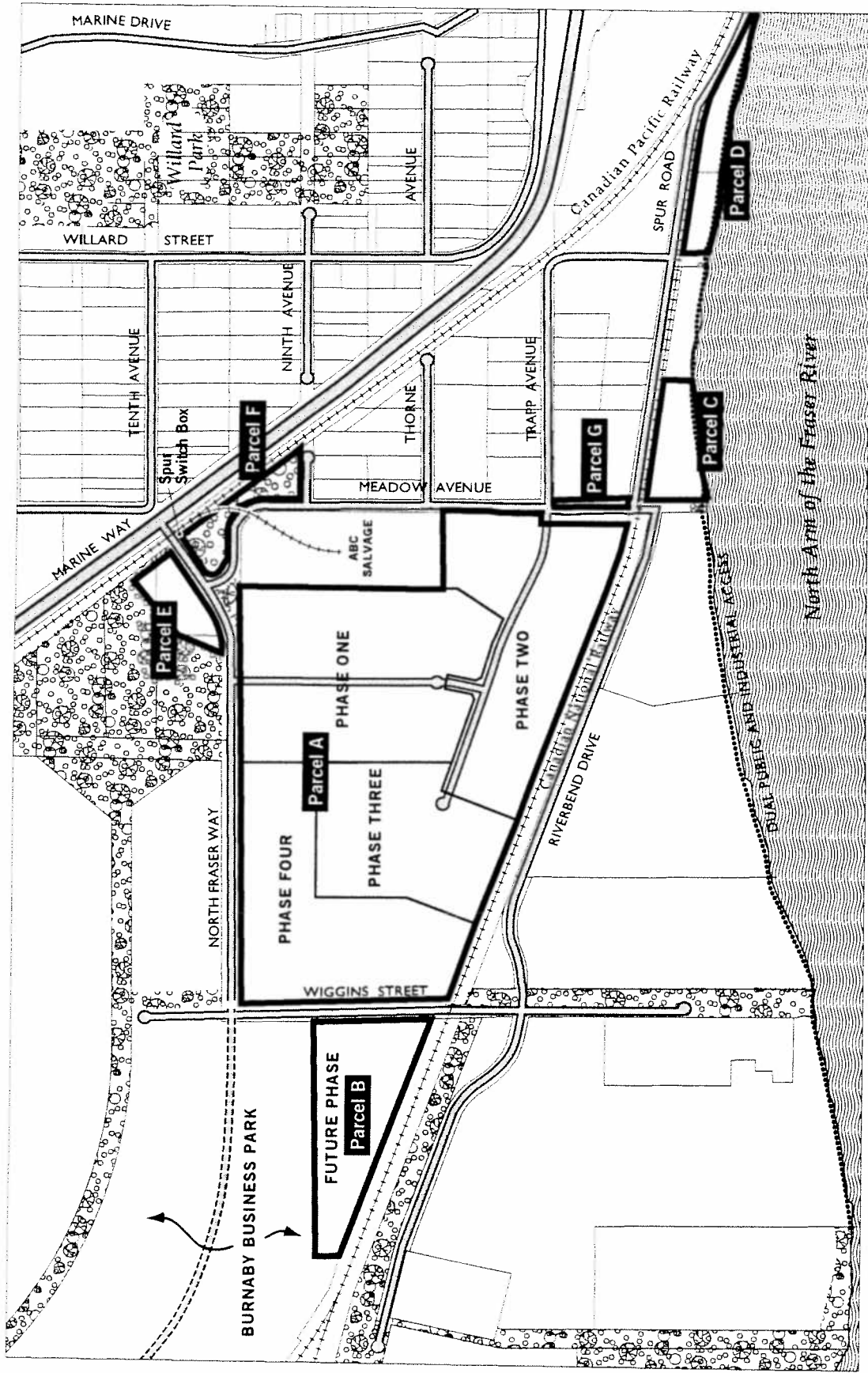
J.S. Belhouse, Director
PLANNING AND BUILDING

BJL/

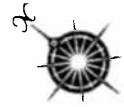
LP/jc
Attachments (5)

cc: Director Engineering
Director Finance
Director Parks, Recreation and Cultural Services
City Solicitor

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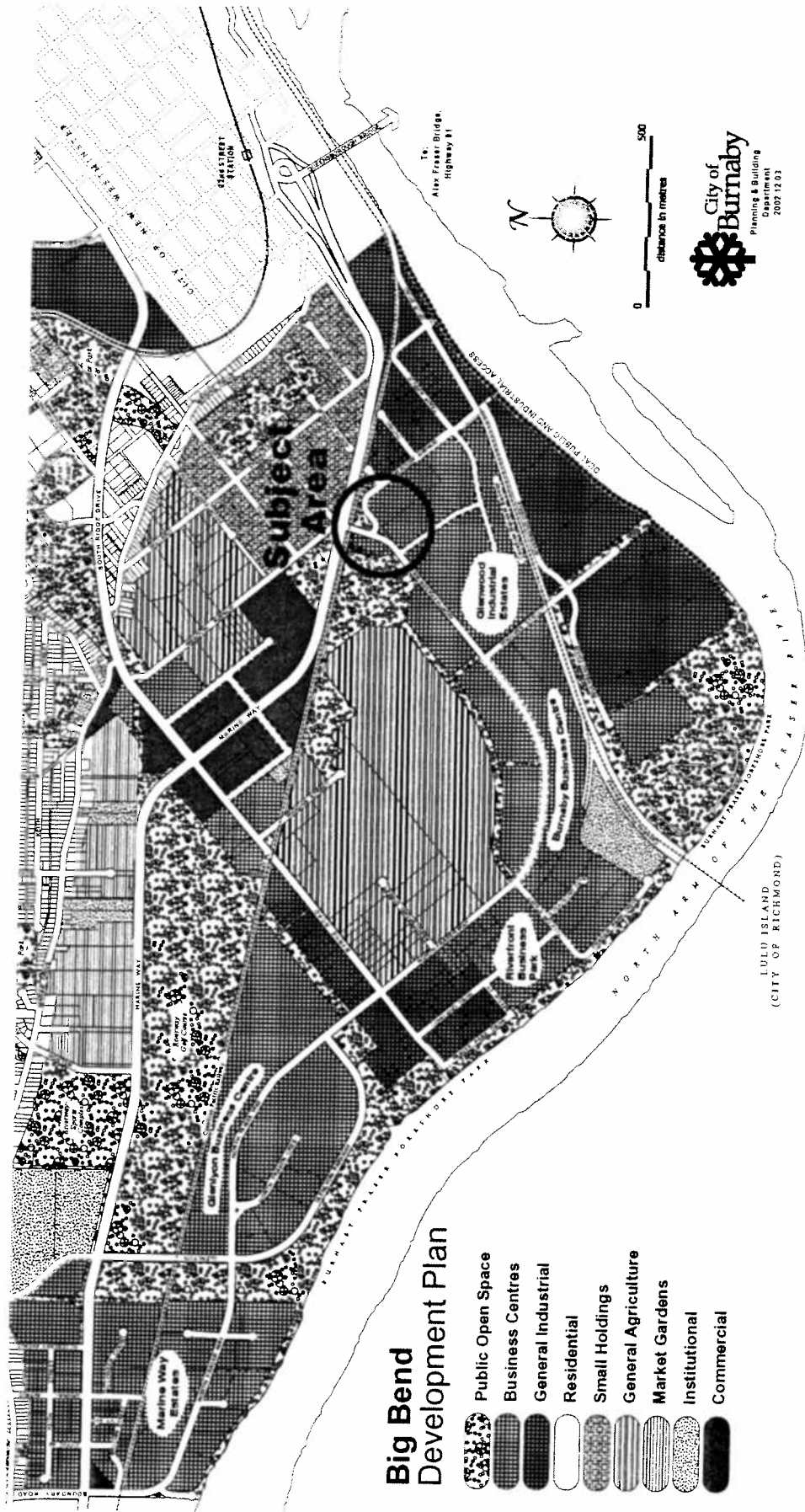


Glenwood Industrial Estates



- Parcels A & B - Glenwood Industrial Estates (CNRP)
- Parcel C - CNRP property
- Parcel D - CNRP Habitat compensation site
- Parcel E - City redevelopment property
- Parcel F - City Gateway feature
- Parcel G - City road dedication

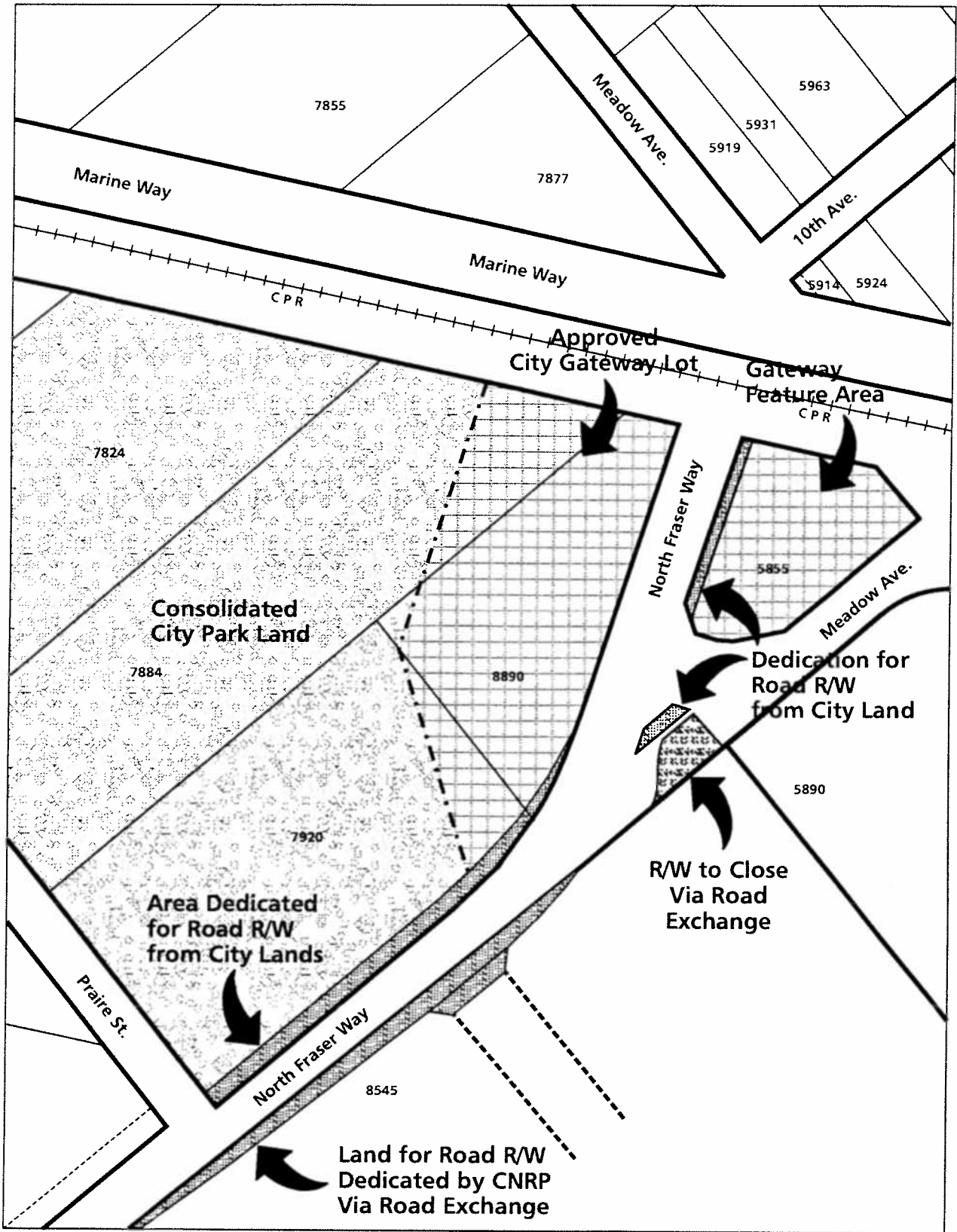
Sketch #1



Big Bend Development Plan

- Public Open Space
- Business Centres
- General Industrial
- Residential
- Small Holdings
- General Agriculture
- Market Gardens
- Institutional
- Commercial

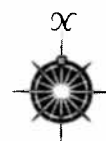
Sketch #2

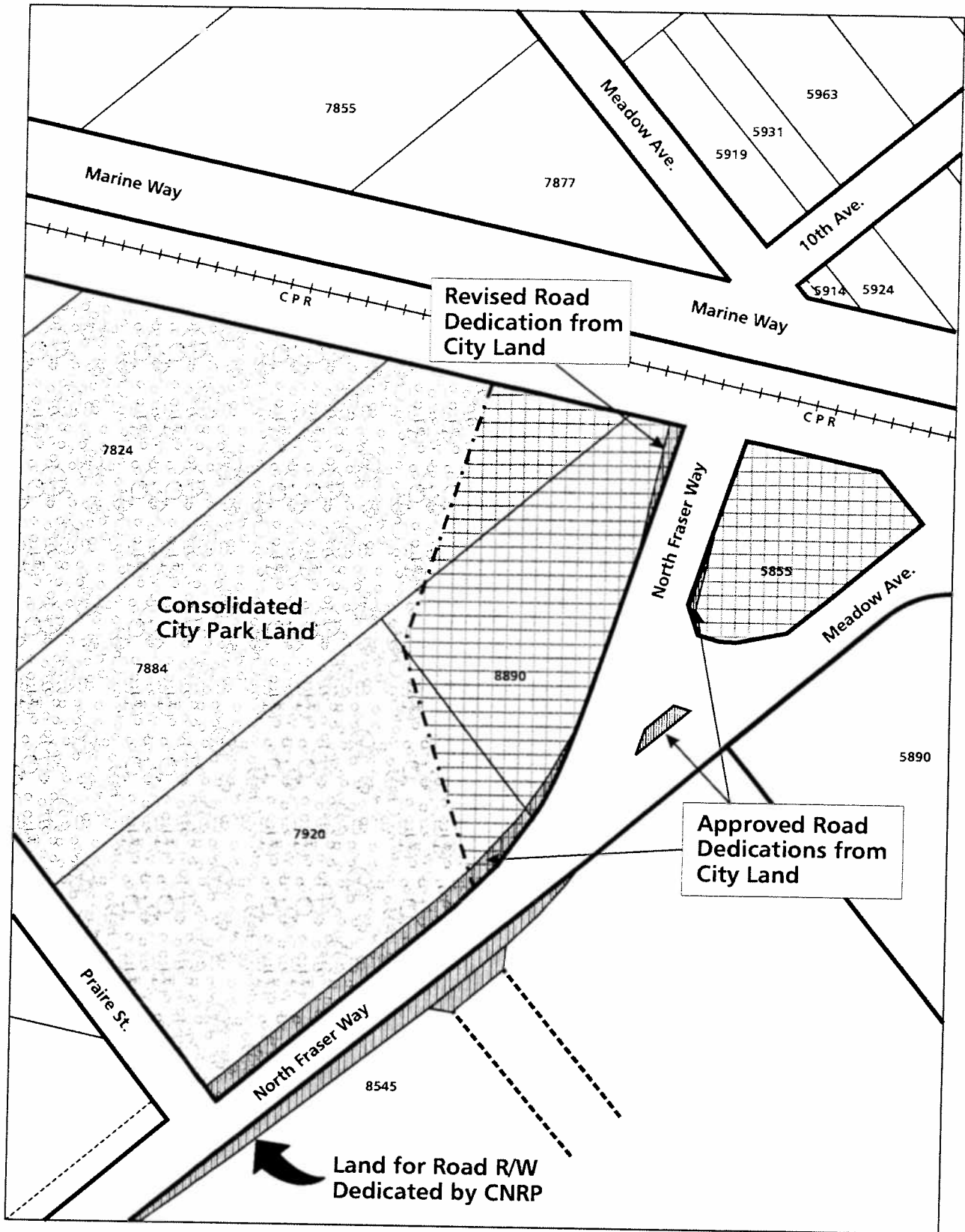


Planning and Building Department

**Approved Highway Exchange Bylaw
and City Dedications**

Sketch #3

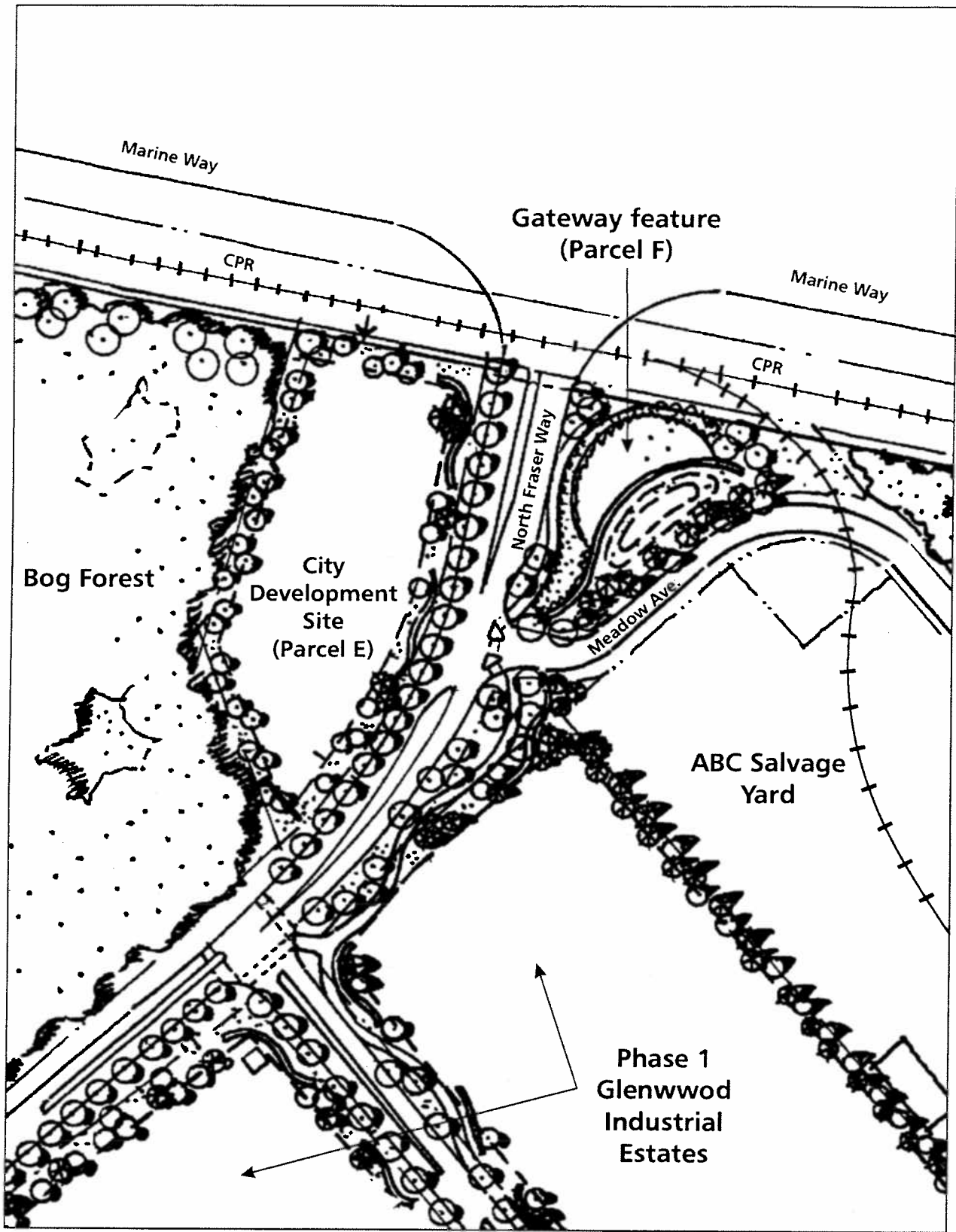




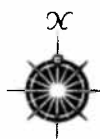
City of Burnaby
 Planning and Building Department
**Revised Proposal for Dedications
 from City Lands**



Sketch #4



Planning and Building Department
 Gateway Landscape Feature



Sketch #5