

NO: R141

COUNCIL DATE: July 27, 2009

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **July 22, 2009**

FROM: **General Manager, Engineering** FILE: **0870-20/185**
General Manager, Parks, Recreation & Culture

SUBJECT: **City of Surrey and S&R Sawmills Land Exchange and Road Closure**

RECOMMENDATION

The Engineering Department recommends that Council:

1. approve the acquisition of 12.16 acres of 9827 - 186 Street (PID 012-881-660) as illustrated on the map attached as Appendix I for the purposes of a waterfront park;
2. approve the sale of the City lands located at:
 - a) 18911 - 98A Avenue (PID 013-259-482);
 - b) 18927 - 98A Avenue (PID 013-259-423);
 - c) 19021 - 98A Avenue (PID 010-148-027); and
 - d) 19067 - 98A Avenue (PID 011-071-567)to S&R Sawmills Ltd.; and
3. authorize the City Clerk to bring forward by-laws to close and remove the dedication as highway of:
 - a) a 8,471 ft.² (787 m²) unopened portion of 189 Street located between the Canadian National (CN) Rail Line and 98A Avenue; and
 - b) a 3,348 ft.² (311 m²) unopened portion of 191 Street located between the CN Rail Line and 98A Avenue.

BACKGROUND

Since the 1970's the City and S&R Sawmills (S&R) have been discussing the exchange of various land holdings in the north Port Kells industrial area. With the completion of the Golden Ears Bridge, both parties have been able to work out an agreement that satisfies their respective requirements. Under this proposed agreement the City will acquire 12.16 acres of waterfront land, as well as securing rights-of-way for an important existing drainage outlet. In exchange S&R will be receiving 3.128 acres of City land and surplus road and will also be granted the right to temporarily use portions of surplus City road totalling 2.35 acres.

1. City Land & Road Descriptions

- (i) **18911 – 98A Avenue** – This 14,774 ft.² (0.339 acre) site was acquired by the City in 1947 and has been leased to S&R Sawmills since the 1970’s for lumber/wood chip storage purposes. It is labelled as Lot A on the map attached as Appendix II. The site is unimproved and is zoned Light Impact Industrial (IL) and designated “Industrial” in the Official Community Plan. The site is bordered by 98A Avenue to the south, the 189 Street road allowance to the west and S&R lands to the north and east. Community water service is available at the site; however, sanitary and storm services are not.
- (ii) **18927 – 98A Avenue** – This 4,469 ft.² (0.103 acre) site was acquired by the City in 1947 and has been leased to S&R Sawmills since the 1970’s for lumber/wood chip storage purposes. It is labelled as Lot B on the map attached as Appendix II. The site is unimproved and is zoned Light Impact Industrial (IL) and designated “Industrial” in the Official Community Plan. The site is bordered by 98A Avenue to the south and S&R lands to the north, west and east. Community water service is available at the site; however, sanitary and storm services are not.
- (iii) **19021 – 98A Avenue** – This 1.923-acre site was acquired by the City in 1955 and was leased to Fraser Pulp Chips from 1965 to 2008. It is labelled as Lot C on the map attached as Appendix II. The lease was assigned to S&R Sawmills in 2008 after Fraser Pulp Chips went out of business. S&R has removed the Fraser Pulp Chips mill and the site is now unimproved. The site is zoned Light Impact Industrial (IL) and designated “Industrial” in the Official Community Plan. The site is bordered by 98A Avenue to the south, the Fraser River to the north, and S&R lands to the west and east. Community water service is available at the site; however, sanitary and storm services are not.
- (iv) **19067 – 98A Avenue** – This 21,455 ft.² (0.493 acre) site was acquired by the City in 1933 and has been leased to S&R since the 1970’s for lumber/wood chip storage purposes. It is labelled as Lot D on the map attached as Appendix II. The site is unimproved, and is zoned Light Impact Industrial (IL) and designated “Industrial” in the Official Community Plan. The site is bordered by 98A Avenue to the south, the Fraser River to the north and S&R lands to the west and east. Community water service is available at the site; however, sanitary and storm services are not.
- (v) **Portion of 189 Street** – This 8,471 ft.² (0.19 acre) portion of unopened road allowance is located between the CN Rail Line to the south and 98A Avenue to the north. It is labelled as Lot E on the map attached as Appendix II. S&R owns the land immediately to the west and east of the road allowance. There are no City services within this road allowance and it is not currently improved to provide access to the waterfront.
- (vi) **Portion of 191 Street** – This 3,348 ft.² (0.077 acre) portion of unopened road allowance is located between the CN Rail Line to the south and 98A Avenue to the north. It is labelled as Lot F on the map attached as Appendix II. S&R owns the land immediately to the west and east of the road allowance. There are no City

services within this road allowance and it is not currently improved to provide access to the waterfront.

2. S&R Land Description

- (i) **12.16 acre portion of 9827 – 186 Street** – This vacant 14 acre parcel owned by S&R is situated between the CN Rail Line and the Fraser River between 182A Street and 186 Street and has 688 metres of shoreline. The subject site is zoned Light Impact Industrial (IL) and designated “Industrial” in the Official Community Plan. The site is unserviced. The Parks, Recreation & Culture (PRC) Department has identified this site for acquisition for waterfront park purposes in keeping with the PRC Ten-Year Strategic Plan. S&R requires the southeasterly 1.84 acres of the site for wood mill operational purposes.

DISCUSSION

City staff has reached agreement with S&R regarding a proposed land exchange. The details of the agreement are as follows:

1. Under the agreement the City will acquire:

- (i) **12.16 acre portion of 14 acre parcel located at 9827 – 186 Street**

S&R will submit a subdivision application to the City to subdivide this 14-acre parcel into a 1.84-acre parcel that S&R will retain and a 12.16-acre parcel that the City will acquire.

- (ii) **Right-of-Way for Drainage Purposes over S&R lands at 18715 – 98 Avenue**

Prior to S&R purchasing their property located at 18715 – 98 Avenue in 1990, a creek running through the site into the Fraser River was piped and covered. This creek is an integral part of the City’s drainage system for the area. As this existing system is in poor repair, S&R has agreed to grant the City the necessary rights-of-way over the land that will allow the City to install and maintain a new drainage pipe.

2. Under the agreement S&R Sawmills will acquire:

- (i) **18911, 18927, 19021 & 19067 - 98A Avenue**

These 4 fee-simple properties total 2.857 acres in area. S & R will acquire these lots “as is” from the City.

- (ii) **189 & 191 Street Road Allowances**

These two road allowances total 0.271 acres in area. Under the terms of the agreement these road allowances will be consolidated with the adjoining S&R lands.

(iii) Highway Licence Agreement for use of Road Allowance

S&R is currently using 2.35 acres of City road allowance as part of their mill operations. The City cannot sell these allowances as they either provide access to the waterfront or contain City services. As part of this exchange agreement, S&R has agreed to a temporary licence to use these allowances for forestry-related purposes only at a market-value-based annual rate. The City will retain the right to access these allowances for City purposes.

(iv) Consent for log storage fronting 9827 – 186 Street

S&R currently leases from Port Metro Vancouver the water lot fronting the 14-acre property at 9827 - 186 Street. To retain this ability after the waterfront parcel has been transferred to the City, which they have advised is crucial to their mill operation, they require that the City allow them to continue using the foreshore area for forestry related purposes.

CONCLUSION

The City and S&R Sawmills have reached agreement to exchange portions of their respective land holdings in the north Port Kells Industrial Area. The proposed exchange will transfer 3.128 acres of surplus City land and road allowance to S&R. S&R will also be granted a temporary Licence of Occupation to use portions of surplus road for forestry-related purposes. In exchange, S&R will transfer 12.16 acres of land containing 688 metres of shoreline on the Fraser River to the City. In addition, the City will also be acquiring rights-of-way over S&R lands for critical drainage infrastructure.

As this proposed agreement satisfies the Parks, Recreation & Culture Strategic Plan goal of acquiring more waterfront parkland and the Engineering Department's drainage requirements, it is recommended that Council approve the land exchange agreement as outlined in this report.

Laurie Cavan
General Manager
Parks, Recreation & Culture

Vincent Lalonde, P.Eng.
General Manager,
Engineering

VL/KSW/mpr/brb

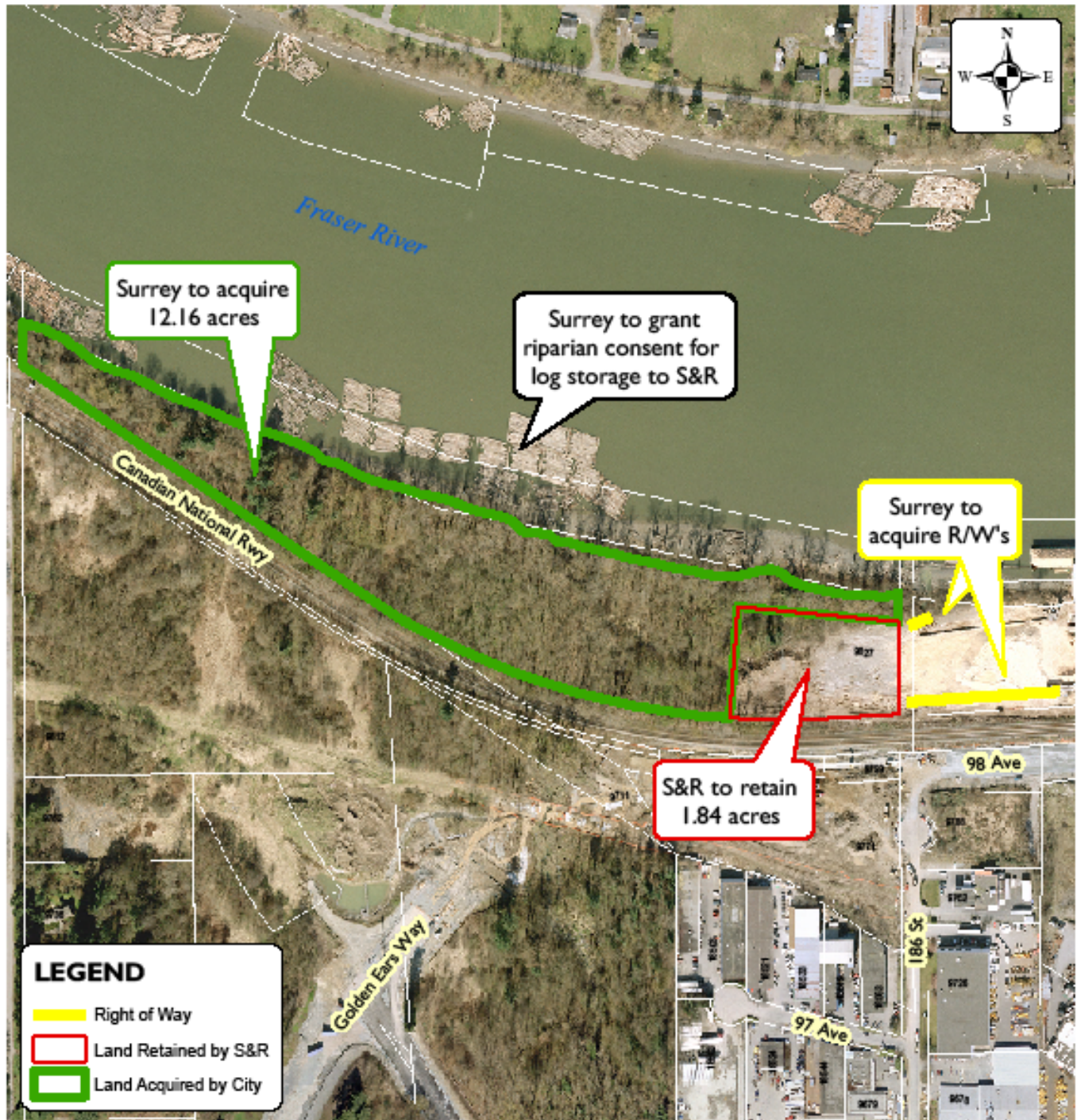
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Appendices

- I. Aerial Photograph of 9827 – 186 Street – S&R Land to be Acquired by City
- II. Aerial Photograph of City Land & Roads to be sold or Licensed to S&R

“all area calculations contained in this report are approximate and subject to final survey”

APPENDIX I AERIAL PHOTOGRAPH OF SITE



Produced by GIS Section: July 3, 2009, ATW

Date of Aerial Photography: April 2008



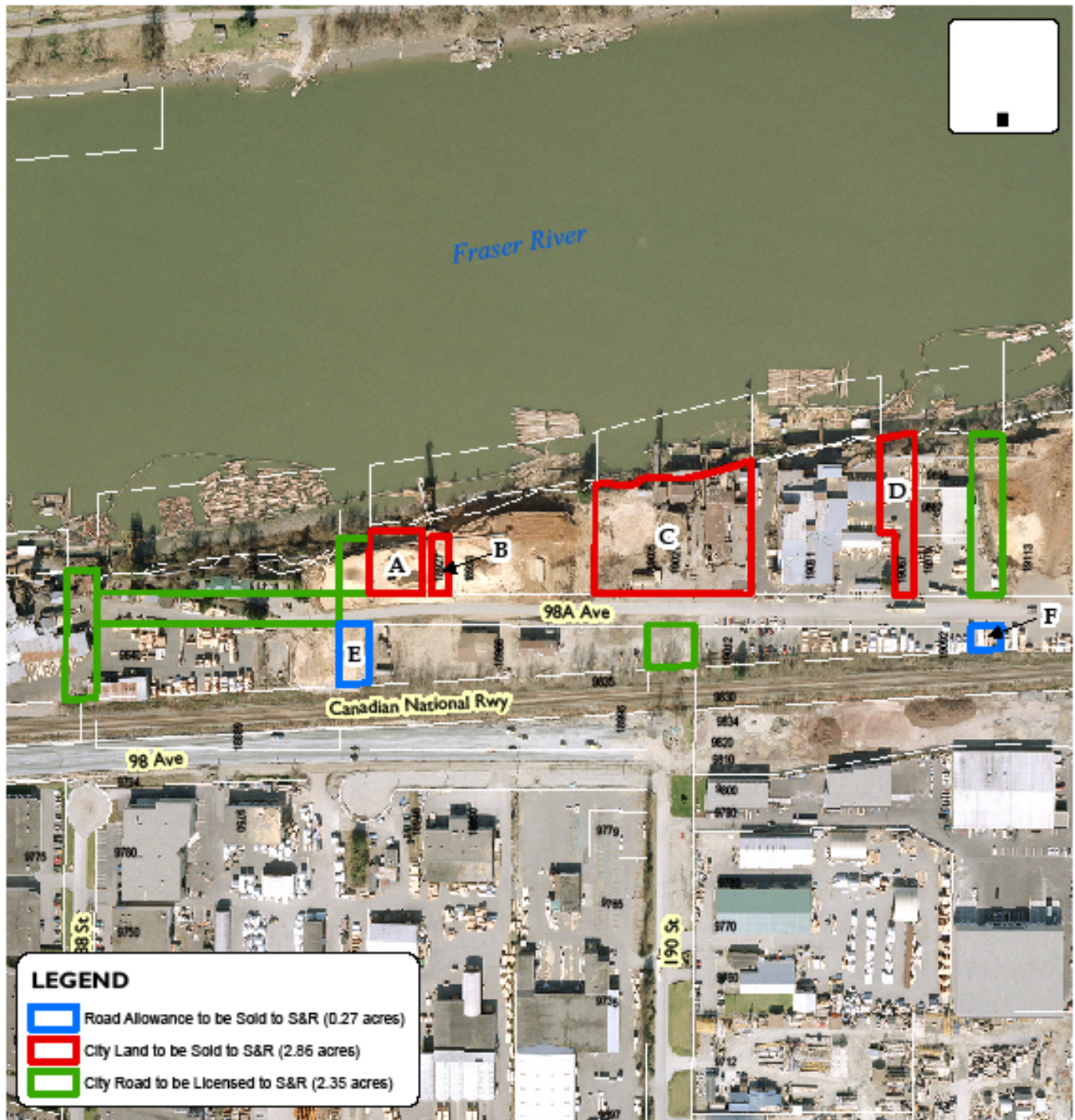
**9827-186 Street: S&R Land
to be Acquired by City**

**REALTY
DIVISION**

The data provided is compiled from various sources and IS NOT warranted as to its accuracy or sufficiency by the City of Surrey.
This information is provided for information and convenience purposes only.
Lot sizes, legal descriptions and encumbrances must be confirmed at the Land Title Office.

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APPENDIX II AERIAL PHOTOGRAPH OF SITE



Produced by GIS Section: July 22, 2009, AIW

Date of Aerial Photography: April 2008



**City Lands and Roads to be Sold
or Licensed to S&R Sawmills**

**REALTY
DIVISION**

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