

City of Surrey
PLANNING & DEVELOPMENT REPORT

File: 7916-0195-00

Planning Report Date: January 22, 2018

PROPOSAL:

- **Temporary Use Permit**

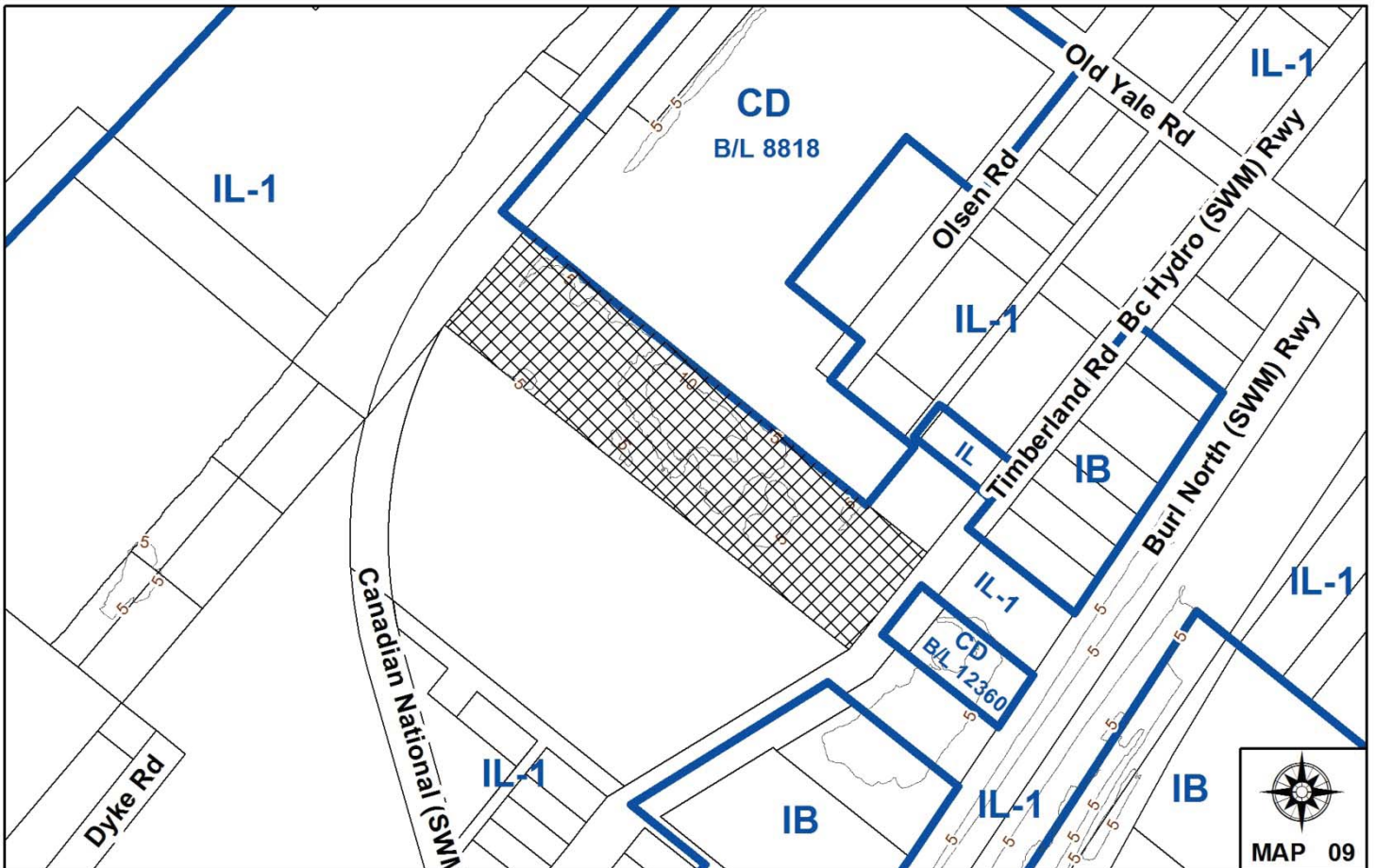
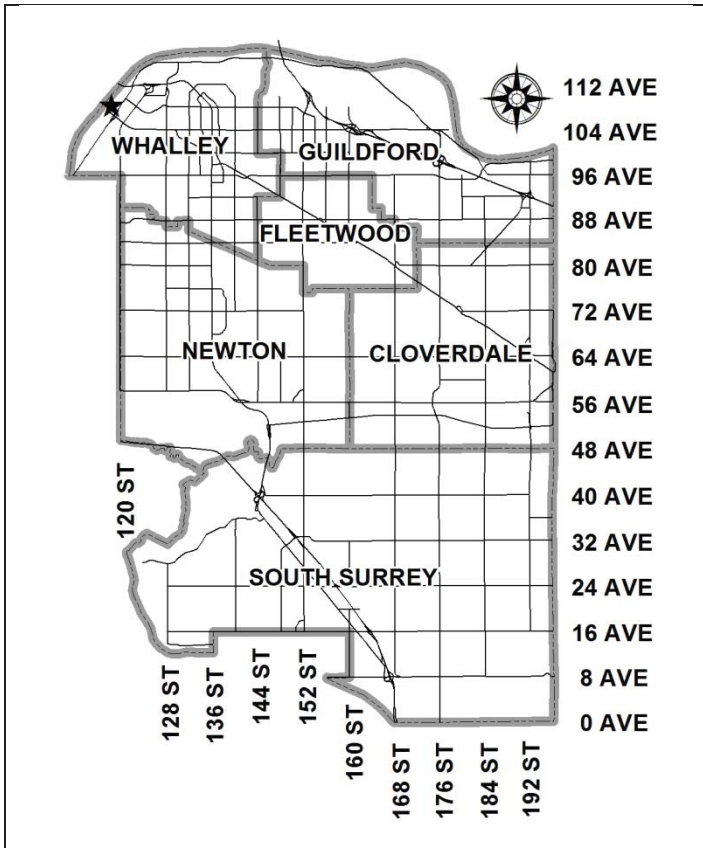
to allow an existing unauthorized outdoor wood chipping facility to continue operations for 3 years.

LOCATION: 10897 - Timberland Road

ZONING: IL-1

OCP DESIGNATION: Mixed Employment

NCP DESIGNATION: Business Park



RECOMMENDATION SUMMARY

- The Planning & Development Department recommends that this application be denied.

DEVIATION FROM PLANS, POLICIES OR REGULATIONS

- The recycling plant (wood chipping) use is contrary to the "Light Impact Industrial 1 Zone (IL-1)". The proposed land use also does not comply with the "Business Park" and "Parks and Open Spaces" designation in the South Westminster Neighbourhood Concept Plan (NCP) and the "Mixed Employment" designation in the Official Community Plan (OCP).

RATIONALE OF RECOMMENDATION

- The proposal does not comply with the "Mixed Employment" designation in the OCP. Heavy industrial uses are only permitted within the "Industrial" designation in the OCP.
- The proposal does not comply with the "Business Park" and "Parks and Open Spaces" designation in the NCP and may delay the future redevelopment of the site and surrounding area.
- The proposal does not comply with the current zoning of the subject property, which is "Light Impact Industrial 1 Zone (IL-1)".
- The existing business is unsightly and the subject site is highly visible from the SkyTrain. It is contrary to the vision to improve the image of South Westminster from that of a salvage industrial area, to an area with high quality development and to provide an attractive gateway to Surrey.
- The existing wood processing facility encroaches into the Streamside Setback Areas as regulated in the Zoning By-law and there are concerns with possible contamination.
- Area residents have filed complaints with By-law Services about the noise and dust from the existing operation. It is not compatible with adjacent residential uses.
- The City of Surrey's Bylaw & Licensing Division is currently undertaking a review of unauthorized uses in the area to improve compliance.
- The applicant has been operating without a business license and in contravention of the IL-1 Zone since approximately 2002.
- The North Surrey Sport & Ice Complex, east of the subject site, has been approved to proceed. This will provide valuable amenities to the Bridgeview and South Westminster areas and may encourage further redevelopment of the area.
- The recycling plant (wood chipping) use should be undertaken within a building, where negative impacts could be managed.

RECOMMENDATION

The Planning & Development Department recommends that this application be denied.

If, however, Council considers there is merit to the application, Council may refer the application back to staff to complete the application review process and bring the requested Temporary Use Permit (TUP) forward for Council consideration at a future date.

REFERRALS

Engineering: If the proposal is supported by Council, the application would be subject to a detailed Engineering Review.

SITE CHARACTERISTICS

Existing Land Use: Unauthorized recycling (wood chipping) operation and outdoor storage of trucks and other items.

Adjacent Area:

Direction	Existing Use	NCP Designation	Existing Zone
Northeast:	Brownsville mobile home park and pub.	Business/Residential Park & Parks and Open Spaces	CD (By-law No. 8818) & IL-1
Southeast (Across Timberland Road):	Vacant lots	Business Park	CD (By-law No. 12360) & IL-1
Southwest:	Lumber yard	Light Impact/Business Park	IL-1
Northwest:	Canadian National Railway	Special Study Area	IL-1

DEVELOPMENT CONSIDERATIONSBackground

- The 1.89-hectare (4.65-acre) subject site is located at 10897 - Timberland Road in South Westminster, south of Old Yale Road.
- The Brownsville mobile home park and pub site is adjacent to the subject site, to the northeast.

- The site is impacted by two (2) Class A/O watercourses along the northwest property line and along the southeast property line. If the proposed Temporary Use Permit (TUP) application were supported by Council, the property would be subject to a Sensitive Ecosystems Development Permit and the streamside setback requirements of the Zoning Bylaw.
- The site is zoned "Light Impact Industrial 1 Zone (IL-1)" and is designated as "Business Park" and "Parks and Open Spaces" in the South Westminster Neighbourhood Concept Plan (NCP).
- The site is located approximately 275 metres (900 ft.) to the south of the SkyTrain guideway within the Fraser River Waterfront area of the South Westminster NCP. This is a high profile area that is emerging as a prominent gateway to Surrey. The subject site is visible either from SkyTrain or from the Pattullo Bridge.
- The site is currently occupied by an unauthorized outdoor wood chipping operation. The site also contains unauthorized outdoor storage of trucks and equipment.
- A Council-initiated rezoning (described in Corporate Report No. R034 from February 21, 2005) implemented the intent of the South Westminster NCP by rezoning lands, including the subject site, to the IL-1 Zone. This rezoning prohibited outdoor storage and storage of trucks or trailers that are not associated with the business on the lot.
- With the adoption of the OCP By-law No. 18020 on October 20, 2014, the Official Community Plan (OCP) designation for this site was amended from "Industrial" to "Mixed Employment" to better reflect the mix of uses intended for this site in the South Westminster NCP and in the Metro Vancouver Regional Growth Strategy.
- The Zoning By-law identifies a "Recycling Plant" as a facility in which recoverable resources are recycled, reprocessed and treated to return such products to a condition in which they may again be used for production. This definition includes the processing of wood waste (i.e. "wood-chipping").
- Recycling plants are only permitted in the "High Impact Industrial Zone (IH)" and are not permitted under the IL-1 Zone. In addition, under Part 4 General Provisions of Zoning By-law No. 12000, no use shall take place on an industrial-zoned lot unless there is a building that exceeds 100 square metres (1,076 sq. ft.) and contains washroom facilities. The recycling plant operation occurs outdoors.

Current Proposal

- West Rim Fiber Corp. has been operating a wood waste processing facility on site since approximately 2002. The operation is at the northwest portion (rear) of the site in an area of approximately 0.6 hectares (1.48 acres). West Rim Fiber Corp. does not own the subject site. The southeast portion (front) of the site is currently being used by the property owner for outdoor storage of trucks and contractor equipment.
- The recycling plant use and the outdoor storage use on the site without a permanent structure, are contrary to the "Light Impact Industrial 1 Zone (IL-1)", the South Westminster Neighbourhood Concept Plan (NCP) and the Official Community Plan (OCP).

- West Rim Fiber Corp. has requested a Temporary Use Permit (TUP) to allow for the site to continue to be used to process wood products outdoors for a period of three years. The applicant has advised that the unauthorized outdoor storage at the southeast portion of the site will be removed as part of the TUP.
- The TUP application was submitted because the applicant has been operating without a business license, which is required for them to obtain a Metro Vancouver Solid Waste Permit from the Greater Vancouver Sewerage and Drainage District (GVSD). The Solid Waste Permit application is pending the outcome of the TUP and issuance of a business license for the operation.

PRE-NOTIFICATION

A development proposal sign was installed on July 7, 2016 and pre-notification letters were sent on June 21, 2016. Planning staff received a phone call from one (1) resident from the adjacent Brownsville mobile home park, as follows:

- The existing wood processing operation produces noise and dust which impacts the residents of the adjacent mobile home park.

(By-law Enforcement has received numerous complaints from the residents of the adjacent mobile home park with respect to the noise and dust generated from the existing operations since 2001.)

PROJECT EVALUATION

Applicant's Justification

The applicant has provided the following rationale in support of the proposed Temporary Use Permit to allow an existing wood-chipping recycling facility on the subject site, for a period of three (3) years (with staff comments in italics, as necessary):

- West Rim Fibre Corp. (WRF) is a local business with five (5) employees that aggregates and processes mill residuals (sawdust and shavings), old pallets and urban wood waste. WRF is a sister company to Pacific Lumber Remanufacturing Inc. (PLR), which is located at 11598 - 134 Street and employs sixty (60) people. WRF receives wood products from PLR, as well as from other businesses in the local area, which is ground into small pieces for distribution to local greenhouses and pulp mills for clean energy sources. Without WRF, PLR would be less viable and could face either shutting down or moving to a more favourable location.
- The subject site's proximity to PLR in North Surrey provides a short route for transporting raw materials and is well-situated for receiving pallets and urban wood waste from businesses in the local area. If WRF were not able to receive these products, they would be transported to Cloverdale Fuels in Langley, Basran Fuels in New Westminster, or to the landfill. Therefore, WRF provides an important service for the local area in contributing to the local economy and diverting waste materials from the landfill.

(While the wood processing facility is considered an interim use, it does not provide a large employment opportunity, nor is it a catalyst for new business growth in the area due to its negative visual impact.)

With direct links to New Westminster and Vancouver via the Pattullo Bridge and SkyTrain and Delta by way of Scott Road, River Road and South Fraser Perimeter Road, South Westminster is emerging as a prominent gateway into Surrey.

The subject site is in a highly visible location by passengers on the SkyTrain. The proposed land use is unsightly and contrary to the vision to improve the image of South Westminster from that of a salvage industrial area to an area with high quality development and to provide an attractive gateway to Surrey.)

- WRF is an outdoor operation as none of the materials being handled are toxic and they are easily off-loaded, processed and the outturn is reloaded by large machinery. To build a structure with sufficient height to accommodate the machinery would be cost-prohibitive.

(The processing of wood waste falls under the definition of a "Recycling Plant" in the Zoning By-law, which is a use only permitted in the "High Impact Industrial Zone (IH)". Under Part 4 General Provisions of Zoning By-law No. 12000, no use shall take place on an industrial-zoned lot unless there is a building that exceeds 100 square metres (1,076 sq. ft.) and contains washroom facilities. The subject site contains no permanent buildings. The recycling process takes place entirely outdoors and generates noise and dust.)

- There have been no complaints from the residents of the Brownsville mobile home park in the last five years, as there is minimal dust produced. WRF have established a good and convivial relationship with the residents.

(The wood processing operation is not compatible with adjacent residential uses.)

By-law Enforcement received numerous complaints from the residents of the adjacent mobile home park with respect to the noise and dust generated from the existing operations from 2001 to 2012.

In response to the pre-notification process for the subject TUP proposal, staff received a phone call from a resident of the adjacent mobile home park, complaining of the noise and dust generated by the wood chipping.)

- WRF has engaged a Qualified Environmental Professional to provide recommendations for site improvements with respect to the adjacent watercourses. Based on these recommendations, WRF has already installed screening to protect the front drainage catch basin and will continue to work on site improvements, including improving the existing retaining walls and cleaning up the area around the A/O watercourse.

(The site is impacted by two (2) Class A/O watercourses, one along the northwest property line and one along the southeast property line.)

There are two existing lock block retaining walls onsite which were installed to contain the wood product, however the walls appear to be insufficient to retain the wood fiber, and as a result, the existing wood processing operation encroaches into the streamside setback area.

City staff have concerns that the wood fibers may be creating ground contamination issues on the site, as well as entering the watercourse. Certain wood products, including pallets, can pose a risk, as they are susceptible to bacterial and chemical contamination.

If the proposed TUP application were supported by Council, the property would be subject to a Sensitive Ecosystems Development Permit and the 10-metre streamside setback requirement for a Class A/O ditch, as regulated in the Zoning Bylaw.)

- PLR is working on developing a plant off-site that will process wood waste into more efficient pellets to be used as an energy source to replace coal. PLR's target market is Japan; however, the product could potentially be used at local cement plants, many of which currently burn low grade fuels such as tires and railway ties. Once the pellet production plant is in place (targeting late 2018 or early 2019) then WRF will close the existing operation at the subject site and relocate to the plant site.

Advantages of the Proposal

- The proposed Temporary Use Permit to allow a wood processing facility will be an interim use until the subject property can redevelop into a land use more consistent with the South Westminster NCP.
- The proposal will accommodate an existing business (albeit unauthorized) for a 3-year period.
- West Rim Fiber provides employment to five staff and contributes to the local economy.
- The business assists in diverting wood waste from the landfill.

Disadvantages of the Proposal

- If approved, the proposed Temporary Use Permit could further delay the redevelopment of this area as envisioned in the South Westminster NCP and the OCP.
- The proposed use is contrary to the vision of creating an attractive entrance to Surrey with an enhanced public realm. The subject site is unsightly and is highly visible from the SkyTrain, Pattullo Bridge and the adjacent Brownsville mobile park and pub.
- The operation aggregates and processes wood fibers for recycling, which is a use that should be performed within a building to mitigate adverse impacts on adjacent lands.
- There are environmental concerns with allowing a potentially hazardous operation to continue adjacent to a Class A/O watercourse and within the Fraser River floodplain.
- The subject property is zoned "Light Impact Industrial 1 Zone (IL-1)", and the recycling plant (wood processing operation) is not permitted under the IL-1 Zone. A recycling plant is only permitted under the "High Impact Industrial Zone (IH)", which is not a land use permitted within the boundaries of the South Westminster NCP.
- The proposal does not comply with the South Westminster NCP and the OCP.

CONCLUSION

- Staff recognize that the wood processing operation is an interim use. However, in order to develop an attractive and vibrant gateway to Surrey with appropriate land uses consistent with the South Westminster NCP, staff do not support the proposed Temporary Use Permit to allow the existing operation to continue for three (3) years.
- If approved for three (3) years and a possible additional three (3) years, the operation could further delay the redevelopment of this area.
- In considering the advantages and disadvantages of the proposed Temporary Use Permit, staff recommend the application be denied by Council.
- If Council believes that the merits of the application are sufficient to allow the proposal to proceed, the application should be referred back to staff to complete the application review process and to prepare the requested TUP for Council's consideration.

INFORMATION ATTACHED TO THIS REPORT

The following information is attached to this Report:

Appendix I.	Lot Owners and Action Summary (Confidential)
Appendix II.	Site Layout
Appendix III.	Aerial Images
Appendix IV.	Written Justification from Applicant

Original signed by Ron Gill

Jean Lamontagne
General Manager
Planning and Development

LM/da

APPENDIX I HAS BEEN
REMOVED AS IT CONTAINS
CONFIDENTIAL INFORMATION



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PROJECT:
**10897 Timberland Road,
 Surrey**

DRAWING TITLE:
Concept Site Layout

PRELIMINARY PLAN - SUBJECT TO APPROVAL(S) FROM
 FEDERAL, PROVINCIAL AND LOCAL AUTHORITIES

CLIENT:
West Rim Fibre Corp.

SCALE:
1:1000

DATE:
May 2, 2016

PROJECT No:
15-1318

DRAWING No:
01

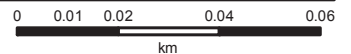
DESIGNED BY: EW	CHECKED BY: OV
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Enter Map Description

Scale: 1:1,500

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. Use and distribution of this map is subject to all copyright and disclaimer notices at cosmos.surrey.ca





Enter Map Description

Scale: 1:600



Watercourse Encroachment



© 2016 Pictometry

November 23, 2017

PLG File: 15-1318

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Dear Ms. Martin,

RE: Temporary Use Permit Application 16-0195 – 10897 Timberland Road – Comprehensive Justification

Further to your email dated October 26, 2017, which notes a proposed denial of Temporary Use Permit application 16-0195 at 10897 Timberland Road (“subject property”), this letter provides a comprehensive justification of the proposed outdoor wood chipping facility. The TUP application was initially submitted to allow for the operations onsite to obtain a business license as well as a Metro Vancouver Solid Waste Permit.

The intent of this letter is to demonstrate that the operation on the subject property plays a key function in the wood materials / waste chain in the City of Surrey. Please consider the following comprehensive justification for the proposed Temporary Use Permit application:

1. Overview of West Rim Fiber Operations at 10897 Timberland Road

West Rim Fiber Corp. (WRF) is located at 10897 Timberland Road, Surrey, BC. The business consists of aggregating and processing mill residuals and urban wood waste. The operation is a sister company to Pacific Lumber Remanufacturing Inc. (PLR) also based in North Surrey.

PLR supplies WRF with eleven truckloads (9 tons/load) a day of sawdust and shavings and five truckloads of lumber trim ends. WRF also receives old pallets and urban wood waste (20,000 tons/year) from businesses in the local area that they grind into small pieces and then mix with the wood received from PLR.

WRF is an outdoor operation as none of the materials being handled are toxic and they are easily off loaded, processed and the outturn reloaded by large machinery. None of the material received needs to be sorted as WRF only receives pure wood – no plastics or garbage of any kind. WRF is not a recycling plant but a wood processing operation. To build a structure with sufficient height to accommodate the machinery would be cost prohibitive. There have been no complaints from the trailer court nearby over the last five years as there is minimal dust produced. WRF have also established a good and convivial relationship with the trailer court residents.

WRF has five employees but if it were not running, PLR would be less viable and could face either shutting down or moving to a more favourable location such as Abbotsford. PLR has 60 employees.

2. West Rim Fiber Operations Provides an Important Service for the Local Area

The subject property's proximity to PLR in North Surrey provides a short route for transporting the sawdust, shavings, and lumber trim ends. The site is also well situated to receive the old pallets and urban wood waste from businesses in the local area. Were WRF not able to receive this material, the materials would need to be transported much further away to Cloverdale Fuels in Langley, to Basran Fuels or the landfill in Delta, depending on the tipping costs. The additional transport and third party processing increases the costs for the local businesses while burning fossil fuels in the process.

It is important to highlight that the processing which takes place at WRF repurposes the mill residuals and urban wood waste and keeps these materials from entering the landfill. Sending wood waste to the landfill will cause the waste to rot and gas off methane, a greenhouse gas 30 times worse than CO₂.

3. Where do the Processed Materials Go?

After the materials are processed at WRF, the outturn product is sold to local greenhouses for heating during the winter months, replacing the use of other fuels. The other large industrial users are the pulp mills who use it to generate power. The use of the processed wood products in the local greenhouses and pulp mills is considered a cleaner and cost effective fuel source than diesel. This use of material is also considered a form of waste diversion from the landfills.

4. Future Options

PLR is working on installing a plant that will process wood waste (biomass) into high grade (e.g., more efficient) pellets (used as an energy source)¹. The resultant pellet is over 9,500 Btu/lb and is a hydrophobic product, which makes for easier bulk transport of the product. In comparison, white pellets made from compressed sawdust provide 8,500 Btu/lb and disintegrate if exposed to rain. Pellets are currently exported from the Fibreco Terminal in North Vancouver and permits are in place to handle this material.

What this means is that the high grade pellet can directly replace coal or can be co-fired in existing coal plants around the world. The advantage of using this high-grade pellet rather than coal is that does not emit the toxic (coal) substances such as mercury, lead, arsenic, cadmium, SO₂, NO₂ and many others. PLR's target market is Japan as the country is building biomass plants to replace nuclear power after the Fukushima disaster. The product also has potential to be used at local cement plants, many of which currently burn low grade fuels such as tires and railway ties that pollute the environment.

¹ This process takes ground wood and hydrolyzes, oxygenates, steam explodes, then washes it prior to pelletizing.

Once the pellet production plant is in place – hopefully by late 2018 or early 2019 – then WRF will close this operation and move to that site.

5. Recent Site Improvements

In the meantime, WRF will continue work on site improvements including improving the retaining walls and cleaning up the area around the A/O ditch at the north-east corner of the site. WRF has already installed screening to protect the front drainage catch basin onsite as per a Qualified Environmental Professional's recommendations and are proceeding with the installation of the same for the rear catch basin.

Conclusion

Based on the above information, West Rim Fiber is requesting permission to continue operations for another three years while the proposed high grade pellet plant planning and production process is underway. The wood fiber and materials processing at West Rim Fiber allows the processed products to be diverted from the landfill and repurposed for clean energy sources for local greenhouses and pulp mills.

We trust this comprehensive justification letter further clarifies the operation at 10897 Timberland and its important role in the local mill and wood waste materials chain. As noted above, the process for a high grade pellet production plant is in progress and the West Rim Fiber operations on the subject property is anticipated to close and move to the new site when the plant is complete. A meeting with yourself and Ron Gill is also requested to discuss this letter and answer any questions City staff may have about this operation, timelines, and the company's future pellet plant.

Should you have questions or require further clarification, please do not hesitate to contact the undersigned at 604-501-1624.

Sincere Regards,

Pacific Land Resource Group Inc.



Oleg Verbenkov, MCIP, RPP
Principal

cc. Ron Gill, City of Surrey
Rob Sohi, MacKenzie Sawmill