

STAFF REPORT TO COUNCIL

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DATE: June 22, 2021

TO: MAYOR AND COUNCIL

NAME AND TITLE: Deanna Wasnik, Acting Director of Planning and Development Services

SUBJECT: 2021 CP100166 and RZ100689 Report to Council.docx

APPLICANT: Beairsto & Associates Engineering Ltd. for Tidewater Midstream & Infrastructure Ltd., Inc. No. A0098496

LOCATION: 2068 and 2542 PG Pulpmill Road

ATTACHMENT(S): Location and Existing Zoning Map
Appendix "A" to Bylaw No. 9173
Appendix "B" to Bylaw No. 9173
Appendix "A" to Bylaw No. 9174
Exhibit "A" to Application No. CP100166
Prince George Refinery Renewable Diesel Facility Project Information

RECOMMENDATIONS:

THAT Council:

1. GIVES First Reading to "City of Prince George Official Community Plan Bylaw No. 8383, 2011, Amendment Bylaw No. 9173, 2020."
2. CONSIDERS "City of Prince George Official Community Plan Bylaw No. 8383, 2011, Amendment Bylaw No. 9173, 2020", in conjunction with the current Financial Plan and confirm there are no issues.
3. CONSIDERS "City of Prince George Official Community Plan Bylaw No. 8383, 2011, Amendment Bylaw No. 9173, 2020", in conjunction with the current Regional District of Fraser Fort-George Solid Waste Management Plan and confirms there are no issues.
4. CONSIDERS "City of Prince George Official Community Plan Bylaw No. 8383, 2011, Amendment Bylaw No. 9173, 2020", in conjunction with the City of Prince George Strategic Framework for a Sustainable Prince George and confirms there are no issues.
5. GIVES Second Reading to "City of Prince George Official Community Plan Bylaw No. 8383, 2011, Amendment Bylaw No. 9173, 2020".

RECOMMENDATIONS (con't)

6. APPROVES the following public consultation process to fulfill the requirements of Section 475 of the *Local Government Act*:
 - a. Two (2) Citywide Newspaper advertisements requesting written comment; and
 - b. Request for written comment from properties identified on Exhibit "A" to CP100166.
7. EXPANDS, from 30 metres to 500 metres, the distance, as required in the "City of Prince George Development Procedures Bylaw No. 7635, 2005", for the mailing of notice of the public hearing for the "City of Prince George Official Community Plan Bylaw No. 8383, 2011, Amendment Bylaw No. 9173, 2020" and "City of Prince George Zoning Bylaw No. 7580, 2007, Amendment Bylaw No. 9174, 2020."
8. GIVES First and Second Reading to "City of Prince George Zoning Bylaw No. 7850, 2007, Amendment Bylaw No. 9174, 2020"; and
9. PERMITS that consideration of Final Reading of proposed Bylaw No. 9174, 2020 BE WITHHELD until the following requirements have been met to the satisfaction of Administration:
 - a. Registration of a Section 219 Restrictive Covenant for a No Build and No Disturb on the portions of the subject property that contain significant slopes as defined by the Geotechnical Report on file.

In addition, any recommendations presented in the preceding items must be addressed to the satisfaction of the Acting Director of Planning and Development Services.

PURPOSE:

The applicant would like to amend the Official Community Plan (OCP) and rezone a portion of 2068 and 2542 PG Pulpmill Road (subject area) to facilitate the development and operation of a renewable diesel facility, and expansion of the existing refinery operations. The proposed renewable diesel refinery will be one of the first commercial facilities in Canada that would produce renewable diesel from biomass sources (i.e. vegetable oils, animal fats and used cooking oils). The renewable diesel production will be integrated with the existing refinery infrastructure and will utilize the existing rail and truck routes for transportation and distribution to the BC markets.

In order to facilitate the operation of the renewable diesel facility and expansion of the existing refinery facility, the applicant is proposing to amend the Official Community Plan schedules for a portion of the subject area as follows:

- Schedule B-6: Future Land Use from Rural Resource to Heavy Industrial as shown on Appendix "A" to Bylaw No. 9173; and
- Schedule B-4: Growth Management from Rural Resource to Infill as shown on Appendix "B" to Bylaw No. 9173.

In addition, the applicant is proposing to rezone a portion of the subject area from AG: Greenbelt, AF: Agriculture & Forestry, M3: Business Industrial, U1: Utility Minor to M6: Special Heavy Industrial as shown on Appendix "A" to Bylaw No. 9174.

Site Characteristics

Location	2068 PG Pulpmill Road	2542 PG Pulpmill Road
Legal Description	Parcel A (102363M) of District Lot 2061, Cariboo District, Except Plan 23178	Lot B, District Lot 2062, Cariboo District, Plan 16555, Except Plans 18402 and 23178
Current Use	Developed Industrial Refinery and undeveloped agricultural land	Developed Industrial Refinery
Site Area	67.1 ha (165.9 acres)	8.9 ha (22.2 acres)
Servicing	On-site servicing	On-site servicing

Official Community Plan Amendment: Schedule B-6: Future Land Use (see Appendix “A” to Bylaw No. 9173)

Location	2068 PG Pulpmill Road	2542 PG Pulpmill Road
Future Land Use Designation	Heavy Industrial (4.7 ha) Rural Resource (57.9 ha) Utilities (4.5 ha)	Heavy Industrial (6.6 ha) Rural Resource (0.75 ha) Utilities (1.55 ha)
Proposed Future Land Use Designation	Heavy Industrial (27.4 ha) Rural Resource (35.7 ha) Utilities (4.0 ha)	Heavy Industrial (7.1 ha) Rural Resource (0.25 ha) Utilities (1.55 ha)

Official Community Plan Amendment: Schedule B-4: Growth Management (see Appendix “B” to Bylaw No. 9173)

Location	2068 PG Pulpmill Road	2542 PG Pulpmill Road
Current Growth Management	Infill (4.7 ha) Rural Resource (62.4 ha)	Infill (7.8 ha) Rural Resource (1.2 ha)
Proposed Growth Management	Infill (27.4 ha) Rural Resource (39.7 ha)	Infill (8.3 ha) Rural Resource (0.6 ha)

Zoning (see Appendix “A” to Bylaw No. 9174)

Location	2068 PG Pulpmill Road	2542 PG Pulpmill Road
Current Zoning	M6: Special Heavy Industrial (4.7 ha) AF: Agriculture & Forestry (33.5 ha) AG: Greenbelt (24.0 ha) M3: Business Industrial (0.35 ha) U1: Minor Utilities (4.5 ha)	M6: Special Heavy Industrial (6.5 ha) U1: Minor Utilities (1.9 ha) AF: Agricultural & Forestry (0.5 ha)
Proposed Zoning	M6: Special Heavy Industrial (27.4 ha) AF: Agriculture & Forestry (14.2 ha) AG: Greenbelt (21.6 ha) U1: Minor Utilities (3.9 ha)	M6: Special Heavy Industrial (7.35ha) U1: Minor Utilities (1.55 ha)

Surrounding Land Use Table

North	CN Railway Right of Way and Fraser River
South	PG Pulpmill Road and Heavy Industrial land uses (i.e. Canfor Dewatering Plant and Pulpmill)
East	Tidewater Holdings Ltd. Refinery
West	Undeveloped Greenbelt and Manufactured Home Park

Relevant Applications:

Tree Cutting Permit No. TC00029: Tree Cutting Permit No. TC000029 was issued on May 25, 2021 to facilitate the construction of a road within the AG: Greenbelt zoned portion of the subject property for 2068 PG Pulpmill Road.

POLICY / REGULATORY ANALYSIS:

Intent of the Official Community Plan

As identified in Section 1.2 of the Official Community Plan (Intent, Application, and Interpretation): The *Local Government Act* explains that all bylaws enacted or works undertaken by Council after adoption of the Official Community Plan must be consistent. An Official Community Plan, however, is not intended to be a static document, but should adapt to new trends within society and respond to changing circumstances. As such, following appropriate public consultation and careful consideration by Council, policies and land use designations in an Official Community Plan may be revised by an amending bylaw pursuant to provisions outlined within the *Local Government Act*.

Official Community Plan

Future Land Use

The subject area are designated as Heavy Industrial, Rural Resource and Utilities in Schedule B-6: Future Land Use of the Official Community Plan. In order to facilitate the expansion of the renewable diesel facility, the applicant is proposing to realign the designation boundaries of the subject area of Rural Resource, Heavy Industrial and Utilities as shown on Appendix "A" to Bylaw No. 9173. Please see below for information on the OCP policies for the subject area.

Heavy Industrial

The 'Heavy Industrial' designated areas are intended to accommodate high impact, large-scale industrial uses with high level of noise and air emissions based on Provincial Offsetting guidelines. Heavy Industrial uses may include mining and extraction use, primary metal manufacturing, petroleum refineries, asphalt and roofing material production, pulp mills and extensive manufacturing. The City should encourage infill and the development of existing serviced industrial lands, including underutilized industrial land before considering expansion into designated areas with un-serviced land (Policy 8.3.82). The City should consider air-quality issues critical to any land use decision relating to industrial development (Policy 8.3. 84). The City strongly encourages existing heavy industries undergoing expansions or upgrades to use best available pollution control technologies and other measures to reduce air emissions (Policy 8.3.109).

As indicated previously, the applicant is proposing to expand the existing refinery use that is occurring on the subject area to facilitate the development and operation of a renewable diesel facility. The construction of the new facility will include a two-stage hydrotreating processing unit, renewable hydrogen process units and associated storage of feedstock's and sales product. The renewable diesel production will be integrated and co-located with the existing refinery infrastructure and footprint.

The equipment associated with the project was selected to ensure a minimal increase in air emissions and meet the Federal and Provincial regulations as per the attached Prince George Refinery Renewable Diesel Facility Project Information. Furthermore, the expansion of the Heavy Industrial designation will ensure infill and development of an existing and serviced industrial properties which aligns with OCP policy and regulations as outlined above. Therefore, Administration is supportive of the realignment of the Heavy Industrial designation as per the rationale provided above.

Rural Resource

The Rural Resource designation includes areas used for agriculture, forestry and resource extraction activities that are important in the long-term health of the regional economy. It also encompasses natural open spaced, environmental sensitive areas and natural hazard areas in which development is restricted or prohibited. The

City should permit resource protection or resource use, such as agriculture, forestry, parks and utilities (Policy 8.3.114).

The Rural Resource boundaries that are being realigned and incorporated into the Heavy Industrial Designation portion of the subject area is based on Geotechnical Reporting recommendations from a Registered Professional Engineer. The remainder of the subject area will remain as Rural Resource to protect areas designated as significant slopes and provide additional buffering to the residential uses to the north and west of the subject properties as shown on Appendix "A" to Bylaw No. 9173.

Utilities

The Utilities designation is intended to support utility corridors for City and Private Utilities (i.e. BC Hydro, Fortis and Telus) that will have a minor impact on the surrounding land uses. This designation is remaining on the subject properties and will be reconfigured to align with Statutory Right of Way for private utilities.

Administration is supportive of the realignment of the OCP boundaries as the proposal is an expansion to the Heavy Industrial uses that are occurring on the subject area and is consistent with other heavy industrial uses occurring in the surrounding area (i.e. Canfor Pulpmill and Canfor Dewatering facility). In addition, the site will be utilizing existing industrial transportation routes (i.e. PG Pulpmill Road) and the CN Rail Right of Way for distribution and transportation of the renewable diesel to BC markets.

Significant Slopes

A portion of the subject properties are designated Rural Resource and contain significant slopes as per Schedule B-3: Significant Slopes of the Official Community Plan. This designation indicates slopes that are greater than 20% grade and may be subject to landslide hazards (Policy 6.4.57). The OCP recommends that development be located a safe distance from landslide hazards based on a Geotechnical Report prepared by a qualified professional (Policy 6.4.58). The OCP also recommends that the property owner register a Section 219 Covenant on title of properties that contain significant slopes (Policy 6.4.50).

The applicant supplied a Geotechnical Report completed by a Registered Professional Engineer as part of the application submission to address the significant slope designation and provide recommendations on the proposed expansion of the M6: Special Heavy Industrial zone into the AG: Greenbelt zoned portion to ensure the expansion is safe for the intended use.

The applicant has offered to register a Section 219 Restrictive Covenant on the subject property for No Build and No Disturb within the areas identified to contain significant slopes and ensure recommendations of the geotechnical report are adhered to for future development on the subject properties.

Growth Management

The subject area are designated as Infill and Rural Resource in Schedule B-4: Growth Management of the Official Community Plan. The growth management designations describes tools used to direct growth in ways that support community goals. The Infill designation is intended to encourage growth within areas designated as Infill and Growth Priority through a combination of incentives, city investment and regulations (Policy 8.1.1).

The Rural Resource designation is intended for areas used for agriculture, forestry and resource extraction activities that are important in the long-term health of the regional economy. It also encompasses natural open spaces, environmentally sensitive areas and natural hazard areas in which development is restricted or prohibited.

The applicant is proposing to realign a portion of the subject area from Rural Resource to Infill to match the proposed OCP realignments to the Heavy Industrial designation to ensure consistency with OCP policy and regulations as shown on Appendix “B” to Bylaw No. 9173. Administration is supportive of the amendment to the growth management schedule as the proposal is to expand the existing refinery use on the subject area.

Zoning Bylaw

The subject properties (2068 PG Pulpmill Road and 2542 PG Pulpmill Road) are split zoned within the property boundaries as outlined in the Zoning Table below:

Zoning Table:

Location	2068 PG Pulpmill Road	2542 PG Pulpmill Road
Current Zoning	M6: Special Heavy Industrial (4.7 ha) AF: Agriculture & Forestry (33.5 ha) AG: Greenbelt (24.0 ha) M3: Business Industrial (0.35 ha) U1: Minor Utilities (4.5 ha)	M6: Special Heavy Industrial (6.5 ha) U1: Minor Utilities (1.9 ha) AF: Agricultural & Forestry (0.5 ha)
Proposed Zoning	M6: Special Heavy Industrial (27.4 ha) AF: Agriculture & Forestry (14.2 ha) AG: Greenbelt (21.6 ha) U1: Minor Utilities (3.9 ha)	M6: Special Heavy Industrial (7.35ha) U1: Minor Utilities (1.55 ha)

The applicant is proposing to rezone portions of the subject properties to reflect the proposed OCP designation realignment as shown on Appendix “A” to Bylaw No. 9174.

M6: Heavy Industrial (2068 and 2542 PG Pulpmill Road)

The purpose of the zone is to provide for specialized heavy industries including abattoir, brewery & distillery, crematorium, heavy industry, railway and utilities. The applicant is proposing to expand the M6: Special Heavy Industrial zone to support the development of the renewable diesel facility. Administration recommends support of the expansion of the M6 zone to facilitate the development of a renewable diesel facility as the zone is currently on the subject properties and surrounding area. In addition, the proposal would allow expansion and infill to an existing industrial site, which is consistent with the objectives and policy of the Heavy Industrial designation.

AG: Greenbelt (2068 PG Pulpmill Road)

The purpose of this zone is primarily to preserve sensitive lands in a natural state. This includes lands with characteristics such as steep slopes, poor drainage, flooding or other hazards, unique scenic values, significant vegetation and wildlife habitat by providing for a limited range of uses with regulations that maintain lot size of at least 15.0 ha within rural areas. The zone encompasses the areas of the subject area that are designated as significant slopes on 2068 PG Pulpmill Road.

The applicant is proposing to expand the existing M6 zone into a portion of the AG: Greenbelt zone as shown on Appendix “A” to Bylaw No. 9174. The applicant supplied a Geotechnical Report completed by a Registered Professional Engineer to address the significant slope designation, and provide recommendations on the proposed expansion of the M6 zone into the AG zone portion is safe for the intended use. As indicated previously in this report, the Geotechnical Report indicated that the expansion of the M6 zone into the AG zoned portions is safe for the intended use with adherence to the recommendations outlined in the geotechnical report for the future development.

Administration is supportive of the amendment to the AG: Greenbelt zone to M6: Special Heavy Industry as the report indicates that the proposed M6 zoned portion is safe for the intended use. The remaining portion of the property will remain as AG: Greenbelt for the areas designated as significant slopes and any proposed land alteration or modifications within the AG zone would trigger a Tree Cutting Permit as per the Tree Protection Bylaw No. 6343, 1995. In addition to the Tree Cutting Permit, the applicant has also offered a Section 219 Covenant for No Build and No Disturb to ensure that the portions containing significant slopes remain undisturbed, and the recommendations of the geotechnical report are adhered to for future development on site.

AF: Agriculture & Forestry (2068 and 2542 PG Pulpmill Road)

The purpose of this zone is to conserve and manage agriculture and forestry land by providing for a compatible range of uses with regulations that maintain parcels of at least 15.0 ha. As indicated previously, the applicant is proposing to rezone a portion of the subject area that is currently zoned AF to M6 to facilitate an expansion to existing heavy industrial uses for a renewable diesel refinery as shown on Appendix "A" to Bylaw No. 9174. A portion of the subject area will remain AF to provide additional buffering to the residential uses to the north and west of the subject properties. Administration is supportive of the proposed expansion of the M6 zone.

U1: Minor Utilities (2068 and 2542 PG Pulpmill Road)

The purpose of the U1 zone is to provide for utilities that may only have a minor impact on adjacent uses. As indicated previously, the U1 zone is being realigned to match the existing Statutory Right of Way for private utilities that transects the subject properties.

M3: Business Industrial (2068 PG Pulpmill Road)

The purpose of this zone is to provide for a mix of business and light industrial uses, generally without outdoor storage. The applicant is rezoning the M3: Business Industrial to M6: Special Heavy Industry remove the M3 zone from the subject area as the M3 zone fragments the subject area and is not consistent with the heavy industrial uses in the area. Administration is supportive of the rezoning from M3 to M6 to support the proposed development of the renewable diesel facility and expansion of the existing refinery on the subject properties.

Administration is supportive of the proposed OCP amendment and rezoning to facilitate the development of the renewable diesel refinery and expansion to the existing refinery as the proposal aligns with the OCP policies and is consistent with the Heavy Industrial uses occurring on site and the surrounding area.

Land Use Impacts

Transportation Routes

As indicated previously, the proposal will be utilizing existing transportation routes for truck traffic on PG Pulpmill Road, which is designated as a major collector under Schedule B-10: 15 Year Road Network of the OCP. A major collector is intended for the movement of people and goods between local roads and the arterial road network. The applicant has indicated that there will be a slight increase in traffic to and from the site during construction activities along PG Pulpmill Road. Once construction is complete and the facility is in operation, the increase in traffic is estimated to be additional 4-8 trips per day as well the development will be utilizing the CN Rail Right of Way. Administration does not anticipate negative impacts from the proposed use on the existing road network from the proposed facility.

OTHER CONSIDERATIONS:

Referrals

This application was referred to internal City divisions and external agencies for comments. There are no outstanding comments with the land use application.

Notification to Adjacent Property Owners

As per the requirements set out in the *Local Government Act*, the City of Prince George will mail or otherwise deliver a notice to adjacent property owners and tenants whose interests may be affected by this land use application.

Administration is recommending that the Notice of Public Hearing and OCP consultation mail out area that is required as per the “City of Prince George Development Procedures Bylaw No. 7635, 2005” is increased from 30.0 m to 500.0 m as shown on Exhibit “A” to CP100166.

Council Procedures during COVID-19 Pandemic

As per the requirements set out in the *Local Government Act* and “City of Prince George Development Procedures Bylaw No. 7635, 2005”, the City of Prince George will mail or otherwise deliver a notice to adjacent property owners and tenants whose interests may be affected by these applications. Members of the public may provide comment by written submission, telephone or in person. Written submissions received in response to the public notice for these applications will be provided to Council for their consideration during the public hearing and prior to third reading of the proposed bylaws. Residents who wish to speak in person can do so during the Public Hearing in Council Chambers. The City of Prince George follows the guidelines of the Provincial Health Officer as measures have been put in place to ensure the safety of members of the public attending the Public Hearing to provide comments. Additional information on methods to provide comments to Council can be found on the [City's website](#).

Sequence of Adoption for the Official Community Plan

Pursuant to the *Local Government Act*, City of Prince George Official Community Plan Bylaw No. 8383, 2011 was adopted by considering the Financial Plan, Solid Waste Management Plan and Strategic Framework. Therefore, any amending bylaws to the Official Community Plan must also consider these plans.

Section 477 of the *Local Government Act* identifies the adoption procedures for the development, repeal or amendment to the Official Community Plan bylaw. This sets in motion the following sequence which identifies the *Local Government Act* requirements and the City's own procedures:

1. After a bylaw has been given first reading the following must occur:
 - a) Consideration of the plan in conjunction with the current [Financial Plan](#);
 - b) Consideration of the plan in conjunction with the current [Regional District Solid Waste Management Plan](#);
 - c) Consideration of any other plan and policies that the local government considers relevant (i.e. [Strategic Framework for a Sustainable Prince George](#));
 - d) Referral to the Agricultural Land Commission if the Plan applies to Agricultural Land Reserve land (*not applicable to these applications*);
 - e) Second Reading;
 - f) Public notice of the Public Hearing; and
 - g) Public Hearing.
2. Third Reading of the bylaw
3. Final Reading and Adoption of the bylaw

The *Local Government Act* requires that each reading of the OCP bylaw must receive an affirmative vote of a majority of all Council members. The adoption procedures found in Section 477 of the *Local Government Act* are required, and should any changes occur to the bylaw, the sequence of steps would be repeated.

Statutory Consultation

The Department recommends that Council approve the consultation method outlined in the recommendation section of this Staff Report to Council to provide:

- Two (2) Citywide Newspaper advertisements requesting written comment; and
- Request for written comment from properties identified on Exhibit “A” to CP100166;

This consultation would occur after First and Second Reading to Bylaw No. 9173 and 9174 and prior to the Public Hearing.

ALTERNATIVES:

1. Approve the bylaw
2. Approve the bylaw as amended
3. Refuse the bylaw
4. Defer or otherwise deal with the bylaw

Administration recommends that Bylaw No. 9173, 2020 and 9174, 2020 be approved.

SUMMARY AND CONCLUSION:

Administration is supportive of the application to amend the Official Community Plan and Zoning Bylaw for portions of the subject properties to facilitate the development of a renewable diesel refinery. The proposal is consistent with uses already occurring in the area and is supported by the policy direction of the Official Community Plan.

RESPECTFULLY SUBMITTED:

Deanna Wasnik, Acting Director of Planning and Development Services

Prepared by: Melissa Nitz, Planner

APPROVED:

Walter Babicz, Acting City Manager

Meeting Date: 2021/07/12