

April 16, 2021

City of Terrace
Development Services, Planning
5003 Graham Avenue
Terrace, BC V8G 1B3

Attention: Dave Block and Tara Irwin

Re: NSD Inland Port and Developments Project Rezoning Application

NSD Development Corporation submitted an application to rezone the transload portion of 4800 Keith Avenue & a portion of 4760 Keith Avenue to M2 Heavy Industrial and amend the City of Terrace Official Community Plan (2018) in the spring of 2020. The City of Terrace passed 1st and 2nd reading of the Project's rezoning application on July 13th, 2020. In September 2020 we requested the City delay our rezoning application while the OCP amendment moved ahead and to concurrently move forward with the rezoning application "in a way that grants the appropriate use for the site." It was later determined to draft a new zone. The OCP amendment was passed on January 15, 2021.

We are now in agreement with the new M2a – Heavy Industrial zone as drafted. We request that the City of Terrace resume our rezoning application to change the transload facility portion of 4800 Keith Avenue & a portion of 4760 Keith Avenue to the new M2a – Heavy Industrial zone.

Sincerely,

NSD Development Corporation



Hatha Callis
Vice President, Real Estate and Developments

April 29, 2021

Mayor and Council
City of Terrace
5003 Graham Avenue
Terrace, BC, V8G 1B3

Dear Mayor and Council,

RE: NSD Inland Port and Developments, Project Update Prior to Resuming Rezoning

In July of 2020 we submitted an OCP amendment and rezoning application for the NSD Inland Port and Developments project proposed at 4800 Keith Ave and a portion of 4760 Keith Ave. This application was accompanied by a Project Development Plan (PDP) prepared by Allnorth, an executive summary, and conceptual site plans. Since July of 2020 significant progress has been made towards realizing this project including a public consultation phase, separating the rezoning from the OCP amendment, a public consultation performed by the City of Terrace, passing of the OCP amendment, and drafting of a new zone.

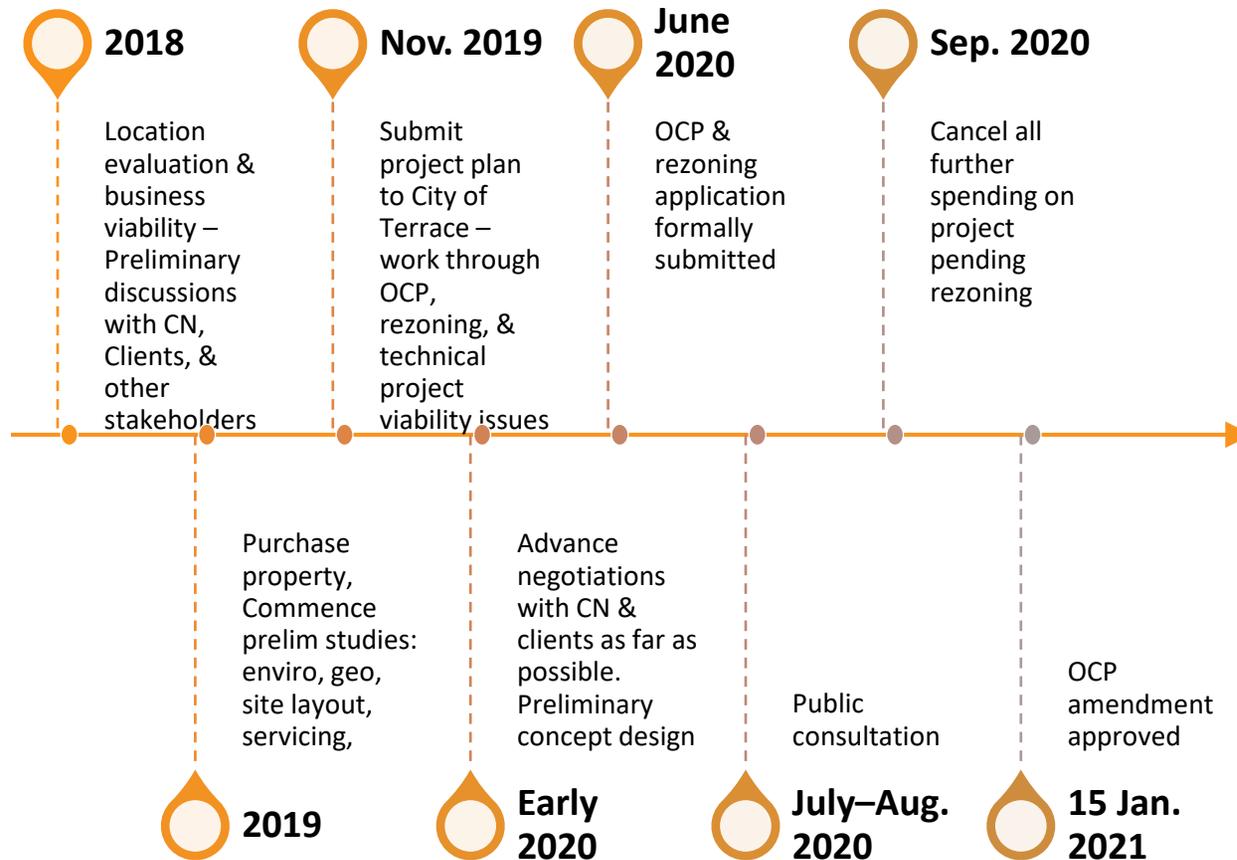
Considerable time has passed since we provided information about our proposed project to Council and this letter is intended as a project update leading into the next step which is to resume the rezoning application. We will address the following topics:

- A brief history of the project
- A summary of our project plan moving forward
- A summary of how and when key concerns are intended to be addressed

There has been considerable public commentary about Progressive Ventures possibly addressing various concerns at the rezoning stage. We recognize the desire to know the end outcome as soon as possible however until we have an appropriately zoned property, there are many aspects of the project that we simply cannot even start. There is a thorough approvals process established in provincial legislation and municipal bylaws that must be followed and key milestones that need to be accomplished before answers to these questions can be provided. We want to assure you that this process will be diligently followed, and that appropriate information will be brought forward at appropriate times.

Despite the majority of this letter focusing on details and addressing potential negative concerns, I want to take this opportunity to remind you of the overwhelming support in our community for this project and the many benefits it will bring to Terrace.

PROJECT HISTORY



Current Status

Since the OCP amendment was approved in January the City of Terrace has been drafting a new heavy industrial zone appropriate to a transloading facility. This is now complete, and we are requesting City Staff to resume our formal rezoning application.

All other spending remains on hold.

PROJECT PLAN AFTER REZONING

- Resume environmental remediation from historical site uses
 - Investigations, testing, monitoring and evaluations ongoing since 2013
 - Ministry Release expected in Spring of 2021.
 - This is a milestone requirement prior to subdivision
 - Actual remediation to occur in stages ahead of developing specific portions of the land.
 - Portions of this are a milestone requirement prior to subdivision of buffer ring properties
- Resume technical preparations such as servicing plans, grading and drainage plans, geotechnical investigations, Keith ave cross section, etc.
- Resume Commercial / Stakeholder Negotiations
 - All stakeholder negotiations are paused until the property is rezoned. After rezoning, discussions with CN and potential transload facility users can resume.
- Based on the commercial negotiations above, determine commodities planned for the facility
- Begin site design and engineering based on the intended commodities.
- Prepare and submit a subdivision application to separate the transload facility property from the frontage properties.
 - Dedication of the NW corner park space and commitment to its grading happen at this phase
- Buffer Ring Properties Development
 - Customer-specific light industrial or mixed use developments along Keith Avenue, requiring subdivision, development permit and building permits.
 - Can commence after rezoning is complete and Ministry Release is received for environmental remediation
- Prepare and submit development permit application for transload facility.
- Commence with transload facility construction

A far more detailed flowchart showing the various project milestones is attached.

Special Mention of Project Viability:

It is important to highlight that achieving appropriate zoning on this property is a go/no-go milestone for us on this entire project (both the transload facility and the frontage ring properties). We cannot invest further in this project in Terrace until we have certainty that it can be done here. Without this certainty that the entire property can be developed once again into a productive contributor to our community we cannot advance any individual portion of the project forward.

We are not a big multi-nation corporation with the ability to wait for years and years. If the requested rezoning is not advanced in a timely manner we will be forced to cancel this project.

ADDRESSING KEY CONCERNS

Through various stakeholder engagements including our public consultation activities, the City of Terrace’s public consultation activities, and various Council meetings we have heard some common concerns. Many of these concerns already have proposed mitigation measures or will be addressed at a future regulatory milestone such as sub-division stage or development permit stage. Please find a summary of stakeholder concerns below:

Traffic

Plans to address concern	Timeline and approvals stage	Images
<p>A Traffic Impact Assessment was completed and key recommendations include:</p> <ul style="list-style-type: none"> • Center left turn lanes at the Molitor entrance • Molitor entrance construction as outlined below • Possible signalization of Keith/Kenney but not until the 15-year future mark and pending development activity on the frontage lots • Improvement of cycling and pedestrian infrastructure on Keith Ave. 	<p>Turn lanes should be done as one of the first site servicing and construction activities. Commitments will be stipulated at Sub-division</p>	 <p>Keith Ave cross section per Option B in City of Terrace’s Transportation Master Plan</p>

Site Access

Plans to address concern	Timeline and approvals stage	Images
<p>The Molitor street entrance will be constructed to municipal standards and provide holding space for large vehicles so they can get off Keith Ave.</p> <p>The entrance gate will be designed to accommodate the level of traffic entering the site such that long wait times to enter the site are not encountered.</p>	<p>Entrance should be done as one of the first site servicing and construction activities. Commitments will be stipulated at Sub-division</p>	 <p>Molitor entrance to the Transload facility</p>

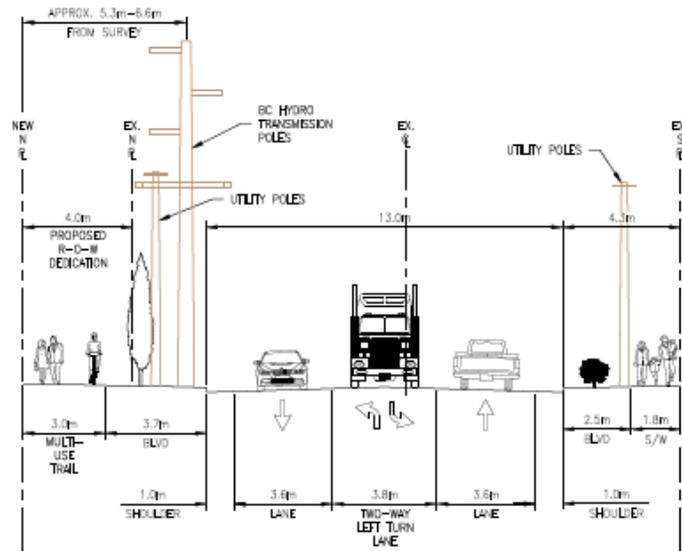
Pedestrian & Cycling Infrastructure on Keith Ave

A revised cross section for Keith Ave is being drafted which includes a landscaped median which aligns with the hydro poles and a combined walking/cycling path that is separated from the vehicle lanes

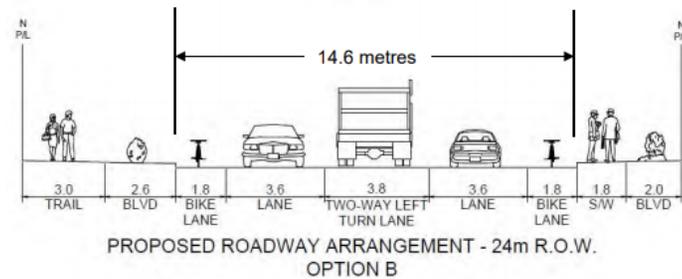
The City of Terrace has requested to construct this to their preferred specifications and on their timeline.

At the time of Sub-division we will dedicate 4 meters of land along the frontage of Keith Ave so that the City has the full 24m right-of-way required to construct it's planned Keith Ave.

As the frontage properties develop we will contribute funds to the upgrading of Keith Ave.



Preliminary concept for new Keith Ave cross section by Allnorth and Progressive Ventures



Keith Ave cross section as presented in City of Terrace Transportation Master Plan

Noise Attenuation

Plans to address concern	Timeline and approvals stage	Images
<p>South Boundary – Buildings along Keith Ave will largely buffer the sound impacts in that direction.</p> <p>Where parking lots or other open areas exist enhanced fencing, hedges, and other landscaping may be used as in-fill</p>	<p>We have significant demand for light industrial properties to be available for development.</p> <p>After the zoning is complete, we can resume the environmental remediation to achieve a Ministry Release. After this we can sub-divide and begin developing these properties</p>	<div data-bbox="1024 407 1896 834" data-label="Image"> </div> <p data-bbox="1276 854 1644 878">Concept image of South boundary</p> <div data-bbox="1031 919 1890 1317" data-label="Image"> </div> <p data-bbox="1150 1341 1770 1365">Keith Ave East, depicting effectiveness of building buffers</p>

West Boundary –

The south half will be buildings as above and the north half will be a 15m wide park area. Design of this park is pending input from the City of Terrace but there is opportunity for berms, trees, landscaping, etc

We have significant demand for light industrial properties to be available for development.

After the zoning is complete, we can resume the environmental remediation to achieve a Ministry Release. After this we can sub-divide and begin developing these properties.

Development of the park is pending input from the City of Terrace



Concept image of West boundary

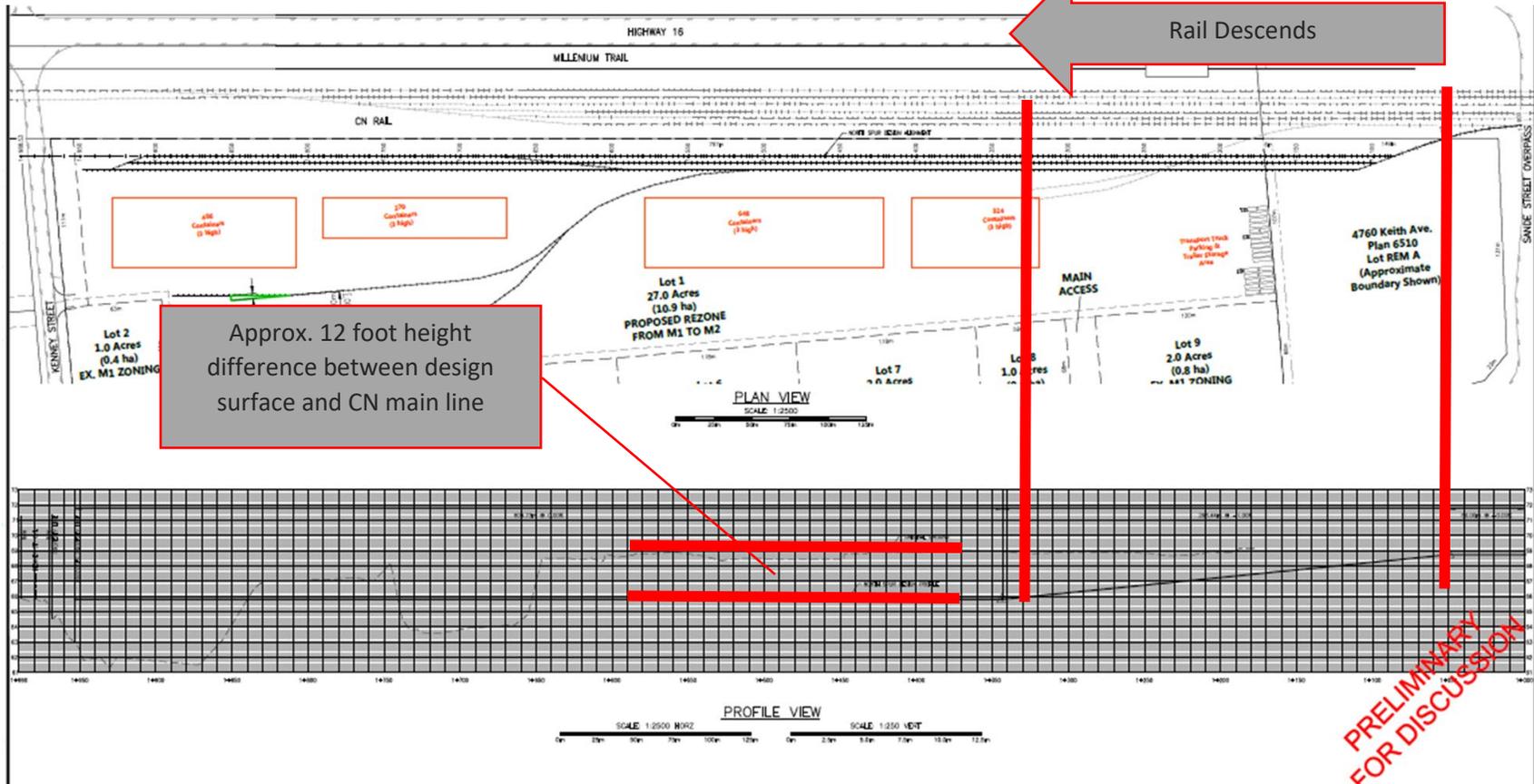
North Boundary – There is a significant grade separation between the design elevation of the transload facility and CN's tracks. When looking south from the Millennium Trail one will be looking at the upper portion only and/or over the top of train cars. This elevation separation will provide significant sound attenuation. Additionally, existing evergreen trees at the top of the bank will be left to grow.

This grading will be done at the beginning of construction prior to any significant rail expansion. Detailed designs submitted at Development Permit stage will outline exactly what is proposed

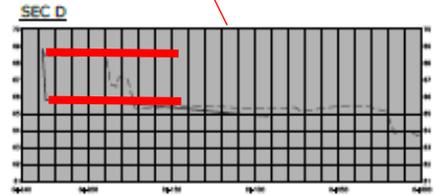
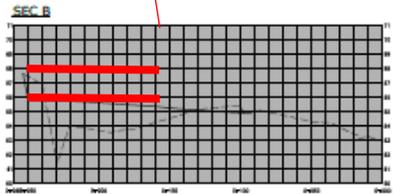
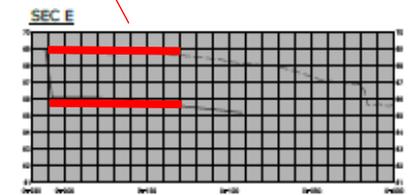
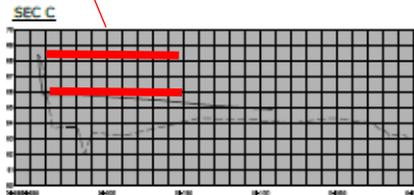
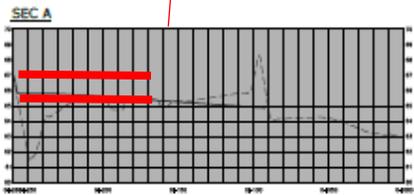
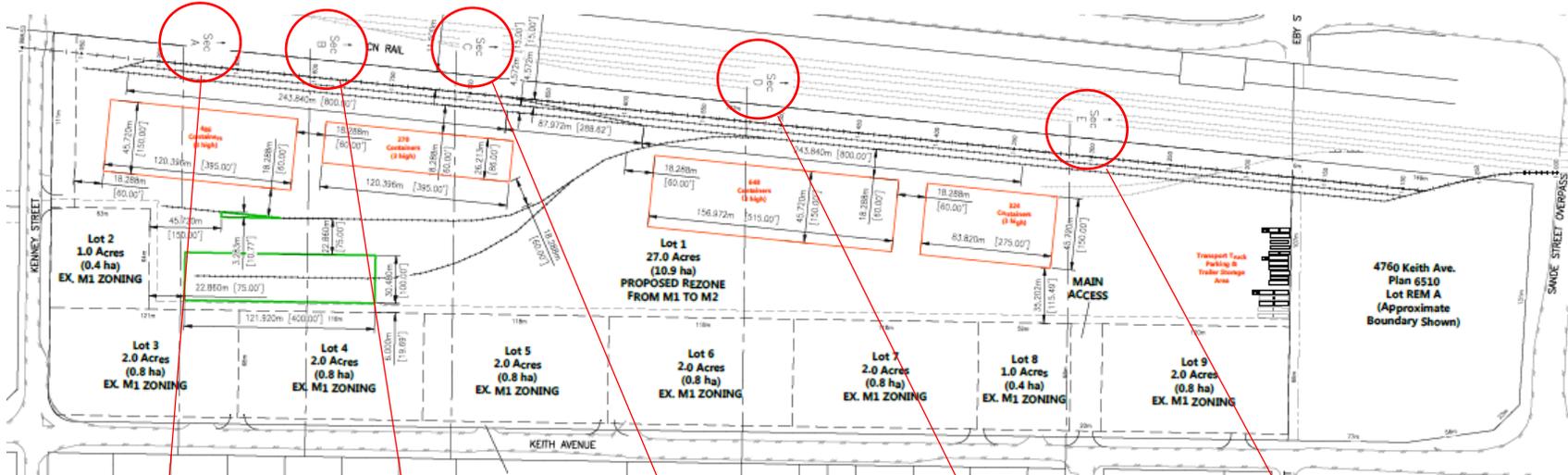


Grade separation between CN mainline & transload design surface

North Boundary - Continued



North Boundary - Continued



Height difference between design surface and CN main line transitions from approx. 12' on East end to 4' on West end

East Boundary – Existing evergreen trees at the base of the Sande Overpass will be left to grow. Buildings will be constructed in the south 2/3 of the property and provide a buffer as outlined above.

Final layout and design of the transload portion of this boundary will be submitted at development permit stage.

The South 2/3 of the property is available for development now and we are actively marketing this. The zoning however is C3 – Highway Commercial which currently has far lower demand than light industrial zoned land so we don't have an anticipated timeline for development.



Proposed development at 4760 Keith



View into Transload facility from Sande Overpass

Noise – Equipment

Discussion	Timeline and approvals stage	Images
<p>Minimal equipment or mechanized processes are proposed as part of the transload facility operations.</p> <p>Possible equipment includes:</p> <ul style="list-style-type: none"> • Track Mobile • Reach Stacker • Forklifts • Conveyors • Pumps 	<p>Pending rezoning and commercial negotiations commodities will be known. After that we can design the facility, including the equipment intended to be used. This will be included in our development permit submission.</p>	   

Noise – Comparison to Background and Discussion

- Existing Baseline Background Noise
 - Rail locomotive (moving) – 90dBa at 30m *
 - “Chain Reaction” when train stops or starts – 92dBa at 30m *
 - Lafarge existing cement transload pumps – 101 dBa at pump, 73dBa at 30m (physically measured in Terrace yard)
 - Note, this noise has been existing in operation for the past 8 years – no complaints have been received

- Anticipated operational noise
 - Track mobile - 79dBa measured at the machine (unknown at 30m but expected to be approx. 49dBa) **
 - Forklifts – 102dBa - as stated by local dealer (Unknown at 30m but expected to be approx. 72dBa)
 - Note, this noise has been existing in operation for the past 1.5 years – no complaints have been received
 - Reach stacker – 107dBa measured at the machine (unknown at 30m but expected to be approx. 77dBa)**
 - Pumps – 70dBa at the machine (unknown at 30m but expected to be approx. 50 dBa) **
 - Train noise – Minimal compared to existing background. Noise the community is currently accustomed to hearing such as full-sized engines at high speeds and the “chain reaction” when trains start and stop are NOT noises that will be generated from our site. We can only generate very short trains and we can only move at very slow speeds.
 - Backup alarms – Safety is not negotiable for PVL so best practices must be adhered to; however, “white noise” alarms are more and more common. They focus the noise more on the immediate area. Use of these alarms instead of tonal alarms will be supported by PVL as long as they meet best practices and regulatory standards
 - Site design – we intend to design the site for maximum forward traffic movements

- Anticipated hours of operation
 - Transloading and internal railyard activity
 - Regular business hours, conforming to City of Terrace noise bylaws
 - Dispatching/receiving trains from CN’s main line
 - Possible movements 24/7 (except for unusual circumstances, activity outside of the hours outlined above is intended to be limited to interfacing with CN to dispatch or receive a train only, and associated activities such as parking and securing the train for the night).

* Per the Guidelines for new development in Proximity to Railway Operations by Federation of Canadian Municipalities and Railway Association of Canada

** Per manufacturer specifications for commonly used equipment that is representative of equipment we expect to use

Lighting

Discussion	Timeline and approvals stage
<p>For safety and security, the site must be lit. Potential mitigations to minimize offsite light impacts include the following:</p> <ul style="list-style-type: none"> • Directional lights • Shielding on lights • More lights so that individual light brightness can be reduced. • Motion sensors so that only the areas being used are lit. <p>It should be noted for comparison that a development of almost any nature will require lighting. Large format retail for example would require a fully lit parking lot and most other commercial or light industrial uses would be similar.</p>	<p>After site design is completed an engineered lighting plan will be completed and submitted as part of the Development Permit application</p>

Landscaping

Discussion	Timeline and approvals stage
<p>Buffer ring properties will conform to KENCP development guidelines.</p> <p>Transload facility will have green space on the west, slope and trees on the north, and trees on the east. Otherwise, it will be buffered by buildings.</p> <p>The green space at the northwest corner will be a 15m wide area. Design of this green space is pending input from the City of Terrace but there is opportunity for berms, trees, landscaping, etc</p> <p>The transload facility requires further site design prior to determining landscaping opportunities</p>	<p>All landscaping plans will be submitted as part of the Development Permit application</p>

Airshed Emissions

Discussion	Timeline and approvals stage
<p>In general, a transition to the use of rail in our economy contributes to an overall reduction in airshed emissions. Replacing long haul truck transport with rail transport is a net reduction in energy use.</p> <p>Trucks that distribute goods within the region will still distribute within the region. The change is that they will originate here instead of Prince George, Prince Rupert or elsewhere.</p> <p>Locating the transload facility central to our community means transport is not required through outlying neighborhoods back into our community.</p> <p>Dust control measures during construction and dry times during ongoing operations will be implemented. We will also investigate the viability of implementing the engine idling reduction program in our ongoing operations.</p>	<p>Additional information can be provided after commercial negotiations have commenced and proposed commodities are known, however no further studies are proposed.</p> <p>Details of whether more or less trucking in a specific location will occur is not known at this time and is completely dependent on final commodities handled and the nature of the supply chain.</p>

Dangerous Goods

Discussion	Timeline and approvals stage
<p>Transportation of dangerous goods is strictly regulated. Progressive Ventures maintains a strong safety culture, commits to industry best practices, and commits to operating within all relevant regulations.</p> <p>Setback distances for large storage tanks such as those seen across from Walmart cannot be met on this property and as such, are not proposed. Setback distances for transloading are easily met and are therefore proposed. Overall, the use of rail instead of trucks to bring fuel to our community contributes to a more efficient and safe economy.</p> <p>Risk to various nearby community assets has been highly politicized without much factual basis. The risk of a major incident in a low-speed, secured yard is significantly lower than the risks already posed with current through-traffic.</p>	<p>Approvals for the Transportation of Dangerous goods and various related rail operations come from a variety of rail and safety regulators.</p> <p>For the most part, other than the Fire Chief, most of these regulators are not associated with the municipal government and the process is not tied to the municipal development process, other than that business in general cannot happen until a business license is granted.</p> <p>Prior to the transport of any individual dangerous good, a complete approvals process from the relevant regulators is required.</p>

CLOSURE

We would welcome the opportunity to answer questions or clarify anything about our proposed project. We will be available during the Council meeting when the rezoning application is presented. We are also available any time at the contact info below and would be happy to schedule any meeting requested to provide the City of Terrace staff or Council further information.

We would also like to remind you that there is a series of brief videos on our website speaking to common concerns and frequently asked questions located at <https://nsdinlandport.com/videos/>

Sincerely,

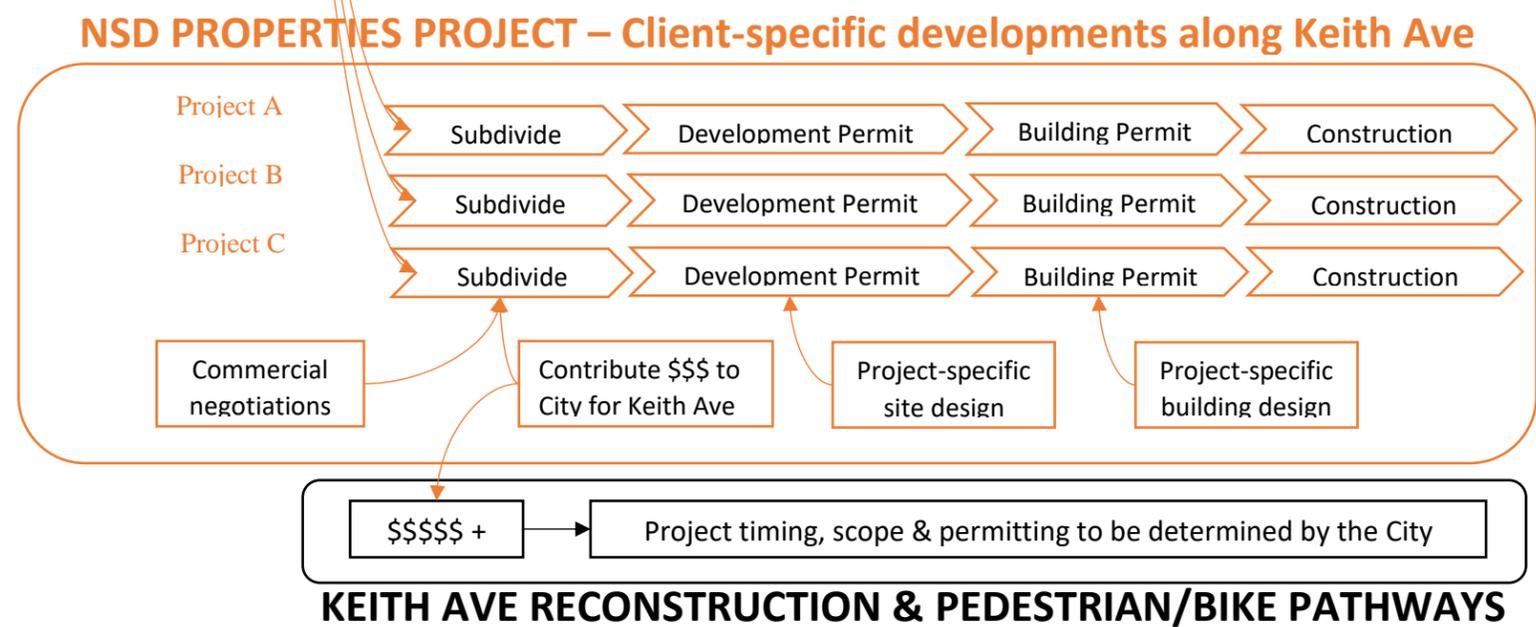
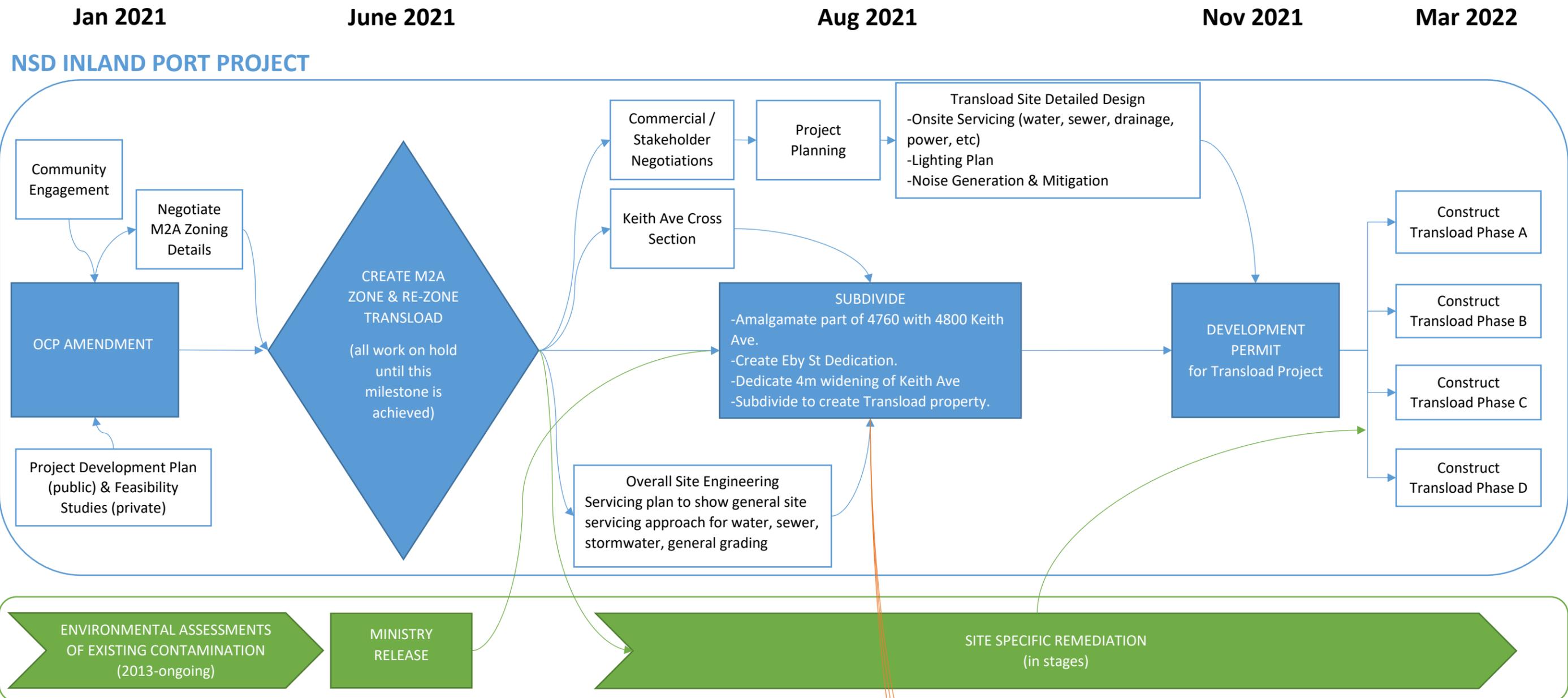


Hatha Callis
VP, Real Estate & Development
General Manager, NSD Inland Port
(250) 641-1317
hatha@pvlgroup.com

SUPPLEMENTARY INFORMATION

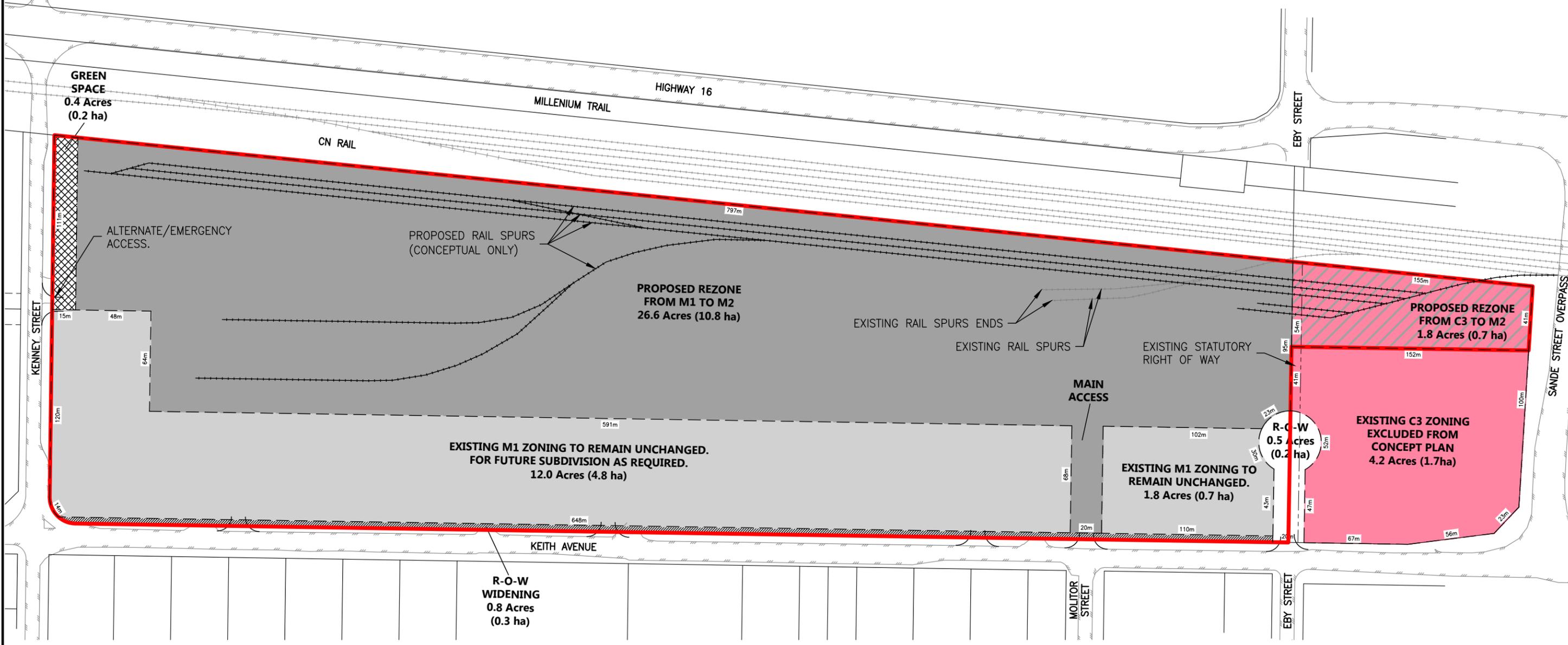
The following documents are included for reference:

- NSD Project Flowchart
- Zoning Concept Plan
- Subdivision Concept Plan
- NSD Concept Plan – Preliminary Layout
- NSD Concept Plan – Profile
- NSD Concept Plan – Cross Sections



NSD Inland Port & Developments - Project Flowchart
 Prepared by KY of Allnorth Consultants
 13 April 2021
 For Progressive Ventures

Date: 2020/06/30 5:48 PM | User: Olof Hultkrans | File: P:\TR\2020\000\20TR0013 - NSD - Keith Ave Dev\1000-Dwg\1011-Civil\01-Production\Figures\20TR0013-Keith Ave Yard-200630-Zoning Concept | Layout: Zoning_Concept | Paper Size: 558.8mm x 431.8mm



- TOTAL SITE AREA = 48.2 Acres (19.5 ha)
- 4m R.O.W. WIDENING
 - PROPOSED GREEN SPACE
 - PROPOSED REZONE FROM M1 TO M2
 - EXISTING M1 ZONING. MAY BE REZONED FOR MIXED USES
 - PROPOSED REZONE FROM C3 TO M2
 - EXISTING C3 ZONING



DRAFT
- FOR DISCUSSION

LEGEND

PROJECT BOUNDARY	
EDGE OF ASPHALT	
LEGAL LOT LINES	
PROPOSED BOUNDARY OF ZONING	

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REV	YY/MM/DD	DESCRIPTION	DRWN	APVD
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CLIENT:

PROGRESSIVE VENTURES CONSTRUCTION

Allnorth

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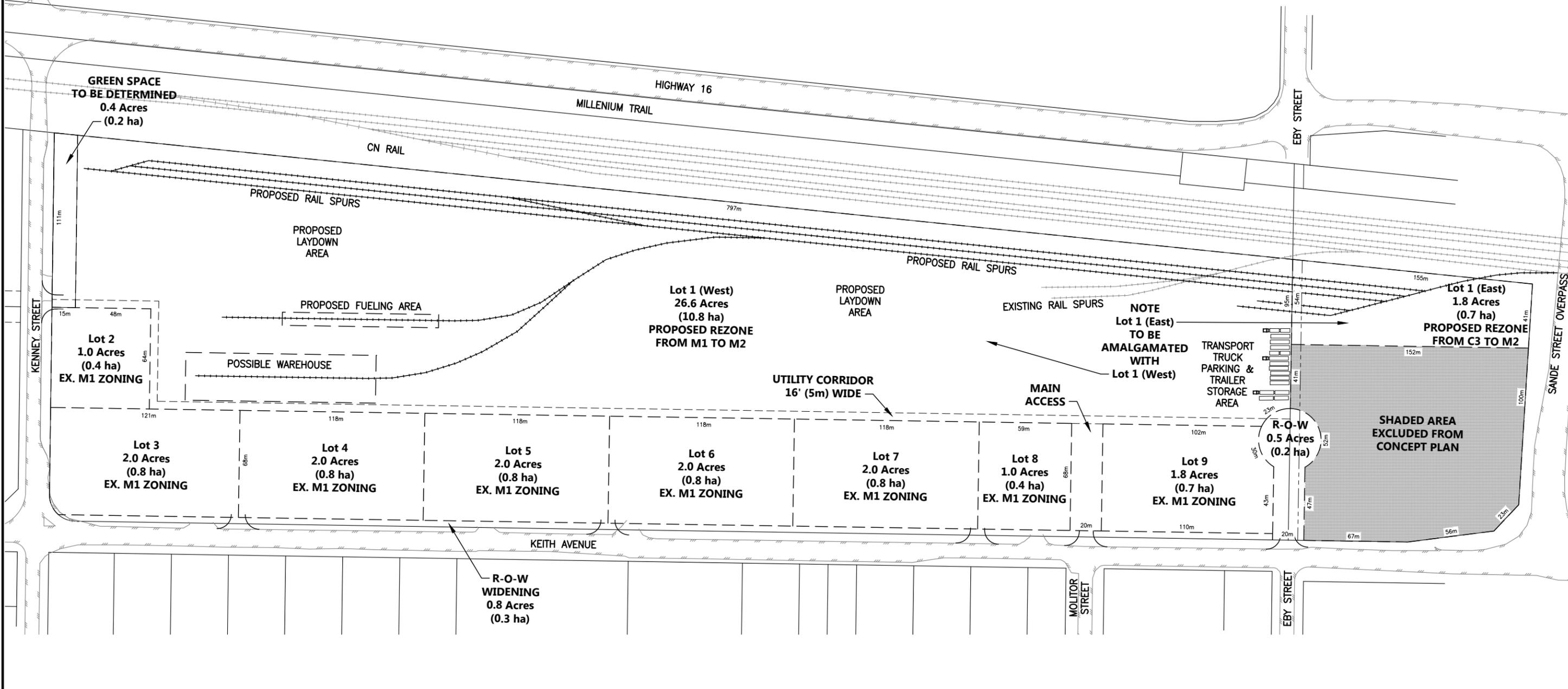
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PROJECT: **4800 KEITH AVENUE PROPOSED LAND DEVELOPMENT**

DWG NO:

REV: **A**

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PLAN VIEW

SCALE: 1:2500



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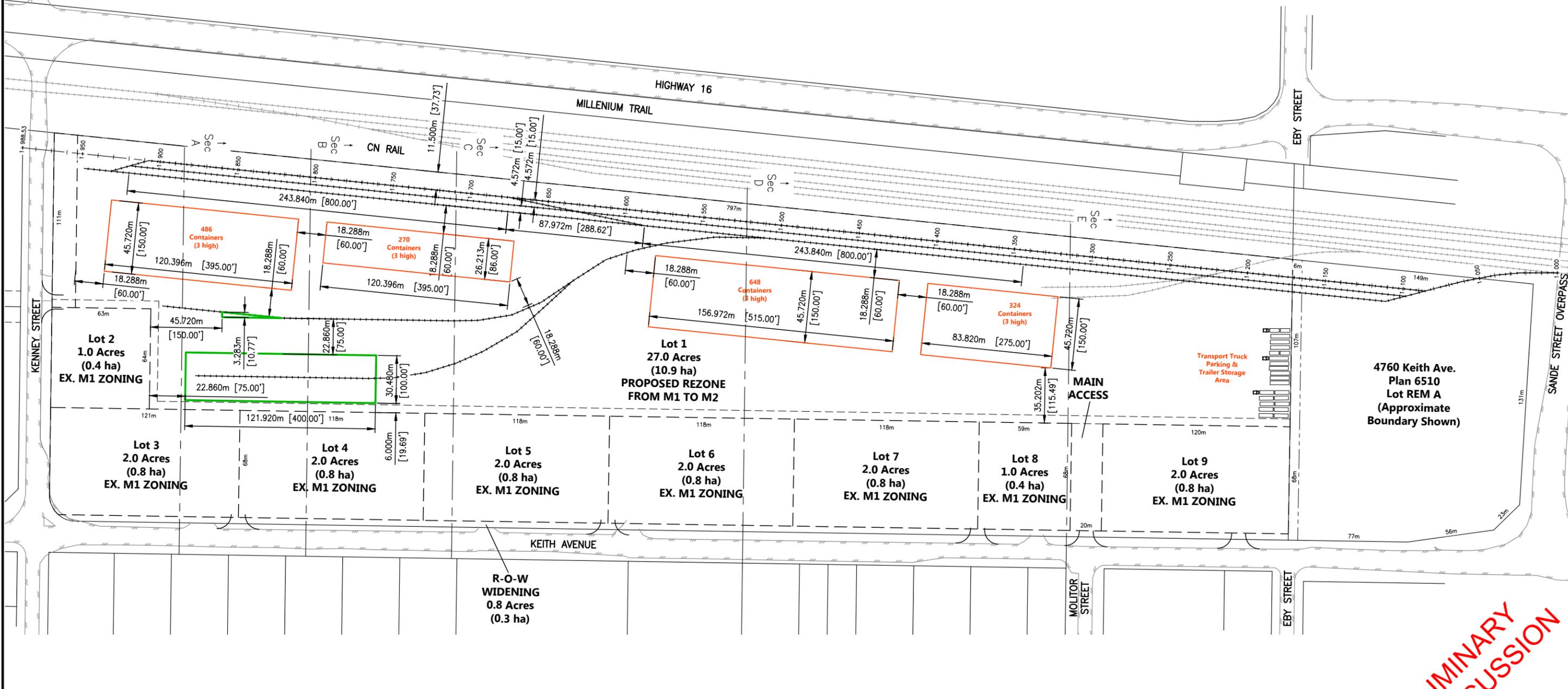
PROGRESSIVE VENTURES CONSTRUCTION

Allnorth

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		DATE:	20/06/30

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DWG NO:	
REV:	A

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PLAN VIEW

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PRELIMINARY
FOR DISCUSSION

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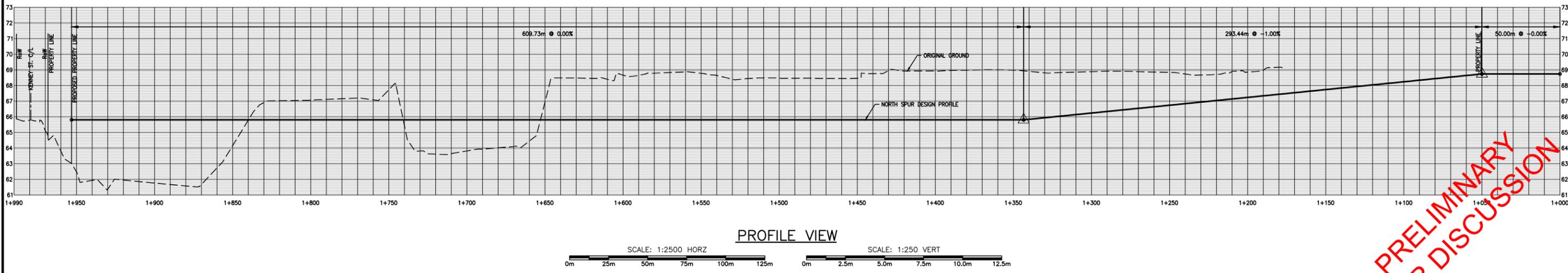
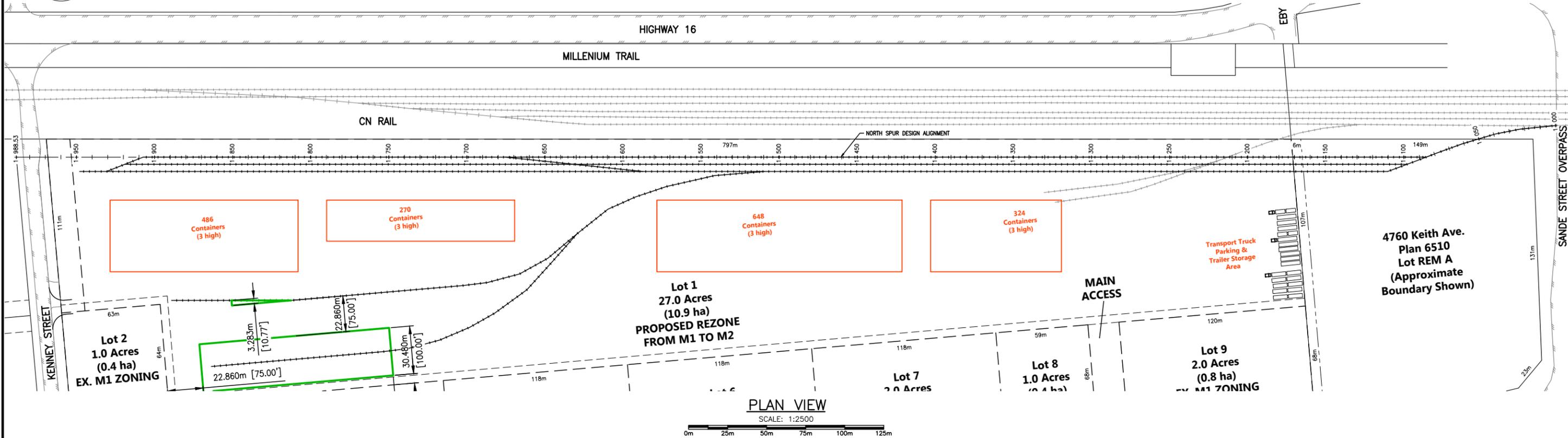
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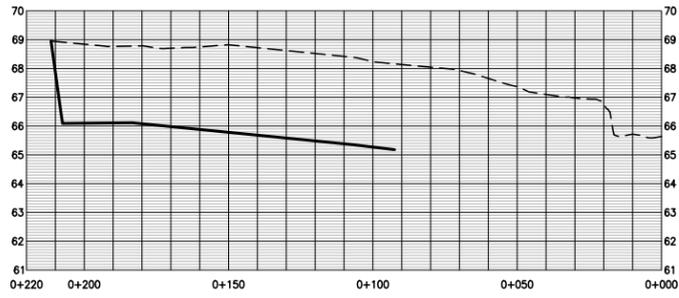
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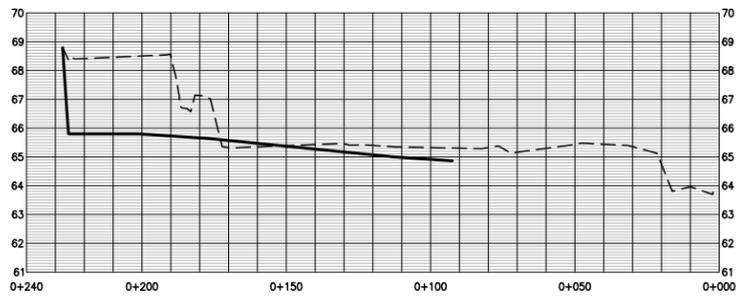
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PROJECT: 4800 KEITH AVENUE PROPOSED LAND DEVELOPMENT	
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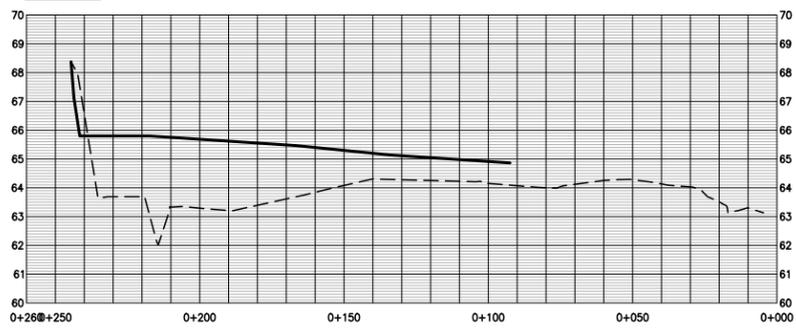
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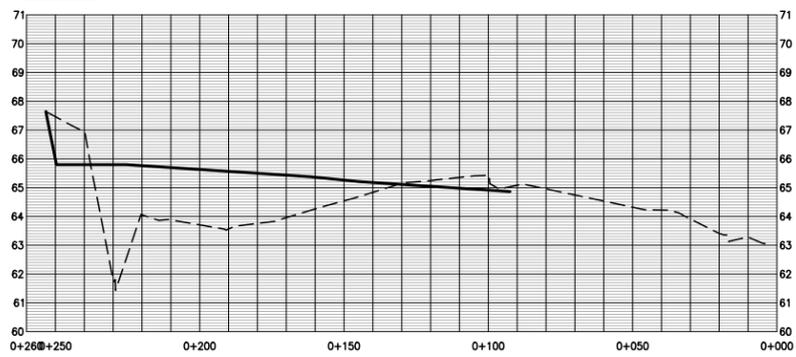
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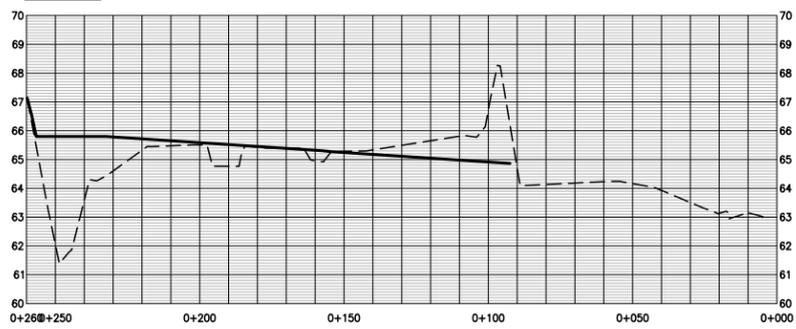
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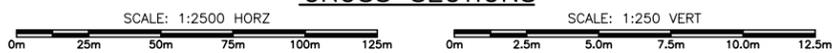
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SEC A



CROSS SECTIONS



**PRELIMINARY
FOR DISCUSSION**

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CLIENT:

PROGRESSIVE VENTURES CONSTRUCTION

Allnorth

TITLE: PRELIMINARY LAYOUT CONCEPT OPTION A CROSS SECTIONS			
CLIENT NO:	-	DRWN:	OTH DATE: 20/02/14
PROJECT NO:	20-TR-0013	DSGN:	- DATE: -
DRAWING SIZE:	ANSI "B"	CHKD:	- DATE: -
SCALE:	AS NOTED	APVD:	KMY DATE: 20/02/14

PROJECT: 4800 KEITH AVENUE PROPOSED LAND DEVELOPMENT	
DWG NO: OPTION A	REV: C