

# City of Delta COUNCIL REPORT Regular Meeting

To: Council File No.: LU009040

From: **Development Department** Bylaw No.: **7975** 

Date: **June 26, 2025** 

# **Agricultural Cold Storage and Processing Facility Amendment**

The following report has been reviewed and endorsed by the City Manager's Office.

#### RECOMMENDATIONS:

- A. THAT third reading of Zoning Amendment Bylaw No. 7975 be rescinded.
- B. THAT third reading be given to Zoning Amendment Bylaw No. 7975, as amended.
- C. THAT the owner secure required approvals from external agencies including the Provincial Ministry of Environment and Parks, Ministry of Transportation and Transit, and Fraser Health Authority, as required.
- D. THAT the owner provide supporting reports and detailed design specifications, enter into legal agreements, and provide required securities for the following items, to the satisfaction of the General Manager, Development, as a condition of final consideration and adoption of Bylaw No. 7975:
  - 1. Development servicing, including design, construction and ongoing maintenance of the proposed private sewer system;
  - 2. Acknowledgment that the proposed development relies solely on a private wastewater treatment system and there will be no expectation of future servicing by the City, and saving the City harmless from any liability associated with the private system;
  - 3. Restoration, environmental management and monitoring plans including design, construction, maintenance and monitoring of the perimeter environmental buffers and wetland, as well as enhancement and mitigation measures for fish and fish habitat, wildlife and vegetation;
  - 4. Environmental monitoring of vegetation, peat movement, water quality and water levels in the parcel immediately to the north of the subject property
  - 5. Building design, sustainability, landscaping, tree retention and planting;
  - 6. Flood proofing;
  - Road dedication, construction of road improvements, and all statutory rights-of-way or easements for utilities and servicing, drainage, or other public purposes, as required; and

- 8. Other legal documents or agreements as identified by Council or staff.
- E. THAT the owner be given one year to complete all of the requirements for final consideration, after which time readings of Bylaw No. 7975 be rescinded should the applicant fail to complete the requirements.

#### PURPOSE:

The purpose of this report is to present for Council's consideration a request to expand the land uses permitted for the proposed A4 Agricultural Product Management Zone. Approval of the changes will require rescinding third reading of Zoning Amendment Bylaw No. 7975 (redline version provided in Attachment A) and giving third reading to Bylaw No. 7975, as amended (Attachment B). The proposal, if approved, would enable the development of a cold storage and processing facility for agricultural products on the property at 10555 64 Avenue and an unaddressed parcel P.I.D. 000-985-112. A location map and an aerial photo are provided in Attachment C. Proposal details are in the project data table included as Attachment D.

#### BACKGROUND:

# **Site Description and Context:**

The two subject properties are located west of Highway 91 on the north side of 64 Avenue adjacent to lands which are part of the Agricultural Land Reserve (ALR). The subject properties are not within the ALR, having been excluded in 1986 and 1993, respectively. They were considered to have limited suitability for soil-based agriculture as they were used for machine storage and construction debris following construction of Highway 91 and the Alex Fraser Bridge. The limited capacity of the land for agriculture was reiterated in a Professional Agrologist's study.

Immediately to the east is a vacant parcel owned by the BC Transportation Financing Authority with Highway 91 adjacent. To the west is an un-farmed property within the ALR currently used for residential use only. The Burns Bog Ecological Conservancy Area (BBECA) is located approximately 250 m (820 ft) to the west. To the north is a Delta owned conservation property provided as part of the MKB Delta Lands industrial application. South of 64 Avenue is the Sunshine Woods Golf Course.

The subject properties have a combined area of 6.0 ha (14.8 ac) and are currently vacant. Watercourses are located along the north and east sides of the site, a drainage ditch to the west and an ephemeral wetland on the south-east portion of the site. There is an approximately 77 m (253 ft) wide area with statutory rights-of-way in favour of BC Hydro and Fortis BC, covering approximately 1.4 ha (3.5 ac) of the southern portion of the lot.

#### **Delta Fresh Project History**

The original application involved a proposal to develop a cold storage warehouse and processing facility for fruits, vegetables and dairy products on the subject properties. The proposed agro-industrial building would have a total floor area of 27,267 m<sup>2</sup>

(293,500 ft²), including 1,727 m² (18,589 ft²) of office space. The site would include a parking area, private sanitary system including septic field and constructed wetland. On May 30, 2022, Council gave first and second readings to Bylaw No. 7975 (Attachment A) which would rezone the subject properties from Agriculture (A1) Zone to the new Agricultural Product Management (A4) Zone, to enable cold storage facility. Following a Public Hearing on February 14, 2023, Council gave third reading to Bylaw No. 7975.

# **Council Policy:**

Although not in the ALR, the Official Community Plan (OCP) designation for the subject property is Agricultural which is intended for general and intensive agricultural uses. Uses customarily ancillary to agricultural uses may also be considered provided they meet applicable policies in the OCP. As one of the primary intentions of the development is to support local and regional agricultural uses, the proposed use is consistent with the OCP.

The new Agricultural Product Management (A4) Zone is intended to support agricultural viability by allowing storage, distribution and processing of agricultural products. The zone would also permit the use of the property for farming as defined in "Delta Zoning Bylaw No. 7600, 2017", subject to the regulations of the A1 Zone.

#### DISCUSSION:

## Proposal:

The owner has requested amendments to the permitted land uses in the proposed A4 Zone to enable a more inclusive definition of food storage and processing. The owner has provided two agrologist reports to support the application. No changes are proposed to the site layout, building design, environmental buffers or agricultural buffers as part of the amendment request.

## Rezoning:

The owner's rationale letter indicates that a food storage and processing facility could help alleviate the supply chain challenges in BC's food supply system (Attachment E). Large-scale cold-storage facilities are located mainly in the Fraser Valley or Washington State. The proposed location in Delta would provide easy access to local and regional producers, grocery chains and online shippers, thus mitigating challenges to the current supply chain.

Rather than restricting the storage, warehousing and processing use to fruits, vegetables and dairy, the amended A4 Zone would permit storage, processing and preparation of any agricultural product. Restrictions would remain in place preventing the sale of hot or cold food items for on-site consumption; any composting or soilless medium production; an abattoir or poultry, meat, fish or seafood processing, preparation or packing operation; processing or preparation of any form of cannabis product, cannabis production; or cannabis research and development.

The amended wording for permitted uses in the A4 Zone is available in Attachment B, the red-line version of the bylaw is available in Attachment A. The amended A4 Zone no longer includes a separate definition for "Agriculture Storage and Processing", "Farm

Product Processing" and "Farm Product Preparation", but instead relies on the existing defined terms of "Agricultural products", "Farming" and "Warehousing".

#### **Development Variance Permit:**

The owner is requesting a development variance permit to vary "Delta Zoning Bylaw No. 7600, 2017", Parking Section 8.4.2 by reducing the minimum requirement for the number of parking spaces from 160 to 133. The total proposed parking spaces for the development have not changed with the new proposal, but the minimum requirements have decreased from 210 to 160 with the Proposed Parking Regulation Amendments to Streamline Development Bylaw 8455, 2025. The previous variance was supported by staff based on research conducted in the original traffic study as well as additional data from two other food storage warehouses. The current request represents a smaller required parking space reduction and is therefore supported. Approval of the development variance permit for this application is delegated to the General Manager, Development.

#### **Environmental:**

Watercourses are located along the north and east property lines. The proposed development would be subject to a Streamside Protection and Enhancement Area (SPEA) development permit. Approval of the development permit for this application is delegated to the General Manager, Development.

The owner has submitted an environmental report to assess both the watercourses and associated natural environmental features of the site. It includes recommendations for habitat restoration, monitoring of vegetation in the bog-adjacent area to the north, water quality and water level monitoring, ambient light and noise monitoring.

A buffer is also proposed to provide protection to perimeter watercourses, ditches, bogadjacent area to the north of the site, and the on-site ephemeral wetland. The buffer on the west side of the site would perform a dual function of protecting the adjacent drainage ditch and ALR land to the west. The ephemeral wetland area in the southeast portion of the site is also protected through the Provincial *Water Sustainability Act*. The owner is proposing to replace the existing wetland to a new location on the property, with a 1,700 m² (18,300 ft²) constructed wetland. The Metro Vancouver Burns Bog Scientific Advisory Panel (SAP), reviewed the proposal on June 16, 2022.

No changes are proposed to the watercourse, buffer or wetland works that were included as part of the original application. The applicant still needs to finalize the environmental buffer construction and stormwater design details and bog water quality and water level monitoring plans and associated legal documents. The watercourse restoration, buffers, wetland and associated monitoring would be secured through covenants and security deposits prior to adoption of the bylaw.

### **Sanitary Wastewater Management:**

An on-site septic and private wastewater treatment system is proposed for the project as the site does not have municipal sanitary mains in close proximity and is located outside of the sanitary sewer area. A wastewater management plan was provided, including details of septic tanks, infiltration field and pumping infrastructure. The plan also identified potential environmental and system failure risks and how risks will be

managed. Staff have accepted the submitted reports and plans received to date. The applicant still needs to finalize the engineering servicing. The servicing and related indemnity agreement for the proposed private sewage treatment system would be secured through legal agreements and security deposits prior to adoption of the bylaw.

## **Community Consultation:**

Community consultation for the original proposal was completed in 2020. Given the minimal scope of the proposed amendment, no new consultation was completed, however the Let's Talk Delta webpage <a href="https://letstalk.delta.ca/lu009040">https://letstalk.delta.ca/lu009040</a> was updated with the revision request. The owner also provided letters from five regional food production companies supporting the change. Copies of the letters are provided in Attachment F.

Zoning Amendment Bylaw No. 7975 is consistent with the Official Community Plan. Council has the discretion to refer the zoning amendment bylaw to a Public Hearing, as the proposal does not include any residential units. Notice of the original public hearing was provided in 2023 in accordance with the *Local Government Act*. The proposed amendments to the A4 Zone are consistent with the proposal description in the original Public Hearing notice.

# **Project Timelines:**

Since the Public Hearing held in February 2023, no progress has been made on completing the conditions required for final adoption and the property has changed ownership. Subject to Council approval of the requested changes outlined in this report, if the project does not proceed to final adoption within one year staff recommend that no further extensions be provided. The file would be cancelled and the owner would be permitted to submit a new application, which would be reviewed in accordance with current policies at the time.

#### **Implications:**

Financial Implications – The proposal is expected the generate \$450,000 in taxes per year.

Interdepartmental Implications – The owner would be required to address engineering and site servicing requirements, provide road dedication, maintain access to the perimeter buffer areas, provide utility statutory rights-of-way, construct an off-site watermain, forcemain and drainage improvements, and widen 64 Avenue. The owner would be required to comply with the regulations as set out in the "Delta Development and Subdivision Standards Bylaw No. 8288, 2024" and enter into a Development Agreement to secure these items.

Intergovernmental Implications – The original application was referred to the following external agencies and organizations: BC Hydro, Fortis BC, Delta Farmers' Institute, Metro Vancouver, Ministry of Agriculture, Ministry of Environment and Parks, Ministry of Transportation and Transit, and the Provincial Agricultural Land Commission. Given the scope of changes, no further circulation was done for the amended proposal. The owner must obtain approval from the Ministry of Environment and Parks, Ministry of Transportation and Transit and Fraser Health prior to final adoption.

Advisory Committee Implications – The original application was reviewed and supported by the Agricultural Advisory Committee (AAC) at their September 2, 2020 Regular Meeting. The proposed amended wording in the A4 Zone has not been presented to the AAC given the focus of the zone remains on agricultural products.

#### CONCLUSION:

The owner is proposing to develop a new agricultural food storage and processing facility at 10555 64 Avenue and unaddressed parcel P.I.D. 000-985-112. The owner has requested an amendment to the permitted uses outlined in the proposed Agriculture Product Management (A4) Zone in order to support potential future users. No other changes to the site layout, building design or environmental or agricultural buffers are proposed.

It is recommended that third reading of Zoning Amendment Bylaw No. 7975 be rescinded, and that third reading be given to Zoning Amendment Bylaw No. 7975, as amended.

D. Mayrew

Doreann Mayhew, P.Eng General Manager, Development

Department submission prepared by: Janet Zazubek, Planner JZ/rl

#### ATTACHMENTS:

- A. Bylaw No. 7975, Redline Version
- B. Bylaw No. 7975, as Amended
- C. Location Map and Aerial Photo
- D. Project Data Table
- E. Applicant's Rationale Letter
- F. Letters of Support