

# District of Kitimat Industrial Land Strategy Final Report

November 5, 2025



**Davies Transportation Consulting Inc.**

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# 1 Introduction

## 1.1 Introduction

The District of Kitimat is developing an Industrial Land Strategy to ensure that Kitimat has an adequate supply of light industrial and serviced commercial land to address current and future needs, while supporting economic growth in the community.

The District's Industrial Land Strategy process consists of three phases:

- Phase 1 (Pre-planning) - Prepare Project Outline and Baseline Report.
- Phase 2 (Planning) - Prepare Industrial Land Strategy.
- Phase 3 (Implementation) - Implement Strategy.

The District of Kitimat undertook Phase 1 of the Industrial Land Strategy process from Fall 2023 to Spring 2024, culminating in a Project Outline and a Baseline Report presented to Council on May 6, 2024. Davies Transportation Consulting (DTCI) was engaged to conduct Phases 2 and 3 of the Industrial Land Strategy process, in collaboration with Licker Geospatial Consulting. The DTCI project team included Philip Davies, as Team Leader; Eric Aderneck, as Senior Planner; and Darryl Anderson as Senior Consultant. The scope of the Phase 2 study includes:

- Analysis of industrial property inventory.
- Assess market supply and demand.
- Review of utilities and infrastructure capacities, as well as potential upgrades needed.
- Review of previous studies on riparian and floodplain considerations.
- Identify properties with immediate/short-term, medium-term, and long-term potential for light industrial development.
- Review relevant municipal policies and regulations.
- Develop Industrial Land Strategy recommendations.

## 1.2 Engagement Process

The District of Kitimat's Planning Department and the consulting team undertook an extensive engagement process to gather information and engage in discussions regarding industrial land issues in Kitimat. The Planning Department met with Haisla Nation, including their economic development arm yáq'wa, and sent Letters of Introduction with information regarding the study to all the property owners and business operators in Service Centre and Forest Avenue. Emails were also sent to businesses that might not have an existing presence in Service Centre and Forest Avenue based on a stakeholder list that was created by the District of Kitimat's Economic Development Department. Government agencies, including the Department of Fisheries and Oceans, BC Ministry of Energy and Climate Solutions, and BC Ministry of Jobs Economic Development and Innovation were also contacted.

The consulting team identified additional stakeholders and followed up with videoconference and in-person meetings, along with other stakeholders who expressed an interest in the project. Meetings were also held with major industrial businesses, including Rio Tinto Alcan, Pembina Pipelines, and CN Rail.

The consulting team also visited Kitimat in May 2025, viewing and photographing Kitimat and Service Centre and meeting with the Chamber of Commerce and staff from the Planning and Economic Development departments.

## 2 Kitimat Land Use Policies

### 2.1 Historical Background

The townsite of Kitimat was established in the early 1950s to support the Aluminum Company of Canada's (Alcan) new smelter facility. Eminent US land use planner Clarence Stein designed the Kitimat townsite. Stein was the founding president of the American Planning Association and world-famous for his urban and residential design ideas. Stein was experimenting with British “new town” models, which included ample green space and drew their inspiration from the “garden city” movement. Stein’s vision for the new townsite blended the economic needs of Alcan to have a stable labour force with the social needs of the families and workers to feel part of a permanent and welcoming community:<sup>1</sup>

*... the purpose of Kitimat is the industrial success of the plant. That success will depend on the degree that workers are content, that they like living in Kitimat. Unless the town can attract and hold industrial workers, there will be continuous turnover and difficulty ... The workers must find Kitimat more than temporarily acceptable. They must be enthusiastic about it as a particularly fine place in which to live and bring up their families. It must become the place they want as homeland, the town they are going to make their own.<sup>2</sup>*

The principles behind the design of Kitimat were threefold:

- The use of site planning principles to separate land uses. This meant grouping uses such as residential and commercial, and separating uses such as industrial from residential.
- The use of neighbourhood design ideas to create functional housing areas. This meant designing for the target population of young families with small children. It also included providing elementary schools, ample parks and playgrounds, and neighbourhood walkways separated from roads.
- Economic diversification to avoid the pitfalls of single-industry dependence. Over the next decades, the industrial base diversified through investments in Eurocan’s pulp and paper mill (1967) and Ocelot’s methanol and ammonia production (1980s).<sup>3</sup>

Stein’s Kitimat townsite plan became a template for new resource town development across Canada.<sup>4</sup>

### 2.2 Zoning

The District of Kitimat’s industrial land base is categorized into four main industrial zones:

- M1 - Manufacturing Zone;
- Service Centre Zones (M2 - Service Centre General Zone; M2A - Service Centre Commercial Zone; and M2B - Service Centre Industrial Zone);
- M3 - Maintenance Depot Zone; and
- M4 - Industrial Sawmill Zone.

There appears to be no land currently zoned M-4 in the District of Kitimat.

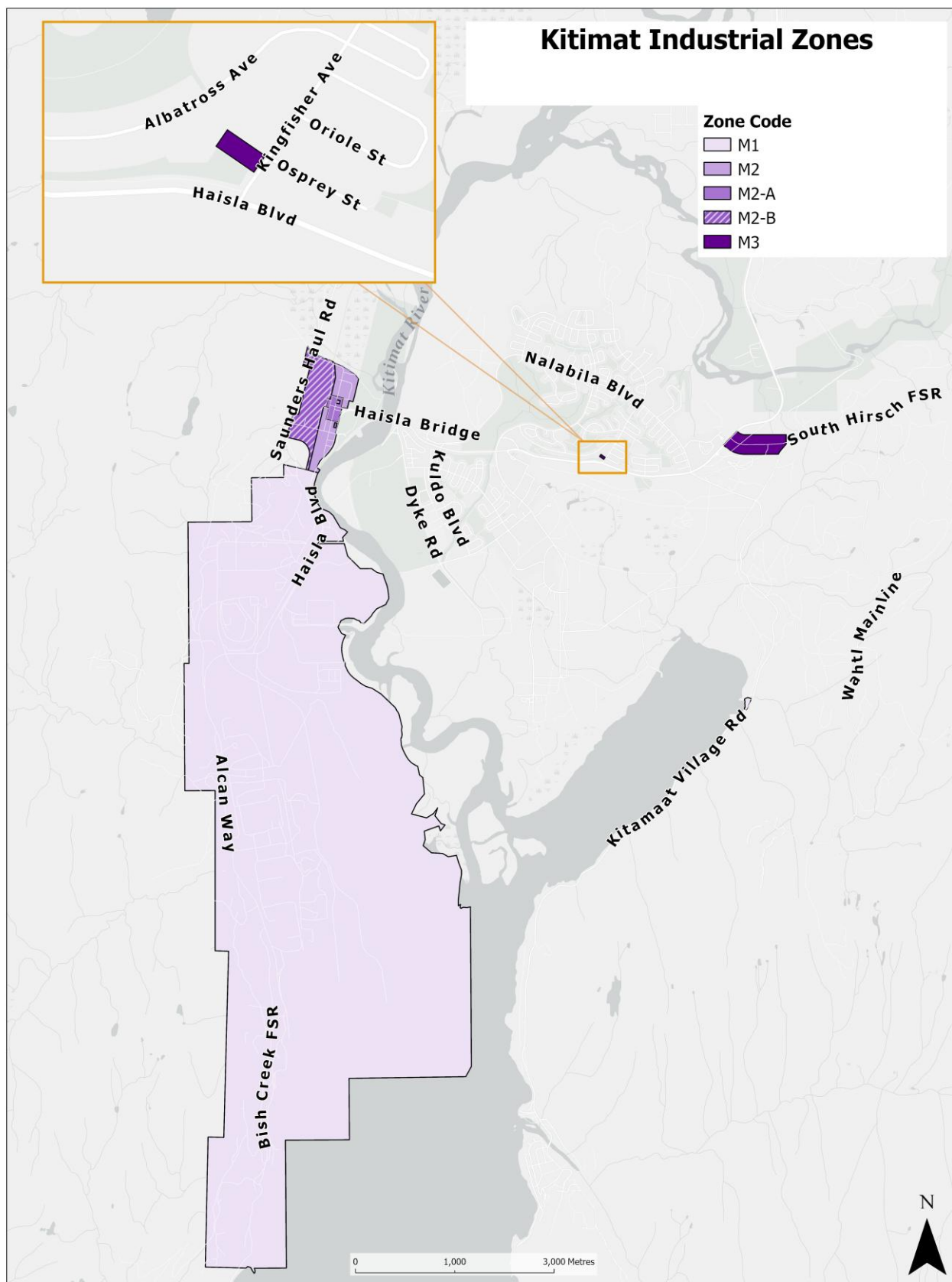
<sup>1</sup> “From Kitimat to Tumbler Ridge: A Crucial Lesson Not Learned in Resource-Town Planning” Greg Halseth and Lana Sullivan *Western Geography*, 13/14 (2003/2004), pp. 132–160.

<sup>2</sup> Stein, C.S. (1952) “Planning Objectives”. Reprinted in Kitimat *Townsite 1962 Report* Kitimat, BC: District of Kitimat, quoted in Halseth and Sullivan 2003/2004 p. 138.

<sup>3</sup> “Moving from government to governance: addressing housing pressures during rapid industrial development in Kitimat, BC, Canada” Laura Rysera, Greg Halseth and Sean Markey *Housing Studies* 2021, Vol. 36, No. 10, pp. 1618–1643 <https://doi.org/10.1080/02673037.2020.1789564>

<sup>4</sup> Halseth and Sullivan, p. 138.

**Figure 1 District of Kitimat Industrial Zoning**



## **2.3 M1 Manufacturing Zone**

All of the land south of Service Centre to the shore of Douglas Channel is zoned M1. It is occupied by the Rio Tinto Alcan (RTA) smelter and the new LNG Canada export terminal. This area was also historically occupied by the Methanex methanol plant and the Eurocan pulp mill, which closed in 2005 and 2010 respectively.

Allowable activities in this zone include many of the activities defined in the BC Assessment Act as Class 4 Major Industry. Active industrial operations in this zone include:

- Rio Tinto Alcan: Producing of aluminum; Smelting or refining of metal from ore or ore concentrate.
- LNG Canada: Producing, manufacturing, processing or refining of petroleum or natural gas; Loading cargo onto sea-going ships or barges.
- Sandhill Materials: Mining of aggregates and sand.
- Kentron Construction: Redi-mix concrete, asphalt products.

## **2.4 M2 Service Centre Commercial Zones**

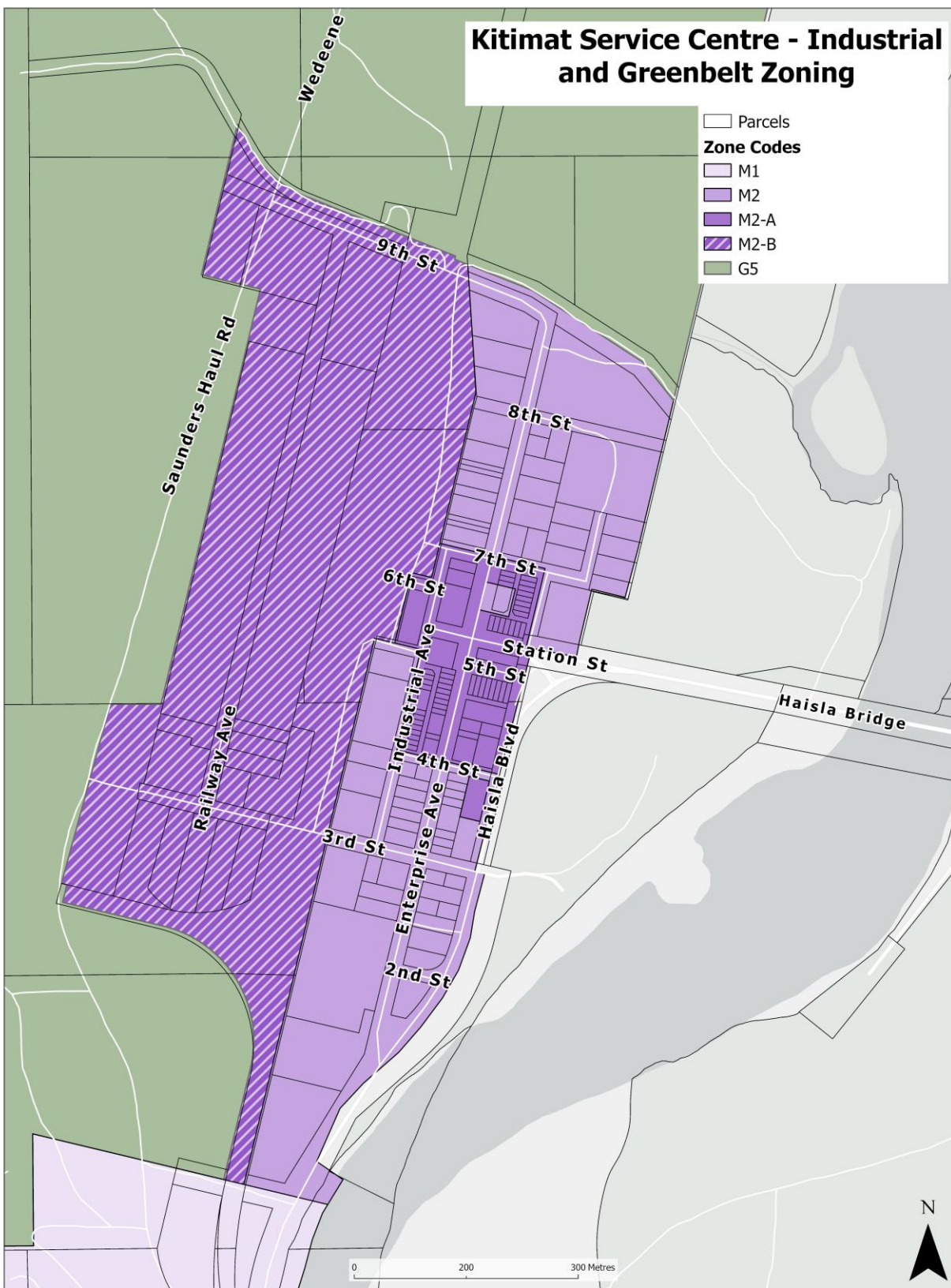
Parcels in Service Centre are zoned in one of three light industrial zones: M2, M2A, and M2B. The M2A and M2B zones allow all uses permitted in the M2 zone with specific conditions for cannabis production and/or sales. Permitted uses in the M2 zone include light industry; municipal yards; automotive sales and services; builders' supplies; truck terminals; warehousing; wholesaling; and trailer, boat and mobile home sales and services.

A variety of consumer-oriented goods and services are also allowed, for example barber and hair dressing shops; coffee shops; hotels; newsstands; pet shops and taxidermists; photographic studios; retailing excluding department stores, grocery stores, and clothing stores; shoe shine; tobacconists; and veterinary clinics. Of these, the only currently active businesses in Service Centre are coffee shops (restaurants). Zone M2B also allows railways and marshalling yards, and wrecking yards. The locations of these zones in Service Centre are shown in Figure 2 below.

Service Centre is bounded to the west and north by undeveloped wooded areas zoned as G5 Forestry. Principal allowable uses in this zone include agriculture; forestry, including harvesting, tree planting, and portable sawmills; and detached residence with not more than two dwelling units.

Temporary uses may be authorized by the District under terms set out in Part 9, Division 8 of the Kitimat Municipal Code.

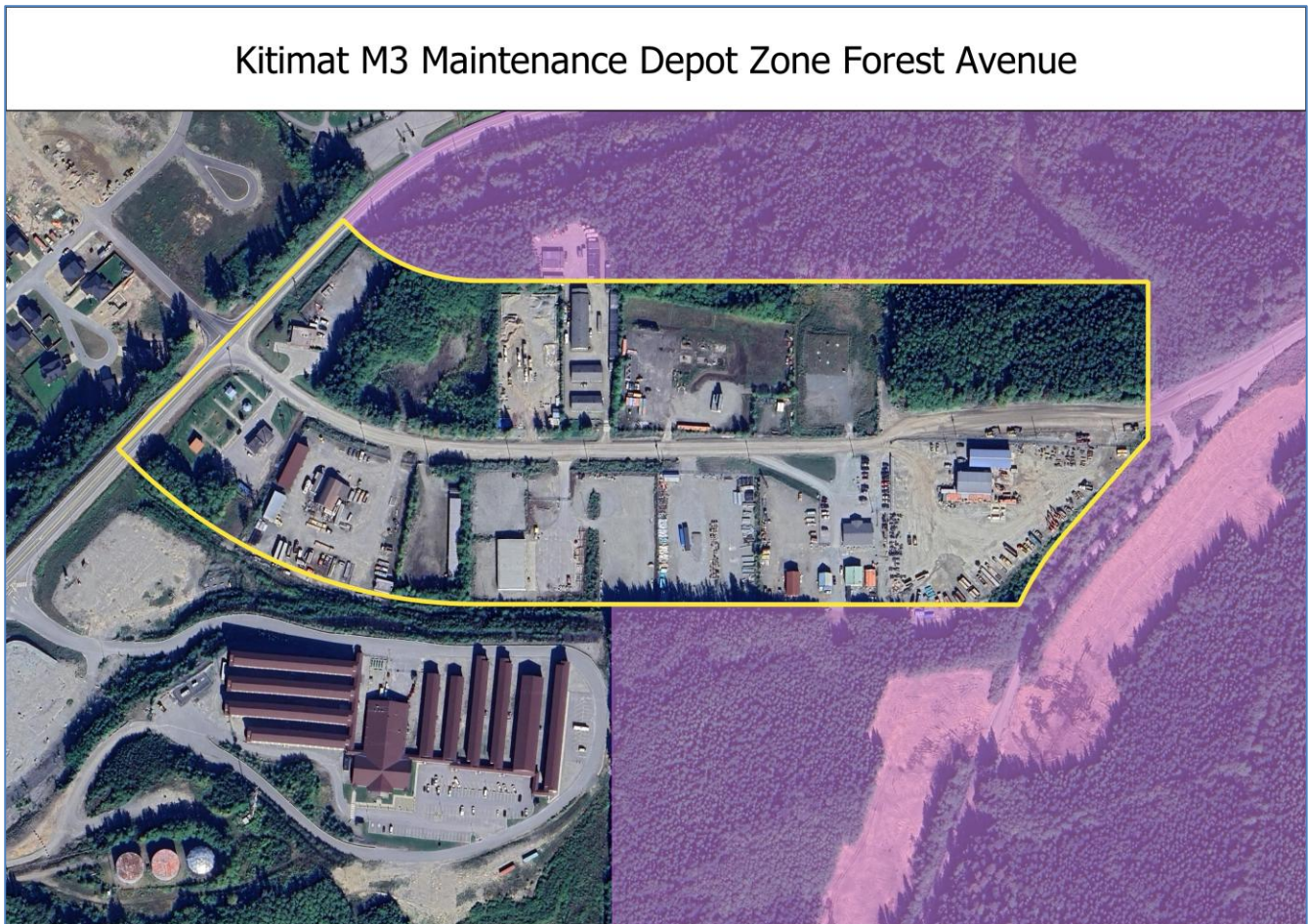
Figure 2 Kitimat Service Centre Zoning



## 2.5 M3 Maintenance Depot Zone

Land along Forest Avenue is zoned M3 Maintenance Depot. Allowable uses in the M3 zone include maintenance and servicing of vehicles and equipment of forest product companies; maintenance yards and offices of government and public utility companies; yard and office facilities required for service; maintenance and dispatch of construction and heavy equipment; chamber of commerce and tourist information office; salvage yard for recyclable materials, excluding automobile salvage; recycling depot; sandblasting and painting shop; and warehousing and mini-storage. The District may authorize temporary uses under terms set out in Part 9, Division 8 of the Kitimat Municipal Code. Hirsch Creek Concrete has operated a mobile concrete plant under a Temporary Use Permit in this area.

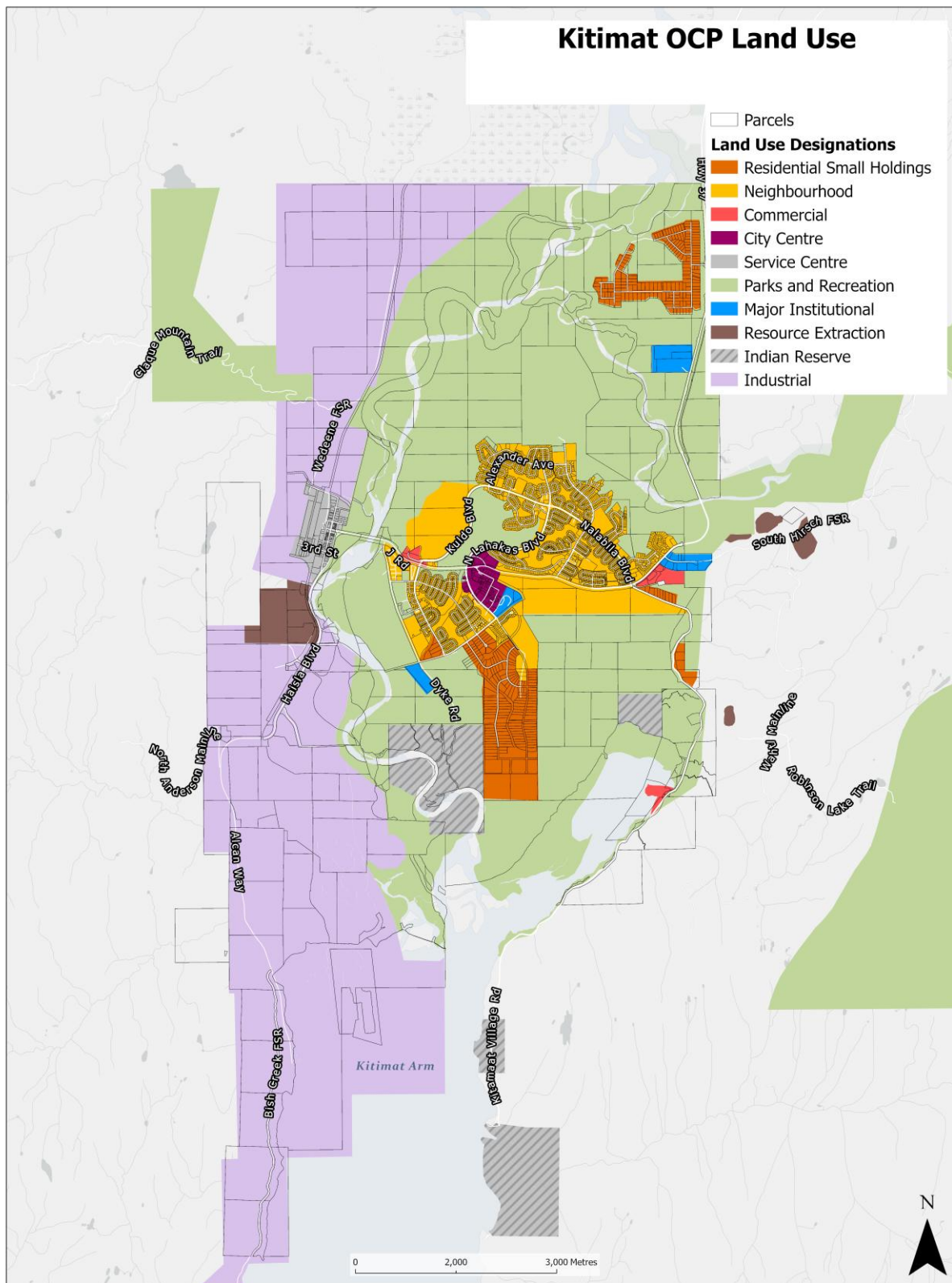
**Figure 3 Kitimat M3 Maintenance Depot Zone Forest Avenue**



## 2.6 Kitimat Official Community Plan

An Official Community Plan (OCP) is a general statement of objectives and policies respecting the physical and social development of a community. The Kitimat Official Community Plan was finalized in 2008 and has experienced multiple amendments since.

### Figure 4 Kitimat Official Community Plan



Key strategies set out in the Kitimat Official Community Plan that relate to economic development and industrial lands include:

### **Cultivate Diversified Economic Growth**

Kitimat's past is rooted in major industry, a focus that should continue for future economic development. Nevertheless, diversification is essential to avoid the 'boom and bust' cycle seen in other resource communities. Opportunities in tourism, the environmental sector, and retirement promotion present new possibilities. Emphasizing youth employment has been frequently suggested. Desired is sustainable economic growth that considers social, economic, and environmental impacts. Collaboration among local government, citizens, the Haisla First Nation, businesses, and organizations is crucial to foster industry, business, and education.

Kitimat's raison d'être is industrial development. The conditions for locating a major aluminum smelter were ideal: a sheltered, deep ocean harbour, a readily developable hydro energy supply, a large flat plant site, and an appropriate location for a new community. The 1952 master plan established separate zones for heavy industry, light industry, related services, and community and neighbourhood commercial and residential uses.

Goal: To retain and expand industrial employment while increasing opportunities in all sectors, particularly for small businesses and the environmental sector, to provide jobs for youth, grow the population, and attract commerce and tourism.

Diversification, Employment, and Robust Fiscal Foundation: Engage in business development in Kitimat to generate jobs, broaden the local economy, and enhance the non-residential assessment and revenue base, thereby supporting public infrastructure, facilities, and services.

In terms of industrial and commercial land use designations in the District:

### **Service Centre**

Areas designated as Commercial (Service Centre) are located west of the Kitimat River and encompass a variety of commercial service and light to medium industrial uses.

Areas designated as Industrial are intended for medium- and heavy-industrial uses, as well as port development.

Policies in the OCP specific to Service Centre Land Uses include:

- Preserve land west of the CN rail tracks for larger uses which do not depend on passing traffic. Land east of the CN rail tracks may be used for retail (not more appropriately located in either City Centre or neighbourhood commercial areas), commercial and light industrial uses.
- Owner/operator units may be considered in appropriate circumstances, considering site specifics, size, and proposed length of occupancy.
- Encourage retail commercial uses to locate in Service Centre if they require large land areas or are not considered appropriate for the City Centre or a Neighbourhood Centre.
- Allow for the future expansion of Service Centre.

### **Major Institutional**

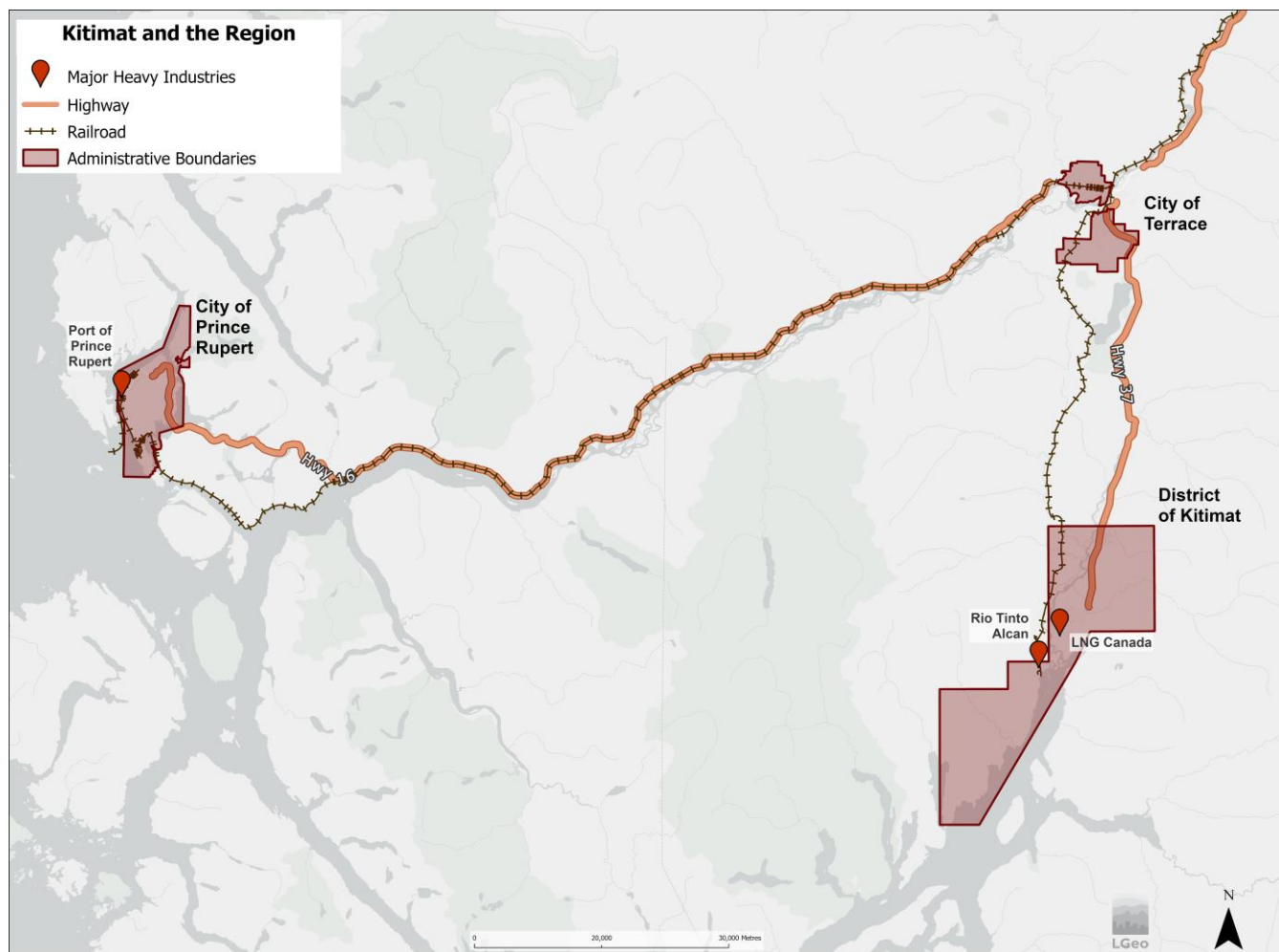
Areas designated as Major Institutional cover a broad range of public and private uses, from religious assembly to community support services such as schools, fire halls, recreation centres, hospitals, private clubs, and government services.

### 3 Regional Context and Transportation Infrastructure

The District of Kitimat covers approximately 320 square km at the end of the Kitimat Arm of Douglas Channel on BC's northwest coast. Kitimat is uniquely characterized by its Pacific inland coast setting. The Douglas Channel, one of BC's largest fjords, provides a deep, sheltered harbour 140 km from the open ocean. The rugged Coast Mountains provide a scenic backdrop. The community is at the base of a valley more than 5 km wide, which continues north towards Terrace, BC. The valley and coast near Kitimat also contain tracts of flat industrial land at or near tidewater, a unique feature in a mountainous province.

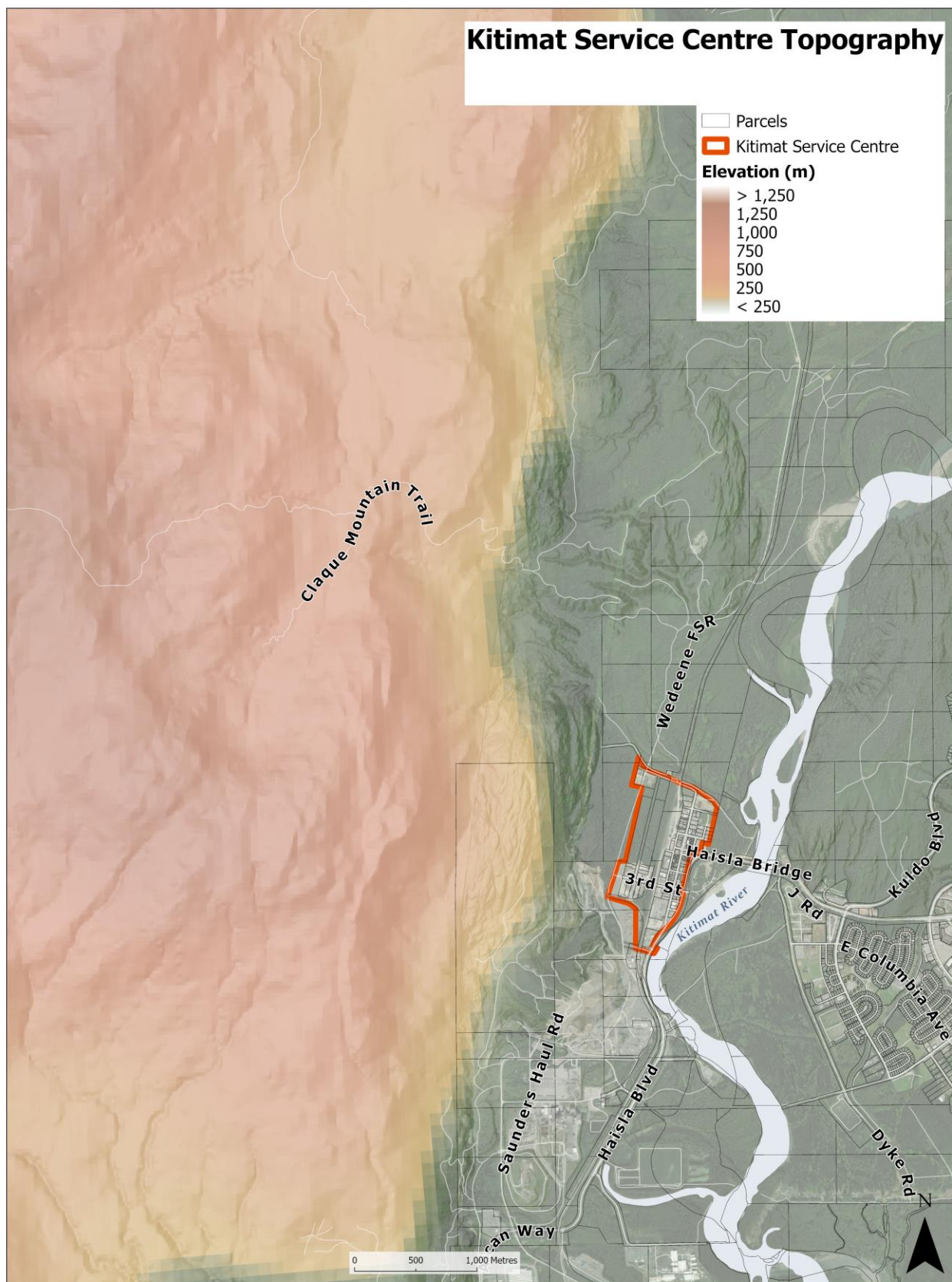
Kitimat, Terrace, and Prince Rupert are part of the North Coast and Nechako Economic Region. The map below shows the locations of these communities and heavy industrial facilities in the region. Kitimat is located approximately 60 km from Terrace by road (an approximately 45-minute drive), and 200 km from Prince Rupert.

**Figure 5 Kitimat and Region**



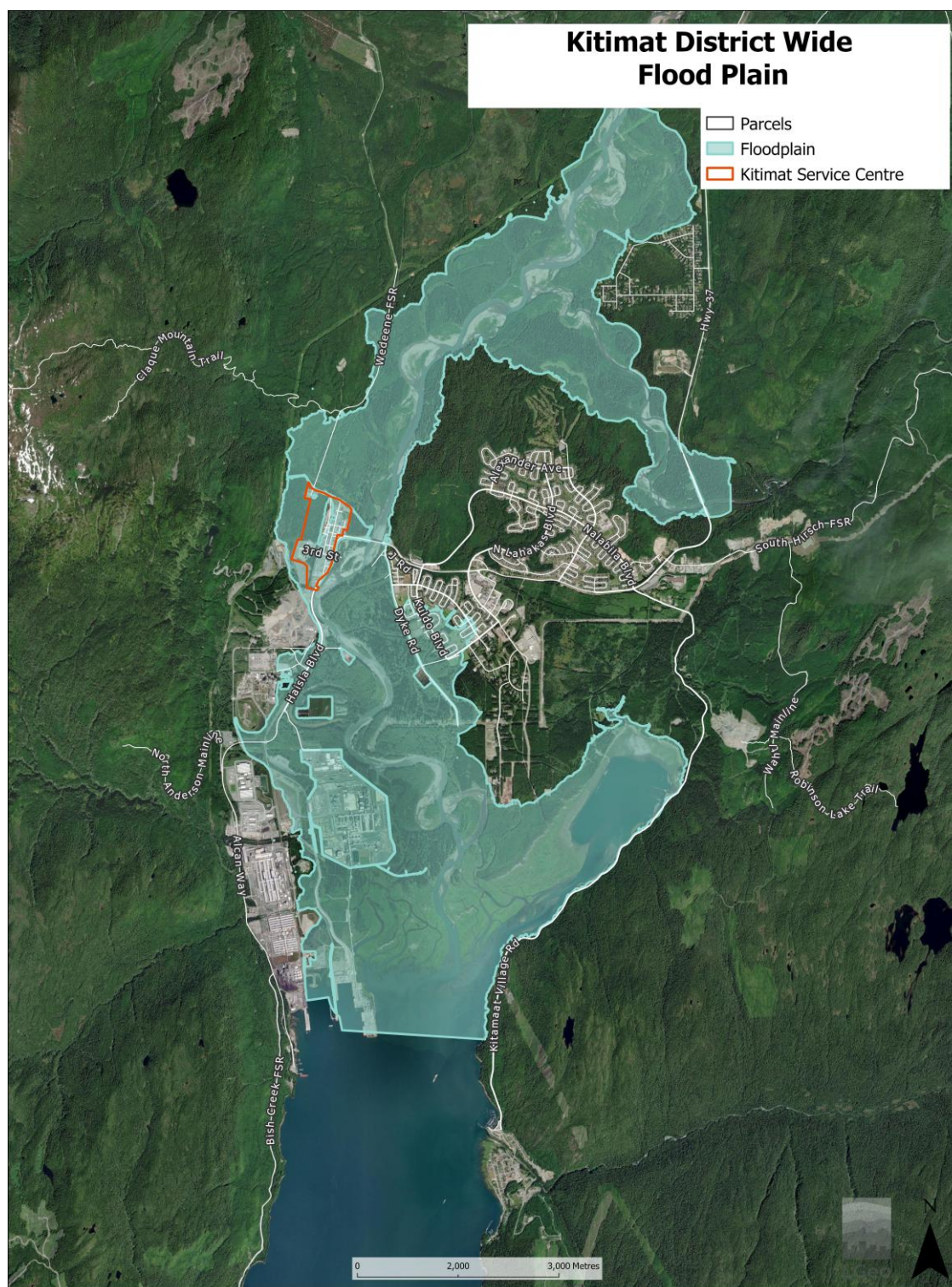
Kitimat's major industrial areas are located west of the Kitimat River. The topography is illustrated in Figure 6 below. The land available for industrial use is bounded by the Kitimat River to the east and mountains to the west. The areas west and north of the Service Centre light industrial area are forested, and the area to the south is designated for Heavy Industrial use, including a large sand and gravel mine operated by Sandhill Materials.

Figure 6 Kitimat Industrial Areas Topography



The major industrial areas are located within the 200-year flood plain for the Kitimat River.<sup>5</sup>

**Figure 7 Kitimat River Flood Plain**

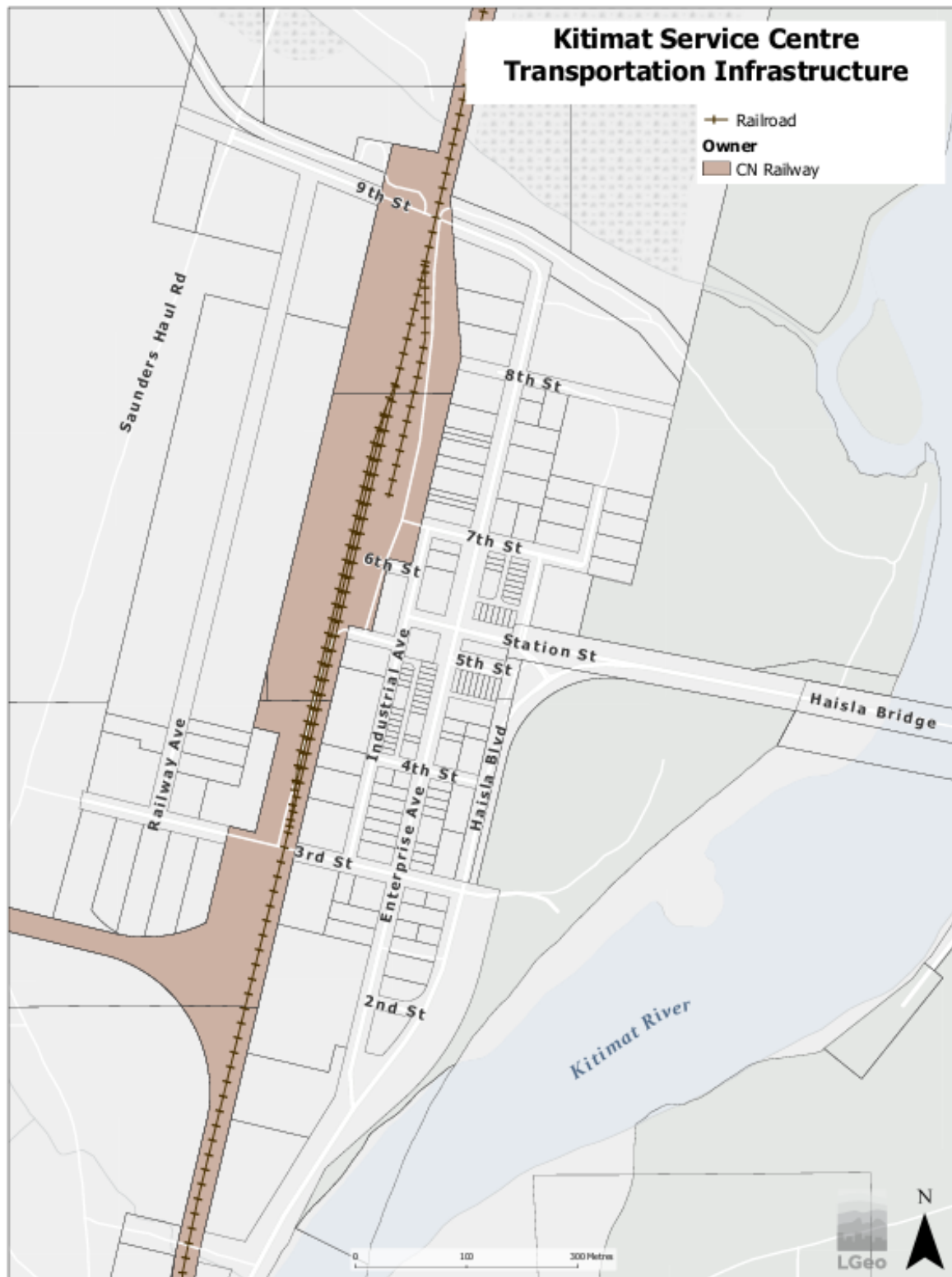


<sup>5</sup> Flood plain mapping was carried out in 2021: Kitimat River Flood Mapping Prepared by McElhanney for the District of Kitimat June 18, 2021.

### 3.1 Transportation Infrastructure

Transportation infrastructure in Service Centre light industrial area is shown below.

**Figure 8 Kitimat Service Centre Transportation Infrastructure**



Construction of a new Haisla Bridge was completed in 2023, with funding of \$55 million from the Government of Canada. Road access to lands west of the CN rail tracks is limited, with two public crossings at 3rd Street and 9th Street. The north-south connection between 3rd Street and 9th Street is a Forest Service Road (Wedeeene Forest Service Road; this section is commonly referred to as Saunders Haul Road).

CN Rail currently serves Rio Tinto Alcan, LNG Canada, and Kentron Construction directly. There is a short spur line north of the old train station, which may be used periodically for loading or unloading railcars.

## 4 Industrial Lands Overview

### 4.1 Introduction to Land Types and Accessory Uses

In land use and zoning, primary and accessory uses regulate predominant land functions and the supportive activities that can be performed. Common primary land use types include residential, commercial, industrial, agricultural, and recreational zones, each serving specific community and regional planning purposes. Accessory uses consist of additional activities or structures that support the primary land use. When the American Planning Association first developed the principles of zoning, and specifically industrial zoning, they grouped different types of industrial businesses and zoning permissions by the impact that these industries had on their surrounding areas.<sup>6</sup>

Industrial activity is typically confined to light and heavy industrial zones. However, the term Industrial represents a wide spectrum of uses and intensities, which do not all fit into conventional definitions of light and heavy. An industrial use can include everything from large transportation, distribution, and manufacturing facilities to small local-serving producers and suppliers, as well as new sectors like advanced technology, media/design, bio-tech, and e-commerce. These various types of industrial businesses need different kinds of physical space, access, location, infrastructure, lands and structures to optimize their operations. Changes in the types of industrial uses often require changes in the built form.

Accessory uses in industrial areas can include commercial activities that are related or supportive to the primary industrial use or be more minor in nature such as parking areas and storage facilities. This can include commercial office spaces or amenities for local employees. While some commercial uses can be supportive of industry, allowing excessive additional office or retail space may lead to unintended consequences. Substantial commercial development in an industrial area can destabilize or displace established industrial uses by increasing values and by introducing land use conflicts. Thus, planning must address the appropriate type and scale of uses both within a single development and the broader area.

### 4.2 Light Industry

Light industrial zones typically accommodate activities characterized by low pollution levels, minimal noise, and limited environmental impact. From a land use perspective, light industrial zones typically accommodate a wide range of uses. For this study, we have grouped light industrial activities into three categories, based on the unique history and circumstances of the District of Kitimat.

#### 4.2.1 Other Wholesale and Retail Goods and Services

Other Wholesale and Retail Goods and Services are provided in support of regional light industrial or commercial businesses, and consumer-oriented goods and services. These include:

- Goods and services for commercial and residential construction.
- Building supply retailers.
- Logistics and storage related to the movement of locally consumed goods.
- Auto sales and service facilities.

Some businesses may serve both markets; for example, wholesalers might stock parts for both industrial equipment and personal vehicles. Theoretically the factors influencing demand vary between these two categories. Demand for goods and services in support of heavy industry typically varies with the fortunes

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<sup>6</sup> "What Is Industrial Zoning? Light vs Heavy Industrial Zones" ZEV Iana Novick November 10, 2021  
<https://www.lev.co/blog/industrial-zoning>

of the major industrial operations in the region. Demand for other wholesale and retail services is primarily impacted by demographics (population) and personal income. In a community like Kitimat, where a significant portion of employment income comes from heavy industrial jobs, demand for both categories is likely to follow a similar pattern because the health of heavy industry directly impacts both population and personal income in the region.

#### 4.2.2 Support Activities for Heavy Industry

Kitimat was created to facilitate the construction of the Alcan aluminum refinery, and goods and services provided in support of smelter operations (and later the Eurocan pulp mill and Methanex methanol plant).

Typical light industrial activities supporting heavy industry in the District of Kitimat include:

- Manufacturing and fabrication: Small-scale operations supporting the region's construction and infrastructure projects. Small-scale manufacturing focuses on producing components or materials necessary for heavy industrial operations.
- Specialized trades, including welding, machining, and other services.
- Sales and repair services for vehicles and equipment used in industries such as forestry, mining, and transportation.
- Industrial construction and contracting.
- Warehousing, distribution and equipment storage for industrial goods.
- Logistics and storage related to the movement of goods through rail or maritime terminals.

#### 4.2.3 Major Construction Projects

Major construction projects can generate demand for large quantities of light industrial land for short periods. Typical uses include laydown and storage of construction materials, and in the case of Kitimat, temporary housing camps for workers needed to complete major projects.

### 4.3 Heavy Industry

Heavy industry zoning is typically designed for industries characterized by significant environmental and/or social impacts on surrounding areas. In British Columbia, for taxation purposes BC Assessment classifies properties into one or more of the nine property classes set out in the Assessment Act regulations. Heavy Industry is categorized as Class 4 Major Industry, which includes:

- Mining, extracting, beneficiating or milling of metallic or non-metallic ore;
- Mining, breaking, washing, grading or beneficiating of coal;
- Producing of aluminum;
- Smelting or refining of metal from ore or ore concentrate;
- Producing, manufacturing, processing or refining of petroleum or natural gas;
- Manufacturing of lumber or other sawmill and planing mill products;
- Manufacturing of wood veneer, plywood, particle board, wafer board, hardboard and similar products;
- Manufacturing of gypsum board;
- Manufacturing of pulp, paper or linerboard;
- Manufacturing of chemicals;

- Manufacturing of chemical fertilizer;
- Manufacturing of synthetic resins or the compounding of synthetic resins into moulding compounds;
- Manufacturing of cement;
- Manufacturing of insulation;
- Manufacturing sheet glass or glass bottles;
- Building, refitting or repairing ships;
- Loading cargo onto sea-going ships or barges, and associated cargo storage and loading facilities, including grain elevators.<sup>7</sup>

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<sup>7</sup> “Major industry valuation” BC Assessment Act section 20  
[https://www.bclaws.gov.bc.ca/civix/document/id/complete/statreg/96020\\_01](https://www.bclaws.gov.bc.ca/civix/document/id/complete/statreg/96020_01)

## 5 Industrial Land Demand - Other Wholesale and Retail Goods and Services

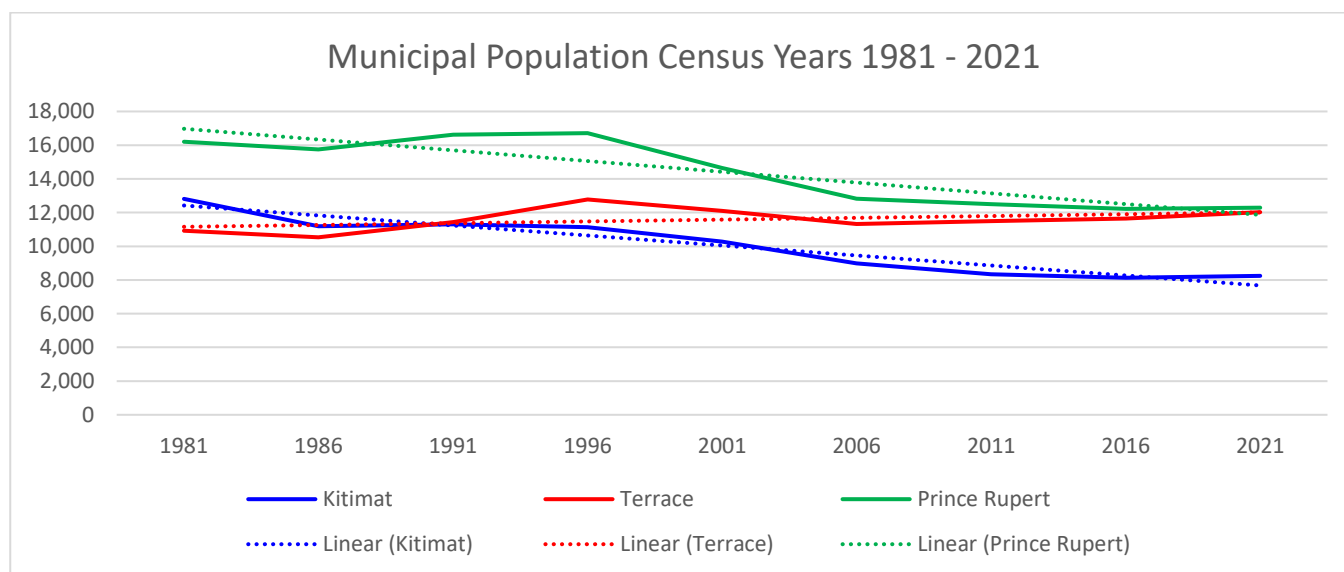
### 5.1 Population Growth & Light Industrial Land Demand

Population directly impacts the demand for light industrial land for Other Wholesale and Retail Goods and Services. Types of activities related to other (non-heavy industrial) wholesale and retail goods and services that can occur on light industrial lands can include:

- Residential and commercial construction-related businesses, such as suppliers of building materials and prefabricated components.
- Logistics and storage facilities.
- Vehicle and equipment repair services.
- Auto dealerships.
- Retail and wholesale trade.

The level of demand for these goods and services (and for the industrial land to support them) is related primarily to local population and income. The figure below depicts the populations of the District of Kitimat, Terrace, and Prince Rupert in census years from 1981 to 2021.

**Figure 9 Kitimat, Terrace and Prince Rupert Population 1981 - 2021**



The table below shows the population in these communities in 1981 and 2021 and changes over the forty year period.

**Figure 10 Northwest BC Communities Population 1981 and 2021**

| Northwest BC Communities Population 1981 and 2021 |        |        |          |
|---------------------------------------------------|--------|--------|----------|
| Municipality                                      | 1981   | 2021   | % Change |
| Kitimat                                           | 12,814 | 8,236  | -36%     |
| Prince Rupert                                     | 16,197 | 12,300 | -24%     |
| Terrace                                           | 10,914 | 12,017 | 10%      |

Despite the departure of its major industrial employers, Terrace's population increased by 10% from 1981 to 2021. This growth is linked to a rise in service-related activities, serving both the local community and the broader region, which offered relatively stable job opportunities.

Terrace's larger population provides an advantage in attracting businesses providing consumer-related goods and services. Population estimates for the two communities are shown in the figure below.

**Figure 11 Kitimat and Terrace Population Estimates 2020 – 2024**

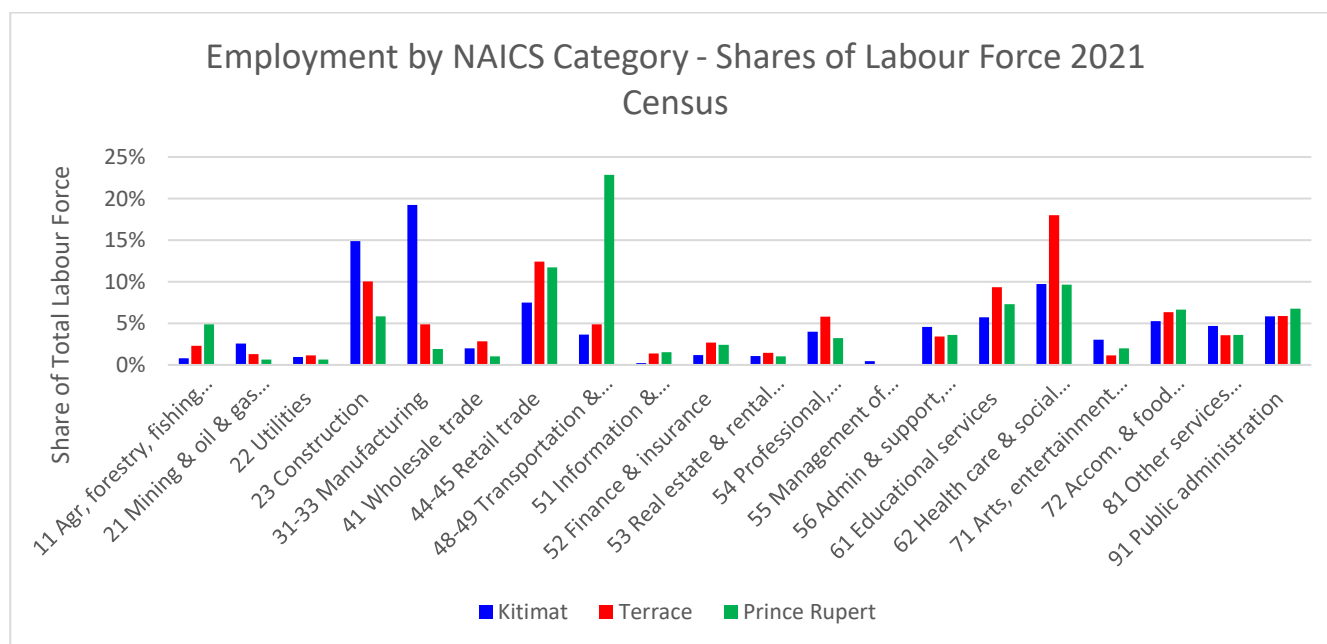
| Kitimat and Terrace Population Estimates 2020 - 2024 |        |        |        |        |        |            |
|------------------------------------------------------|--------|--------|--------|--------|--------|------------|
| Community                                            | 2020   | 2021   | 2022   | 2023   | 2024   | 2024 Share |
| Kitimat                                              | 8,479  | 8,603  | 8,629  | 8,995  | 9,168  | 41%        |
| Terrace                                              | 12,533 | 12,604 | 12,718 | 12,970 | 13,252 | 59%        |
| Total                                                | 21,012 | 21,207 | 21,347 | 21,965 | 22,420 | 100%       |

The municipal population estimates may understate Terrace's population advantage for consumer-related goods and services. When the rural population around Terrace included, the total population of Terrace is more than twice that of Kitimat. Based on BC Stats projections, this situation will continue in the long term.<sup>8</sup> Population for both communities is forecast to decline over the next 20 years.<sup>9</sup>

## 5.2 Income

The figure below depicts employment by North American Industry Classification System (NAICS) categories from 2021 census data for Kitimat, Terrace, and Prince Rupert.

**Figure 12 Kitimat, Terrace and Prince Rupert Share of Employment by NAICS Category 2021**



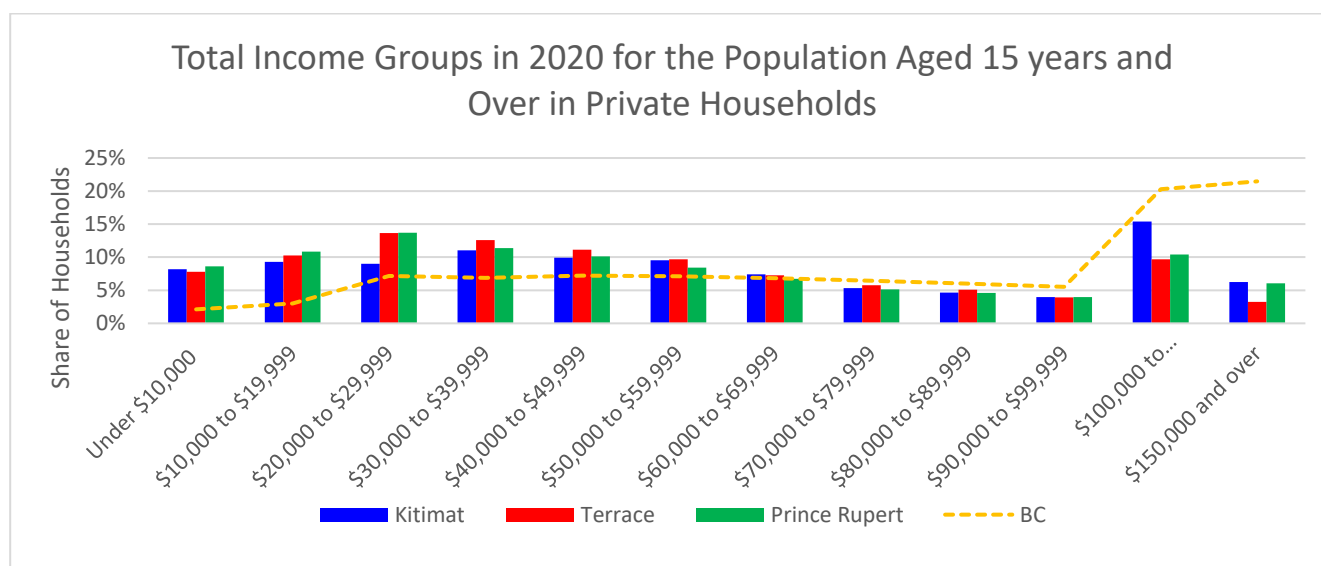
<sup>8</sup> Based on BC Stats estimate of Local Health Area population from 2016 census data  
<https://communityhealth.phsa.ca/HealthProfiles>

<sup>9</sup> Source: "Population Estimates & Projections for British Columbia" BC Stats  
<https://bcstats.shinyapps.io/popApp/>

Kitimat has a much larger share of its labour force employed in manufacturing and construction, while the transportation and warehousing sector provides the largest share of employment in Prince Rupert. Prince Rupert's largest employment sector is transportation and warehousing, much of it associated with the port terminals. Terrace has a higher share of jobs in health care and social assistance, educational services, and retail trade than Kitimat and Prince Rupert.

The differences in employment by sector are reflected in household income. The figure below depicts the share of households by income group for the population 15 years and older in Kitimat, Terrace, and Prince Rupert based on 2021 census data.

**Figure 13 Kitimat, Terrace and Prince Rupert Share of Households by Income Group 2021**



Kitimat's household income distribution differs from Terrace and Prince Rupert in having a larger share of households with relatively high incomes (\$100,000 to \$149,999). This is likely due to the larger share of employment in high-paying heavy industrial jobs.

The higher incomes in Kitimat suggest that per capita consumer spending is likely higher than in Terrace. However, convenient access to Terrace by road makes it easy for Kitimat residents to spend their money in Terrace, which has a wider range of consumer goods and services available.

## **6 Industrial Land Demand - Support Activities for Heavy Industry**

### **6.1 Kitimat Heavy Industry Foundation and Decline 1995 – 2010**

#### **6.1.1 Primary Metal Manufacturing**

The aluminum smelter in Kitimat has remained active since its construction in the early 1950's. Kitimat was chosen as the site for the Alcan aluminum smelter due to the potential for development of hydro-electric power from the Nechako watershed, and deep-water access to ocean transportation via the Douglas Channel. The Kitimat-Kemano Project started in 1951, and power was brought online at Alcan's Kemano generating station in July 1954. By August 1954 the works had begun production of aluminum for export. The project also required construction of two communities from wilderness territory, Kitimat and the smaller industrial township of Kemano, which remained for several decades until its decommissioning in 2000. A total of 35,000 construction workers were needed for the project.<sup>10</sup>

The raw material used to make aluminum at Kitimat Works is alumina (aluminum oxide), a fine white powder which is found in its unrefined state as bauxite. Currently, Australia is the largest exporter of alumina, followed by Brazil and Ireland.<sup>11</sup>

Alcan was purchased by Rio Tinto, a major Australian mining company, for US\$38.1 billion in 2007. The new company, Rio Tinto Alcan employed approximately 65,000 people worldwide, with a production capacity of 4.3 million tonnes and projected revenues of US\$43 billion.<sup>12</sup>

#### **6.1.2 Wood Products**

Kitimat's major forest products manufacturing facility was the Eurocan Pulp Mill, built by a consortium of three Finnish companies. Construction of the pulp and paper mill and sawmill commenced in 1968, with paper production commencing in 1970.<sup>13</sup> West Fraser Timber became a joint venture partner in the 1980s and acquired the operations in 1993. The mill produced about 450,000 tonnes of paper per year. West Fraser announced the closure of the Eurocan mill in 2009 due to reduced availability of residual wood chips and a decline in prices caused by global economic slowdown, the rise of the Canadian dollar, and severe competition from low-cost paper producers in other countries. Closure of the mill resulted in the loss of 535 jobs.<sup>14</sup>

#### **6.1.3 Chemicals**

Ocelot Industries, a Calgary company, began construction of its methanol plant in Kitimat in 1980. Production began in 1982. An ammonia plant, constructed between 1985 and 1986 at a total cost of \$80 million, was later purchased by Pacific Ammonia. In 1992, company ownership changed to Methanex. Methanex announced the closure of the Kitimat plant in 2005 with the loss of 127 jobs. The firm opted to supply customers with methanol made in Chile, Trinidad, and New Zealand.<sup>15</sup>

<sup>10</sup> Kitimat: Unleashing the Potential LSM Consulting and Resource Matters! August 20, 2003 p. 26

<sup>11</sup> "The 3 largest exporters of alumina" OPPORTIMES March 18, 2022 <https://www.opportimes.com/the-3-largest-exporters-of-alumina/>

<sup>12</sup> "The Takeover Battle Mining Mergers Explored Rio Tinto Alcan" Mining Technology December 10, 2007 <https://www.mining-technology.com/features/feature1434/>

<sup>13</sup> "Settling In: Highlighting 50 Years of Kitimat's History" <https://search.kitimatmuseum.ca/s/settling-in-highlighting-50-years-of-kitimat-s-history/page/eurocan-methanex>

<sup>14</sup> "West Fraser to permanently close Eurocan operation in Kitimat" B.C. Pulp & Paper November 3, 2009 <https://www.pulpandpapercanada.com/west-fraser-to-permanently-close-eurocan-operation-in-kitimat-b-c-1000346203/>

<sup>15</sup> "Methanex sets plant closure" Chemical and Engineering News September 5, 2005 <https://cen.acs.org/articles/83/i36/Methanex-sets-plant-closure.html>

## 6.2 Heavy Industry Renewal 2011 – 2025

Heavy industry has seen a notable revival in Kitimat, driven by four major investments beginning in 2011. The heightened activity from construction and ongoing operations of these significant projects has greatly impacted the demand for light industrial space in Service Centre.

In December 2011, Rio Tinto Alcan formally announced full Notice to Proceed for the Kitimat Modernization Project, a \$3.3 billion project aimed at modernizing the BC Operations aluminum smelter in Kitimat using state-of-the-art Aluminium Pechiney (AP) technology. This initiative increased the annual capacity from 280,000 to 420,000 tonnes and reduced the overall environmental footprint by 50 percent. Bechtel Canada was contracted to serve as the engineering procurement contract manager for the Kitimat Modernization Project (KMP).

RTA also undertook the Kemano T2 project to construct a second tunnel to funnel water to the power plant. The tunnel twinning project involved excavating 7.6 kilometres under a mountain and “refurbishing” another 8.4 kilometres of tunnel that had already been excavated in the 1990s. Hatch was selected by Rio Tinto to provide the Engineering, Procurement and Construction Management services for the project. Construction started in 2018 and was completed in 2022.<sup>16</sup>

LNG Canada began construction on a liquefied natural gas (LNG) export facility in Kitimat in 2018. LNG Canada is a joint venture partnership between five major energy companies: Shell, PETRONAS, PetroChina, Mitsubishi Corporation and KOGAS. Natural gas is supplied to the terminal from the Dawson Creek area via the 670 km Coastal GasLink Pipeline. LNG Canada selected the JGC Corporation (JGC) and Fluor Corporation (Fluor) Joint Venture as its Engineering, Procurement and Construction Contractor. Construction was substantially completed in 2024 and began export shipments in mid-2025.

In June 2024, Cedar LNG announced a favourable Final Investment Decision for the Cedar LNG Project, a floating liquefied natural gas (LNG) facility with a nameplate capacity of 3.3 million tonnes per annum, located in the traditional territory of the Haisla Nation, southwest of Kitimat. Cedar LNG is majority-owned by the Haisla Nation, in partnership with Pembina Pipeline Corporation, with ownership stakes of 50.1 percent and 49.9 percent, respectively. The project has a total estimated cost of approximately US \$4.0 billion (CDN \$5.5 billion) and is anticipated to be in service in late 2028.

Examples of companies with current facilities in Service Centre that had contracts for these projects include:

- ServcoCanada (WSG Energy Services) – ServcoCanada was the primary site services contractor for Bechtel on the KMP project, as well as providing electrical and instrumentation support during the work stage towards the end of the project. ServcoCanada’s Kitimat subsidiary had multiple contracts on the LNG Canada project and was acquired by WSG Energy Services in 2023. The company purchased the former Russell Metals site in Service Centre in 2020 and plans to complete construction of a new office building in 2025.
- Hatch – Hatch provided engineering, project, and construction management services for the Kemano T2 project. Hatch acquired Lapointe Engineering, a Northern British Columbia-based engineering

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<sup>16</sup> “Watered down Kemano Completion Project completed” Business in Vancouver December 1, 2022  
<https://www.biv.com/news/resources-agriculture/watered-down-kemano-completion-project-completed-8269756>

firm, in 2015. Lapointe Engineering built a new building at 330 Industrial Avenue beside their existing building at 322 Industrial Avenue in 2011 to accommodate an increase in their workforce due to the KMP. Hatch continues to occupy the newer building. As of the first half of 2025 WSG Energy Services leases a portion of the old Lapointe building but plan to vacate when their new building on the former Russell Metals site is completed (scheduled for 2025).

- Western Industrial Contractors – Western Industrial Contractors was involved in the KMP beginning in 2008 with the completion of underground Storm Sewer and Utility relocations, followed by multiple other projects throughout to completion. Their Kitimat facility is located at 725 Commercial Avenue.
- Houle Electrical Industrial Division – Houle undertook substantial work including electrical installations and automation work including installation of fibre optic cables and network cabinets. Houle's workforce on the KMP totalled 700 employees at its peak. Houle currently leases space in a building at 312 Railway Avenue in Service Centre.
- CIMS Ltd. - CIMS performed more than \$70 Million worth of piping, mechanical and electrical work on the KMP. CIMS obtained a storefront in the Kitimat Service Centre through the purchase of 101 Industries in 2020.
- Allnorth – Allnorth's involvement with the Kemano T2 project dates back to 2013, with the provision of materials testing services for concrete and shotcrete for the tunnel maintenance and repairs on the Kemano penstocks which had not been completed since the mid-1950s. Allnorth was awarded the contract to provide on-site quality control services to support the T2 project in addition to extending the construction survey services to project completion. The quality control scope of work involved 24 hours a day of field and laboratory materials testing to ensure the quality control of construction activities, including concrete, shotcrete, and grout applications.<sup>17</sup>
- Zanon Mechanical Services is a mechanical contractor and fabricator which began operations in Kitimat in 1986. In 2014 Zanon entered two partnerships to support RTA's smelter operations. The first was Ron-Pol Industries, a partnership with Quebec-based Charl-Pol Saguenay Inc. to repair and service one-tonne anodes used in the smelting process. The second was a partnership with ECL Cranes (a subsidiary of Paris-based Fives Group) to repair and maintain cranes used in the smelter.<sup>18</sup> Zanon was purchased by the private equity firm Hillside Group in 2023.<sup>19</sup>

The other major change in the business population has been the direct involvement of Haisla Nation in Heavy Industry-Supporting businesses contracted to supply goods and services related to the renewal of the heavy industrial sector since 2011. This has taken place primarily through partnerships with established firms. Examples of industry – Haisla partnerships with facilities in Service Centre include:

- Ledcor Haisla Limited Partnership (LHLP) was awarded multiple contracts for the LNG Canada project. Cedar LNG recently selected LHLP to construct the pipeline scope of work for the Cedar LNG Project. LHLP appears to be operating from a site owned by Sandhill Group on Haisla Boulevard at the south end of Service Centre.
- In 2014 Allnorth formed a joint venture called Qooluun – Allnorth Limited Partnership with the Haisla Nation. Qooluun – Allnorth was awarded a Master Services Agreement by LNG Canada for

<sup>17</sup> <https://www.allnorth.com/projects/kemano-t2-project-portfolio/>

<sup>18</sup> [https://www.shopmetaltch-digitalmagazine.com/shopmetaltch/august\\_2014?pg=36#pg36](https://www.shopmetaltch-digitalmagazine.com/shopmetaltch/august_2014?pg=36#pg36)

<sup>19</sup> "Hillcore acquires Zanon Mechanical Service" Hillcore Group March 17, 2023

<https://www.hillcoregroup.com/hillcore-acquires-zanon-mechanical-service/>

engineering and procurement services in 2024.<sup>20</sup> Qooluun – Allnorth occupies the former Dal Monte Woodworking site in Service Centre.

- Brock Kitamaat Services Limited Partnership, a joint venture between Brock and the Haisla Nation, was awarded a contract to provide maintenance support for the LNG Canada project including scaffolding, insulation and painting.<sup>21</sup>
- Haisla Triton Limited Partnership provided marine habitat offset work for the LNG Canada project.
- Mammoet – Haisla Joint Venture was awarded a contract for Heavy Haul and Heavy Lift Services by LNG Canada in 2020.

For both construction and operations services, the largest portion of the work is carried out on the heavy industry site rather than in Service Centre, which reduces companies' space requirements relative to companies manufacturing goods or providing services at their own site. The primary activities carried out onsite in Service Centre for these industrial contractors appear to be workforce management and equipment storage.

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<sup>20</sup> "Qooluun Allnorth LP Awarded Master Services Agreement by LNG Canada" Allnorth May 23, 2024  
<https://blog.allnorth.com/qooluun-allnorth-lp-awarded-master-services-agreement-by-lng-canada>

<sup>21</sup> "Creating Opportunities for B.C. Communities" LNG Canada October 19, 2022  
<https://www.lngcanada.ca/news/creating-opportunities-for-b-c-communities/>

## 7 Industrial Land Demand – Major Construction Projects

Three major construction projects have completed in Kitimat in the past 15 years, and a fourth is currently under way. These projects are shown in the table below.

**Figure 14 Kitimat Recent Major Projects**

| Project                       | Project Owner                     | Project Type        | Total Cost<br>CDN\$ Millions | Year Started | Year Completed | Peak Workforce |
|-------------------------------|-----------------------------------|---------------------|------------------------------|--------------|----------------|----------------|
| Kitimat Modernization Project | Rio Tinto Alcan                   | Smelter Upgrade     | \$4,800                      | 2011         | 2015           | 3,500          |
| Kemano T2 Project             | Rio Tinto Alcan                   | Second Hydro Tunnel | \$600                        | 2018         | 2022           | 300            |
| LNG Canada Export Terminal    | LNG Canada                        | LNG Export Terminal | \$40,000                     | 2019         | 2025           | 8,000          |
| Cedar LNG                     | Haisla Nation - Pembina Pipelines | LNG Export Terminal | \$4,700                      | 2025         | 2029           | 500            |

The Kitimat Modernization Project and LNG Canada occurred on RTA's existing M1-zoned land base and through redevelopment of portions of the former Methanex and Eurocan M1-zoned lands. Construction activity for the Kemano T2 project took place primarily at the Kemano site so it did not have a major impact on Kitimat industrial land usage.

### 7.1 Kitimat Modernization Project and Kemano T2

RTA's Kitimat Modernization Project was undertaken to increase the smelter capacity from 280,000 tonnes per year to 420,000 tonnes per year using state-of-the-art Aluminium Pechiney (AP) technology. The construction site covered approximately 150 acres (60 ha) in the main area, plus a smaller additional portion. To provide space for the new smelter, several existing facilities were dismantled and the area was cleared. Additionally, two lodging camps for workers were built.<sup>22</sup> A floating hotel ("floatel") was also used to accommodate the construction workforce.

In 2011 Rio Tinto purchased the Eurocan dock from West Fraser Timber to bring in construction materials for KMP and take out some of the materials from demolition.<sup>23</sup> In the longer run, RTA planned to use the dock to export the increased production from the smelter. RTA resold the dock and land options to LNG Canada for approximately \$750 million in 2018.<sup>24</sup> LNG Canada built a new wharf at Rio Tinto's Terminal A facility in 2021 to replace the wharf and land leased from RTA.<sup>25</sup>

### 7.2 LNG Canada

LNG's five partners – Shell, Petronas, Mitsubishi, Korea Gas and PetroChina – took a final investment decision to proceed with construction in 2018. The project and the associated Coastal GasLink (CGL) pipeline employed 65,000 workers over roughly a six-year construction period.<sup>26</sup>

<sup>22</sup> "The Kitimat Modernization Project" Construction Canada December 2, 2014

<sup>23</sup> "Rio Tinto Alcan buys Eurocan dock" Northern Sentinel Mar 25, 2011.

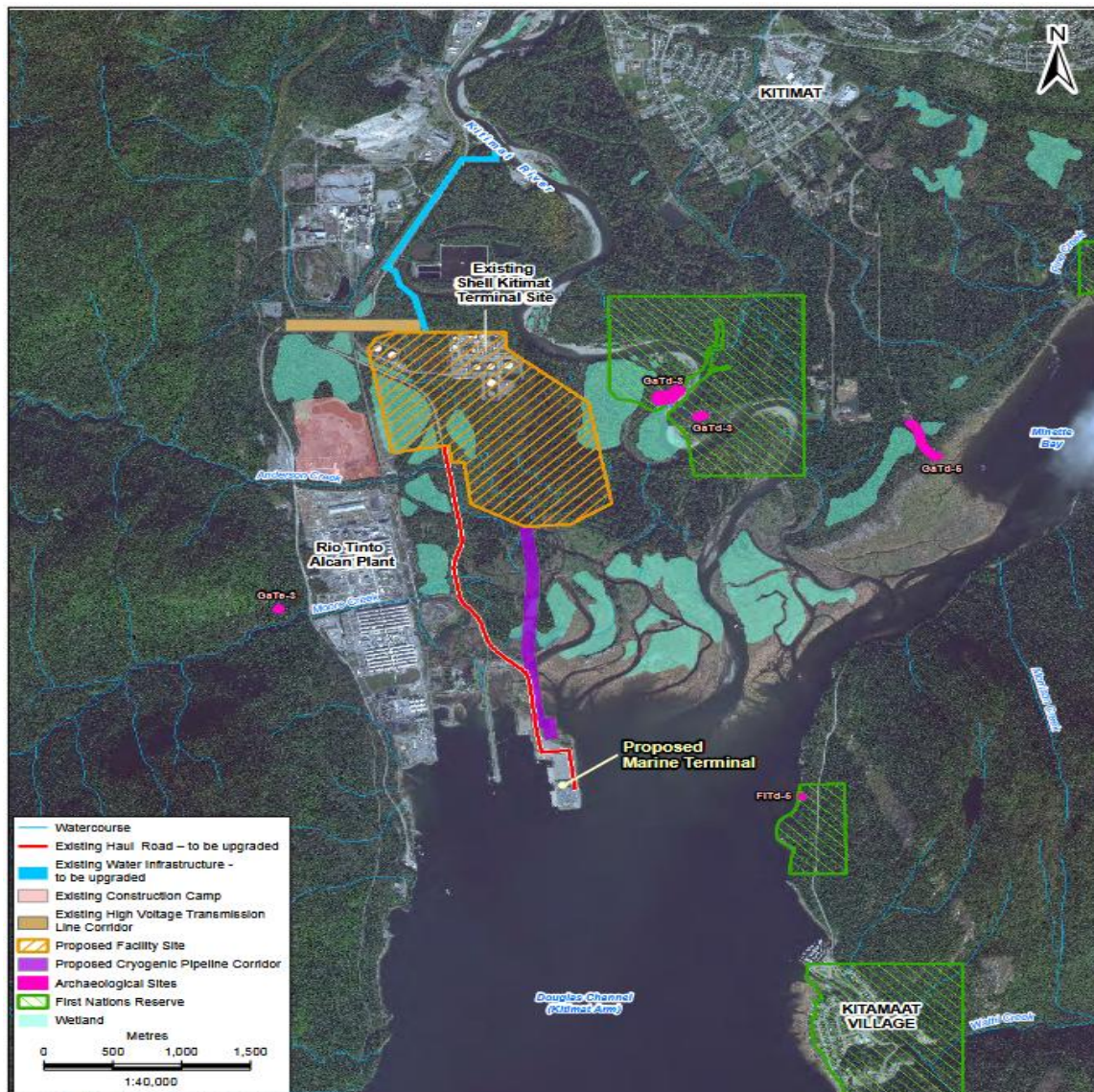
<sup>24</sup> "Rio Tinto completes lease and sale of wharf and land to LNG Canada" Rio Tinto News Release Nov 12, 2018 <https://www.riotinto.com/en/can/news/releases/lease-and-sale-of-wharf-completed>

<sup>25</sup> "Rio Tinto and LNG Canada open new wharf in port of Kitimat" Rio Tinto News Release December 10, 2021 <https://www.riotinto.com/en/news/releases/2021/rio-tinto-and-lng-canada-open-new-wharf-in-port-of-kitimat>

<sup>26</sup> "LNG Canada and CGL projects employed 65K Canadians, says outgoing CEO" Business in Vancouver Jan 16, 2025

According to the initial Project description, the LNG Canada was expected to occupy 740 to 865 acres (300 – 350 ha) of fee simple property within the District of Kitimat. Approximately 10% of the LNG facility site was previously developed for methanol production, storage and transshipment (former Methanex Corporation facility) and for condensate transshipment (Cenovus Energy Inc.). The planned location of LNG Canada facilities is depicted in the figure below.

**Figure 15 LNG Canada Proposed Project Site Map<sup>27</sup>**

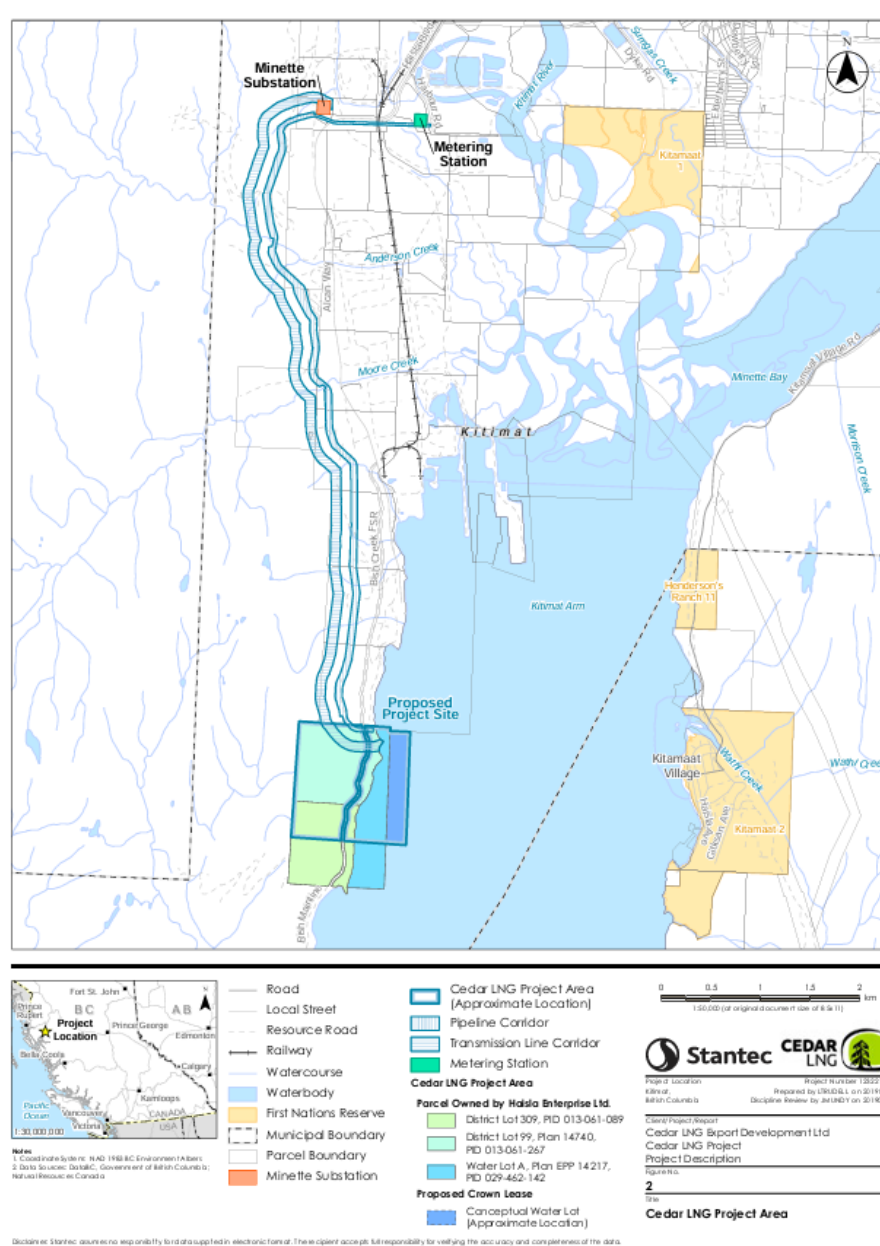


<sup>27</sup> LNG Canada Project Description Prepared for: LNG Canada Development Inc by Stantec Consulting Ltd. March 21, 2013 Figure 4-1.

### 7.3 Cedar LNG

The Cedar LNG project is a joint venture between the Haisla Nation and Pembina Pipelines to develop a floating liquefied natural gas (LNG) facility and marine export terminal at Bish Cove. The Project description submitted as part of the Environmental Assessment for the project estimated the size of the Cedar LNG Project Area at approximately 320 acres (130 ha) including 208 acres (84 ha) owned by Haisla Enterprise Ltd, 57 acres (23 ha) of a water lot owned by Haisla Enterprise Ltd, and 57 acres (23 ha) of submerged Crown land, to encompass the safety awareness zone. The project location is shown in the figure below.

**Figure 16 Cedar LNG Project Location<sup>28</sup>**



<sup>28</sup> Source: Project Description Cedar LNG Project Liquefaction and Export Terminal Stantec Consulting Ltd. For Cedar LNG August 22, 2019 p. 6.

Cedar LNG subsequently proposed to expand the Marine Terminal Area (MTA) to 685 acres (277 ha) to accommodate the mooring system for the floating LNG facility.<sup>29</sup>

Unlike the KMP and LNG Canada projects, Cedar LNG's existing M1-zoned land base does not accommodate all their construction requirements. As a result, they have leased approximately 17 acres (6.9 ha) of land owned by Sandhill Materials Inc. within the G5 Forestry zone, located south of 3rd Street and west of the CN Rail tracks in Service Centre. The site will support construction efforts by accommodating storage of materials and equipment, office trailers, and crew marshalling facilities. The land use was authorized under a Temporary Use Permit to permit temporary industrial activity that would otherwise not be permitted in the G5 Forestry zone.

## 7.4 Summary

Kitimat has hosted three major construction projects over the last 15 years (KMP, Kemano T2, and LNG Canada), and a fourth is currently underway (Cedar LNG). The scale of these projects necessitates a significant amount of land for the storage of materials and equipment, crew marshalling, and workforce accommodation for a relatively short duration. Generally, these activities do not require substantial permanent infrastructure. KMP and LNG Canada utilized existing heavy industrial (M1-zoned) lands to support these activities. Cedar LNG has leased land outside of Service Centre for these activities, which have been authorized under a Temporary Use Permit. None of these activities have been accommodated within the Service Centre area, as there are no suitably large land parcels currently available. Utilizing Service Centre for accommodating major construction projects in the future would necessitate the development of large, flat parcels of land suitable for temporary construction activities, which seems unlikely given the relatively small Service Centre land base and the current state of development.

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<sup>29</sup> "Public Input Sought on Cedar LNG Project Changes" CFNR Network Jan 27, 2025  
<https://www.cfnr.ca/2025/01/27/public-input-sought-on-cedar-lng-project-changes/>

## 8 Industrial Land Demand in Service Centre

For this project, the consulting team undertook an extensive analysis of current and historical business activity in Service Centre. The study integrated data from multiple sources including GIS data provided by the District of Kitimat, BC Assessment data, images and data from Google Earth and Google maps, web research, stakeholder interviews, and a site visit undertaken in early May 2025. We have classified the Service Centre parcels into the following categories:

- **Undeveloped** parcels are sites with no buildings (may include vacant sites that previously had buildings which were demolished).
- **Heavy Industry Support** parcels are currently occupied by business whose primary market is support for heavy industry (RTA, LNG Canada, etc.). Heavy Industry-Supporting businesses in Service Centre include industrial contractors; welding, fabrication and machine shops; wholesale distributors (particularly for electrical and safety supplies); and industrial controls.
- **Other Goods and Services** parcels are currently occupied by businesses offering wholesale/retail goods & service to different markets. Firms supplying Other Goods and Services include commercial and residential construction companies, a building supply store, a car dealership, auto parts and services, a gas station, restaurants, and a union office.
- **District of Kitimat** parcels are owned by the District of Kitimat.
- **Brownfield** parcels are those with existing (typically old, often derelict) buildings that are currently unoccupied.
- **Unoccupied** parcels are sites with buildings that are currently vacant.

### 8.1 Current Land Usage

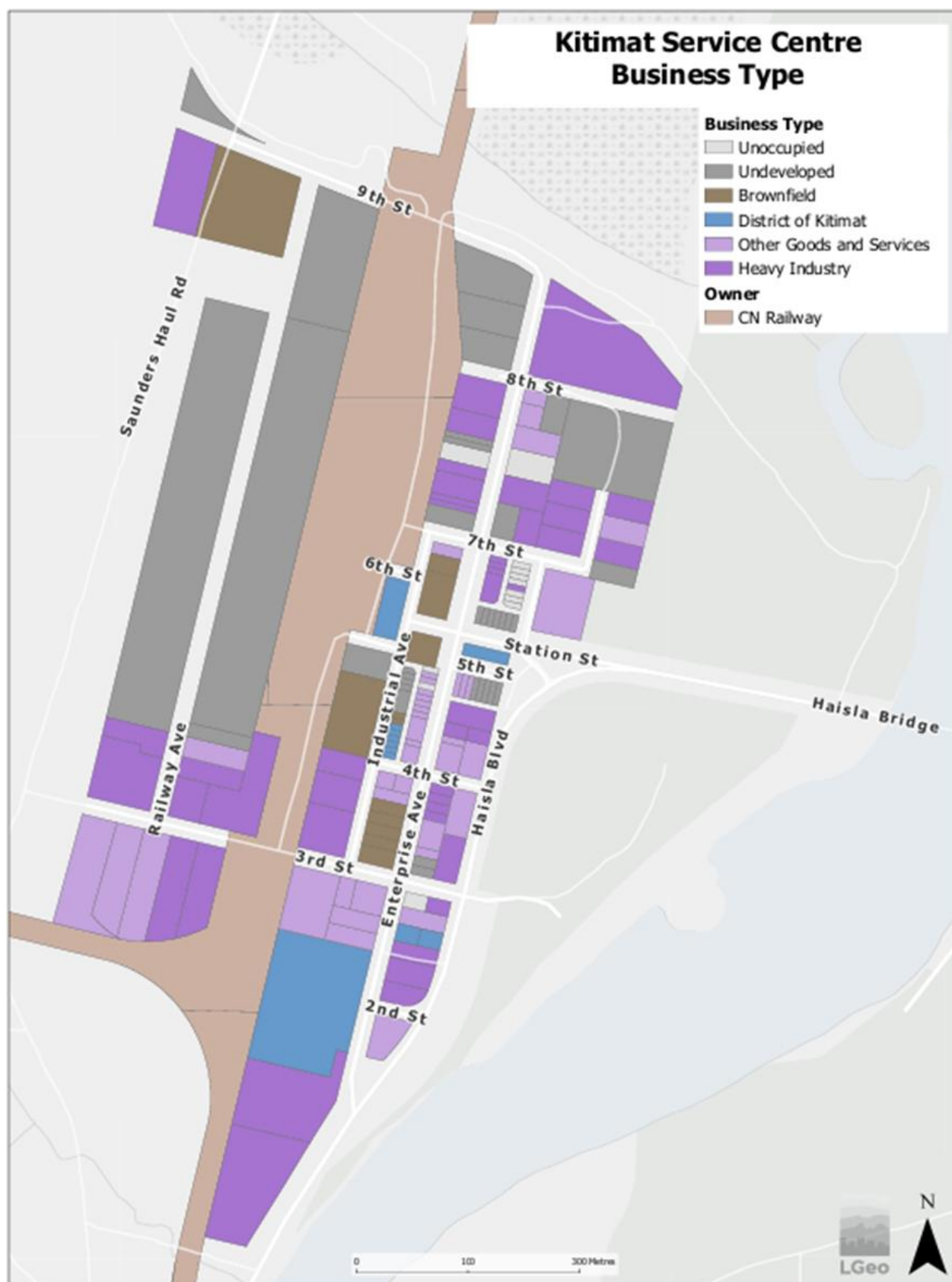
Our estimates of the land parcel status in Service Centre as of mid-2025 are presented in the table below.

**Figure 17 Kitimat Service Centre Land Parcel Characteristics 2025**

| Kitimat Service Centre Land Parcel Characteristics 2025 |                  |             |                   |             |                           |                      |
|---------------------------------------------------------|------------------|-------------|-------------------|-------------|---------------------------|----------------------|
| Type                                                    | Total Area Acres | Share       | Number of Parcels | Share       | Average Parcel Size Acres | Number of Businesses |
| UNDEVELOPED                                             | 37.3             | 38.9%       | 35                | 23%         | 1.1                       |                      |
| HEAVY INDUSTRY SUPPORT                                  | 29.4             | 30.7%       | 43                | 28%         | 0.7                       | 33                   |
| OTHER GOODS & SERVICES                                  | 14.2             | 14.8%       | 39                | 26%         | 0.4                       | 27                   |
| BROWNFIELD                                              | 7.1              | 7.4%        | 12                | 8%          | 0.6                       |                      |
| DISTRICT OF KITIMAT                                     | 6.4              | 6.7%        | 11                | 7%          | 0.6                       |                      |
| UNOCCUPIED                                              | 1.5              | 1.5%        | 12                | 8%          | 0.1                       |                      |
| <b>TOTAL</b>                                            | <b>95.9</b>      | <b>100%</b> | <b>152</b>        | <b>100%</b> | <b>0.6</b>                | <b>60</b>            |

Parcel use classification is depicted in the figure below.

**Figure 18 Kitimat Land Occupancy by Business Type**



## 8.2 Industrial Land Absorption

There has been a modest increase in occupied industrial land in Service Centre between 2011 and 2025. Excluding storage buildings, building construction over the period included:

- Construction of an office building on a 0.5-acre site at 330 Industrial Avenue in 2011 by Lapointe Engineering. This building was acquired by Hatch when they purchased Lapointe Engineering, and Hatch continues to provide engineering services from this site.
- Construction of a new building on a 0.2-acre site at 615 Enterprise Avenue which is currently occupied by Inland Industrial Supply.
- Construction of a new building on a 0.3-acre site at 169 7<sup>th</sup> Street in 2018. This property was sold in 2021 and is currently occupied by Acuren. Acuren has been awarded a maintenance contract for LNG Canada.
- A 4.4-acre former brownfield parcel at 815 Enterprise Avenue. This is the former Russell Metals Site, which WSG Energy Services is redeveloping.

These developments increased the occupied area in Service Centre by 5.4 acres from 2011 to 2025. Three formerly active businesses ceased operations on parcels totalling 2.2 acres, which are now classified as brownfield sites, so the net increase in occupied land totalled approximately 3.2 acres over this period.<sup>30</sup>

## 8.3 Industrial Land Occupancy

There have been significant changes in site occupancy from 2011 to 2025. For sites with Heavy Industry-Supporting businesses in 2011, 44 percent experienced a change in occupancy by 2025. For sites offering Other Goods and Services, 23 percent of the sites are expected to experience a change in occupancy by 2025.

**Figure 19 Changes in Site Occupancy 2011 - 2025**

| Changes in Site Occupancy by Business Type 2011 - 2025 |                        |      |                        |      |                |      |
|--------------------------------------------------------|------------------------|------|------------------------|------|----------------|------|
|                                                        | Heavy Industry Support |      | Other Goods & Services |      | All Businesses |      |
|                                                        | Businesses             | %    | Businesses             | %    | Businesses     | %    |
| <b>Changed</b>                                         | 19                     | 44%  | 9                      | 23%  | 28             | 34%  |
| <b>Unchanged</b>                                       | 24                     | 56%  | 30                     | 77%  | 54             | 66%  |
| <b>Total</b>                                           | 43                     | 100% | 39                     | 100% | 82             | 100% |

Changes in land occupancy were greater. Approximately 61 percent of the acres occupied by Heavy Industry-Supporting businesses experienced a change in occupancy by 2025, compared to 16 percent for Other Goods and Services.

<sup>30</sup> All-West Glass recently completed construction of a new building in Service Centre which replaced their previous building, so it resulted in no net increase in land occupancy.

**Figure 20 Kitimat Service Centre Change in Occupancy 2011 - 2025**

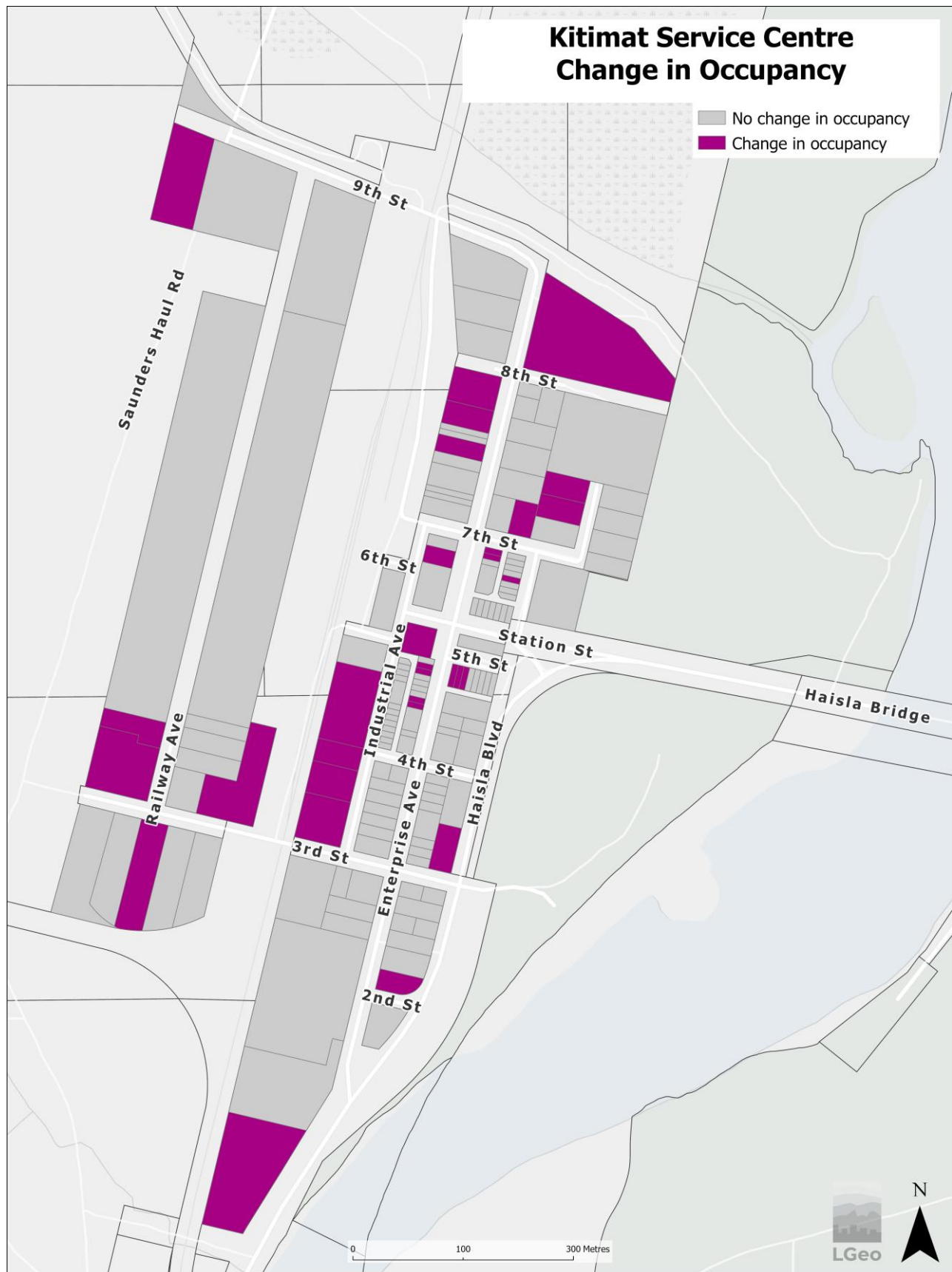


**Figure 21 Changes in Land Occupancy 2011 – 2025**

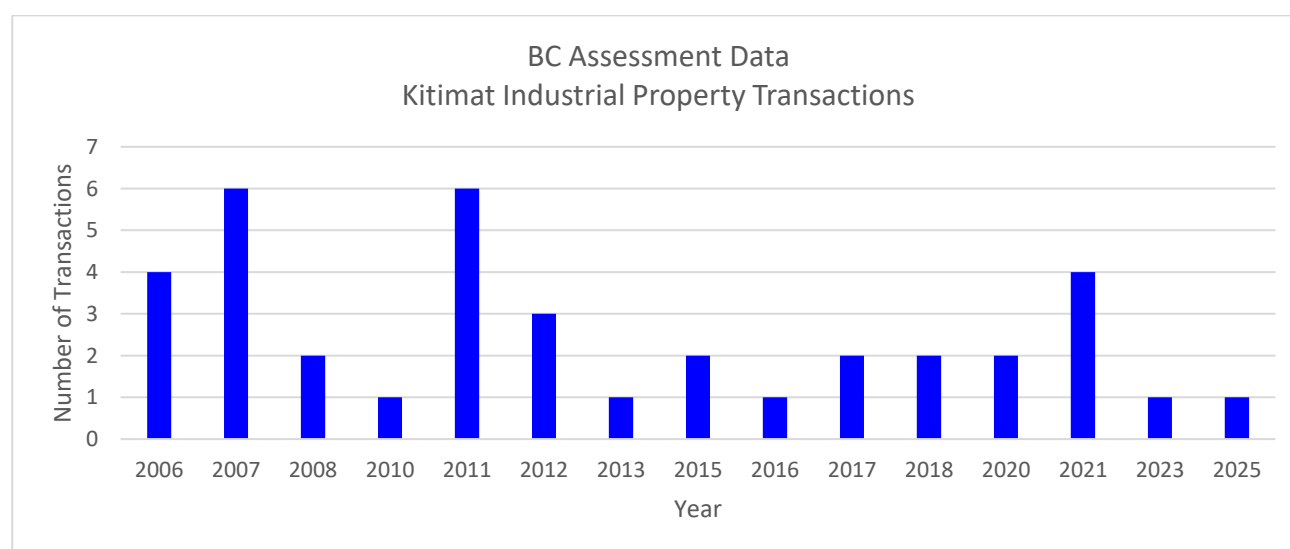
| Changes in Land Occupancy by Business Type 2011 -2025 |                        |      |                        |      |                |      |
|-------------------------------------------------------|------------------------|------|------------------------|------|----------------|------|
|                                                       | Heavy Industry Support |      | Other Goods & Services |      | All Businesses |      |
|                                                       | Acres                  | %    | Acres                  | %    | Acres          | %    |
| Changed                                               | 18.0                   | 61%  | 2.2                    | 16%  | 20.3           | 46%  |
| Unchanged                                             | 11.4                   | 39%  | 12.0                   | 84%  | 23.3           | 54%  |
| Total                                                 | 29.4                   | 100% | 14.2                   | 100% | 43.6           | 100% |

These changes indicate the significant impacts of heavy industry projects during this period, as previous heavy industry-supporting businesses have been replaced by new entrants. These include companies that contributed to the construction of the projects and those that have been tasked with ongoing support for the operations and maintenance of RTA's expanded smelter and LNG Canada's new export terminal.

## 8.4 Property Prices

Data on industrial property transactions in Kitimat from 2006 to 2025 was acquired from BC Assessment to analyze changes in property prices over this period. Comparison of prices among different properties is challenging due to differences in site and building areas, building age, and condition, special characteristics, etc. To make the comparisons as representative as possible, we have focused on properties which were sold more than once over this period and analyzed the changes in prices for the same property over time.

The BC Assessment database contained information on 38 property transactions for which we could match civic addresses and/or Property Identification Numbers to specific sites. The table below shows the number of transactions by year from 2006 to 2025:

**Figure 22 Kitimat Industrial Property Transactions by Year 2006 - 2025**

The most active years were 2007 and 2011. A number of the transactions in 2007 were for small unoccupied properties (parking lots) for very low prices (approximately \$17,000 to \$22,000).

The 2011 transactions involved larger developed properties, several of which were subsequently resold. The table below shows price increases for these properties from 2011 to the most recent sales dates. Price increases ranged from 253% to 363%, indicating a rapid rise in prices for industrial properties over this period.

**Figure 23 Kitimat Service Centre Selected Industrial Property Prices**

| Kitimat Service Centre Selected Industrial Property Prices |            |            |     |             |             |             |                           |
|------------------------------------------------------------|------------|------------|-----|-------------|-------------|-------------|---------------------------|
| Address                                                    | Site Acres | Bldg Sq Ft | FAR | Sale Prices |             |             | Increase %<br>2011 - 2023 |
|                                                            |            |            |     | 2011-06-30  | 2017-08-14  | 2020-10-23  |                           |
| 205 Enterprise Avenue                                      | 0.39       | 3,240      | 19% | \$300,000   | \$365,000   | \$1,060,000 | 253%                      |
|                                                            |            |            |     |             |             |             |                           |
| Address                                                    | Acres      | Bldg Sq Ft | FAR | Sale Prices |             |             | Increase %<br>2011 - 2023 |
|                                                            |            |            |     | 2011-06-30  | 2017-08-14  | 2020-10-23  |                           |
| 149 - 157 7th Street                                       | 0.45       | 12,000     | 61% | \$564,000   | \$1,312,500 | \$2,561,355 | 354%                      |
|                                                            |            |            |     |             |             |             |                           |
| Address                                                    | Acres      | Bldg Sq Ft | FAR | Sale Prices |             |             | Increase %<br>2011 - 2021 |
|                                                            |            |            |     | 2011-12-09  |             | 2017-07-21  |                           |
| 169 7th Street                                             | 0.34       | 0          | 0%  | \$54,000    |             | \$250,000   | 363%                      |

## 8.5 Kitimat Service Centre Industrial Property Listings

The figure below shows recent property listings for selected properties. Some of these properties have been sold, but the study team was unable to obtain reliable information on the sale prices and sale dates.

**Figure 24 Kitimat Service Centre Recent Property Listings**

| Kitimat Service Centre Recent Property Listings |             |            |            |            |              |                  |
|-------------------------------------------------|-------------|------------|------------|------------|--------------|------------------|
| Address                                         | Date Listed | Site Acres | Bldg Sq Ft | Year Built | Listed Price | Primary Occupant |
| 506 Enterprise Avenue                           | June 2024   | 0.4        | 16,553     | 1955       | \$1,500,000  | Kitimat Hotel    |
| 312 Railway Avenue                              | Feb 2025    | 1.6        | 8,000      | 1962       | \$2,500,000  | Houle Electric   |
| 626 Enterprise Avenue                           | Jul 2024    | 0.4        | 8,980      | 1969       | \$950,000    | Black Press      |
| 751 Enterprise Avenue                           | Feb 2025    | 0.4        | 7,000      | 1974       | \$899,990    | Automasters      |
| 736 Enterprise Avenue                           | Nov 2024    | 0.6        | 3,000      | 1980       | \$849,900    | Gateway Shipping |
| 710 Enterprise Avenue                           | Jan 2025    | 0.2        | 3,000      | 1988       | \$795,000    | Western Coatings |
| 165B 3rd Street                                 | July 2022   | 0.5        | 4,800      | 2000       | \$1,690,000  | Spartan Controls |
| 169 7th Street                                  |             | 0.3        | 3,320      | 2018       | \$1,150,000  | Acuren           |

## 9 Kitimat Service Centre Industrial Land Base

### 9.1 Parcel Size

According to GIS data provided by the District of Kitimat, Service Centre includes 152 separate land parcels totalling approximately 96 acres. This does not include:

- Land parcels and the railway right of way owned by CN adjacent to the historic train station (approximately 4.5 acres) and the railway right of way; and
- Two undeveloped parcels owned by Sandhill Material, which were rezoned from G-5 to M2B in 2011. These are located at the west end of 3<sup>rd</sup> Street east of Saunders Haul Road, as shown below. These parcels total approximately 4.5 acres. To date, these parcels have remained undeveloped.

**Figure 25 Service Centre Parcels Rezoned in 2011**



The table below summarizes the current status of parcels in the Kitimat GIS database, as determined by the consulting team's analysis.

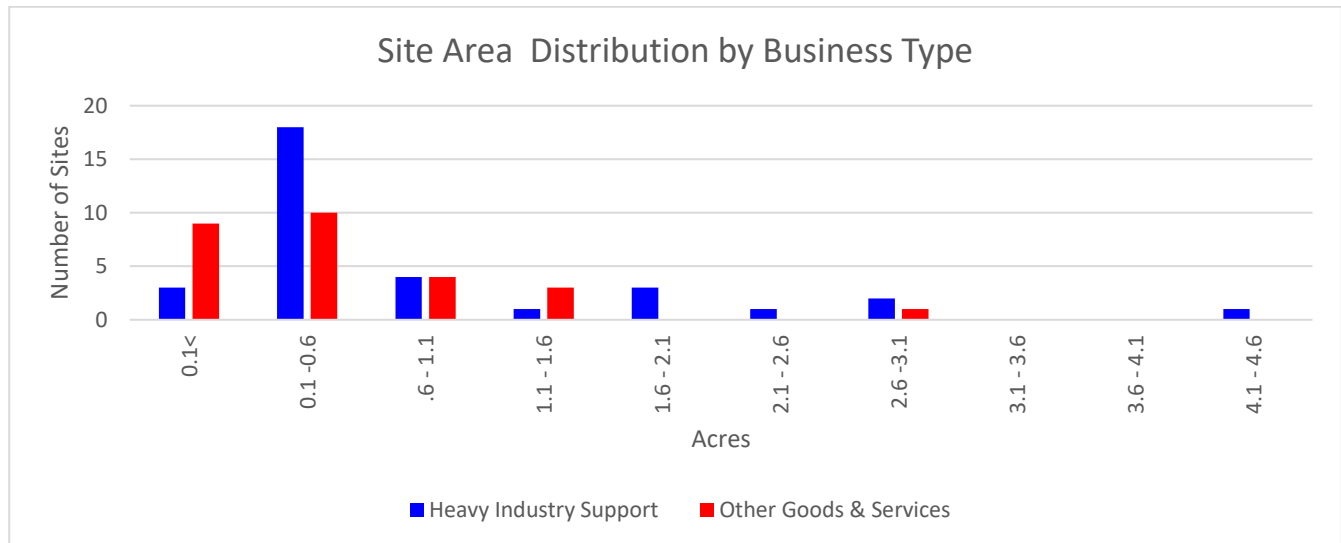
**Figure 26 Kitimat Service Centre Land Parcel Characteristics 2025**

| Kitimat Service Centre Land Parcel Characteristics 2025 |                     |                      |                              |                        |
|---------------------------------------------------------|---------------------|----------------------|------------------------------|------------------------|
| Type                                                    | Total Area<br>Acres | Number of<br>Parcels | Average Parcel<br>Size Acres | Number of<br>Occupants |
| Undeveloped                                             | 37.3                | 35                   | 1.1                          |                        |
| Heavy Industry Support                                  | 29.4                | 43                   | 0.7                          | 33                     |
| Other Goods & Services                                  | 14.2                | 39                   | 0.4                          | 26                     |
| Brownfield                                              | 7.1                 | 12                   | 0.6                          |                        |
| District Of Kitimat                                     | 6.4                 | 11                   | 0.6                          |                        |
| Unoccupied                                              | 1.5                 | 12                   | 0.1                          |                        |
| <b>Grand Total</b>                                      | <b>95.9</b>         | <b>152</b>           | <b>0.6</b>                   |                        |

The largest portion of the land base is classified as 'Undeveloped', which encompasses vacant parcels (i.e., parcels that do not have buildings). This may also include some sites where buildings were previously constructed but have since been demolished. This category contains the largest parcels in Service Centre.

The characteristics of business site areas may serve as a more accurate indicator of land usage, since many businesses occupy multiple contiguous parcels. The figure below illustrates the distribution of site sizes by business type for occupied parcels in 2025.

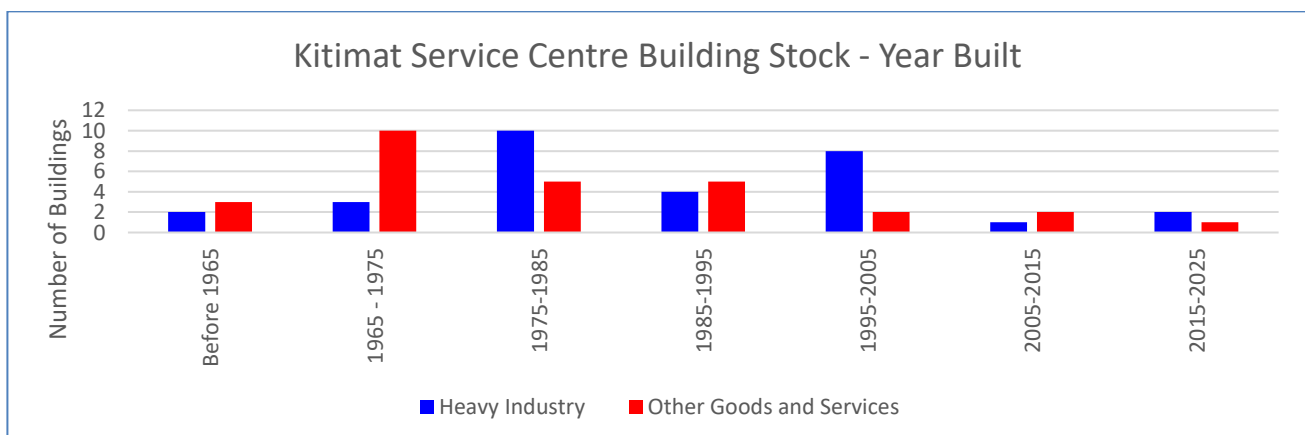
**Figure 27 Service Centre Site Area Distribution by Business Type – Occupied Parcels**



## 9.2 Building Stock

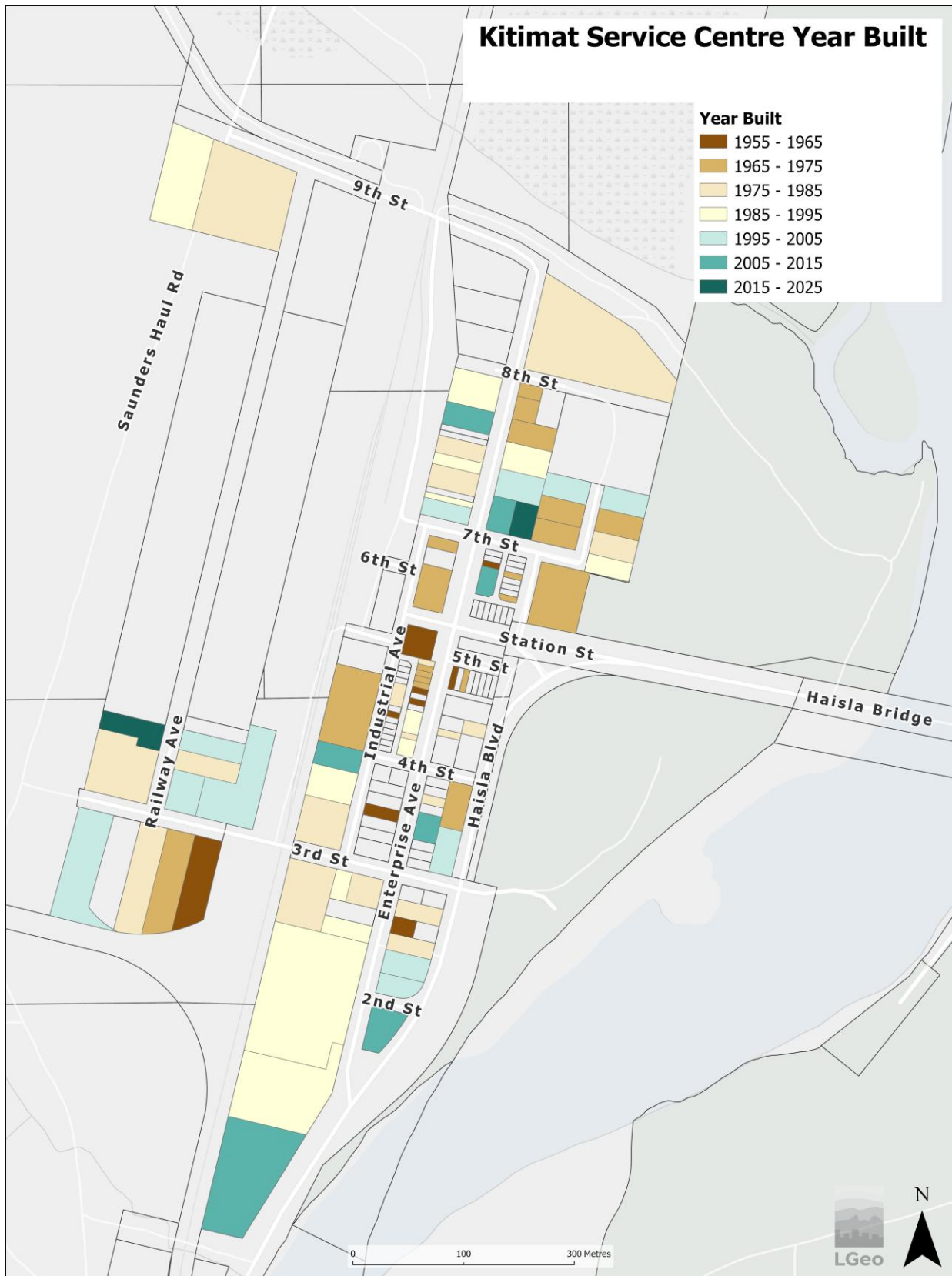
The building stock in Service Centre is quite old. The average age of buildings currently occupied by Heavy Industry-Supporting businesses is 36 years, while buildings occupied by businesses supplying Other Goods and Services have an average age of 43 years. The age distribution of the building stock for currently occupied sites is shown in the figure below (assuming that the new WSG Energy Services building will be completed as scheduled in 2025). The likelihood of functional obsolescence in the existing building stock is expected to further increase in the coming years.

**Figure 28 Kitimat Service Centre Building Stock – Year Built**



The map below shows the distribution of buildings by Year Built.

**Figure 29 Kitimat Service Centre Building Stock - Year Built Map**

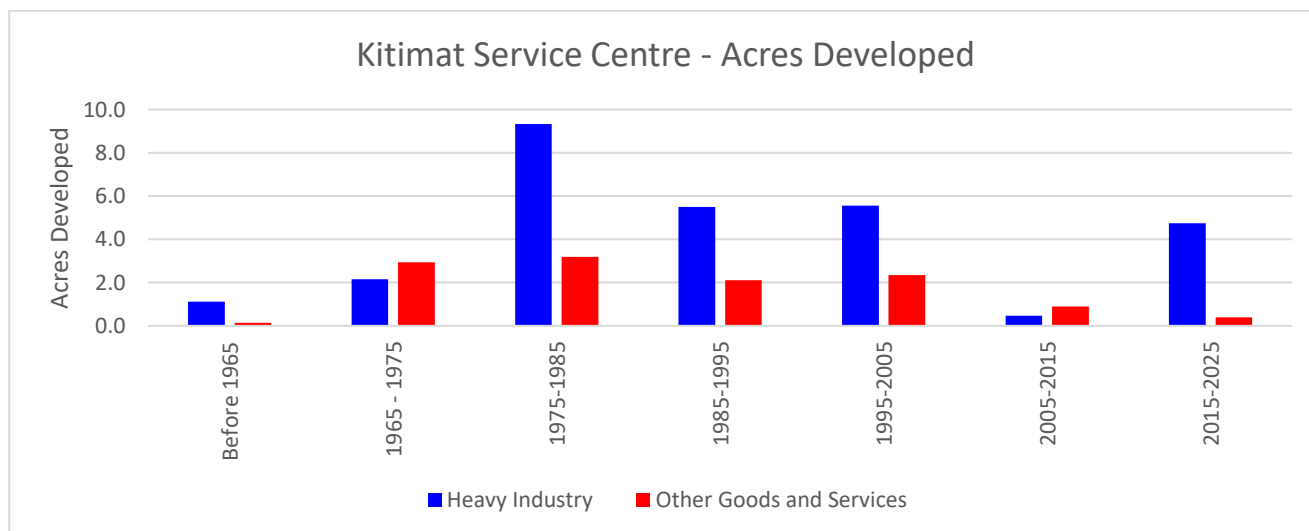


The largest portion of the occupied building stock was built between 1975 and 1985 for Heavy-Industry Supporting Businesses, and between 1965 and 1975 for firms providing Other Goods and Services. We have identified six brownfield sites built between 1955 and 1978 which have buildings but are not currently occupied.

The estimated land developed in each decade is based on the site areas for buildings constructed. The highest level of land development occurred between 1975 and 1985, with around nine acres allocated for Heavy Industry-Supporting businesses and three acres for companies providing Other Goods and Services.

Note that these totals are not cumulative; buildings constructed in earlier periods may have been demolished or have been transformed into brownfield sites. For instance, nearly all of the land depicted as developed from 2015 to 2025 consists of 4.4 acres on the former Russell Metals site which was first developed in 1980. WSG Energy Services purchased the property as a brownfield site in 2020 and is planning to construct a new building in 2025.

**Figure 30 Kitimat Service Centre – Historical Acres Developed**

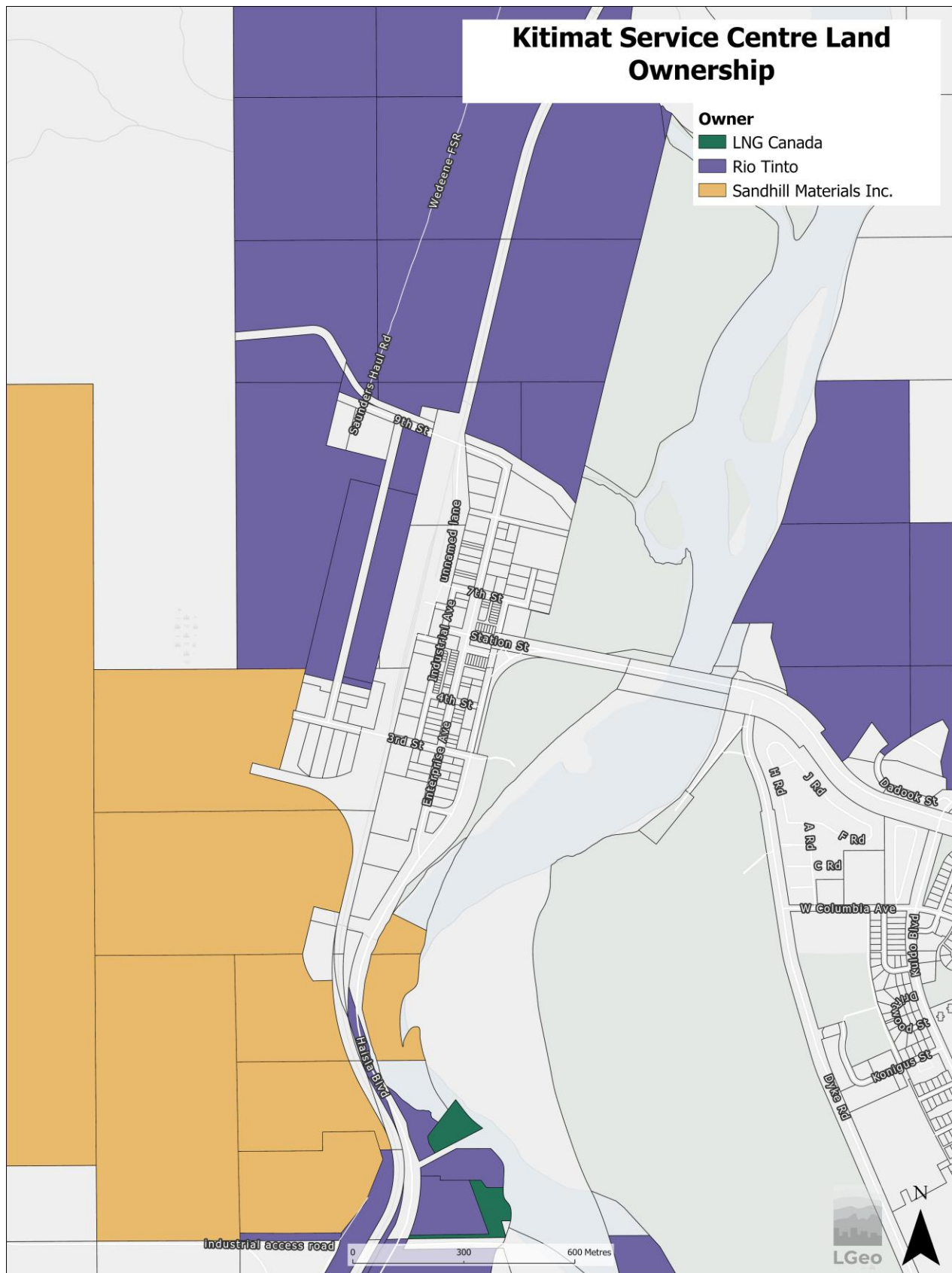


### 9.3 Land Ownership

Land ownership is a major factor for increasing the supply of light industrial land around Service Centre. The figure below shows the ownership of the land parcels to the west and north of the existing Service Centre. These parcels are currently zoned G5 Forestry but could be rezoned to facilitate the expansion of Service Centre. These lands are currently owned by either Rio Tinto Alcan or Sandhill Materials. The expansion of Service Centre requires a willingness on the part of these companies to develop, sell, or lease these lands for light industrial uses.

Ownership of undeveloped and brownfield lands within Service Centre is also highly concentrated. Rio Tinto Alcan owns approximately 28 acres of undeveloped land in Service Centre, which accounts for roughly 74 percent of the undeveloped land. The next largest owner accounts for an additional 18 percent of undeveloped lands and eight percent of the brownfield lands. This concentration of ownership may limit competition and result in higher prices for undeveloped lands than would be the case if there were many landowners.

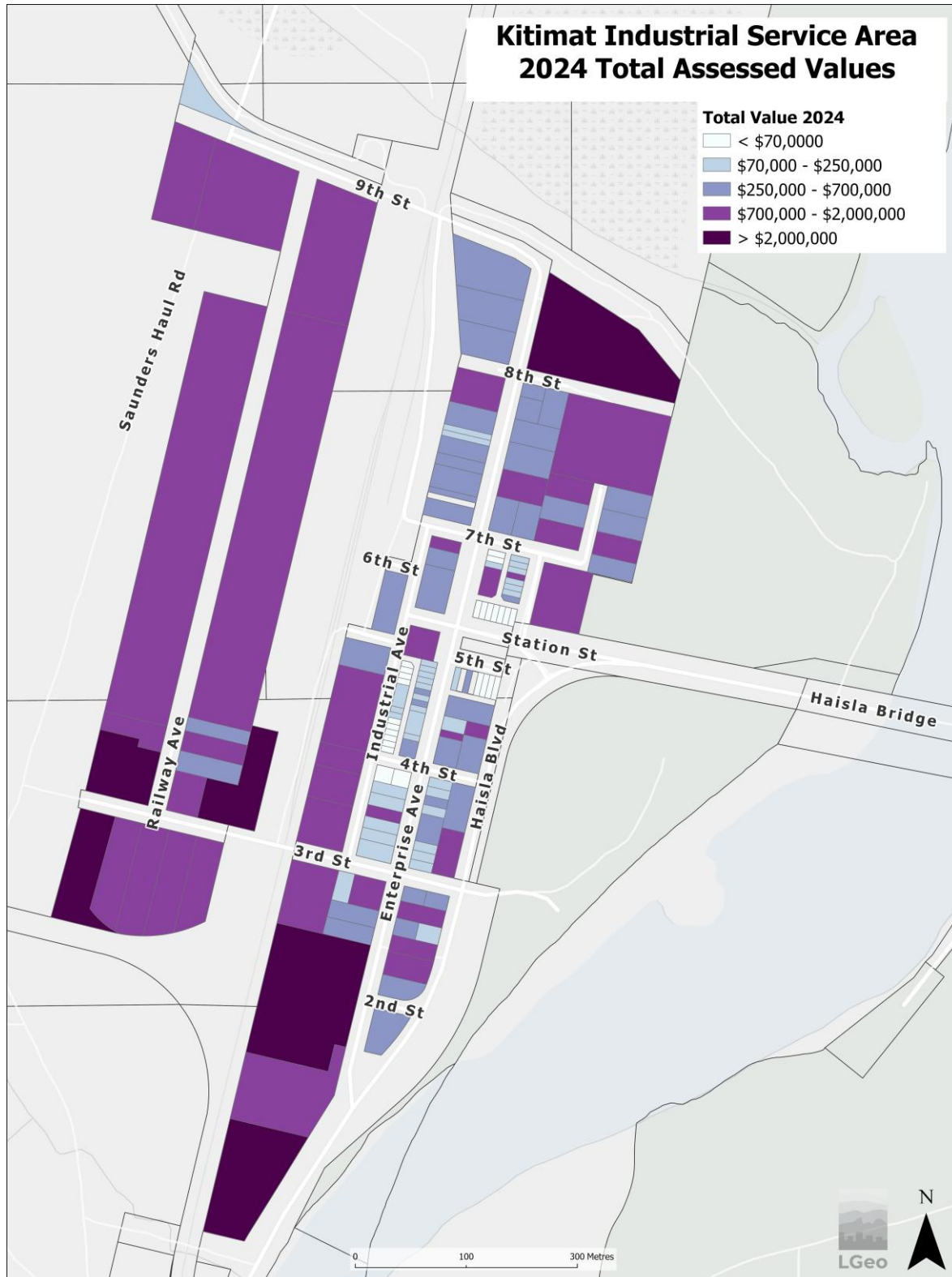
Figure 31 Land Ownership Around Service Centre



## 9.4 Assessed Values

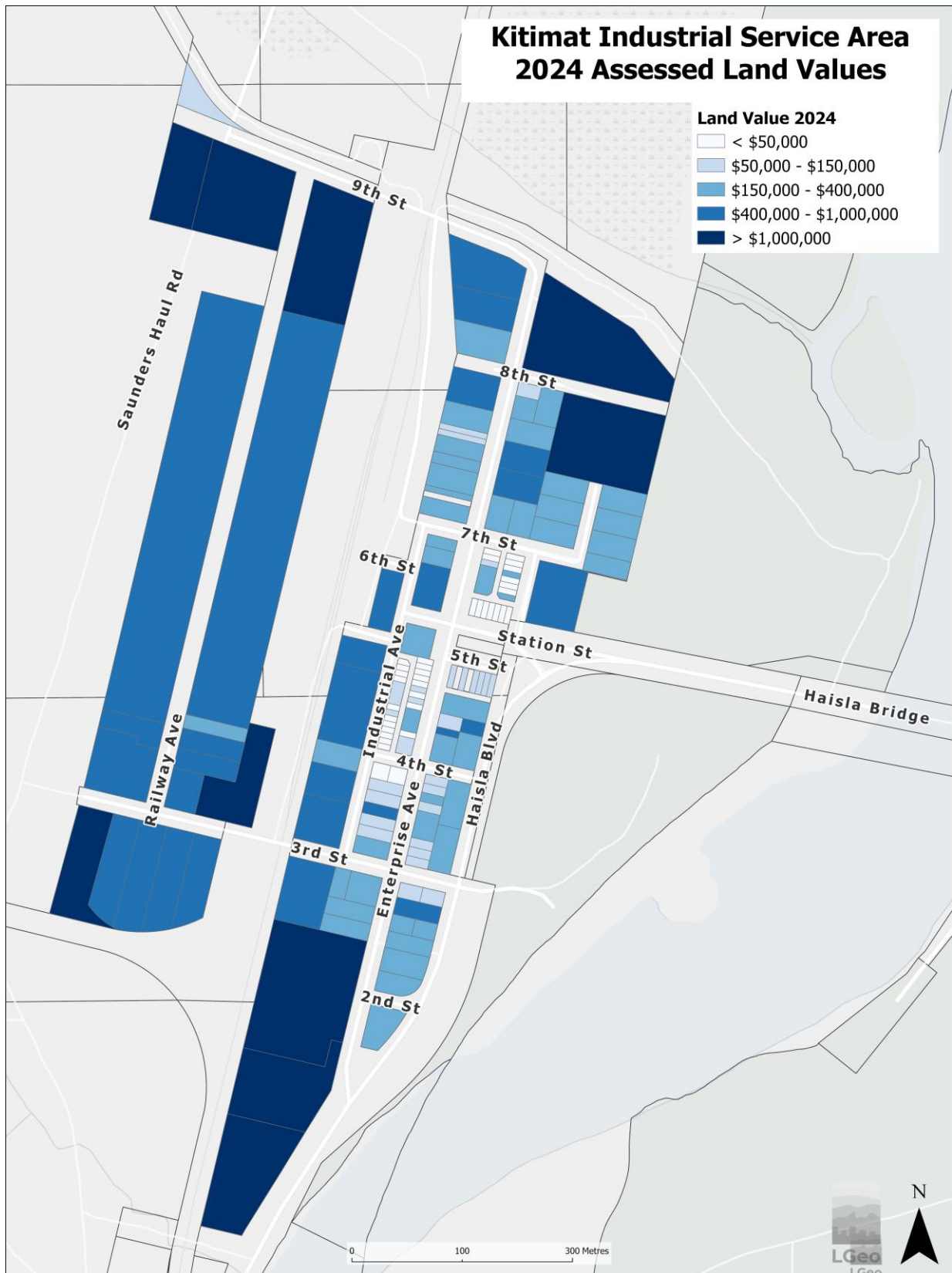
Total (property and improvements) assessed values of parcels in Service Centre are depicted below.

**Figure 32 Kitimat Service Centre Total Assessed Values**



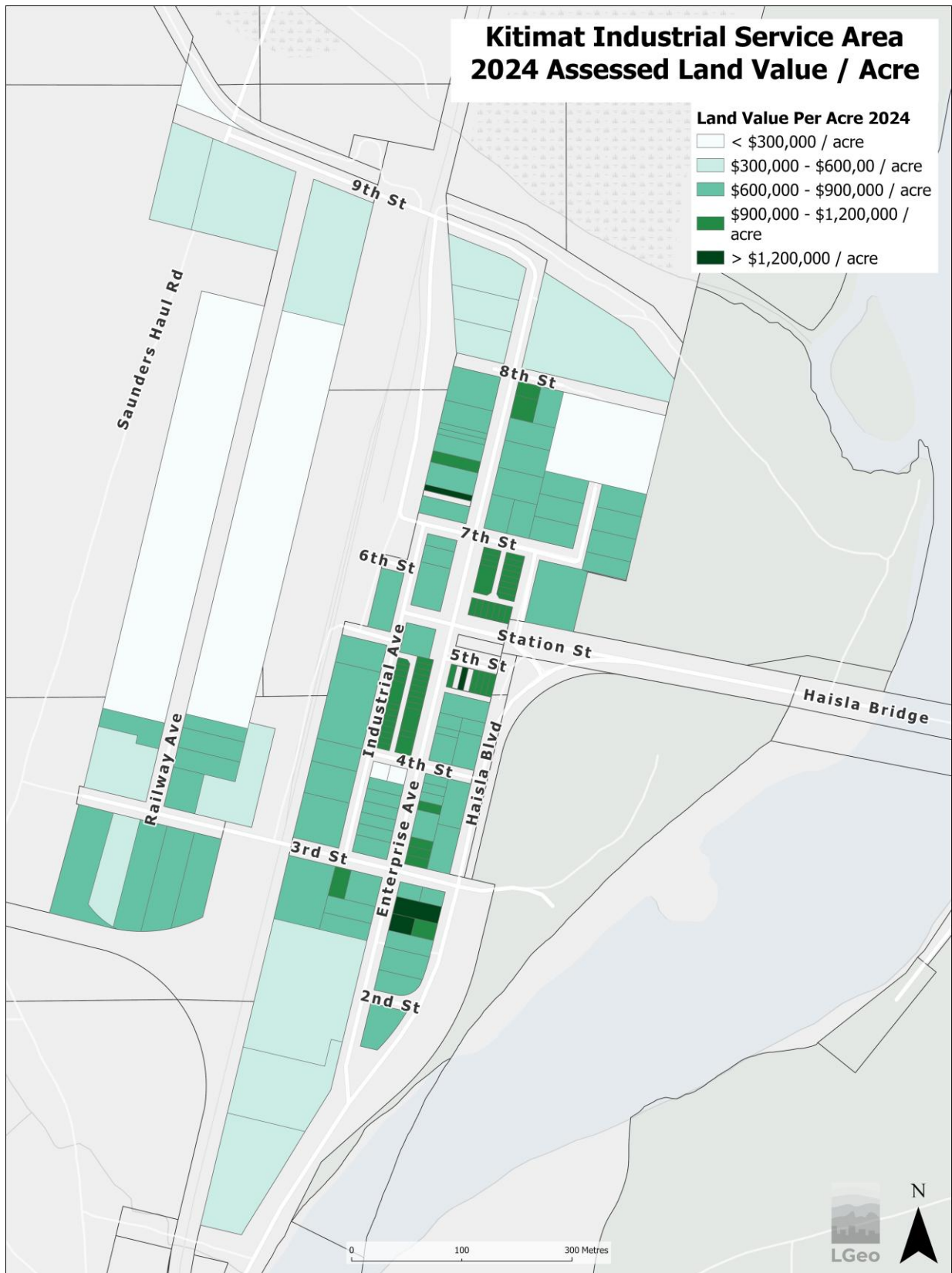
Assessed land values by parcel are shown below.

**Figure 33 Kitimat Service Centre Assessed Land Values**



Assessed values per acre of land are shown below.

**Figure 34 Kitimat Service Centre Assessed Land Values per Acre**



Average assessed land values by parcel type are shown below.

**Figure 35 Service Centre Assessed Land Values 2024**

| <b>SERVICE CENTRE ASSESSED LAND VALUES 2024</b> |                    |
|-------------------------------------------------|--------------------|
| <b>PARCEL TYPE</b>                              | <b>\$ per Acre</b> |
| BROWNFIELD                                      | \$548,923          |
| HEAVY INDUSTRY SUPPORT                          | \$624,184          |
| OTHER GOODS & SERVICES                          | \$671,780          |
| UNDEVELOPED                                     | \$224,908          |
| ALL PARCELS                                     | \$465,225          |

## 10 Future Market Factors and Forecasts

### 10.1 Modern Industrial Space Requirements

The characteristics of industrial buildings and sites have changed substantially since Service Centre was planned in the 1950's. Current industrial buildings are typically designed with the following features:

- High floor loads.
- High ceiling heights.
- High power requirements.
- Flat sites.
- Space for truck loading and maneuvering.
- Large column spacing.
- Stable soil conditions.

For newer industrial buildings, typical site coverage is 45 percent to 50 percent, and onsite parking requirements, space for truck maneuvering and setbacks and landscaping can substantially impact site size requirements.

### 10.2 Environmental Risks - Contamination from Previous Industrial Activities

Redevelopment of existing sites in Service Centre may involve additional costs and construction delays due to environmental contamination. The BC *Environmental Management Act*, *Contaminated Sites Regulation* and associated protocols lay out the framework and requirements for site identification, investigation and remediation of contaminated sites. Various commercial and industrial activities have the potential to cause contamination at a site. The site identification process ensures that these activities are disclosed at specific points in a site's lifecycle, such as when decommissioning or redeveloping a site. If a site is contaminated, it needs to be remediated before it can be redeveloped and used for another purpose.

A Site Disclosure Statement must be completed when selling a property, applying to a municipality or approving officer for development permits, zoning amendments, etc., or decommissioning or ceasing operations on a site which was previously used for activities listed in Schedule 2 of the Contaminated Sites Regulation. Schedule 2 includes a broad range of activities that are currently carried on in Service Centre or may have been carried on in the past.<sup>31</sup>

A Preliminary Site Investigation (PSI) by a qualified professional is required if a site is found to have had a Schedule 2 industrial or commercial use or a director of waste management has ordered one. A PSI is completed in 2 stages. In stage 1, a qualified professional will search existing records for information about a property, for example, by using the Site Registry or reviewing older municipal directories to determine the nature of previous businesses on the property; interview people who have previously worked on or owned the property; and determine the areas at the property where contamination may have been introduced into the sub-surface (these are referred to as "Areas of Potential Environmental Concern" or "APECs" and the associated "Potential Contaminants of Concern" or "PCOCs"). In stage 2, a qualified professional will conduct a field investigation to collect and analyze samples of soil, water, vapour or sediment to confirm if contamination is present, and identify the general location and degree of the contamination.<sup>32</sup> If needed, a qualified professional will conduct a Detailed Site Investigation (DSI) by collecting additional samples of water, soil, vapour or sediment to confirm the location, extent, and degree of the contamination. Processes for remediating a site and applying for certification are governed by provincial legislation and regulations.

<sup>31</sup> [https://www.bclaws.gov.bc.ca/civix/document/id/loo63/loo63/375\\_96sch2](https://www.bclaws.gov.bc.ca/civix/document/id/loo63/loo63/375_96sch2)

<sup>32</sup> Information on BC site identification and remediation processes can be found at <https://www2.gov.bc.ca/gov/content/environment/air-land-water/site-remediation>

Remediation of site contamination can result in considerable additional costs and delays for redevelopment. For example, Allwest Glass demolished their existing building on Enterprise Avenue in Service Centre in 2019. Construction of a new building was planned to begin immediately but was delayed for five years.<sup>34</sup> Allwest Glass celebrated the grand opening of their new building in May 2025.

The environmental risks of redevelopment will vary for each site, and risks can be mitigated through due diligence efforts prior to purchase.

### 10.3 Historical and Future Land Absorption

The age of the existing buildings indicates that land development activity in Service Centre was highest between 1975 and 1985. During this period, about 9 acres were developed for Heavy Industry-Supporting businesses, and 3 acres for Other Goods and Services suppliers, averaging 1.2 acres annually. From 2011 to 2025, the net industrial land developed was 3.2 acres, exclusively for Heavy Industry-Supporting businesses. Development activity is expected to increase in the future, driven by new long-term contracts with companies supporting LNG Canada's ongoing operations and the activation of Cedar LNG.

The outlook for the development of businesses providing Other Goods and Services is less positive. The number of these types of businesses declined from 2011 to 2025. In an environment of slow population growth, with established competitive options in Terrace and high land prices in Service Centre, we do not foresee significant increases in land development for this segment.

Companies seeking to locate or grow business ventures in Service Centre will have the following options:

- Buy sites with existing buildings that can be used as is, renovated, or repurposed. Recent examples include Acuren and Qoolun Allnorth. Currently, there are few modern industrial buildings in Service Centre, and most of the sites with newer buildings (constructed between 2000 and 2018) have been recently purchased and/or occupied by Heavy Industry-Supporting companies entering the Kitimat market.
- Develop larger undeveloped parcels. The attractiveness of this option depends on the competitiveness of land costs. If landowners / vendors insist on prices that are too high, buyers will consider other options. There are no recent examples of this approach in Service Centre. Apart from the large undeveloped parcels owned by Rio Tinto Alcan, there are few large undeveloped parcels in the area.
- Redevelop larger sites with existing buildings. The buyer will face demolition and remediation costs, potential delays for permits and construction, and risks. Recent examples include WSG Energy Services' purchase of the former Russell Metals site in 2020.
- Assemble smaller undeveloped parcels for redevelopment. The appeal of this approach depends on land cost competitiveness and the availability of contiguous parcels to assemble sufficient land.

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<sup>34</sup> "All-West Glass begins building after a long struggle over contamination issues" Northern Sentinel Oct 10, 2024 <https://www.northernsentinel.com/local-news/all-west-glass-begins-building-after-a-long-struggle-over-contamination-issues-7574759>

- Assemble smaller parcels with existing buildings for redevelopment. The purchaser will incur demolition costs and remediation cost risks, and potential approval permit and construction delays. There are no recent examples of this option in Service Centre.

Older brownfield sites are likely to be the most challenging to redevelop. In some cases, buildings are dilapidated due to lack of maintenance and difficult to repurpose, as well as the costs of demolition and remediation may exceed the property value. Under these conditions, owners have no incentive to sell their properties unless prices increase sufficiently to cover these costs and provide a return on the sale.

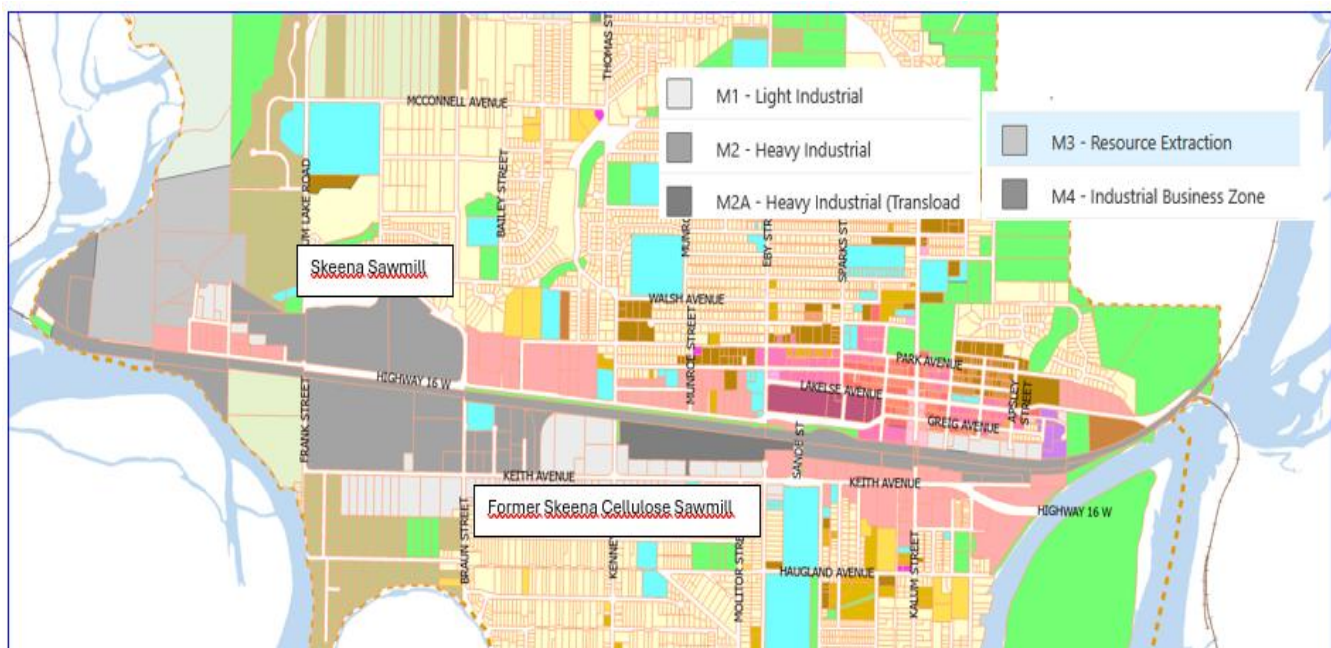
## 10.4 Regional Competition

The primary potential competitor to Kitimat for light industrial activity is Terrace. Terrace is approximately 60 km from Kitimat by road and has available industrial land for development in two areas: the historic industrial area within the City of Terrace and the Skeena Industrial Park by the Northwest Regional Airport Terrace-Kitimat.

### 10.4.1 City of Terrace Industrial Area

Industrial sites in Terrace are concentrated along the east-west Highway 16 – CN rail corridor. The main facilities in this corridor were the Skeena Cellulose sawmill and the Skeena Sawmill, owned by West Fraser Timber. As noted previously in this study, the Skeena Cellulose sawmill in Terrace ceased operations in 2002. West Fraser's Skeena sawmill closed in mid-2007 due to a labour dispute and never fully reopened after the dispute concluded in fall 2007. From 2007 to 2011, the mill operated intermittently, chipping logs for West Fraser's Eurocan pulp mill in Kitimat. In 2011, ROC Holdings acquired the mill, invested \$50 million, and built a \$20 million pellet plant (Skeena Bioenergy), which started operations in 2019. Skeena Sawmills was placed under receivership in 2023 with a debt of approximately \$143 million. Both Skeena Sawmills and Skeena Bioenergy have since ceased operations. The Kitsumkalum First Nation purchased Skeena Sawmills and the Skeena Bioenergy pellet plant for \$14 million in May 2024. The mill is currently not operating.

**Figure 37 Terrace Industrial Zoning**

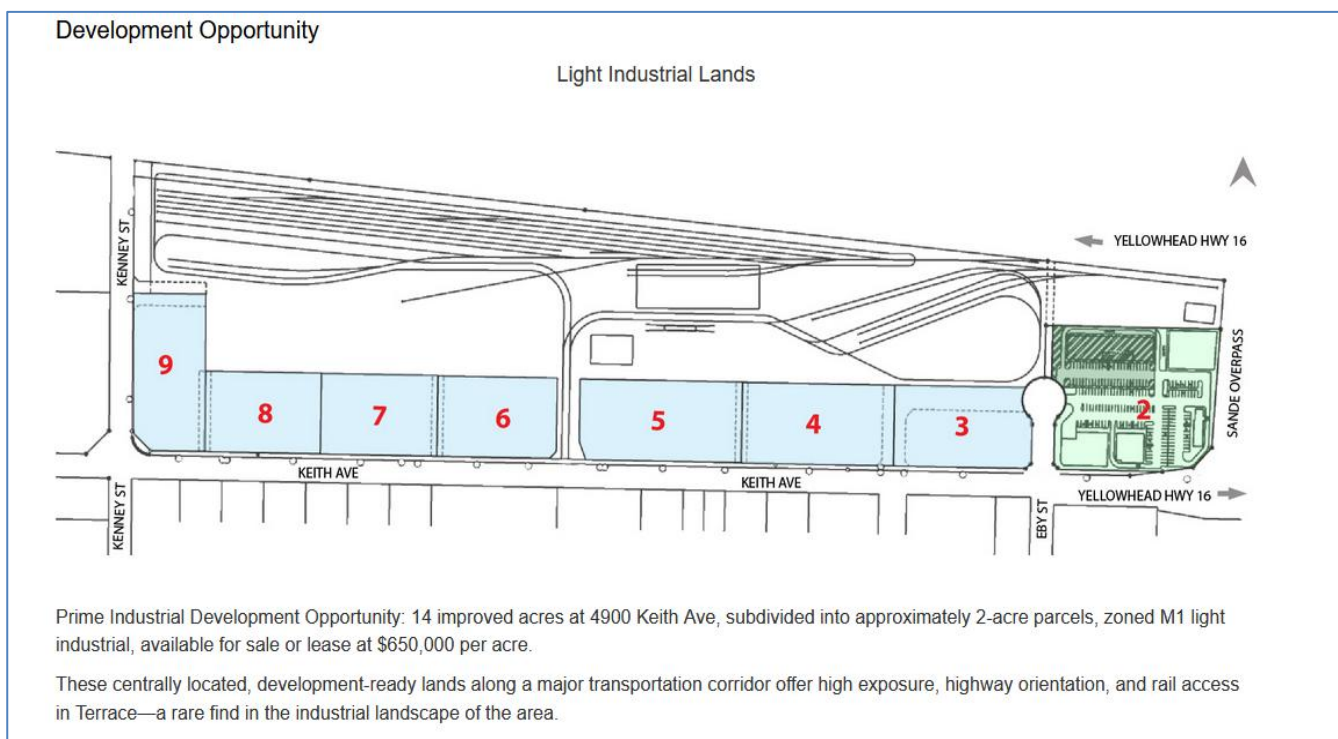


Closure of the Skeena Cellulose sawmill freed up a significant amount of industrial land for redevelopment south of Highway 16. Initially, the City of Terrace developed a Neighbourhood Concept Plan to redevelop this area to accommodate a variety of land uses including light industrial, commercial, residential, recreational, and institutional.<sup>35</sup> However, projected population growth due to Kitimat LNG and mining projects failed to materialize, and a portion of the land was rezoned to allow the development of an inland port transload facility in 2019.<sup>36</sup>

The NSD Inland Port was constructed on the former site of the Skeena Cellulose sawmill, a 44-acre location at 4800 Keith Avenue. It is owned by Progressive Ventures, a Terrace-based family-run business that has been providing industrial services in Northwest BC since 1972. The NSD Inland Port and Developments project consists of two key components:

- A new 27-acre transload facility for transferring liquid and dry bulk commodities between rail and trucks. The total cost of the transload facility was \$12 million, and the project received \$6.2 million in funding from the Government of Canada under the National Trade Corridors Fund program.<sup>37</sup>
- Mixed-use commercial, light industrial or institutional properties available for development. Locations of the land parcels for development are shown in the figure below: seven parcels of approximately two acres zoned M1 Light Industrial.

**Figure 38 Light Industrial Lands for Sale – NSD Inland Port<sup>38</sup>**



<sup>35</sup> Keith Estates Neighbourhood Concept Plan Urban Systems for the City of Terrace October 2014.

<sup>36</sup> "Proposed Inland Port and Developments Project" City of Terrace <https://www.terrace.ca/proposed-inland-port>

<sup>37</sup> "Canada Allocates \$33.1 Million to Enhance Supply Chain Infrastructure" Supply Chain World <https://scw-mag.com/news/canada-allocates-33-1-million-to-enhance-supply-chain-infrastructure/>

<sup>38</sup> <https://nsdinlandport.com/development-info/>

The NSD Inland Port website indicates prices for these parcels of \$650,000 per acre.<sup>39</sup> A more recent real estate listing is priced at \$850,000 for a two-acre lot or \$425,000 per acre.<sup>40</sup> There is no indication that any of these parcels have been sold.

Progressive Ventures acquired an additional 15 acres of land east of the NSD Inland Port from the City of Terrace for \$5 million in 2023. No development plans have been disclosed.

#### 10.4.2 Skeena Industrial Park

The Skeena Industrial Park (SIDP) is a joint venture between the City of Terrace and the Kitselas First Nation aimed at attracting diverse businesses to support regional economic development and generate returns for both communities. SIDP comprises over 1,200 acres of contiguous greenfield industrial zoned land, with more than three-quarters cleared and levelled, and equipped with main road lighting and utility conduit installations. It is situated adjacent to the Northwest Regional Airport, south of Terrace and approximately 55 km from Kitimat.

**Figure 39 Skeena Industrial Development Park<sup>41</sup>**



In 2014, the Joint Venture signed a purchase agreement with Taisheng to sell 1,187 acres for just under \$12 million, excluding taxes. Taisheng is the Burnaby-based subsidiary of the Qinhuangdao Economic and Technological Development Zone in China. As part of the deal, the company agreed to meet certain development milestones related to utilities and other civic works. Taisheng missed deadlines to obtain

<sup>39</sup> NSD Inland Port <https://nsdinlandport.com/development-info/>

<sup>40</sup> <https://www.realtor.ca/real-estate/28197430/4810-keith-avenue-terrace>

<sup>41</sup> Colliers SIDP Brochure

<https://listingsprod.blob.core.windows.net/ourlistings-can/d660a03e-e32b-45a4-be9b-51e4622a78bc/4c79accc-fdee-4a42-919f-37a082de79df>

development and building permits in 2016 and also failed to pour a building foundation in 2017. The City extended that deadline to 2019, but it was missed. In 2022, Terrace officials exercised the option to buy back the land. According to real estate listings, currently M2 Heavy Industrial zoned parcels ranging from 20 acres to 1,200 acres are for sale in SIDP.

In July 2024, the City of Terrace announced the signing of a Memorandum of Understanding with Source 3X Energy Inc. of Oakville, ON, to explore developing the Skeena Clean Hydrogen Hub at SIDP. The non-binding memorandum indicates that SIDP "will work together on ... a hydrogen production facility" with Source 3X.

#### **10.4.3 City of Terrace as an Alternative to Kitimat for Light Industrial Development**

Thanks to efforts to revitalize the industrial sector in Terrace, there are now developable sites readily available both within the City of Terrace and at the Skeena Industrial Development Park. Environmental risks for parcels within the City of Terrace have been mitigated through site remediation. Sites at SIDP pose little environmental risk because they are greenfield sites that have not previously been used for industrial activity.

The current listed land price for parcels within the City of Terrace is \$425,000 per acre, which is roughly the same as the average assessed value of parcels in the Kitimat Service Centre and is lower than recent sales prices for vacant parcels based on available data. Parcels in SIDP are currently priced at approximately \$110,000 per acre but are not serviced, and the surrounding area lacks amenities.

To date, it seems there has been little or no development on parcels near the NSD Inland Port or in the SIDP. Chevron leased a parcel in the Kitselas Industrial Development Park (part of the SIDP) to support the Kitimat LNG project, but that project was abandoned in 2019.

## **11 Light Industrial Lands Challenges**

For the purposes of this study, businesses are classified as either “Heavy Industry-Supporting”, primarily focused on providing goods and services to heavy industrial clients such as RTA or LNG Canada, or “Other Wholesale and Retail Goods and Services”, which support regional light industrial or commercial businesses and/or offer consumer-oriented goods and services. Each of these sectors face specific challenges related to industrial land in Kitimat.

### **11.1 Other Goods and Services**

The renewal of the heavy industrial sector in Kitimat has boosted demand for industrial land in Service Centre for Heavy Industry-Supporting businesses, leading to higher land prices. Many activities classified as Other Goods and Services could also be considered Commercial activities, and the Kitimat Zoning Regulations explicitly allow these activities as permitted uses in certain parts of Service Centre, such as businesses in the M2-A Service Centre Commercial Zone. We understand that concerns about the availability of affordable land for these types of activities was one of the motivations for this study.

Property prices have been rising with the influx of new Heavy Industry-Supporting companies, which have contributed to the renewal of heavy industry that began in 2011. These increases could threaten to price firms supplying Other Goods and Services out of the local market and discourage new business development and diversification. There is no evidence that this has “pushed out” existing firms providing Other Goods and Services. For those firms that own their own premises, an increase in real estate values is undoubtedly welcome. It appears that many of the owners are simply holding land in expectation of long-term increases in property values. To some extent, the availability of these underutilized properties presents opportunities for small firms offering consumer-oriented goods and services to lease at modest prices on a short-term basis.

### **11.2 Heavy Industry-Supporting Businesses**

The availability of suitable land and buildings for the expansion of the Heavy Industry-Supporting sector is a significant challenge. Excluding the RTA parcels discussed in the previous section, approximately 19 percent of the existing Service Centre land base is currently undeveloped, brownfield or unoccupied. Based on our analysis of light industrial land demand and supply in Service Centre, the primary challenges to more efficient use of existing Service Centre lands for Heavy Industry-Supporting activities include:

- The existing land and building stock in Service Centre does not conform to the requirements of typical modern industrial operations. Average site size is small (0.6 acres) and the building stock is old (the average age of buildings currently occupied by Heavy Industry-Supporting businesses is 36 years and buildings occupied by businesses supplying Other Goods and Services have an average age of 43 years).
- Several Brownfield sites are currently occupied by vacant and/or derelict buildings which may be difficult to repurpose. Demolition and/or remediation costs may exceed property values which provides no incentives for owners to make the properties available for redevelopment.
- Ownership of undeveloped and brownfield lands within Service Centre is highly concentrated. Rio Tinto Alcan owns approximately 28 acres of undeveloped land in Service Centre, which accounts for roughly 74 percent of the undeveloped land. The next largest owner accounts for an additional 18 percent of undeveloped lands and eight percent of the brownfield lands. This concentration of ownership may limit competition and result in higher prices for undeveloped lands than would be the case if there were many landowners.

- Several properties in Service Centre may carry the risk of environmental contamination due to the area's long history of industrial activity.

If Kitimat light industrial land prices continue to rise and the need for land assembly or environmental remediation in Kitimat increases costs and delays redevelopment, Heavy Industry-Supporting businesses may find that lower land and development costs in Terrace outweigh the additional operational costs of serving heavy industrial clients in Kitimat from a Terrace base.

### **11.3 Recommendations**

Potential actions to secure sufficient light industrial and serviced commercial land for current and future needs are summarized below. While some factors are outside the District's direct control, relying instead on market forces, private sector decisions, and provincial environmental permits, the District can still influence certain aspects. These include fostering an 'open for business' climate to attract investment, proactively updating policies and regulations to facilitate development, advocating for a more efficient provincial permitting process, and keeping an eye on market trends.

## 12 Industrial Land Strategy Recommendations

### 12.1 Recommendations

Our recommended actions for the District of Kitimat to ensure an adequate supply of light industrial and serviced commercial land to address current and future needs are highlighted below. They are focused on three key strategies:

- Facilitating redevelopment of Service Centre.
- Reviewing municipal plans and policies to guide future development of Service Centre and explore options for Other Goods and Services businesses.
- Physical expansion of Service Centre in the long term as the existing light industrial land base becomes more fully utilized.

**Figure 40 Recommendations and Implementation Framework**

| Recommendation                                                                                                          | Timeframe | Lead                               |
|-------------------------------------------------------------------------------------------------------------------------|-----------|------------------------------------|
| Facilitating Redevelopment of Service Centre                                                                            |           |                                    |
| Redevelopment Support for Brownfield Sites                                                                              | Short     | Municipal EDO                      |
| Redevelopment Tax Exemption for Brownfield Sites                                                                        | Short     | Municipal EDO                      |
| Reinstate the Demolition Program                                                                                        | Short     | Municipal EDO                      |
| Disposition and Acquisition Strategy for District-Owned Parcels                                                         | Short     | Municipal EDO                      |
| Municipal Plans and Policies                                                                                            |           |                                    |
| Undertake a Light Industrial Focused OCP Update                                                                         | Short     | Municipal Planning                 |
| Review and Update Light Industrial Zoning                                                                               | Short     | Municipal Planning                 |
| Clarify Permissions for Light Industrial and Service Commercial in Nature for Residential Locations Across the District | Medium    | Municipal Planning                 |
| Physical Expansion of the Service Centre                                                                                |           |                                    |
| Expand Service Centre to the South and West                                                                             | Long Term | Municipal Planning and Engineering |

### 12.2 Facilitating Redevelopment of Service Centre

#### Action 1 - Redevelopment Support for Brownfield Sites

The listed activities in Schedule 2 of the *Environmental Management Act*, *Contaminated Sites Regulation* encompass a broad range of operations that are either ongoing or may have been undertaken on sites in Service Centre. The regulatory process required when selling a property, rezoning, or obtaining a building permit for sites that previously had a Schedule 2 activity occur on the property can hinder redevelopment.

We recommend that the District of Kitimat assist potential property sellers, buyers, and investors by providing information for the site disclosure statement and potential remediation process. The District of Kitimat could create an online site readiness checklist for brownfield sites with general information for people who are looking to sell, lease, or redevelop a brownfield site.

**Action 2 – Redevelopment Tax Exemption for Brownfield Sites**

The District of Kitimat could create a tax exemption program that exempts brownfield sites that meet certain criteria, from all or a part of the municipal portion of property taxes for up to 10 years following the redevelopment of the site, including the construction of new buildings.

**Action 3 – Reinstate the Demolition Program**

With the incentive offered above, the District of Kitimat could also reinstate their previously offered grant program called, Demolition of Vacant and Derelict Properties (DVDP). The program provided a 30% rebate (up to a maximum of \$50,000) for demolition work of more on vacant or derelict commercial buildings. This program could be brought back, and additional incentives could be added to it that support demolition and redevelopment to potentially increase uptake, such as:

- Increase the rebate percentage.
- Increase the maximum rebate amount.
- Waive tipping fees at the municipal landfill for the demolished building materials.
- Waive the demolition building permit application fee.
- Commit to an expediated application approvals process for demolished and proposed buildings in Service Centre.

**Action 4 – Disposition and Acquisition Strategy for District of Kitimat Lands**

In addition to its Public Works Yard, the District of Kitimat owns several properties in Service Centre that could be sold and redeveloped if they are not needed for foreseeable municipal operations, such as:

- 225 Enterprise Avenue (including the abutting back lot with PID: 010-311-327).
- Six fee simple parcels along Industrial Avenue (PID: 012-080-390, 012-082-368, 012-082-350, 012-082-341, 012-082-325, and 012-082-309).
- Parcel on the corner of Station Street and Enterprise Avenue (PID: 012-091-405).
- Parcel on the corner of 5th Street and Industrial Avenue (PID: 012-093-360).

Accelerated redevelopment of these sites could be prompted by deadlines for construction stipulated in the purchase agreements. Forward-looking economic development actions by the District of Kitimat could encourage other property owners to actively market their properties.

Recognizing that strategic opportunities for municipal land acquisition arise from time to time, we recommend that the District consider establishing criteria to guide future purchases as part of the implementation of the Industrial Land Strategy. This work could be undertaken concurrent with an evaluation of the District's existing light industrial land holdings and the preparation of an overarching disposition strategy for vacant and underutilized District of Kitimat-owned parcels.

We do not recommend that the District consider converting parkland in Service Centre for industrial use as there appears to be sufficient land available, which notably already have infrastructure servicing, for current needs through development of vacant parcels or redevelopment of existing underutilized sites.

## 12.3 Municipal Plans and Policies

### Action 5 - Undertake a Light Industrial Focused OCP Update

The findings of the Industrial Land Strategy can inform a review and update of the Kitimat OCP in regard to its industrial related policies, statements and strategic direction, as well as specific policies for Service Centre and Forest Avenue areas. For example, Forest Avenue's zoning currently permits light industrial uses, although its land use designation in the OCP is Institutional. Designating this area as light industrial in the OCP can support further light industrial zoning amendments without requiring an OCP amendment. Also, as part of the review the District can further explore a light industrial development permit area addressing such items as stormwater management, riparian considerations and others.

### Action 6 - Review and Update Light Industrial Zoning

Concurrent with, or following the light industrial OCP update, a comprehensive review and update of the District's light industrial zoning should be undertaken. This includes the three zones in Service Centre as well as the zone for Forest Avenue.

- **Service Centre**

The current zoning and land use patterns in Service Centre reflect historical planning decisions from the original development of Kitimat. There are several outdated, historic permitted uses in the zone that are no longer relevant, while other uses do not fully reflect modern practices. The current parcel size across all zones is quite small, which restricts opportunities for efficient redevelopment while the loosely defined permitted uses have varying infrastructure servicing capacity requirements.

Reviewing and updating Service Centre's zoning can provide an opportunity for the District to update outdated language and permitted uses and support further intensification and more efficient use of the limited land. It can also ensure that permitted uses align with the current infrastructure serving capacity, with clear engineering infrastructure requirements.

- **Forest Avenue**

The current zoning allows some light industrial uses, such as contracting yards, warehousing, and recycling facilities along side institutional uses. The area has seen increased light industrial activity in recent years and now reflects a light industrial character. Reviewing and updating Forest Avenue's zoning can provide the District with the opportunity to identify other uses consistent with the light industrial nature of Forest Avenue to help facilitate further available land for light industrial and service commercial uses.

Although the Heavy Industrial zone (M1) is outside the scope of this project, the Planning Department has recommended that the District review this zone as well. Currently, the M1 zone does not have outright permissions to identify that the light industrial uses permitted in Service Centre are also permitted in the M1 zone. Formalizing this change may help facilitate the businesses that are supporting heavy industry to relocate closer to their clients. This could lead to more light industrial land being available for the Other Goods and Services businesses.

### Action 7 - Clarify Permissions that are Light Industrial and Service Commercial in Nature for Residential Locations Across the District

The District of Kitimat permits home-based businesses through two types of permitted uses: Home Business Address and Home Occupation, which are permitted for nearly all residential zones. Home Occupation allows business activity to occur on the residential property with general conditions regarding goods produced, services offered, number of permitted employees, and impacts to the surrounding residential properties. Often communities will allow larger more rural properties, such as in Cable Car and Strawberry Meadows, to have selected light industrial and commercial uses, where smaller residential lots, such as in Kildala, Nechako, and Whitesail, will have lower impact home-based businesses.

Since the District does not categorize the type of business activity based on the location or the size of the property, reviewing home-based business regulations would help the District clarify which residential zones are permitted to have uses that are more industrial in nature, such as mechanics, auto maintenance, small engine repair, mini storage, RV storage, etc., but can still operate in a rural residential area when appropriate regulations to reduce impact to surrounding properties are also implemented.

## 12.4 Physical Expansion of Light Industrial Areas

### Action 8 - Expand Service Centre to the South and West

Physical expansion of Service Centre could boost the supply of light industrial land for development and potentially lower land prices. Expansion east of Service Centre is blocked by Kitimat River, and expansion north is hindered by a high flood hazard rating as it is outside the protected area of the dike that runs along 9<sup>th</sup> Street, based on the most recent flood mapping conducted for the Kitimat River.

The owners of the lands available for expansion of Service Centre to the west and south (Rio Tinto Alcan and Sandhill Group) are well positioned to respond to increased demand for light industrial land in Service Centre by subdividing and selling parts of their lands. We recommend the District continue to work with the existing landowner, Rio Tinto, to bring the undeveloped lands currently zoned and designated for light industrial development to market.

Lands owned by Sandhill Group south of Service Centre are zoned G5 Forestry and currently have industrial activities operating on them through a Temporary Use Permit and Mines Act permit. These lands could provide the District with another option to increase the availability of light industrial and service commercial lands without developing new areas. The District should make sure that access, servicing, and infrastructure capacity is reviewed in conjunction with pursuing any future District-led zoning and OCP amendments.

We also recommend that the District respond positively to any future requests regarding the RTA or Sandhill Group G5 Forestry-zoned parcels for light industrial use and develop a plan to extend District utility services west of the railway tracks, enabling swift development if projects come to fruition. We understand that the District of Kitimat has engaged WSP to conduct a study on the costs of extending utility services on Railway Avenue, but the results of this study are not available for inclusion in this study.