



INDUSTRIAL LAND STRATEGY BASELINE REPORT

April 2024

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1.0 Introduction

Based on complaints received over the last few years, it appears there is a lack of available industrial land in Kitimat for light industrial purposes. The lack of available land is not considered to be solely an issue of the amount of land but rather the land that is available for purchase and further use, as there is a notable amount of vacant or underutilized land that is being held by property owners who are not willing to bring it to the market, particularly in Service Centre which is Kitimat's main light industrial area.

As a result, there has been increased pressure to permit industrial uses on vacant but residentially zoned neighbourhoods. The District of Kitimat has started exploring options to ensure that industrial uses stay in the appropriate industrial areas and to support new business and development. To support this work, Kitimat Council approved a project to develop the framework and process for an industrial land strategy, which once completed, is intended to provide a greater understanding of the industrial lands and industrial needs for Kitimat now and into the future.

The Baseline Report has been created to assist and help inform the industrial land strategy process by highlighting the current conditions and key issues and considerations of industrial land in Kitimat. This report will first provide a greater understanding of the history of industrial lands in Kitimat, the current planning context, the industrial employment and economic activity, the environmental context, and the initial land inventory collected of industrial land in Kitimat. A separate report has been created on the project outline, which identifies the phases to create the industrial land strategy. Together, this information will help guide the process for the creation of Kitimat's first industrial land strategy.

2.0 Industrial Land Overview

2.1 History of Industrial Lands in Kitimat

“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, interfering with dependable output. 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.”

-Planning Objectives for Kitimat by Clarence S. Stein in 1952

The District of Kitimat is located in the unceded territory of the Haisla Nation. Kitimat townsite is located at the head of Kitimat Arm, a wide fjord that extends northeast from the Douglas Channel. The surrounding Coast Mountains create a sheltered harbour 140 km from open water, which makes it a suitable location for deep sea transport.

In the early 1900's, Kitimat was a candidate site for the Grand Trunk Railway's western terminus. A railway route was surveyed and by 1906 settlers moved to the valley. A wharf and hotel were built and the right-of-way for a future road from Terrace was cleared. However, this activity was short lived when Prince Rupert was ultimately chosen for the railway terminus. By 1940, most of the early European settlers had departed.

The modern town of Kitimat became a reality in 1950 when the Aluminum Company of Canada (Alcan) chose a site for an aluminum smelter at the head of the Kitimat Arm. The potential and proximity of hydroelectric power was a major factor in Kitimat being chosen. A dam on the Nechako River was built and a tunnel was drilled through the Coast Mountains, which allowed water to fall 792 metres inside Mount Tahtsa to the Kemano powerhouse at sea level. A 82 km transmission line connects the powerhouse to the Kitimat smelter.

The construction of the Kitimat townsite was designed to attract workers of the smelter. Alcan hired the first town planners and invested heavily in the initial town planning, which is based on the Garden City concept. From the beginning, the entire vision and design for Kitimat anticipated and encouraged industrial development but designed the town in such a way to encourage a walkable place to live with individual residential neighbourhoods laid out as super blocks. Residential neighbourhoods are complemented by a downtown centre, service centre and industrial area. Most retail stores, commercial buildings, and government offices are located in the downtown centre while service, storage and supply businesses, as well as industrial repair shops and auto sales are located on the west side of the river in Service Centre. The medium and heavy industrial area in Kitimat is south of Service Centre, towards the Kitimat Arm.

In 1969, a pulp and paper mill, Eurocan, was built in Kitimat and in 1982, Methanex a methanol and ammonia plant, was another heavy industrial project that was added. Both were in operation for over 20 years although Methanex ceased operations in early 2006 and Eurocan in 2010. The original town planners projected Kitimat's population would reach 35,000 to 50,000, which was based on the population growing in parallel to industrial development. Several factors created such optimism, such as flat land suitable for industrial development, significant sand and gravel resources, a secure hydroelectric power supply, and a deep water harbour. Although the overall growth of Kitimat has been significantly lower than initially expected, with changing technologies and the global economy considered to be a notable reason. Rio Tinto (formerly Alcan) employs less than one third of the workforce predicted in 1952 and the closure of Eurocan and Methanex also affected Kitimat's population. Another factor that has been highlighted is the interdependent relationship with Terrace, which serves the Kitimat community as the closest shopping and service hub.

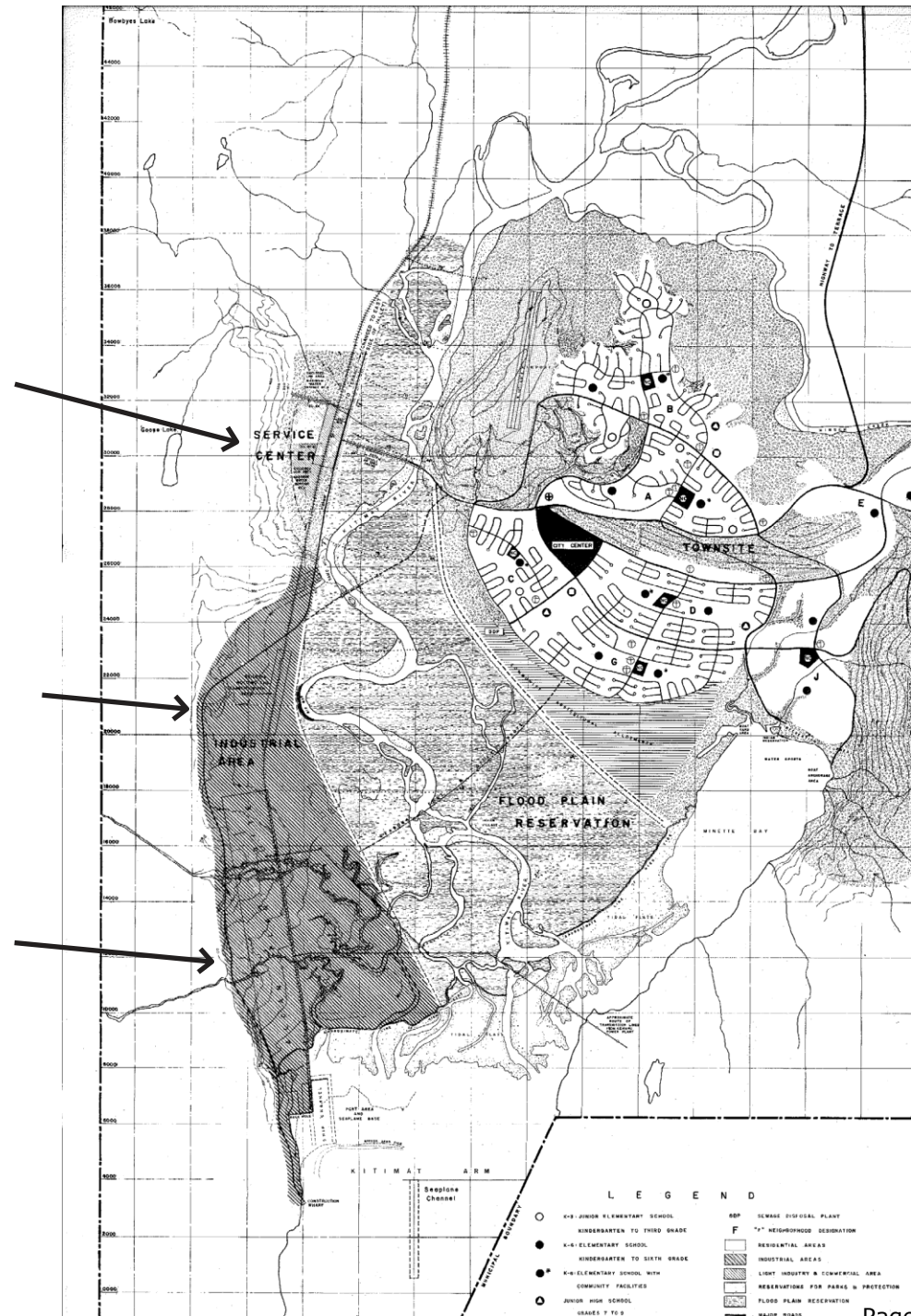
However, a new wave of industrial development came to Kitimat several years after the closure of Methanex and Eurocan. In October 2018, the announcement of a \$40 billion investment for a new liquefied natural gas (LNG) export facility terminal in Kitimat was shared by Royal Dutch Shell PLC and its Asian partners. To complement the facility, a new gas pipeline will connect the LNG facility to the Montney natural gas formation in northeast BC. In 2021, the Census of Population for Kitimat was conducted by Statistics Canada and showed Kitimat's population growing for the first time in over 30 years by 1.3%, to a total of 8,236 from 8,131 in 2016.

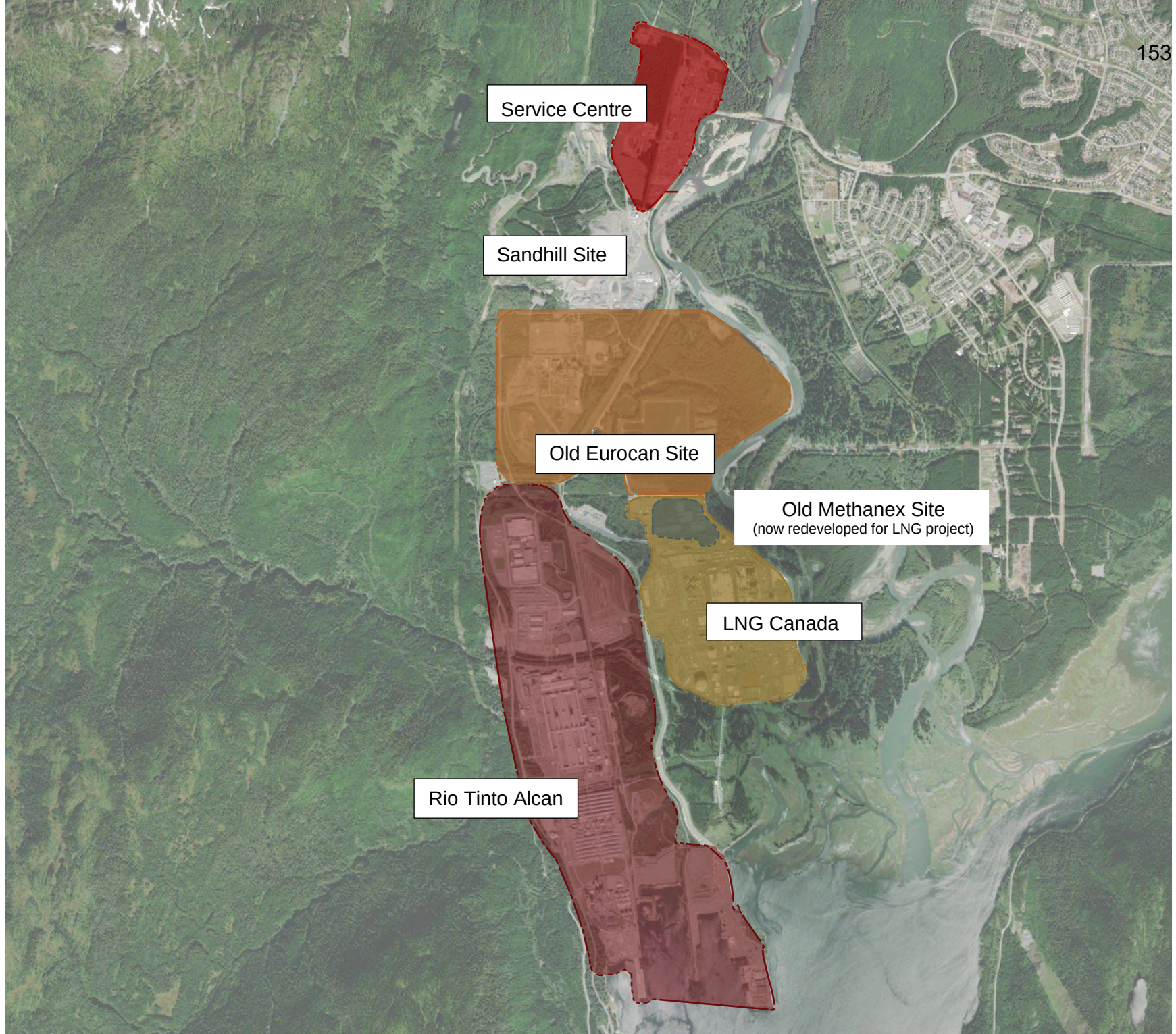
2.2 Original Townsite Map and Industrial Land Descriptions of Kitimat

Service Centre: “Concentration point for service activities accessory to the townsite and including: railroad terminal and warehousing; automobile sales, service and open storage; light industries such as cleaning, laundry, dairy, bakery, printing, sheet metal, lumber and construction materials, yard and millwork. May have sub-areas for light industry and automotive service [Kitimat Townsite Report, 1960].”

Industrial: “The area to be held exclusively for future industrial development [Kitimat Townsite Report, 1960].”

Aluminum Smelter Site: “The main plant site is on the western side of the valley where it reaches Kitimat Arm. The site is low but fill can be obtained from gravel deposits along the western side of the valley [Kitimat Townsite Report, 1960].”



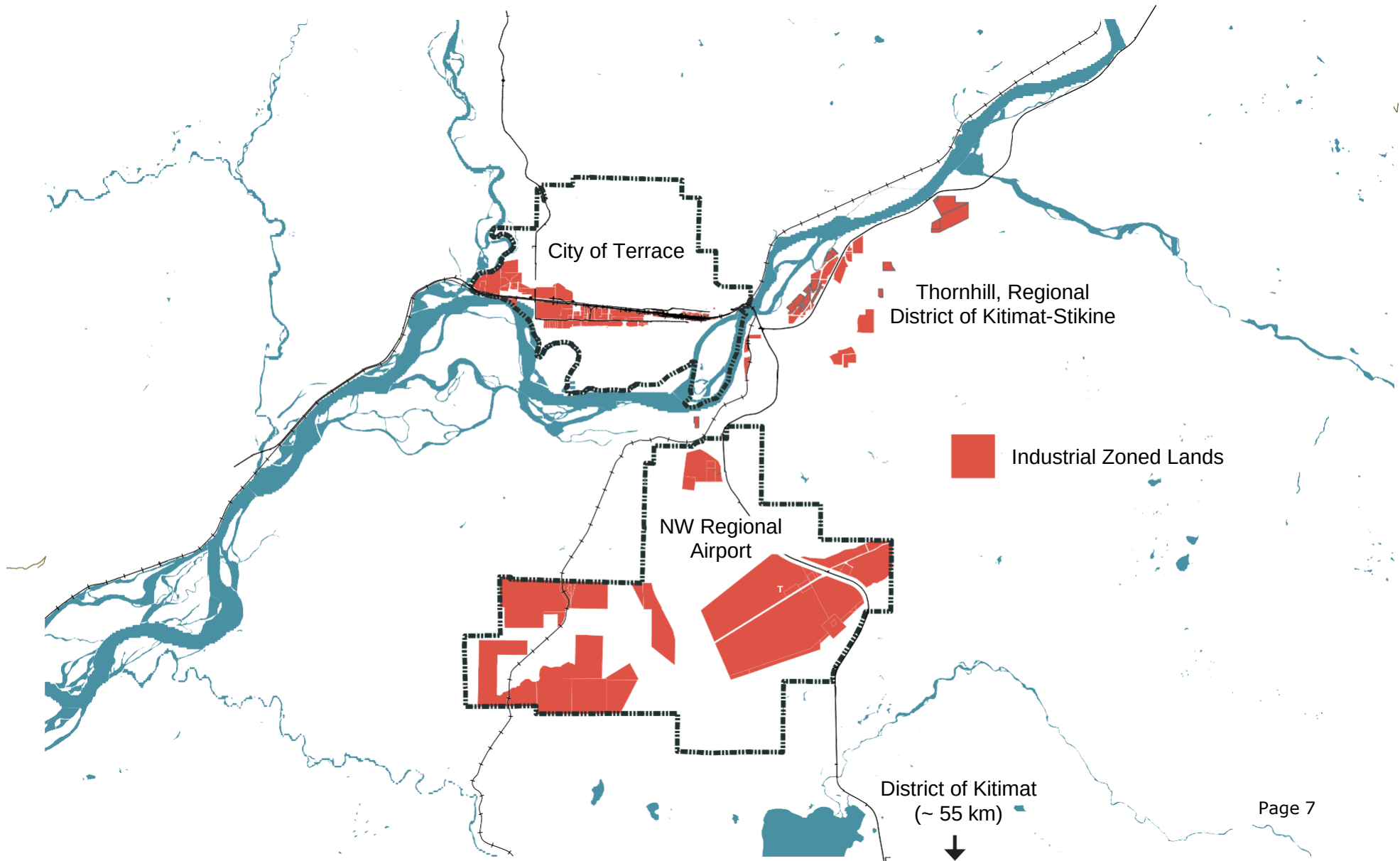


2.3 Industrial Lands from a Regional Context

The District of Kitimat is located in the Regional District of Kitimat-Stikine and is roughly 60 km south of the City of Terrace, which is the nearest municipality. Prince Rupert and Hazelton are the next closest municipalities, and both are approximately 200 kms from Kitimat, with Prince Rupert being northwest and Hazelton northeast. The City of Prince George is BC's northern capital as the largest municipality in the north and is approximately 600 kms east from Kitimat. The noted municipalities are connected via two provincial highways - Highway 16 and Highway 37, and by the Canadian National Railway (CN) rail line.



Along Highway 37 between Kitimat and Terrace, there are no lands zoned industrial within the Regional District of Kitimat-Stikine. However, there is light and heavy industrial areas south of the Northwest Regional Airport and along Highway 16 within the City of Terrace. There is also a light industrial area along Highway 16 in Thornhill, which is an unincorporated area part of the Regional District that abuts the City of Terrace to the east.



3.0 Scope of the Industrial Land Strategy

Kitimat has had success in attracting two significant global, industrial-scale projects; Alcan, an aluminum smelter, which later became Rio Tinto Alcan, and LNG Canada, a liquefied natural gas export facility. The scope of the industrial land strategy will not include existing or proposed industrial uses or projects of this magnitude but instead be focused on regional and local level industrial uses that typically fall into service commercial, light industrial and may extend into medium industrial uses. Examples include: freight transport and storage, industrial equipment sales and servicing, storage facilities, recycling depots, vehicle or boat sales and servicing, warehousing, welding, machine or metal fabrication, and manufacturing.

The impacts industrial uses can have to the environment or local infrastructure will be scoped to the scale at which the strategy will focus on to ensure their consideration is reflective of the accurate and likely impacts. Scoping the industrial land strategy to regional and local level industrial uses ensures that the strategy is reflective of the original intention of the plan - to address an increased pressure to permit light industrial uses on vacant but residentially zoned neighbourhoods.

4.0 Industrial Uses & Federal, Provincial & Local Government Jurisdiction

The Canadian Constitution allocates certain powers to the federal government and other powers to provincial governments. The environment is not specifically assigned to one level of the federal or provincial government. Rather, the two levels of government can share responsibility of regulating various environmental issues relating to water, air, and land. The federal government has authority to regulate all parts of the oceans under Canadian jurisdiction, as well as lakes, rivers and streams within the provinces and territories through their power to regulate fisheries, shipping and navigation. This includes their ability to regulate not only fish and fisheries, but also fish habitat, the quality of fish-bearing waters, marine mammals, such as whales, walrus and seals, and marine plants in coastal waters that are not within the geographical limits of any province. The federal government's power to regulate shipping also includes the jurisdiction to regulate emissions, sewage, oil and ballast water discharges from ships and boats, as well as shipping routes and safety to prevent spills, wrecks and disruption of the marine environment.

Apart from the types of water management discussed above, provinces are largely responsible for managing the water resources in their borders. Provinces have enacted environmental legislation regarding water use, watershed management, and effluent discharge limits for various industrial sectors. Further, provincial governments are generally responsible for ensuring that public drinking water is safe, although Health Canada establishes guidelines to be used by every jurisdiction in Canada as the basis for establishing drinking water quality requirements. From there, the responsibility for the day-to-day operations of treatment facilities has been delegated to municipalities in most cases.

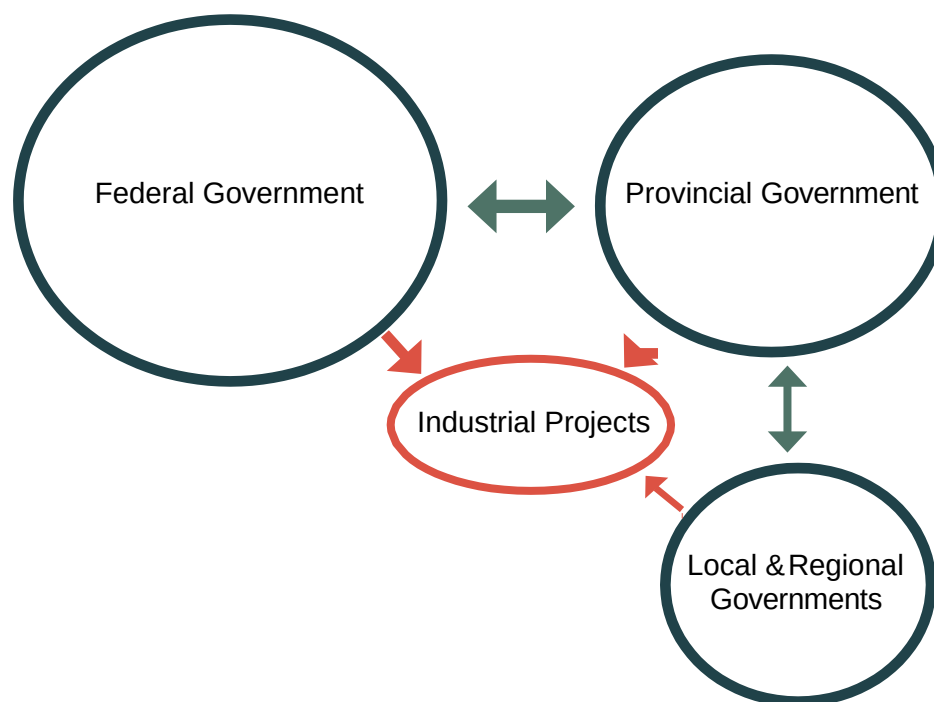
Provinces have jurisdiction over most types of industries, including mining and manufacturing, which includes the jurisdiction to regulate emissions from these industries. The federal government regulates emissions from industries that come under their jurisdiction, such as aviation and interprovincial and international transportation, as well as emissions of toxic substances, regardless of which industry is responsible for causing such emissions. The provisions to control toxic substances is contained within the Canadian Environmental Protection Act, 1999 (CEPA), which includes a process for determining which substances are toxic, as well as a regulatory process for controlling or eliminating toxic substances.

For environmental issues relating to land, both federal and provincial governments have authority to establish protected areas and is based on which level of government owns the lands that are protected. Provinces have jurisdiction over most wildlife within their borders, except for wildlife on federal lands, such as in national parks and national wildlife areas, aquatic species, including fish and marine mammals, and migratory birds.

Waste management and recycling are primarily within municipal and provincial jurisdiction. Generally, municipal governments manage the collection, recycling, composting, and disposal of household waste, while the province establishes waste reduction policies and programs, and approves and monitors waste management facilities and operations. There are a few aspects of waste management that fall within federal jurisdiction, such as the release of toxic substances and international and interprovincial movement of hazardous waste and hazardous recyclable materials. Various regulations made under CEPA regulate the release of toxic substances, listed in Schedule 1 of that Act, to the land, air and water. Waste and recyclable materials that qualify as “hazardous” are identified in various federal regulations.

British Columbia has a number of environmental legislations that pertain to air, land and water protection. However, the Environmental Management Act (EMA) regulates industrial and municipal waste discharge, pollution, hazardous waste, and contaminated site remediation. EMA provides the authority for introducing wastes into the environment, while protecting public health and the environment.

Local and regional governments in BC work with the province on environmental actions. The Community Charter provides municipalities with the authority to establish bylaws pertaining to the protection of the natural environment and public health with the approval of the provincial minister responsible, while the Local Government Act conveys authority and responsibility related to land use, growth, infrastructure and works. Therefore, municipalities have not been allocated specific powers regarding the environment but instead can establish local bylaws or make land use decisions that enhance the responsibilities that are shared between the federal and provincial government. If any amendments are needed to a local government's Official Community Plan (OCP), consultation with First Nations, and other regional, provincial, and federal governments, is required and a local government needs to consider whether the consultation should be early and ongoing. As a result, depending on the industrial project, several government entities can be involved and their role and authority on specific matters pertaining to the project as well as the potential impacts of the project are well defined.



5.0 District of Kitimat Relevant Planning Context

New plans or strategies must follow a municipality's Official Community Plan (OCP). Other relevant plans, policies, and initiatives are also important to review and consider as they can help identify community visions, goals, and planning issues that have been previously identified.

District of Kitimat Official Community Plan (2008)

The Kitimat Official Community Plan was adopted in 2008 and has been amended several times since. The OCP establishes high-level policies to guide and coordinate land use and investment in the community (see Section 6.0 for more detail). Due to the time lapse from when the OCP was developed and the current economic, social, and environmental situation in Kitimat, many of the policies do not reflect new and emerging trends and issues in the District.

Kitimat Municipal Code - Part 9

Zoning regulations are one of the District of Kitimat (DOK)'s primary tools for managing growth, development, and land use in the community. Established in Part 9 of the Kitimat Municipal Code, zoning regulations divide the community into 46 zones, name each zone, and provide land use provisions within the zones in accordance with Part 14, Division 5 of the provincial Local Government Act. Zoning provisions in Kitimat include permitted uses and densities, minimum lot sizes, parking requirements, property line setbacks, maximum building heights, and others.

Community Energy and Emissions Plan (2021)

The Community Emissions and Energy Plan (CEEP) was adopted by Council in April 2021. The CEEP is the first community wide plan approved by Council that identifies how Kitimat will reduce greenhouse gas (GHG) emissions by 58% below the 2007 levels by 2050. The CEEP recommends 14 Action items to reduce GHG emissions to meet the recommended target.

Active Transportation Plan (not yet adopted by Council)

The Active Transportation Plan expanded the 2020 Cycle Network Plan to include all types of active transportation modes, which included recommendations for active transportation infrastructure to Service Centre.

Water Conservation Plan (2023)

The Water Conservation Plan was adopted by Council on February 22, 2023. The plan provides an understanding of where water is currently being used and the capacity of the existing system, identifies measures to improve the overall efficiency of the water distribution system and prioritize the selected measures in terms of water conservation and cost-effectiveness.

Solid Waste Action Plan (2019)

Kitimat's Solid Waste Action Plan (SWAP) was adopted by Council in 2019. It lays out how the District is modernizing the waste management system, which includes expanding residential curbside garbage collection to include collection of yard waste, recyclables, and kitchen waste; maximizing waste diversion (zero waste) to conserve landfill capacity; and managing residual waste to meet the current landfill design and operating standards.

Flood Mapping

The District of Kitimat hired a consultant in 2022 to update the Kitimat River's flood mapping, which has not been updated since the 1980's. The flood mapping has been complete and the District with the support of the consultant is identifying next steps to address the results and are intending to bring forward a report to Council in 2024.

Sanitary Infrastructure Plan

The District of Kitimat's Engineering Department is planning to start the process of developing a sanitary infrastructure plan in 2024, which will look at the current sanitary infrastructure in Kitimat to identify current capacities and future upgrades needed.

Integrated Stormwater Plan

The District of Kitimat's Engineering Department is planning to start the process of developing an integrated stormwater plan in 2024, which will look at the current stormwater infrastructure in Kitimat to identify current capacities and future upgrades needed.

Water Master Plan

The District of Kitimat's Engineering Department has started the process of developing a water infrastructure upgrade plan in 2024. This plan will improve fire protection in Service Centre.

Road Infrastructure Renewal

The District of Kitimat's Engineering Department is planning a road renewal program. New road construction may be required due to additional industrial land being made available.

6.0 Official Community Plan Strategic Direction

Official Community Plans (OCPs) are a community's main policy document which establishes the community vision and goals that all other subsequent policies and plans should align with. This is to ensure that different community initiatives and developments are all moving towards a common direction and goal. If through the development of other plans there are conflicts between the plan and the OCP or other community documents, the plan will propose amendments to the existing documents to ensure alignment and to ensure that the existing documents remain dynamic and evolve as community visions, goals, and planning issues evolve.

Kitimat's OCP has not established an overall community vision or goal but rather has a series of policy statements, separated under different core themes. The core themes include:

- Cultivate Diversified Economic Growth
- Enhance 'Sense of Place'
- Maximize Livability
- Protect the Natural Environment
- Foster Local Culture and Heritage
- Provide Effective Services
- Meet Responsibilities in Governance

6.1 OCP Policies

There are several policy statements that are related to industrial land in Kitimat:

Commercial, Business & Industrial Land Supply

- 4.1.14 Preserve commercial and industrial land use designations in City Centre, Service Centre and Industrial areas primarily for business development purposes and associated uses that support growth of the business sector. Emphasize infill and redevelopment of serviced vacant areas, rather than expansion into new areas that require expansion of infrastructure or additional municipal costs; and utilization of residential land for selected temporary worker accommodation facilities.

Service Centre Land Uses

- 4.1.28 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 (that is 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, having regard to site specifics, size, and proposed length of occupancy.
- 4.1.29 Encourage retail commercial uses to locate in Service Centre if they require large land areas or are not considered appropriate for City Centre or a Neighbourhood Centre.
- 4.1.30 Allow for the future expansion of Service Centre.

Industrial & Port Lands

- 4.1.35 Recognize the value of the waterfront to the sustainability of Kitimat by strategically planning for the best balance of short -and long-term interests. This should accommodate the plans of industry and the need to accommodate individual and shared facilities for future users and public water access.
- 4.1.36 Assess each industrial development proposal on its own merits, taking into consideration financial, social, environmental and other impacts on the community.
- 4.1.37 Reserve flat harbour backup lands suitable for industry for transportation, warehousing and other port-related activities, provided there is estuary protection and a degree of public ocean access.
- 4.1.38 Facilitate access to developed and potential port and industrial areas south of Eurocan Way by multiple means, including:
 - protecting the right-of-way for a publicly-owned industrial road, as defined in the IUTC [Industrial Utility and Transportation Corridor] study, to be developed, when required, in partnership with relevant stakeholders, to allow the extension of Harbour (Ocelot) Road south to the port area,

- realigning right-of-way above, if necessary, should any Rio Tinto Alcan lands be subdivided,
- maintaining flexibility regarding road location to accommodate potential rail line extension,
- opening a public road to Douglas Channel West, when required, in partnership with relevant stakeholders and under an appropriate governance model according to its use,
- recognizing access agreements for private party use of Smelter Site Road, a private industrial road owned by Rio Tinto Alcan.

4.1.39 Extend public access to recreational sites in the southern area of the municipality.

4.1.40 Continue to facilitate partnership opportunities for port development and land and water lot acquisition. Options include, but are not limited to, a pocket cruise ship or mega-yacht facility, vessel accommodation at one or more of the existing industrial terminals, ferry service, a private break bulk and general cargo shipping terminal, and industrial docks.

Industrial Utility and Transportation Corridor

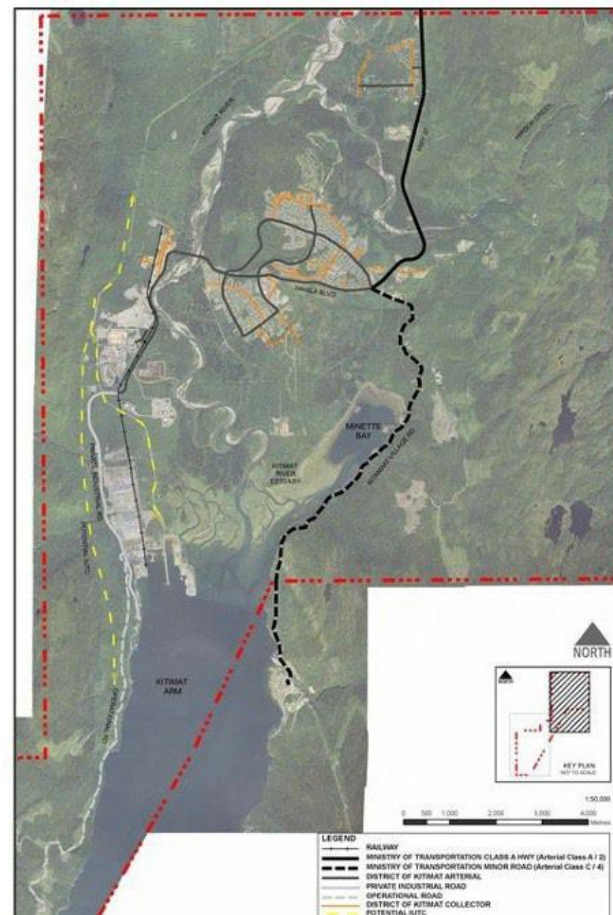
4.6.50 Endeavor to give industrial sites access to a comprehensive transportation system (i.e. roads, rail and port facilities), including the potential future IUTC [Industrial Utility and Transportation Corridor], if and when warranted.

4.6.51 Collaborate with other levels of government, the private sector and First Nations in the construction of major infrastructure improvements for economic growth, including expansion of the port facility, and major transportation, communication, pipeline and utility corridors. See Schedule E.

4.6.52 Encourage future subdivision of land in the industrial area to take the potential future IUTC into consideration. See Schedule E.

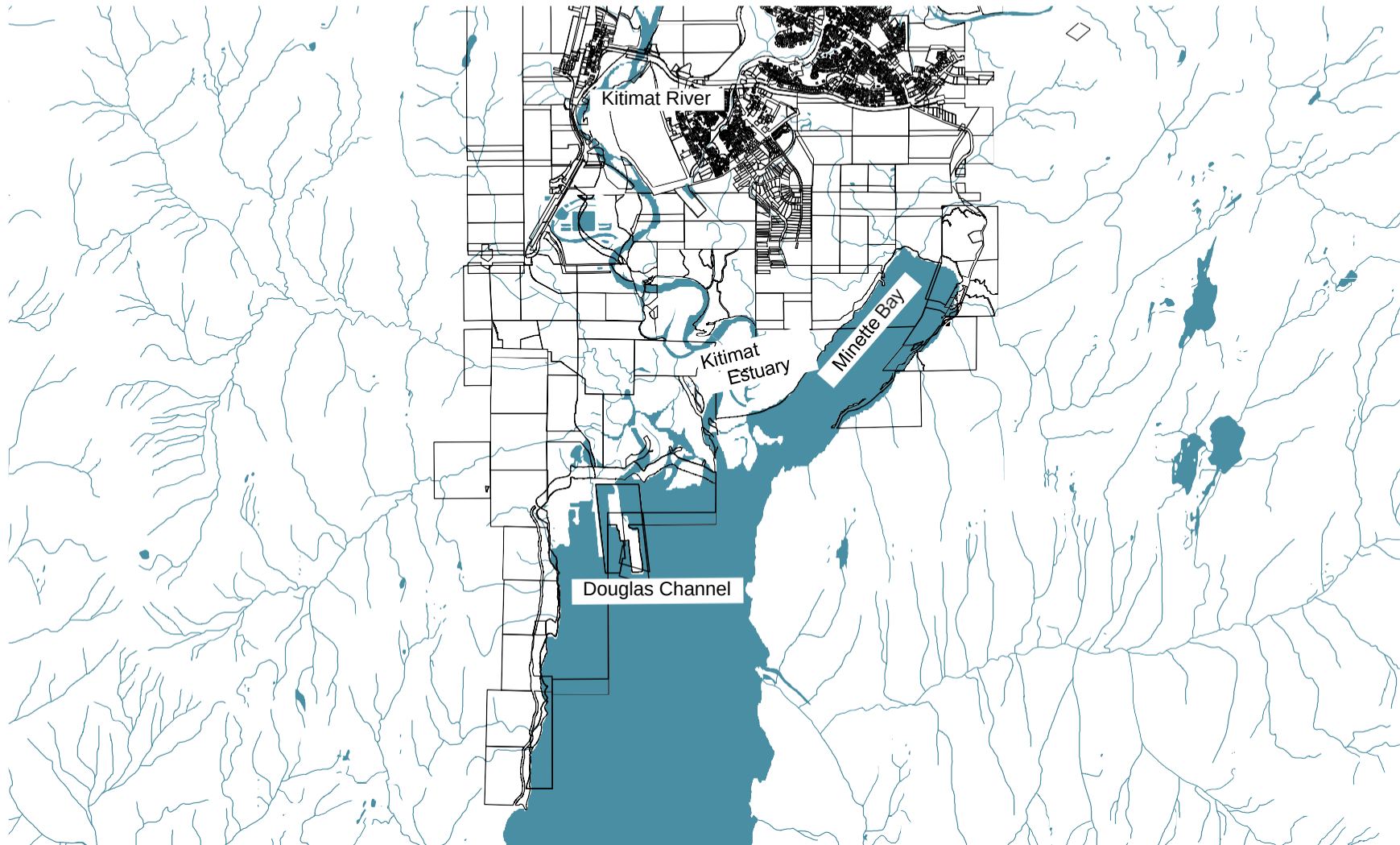
- 4.6.53 Locate private material handling systems (e.g. private haul roads, pipelines) to avoid conflict with existing and future public roads and so that future land development options are not compromised.
- 4.6.54 Encourage industries with similar needs to share private material handling systems, where possible, and to consider establishing these facilities in the IUTC.

Schedule E – Road Network System



7.0 Environmental Context

Kitimat is located in the Kitimat Valley and is bisected by the Kitimat River, which provides the natural separation from major industry to Kitimat's residential neighbourhoods and commercial areas. The industrial lands are predominately on the west side of the river, although there is an area of industrial zoned lands on Forest Avenue which is on the east side. The industrial lands west of the river are accessible from Haisla Boulevard and the Haisla Bridge.



The Kitimat River carries runoff from the Coast Mountain Range and supplies the community with its drinking water. It also has provincial and regional significance as it is a notable salmon fishing river which draws both residents and tourists. The industrial area west of the Kitimat River is near several prominent natural features in addition to the Kitimat River, including the Kitimat River Estuary and the Douglas Channel.

Kitimat River Estuary is designated as an environmentally sensitive area by Fisheries and Oceans Canada and in the Kitimat OCP. The estuary and lower river provide habitat for juvenile coho, chinook, and chum salmon, eulachon, capelin, and herring. The Douglas Channel provides prawning, crabbing, and fishing opportunities to both residents and tourists in addition to being one of the widest and deepest waterways on the west coast of BC, which makes it a suitable location for deep sea transport.

The Industrial Strategy acknowledges the many environmental, riparian, floodplain and hazard land constraints within Kitimat and these will be incorporated into the evaluation process for each property.

8.0 Role of Industrial Land in Kitimat

8.1 Employment and Economic Activity

Based on the 2021 census data, there were 3,865 employed people in the labour force in Kitimat. Of those, 3,131 people worked at their usual place of work and 2,960 who commuted within Kitimat to get to their workplace. 105 people commuted outside of Kitimat but within the Kitimat-Stikine Regional District, 40 outside of the region, and 25 to a different province or territory.

Based on the broad occupational categories for 2016 and 2021 in Kitimat, “Trades, Transport, and Equipment Operators and Related Occupations” is the sector that has the highest percentage of people working in that category. When the sectors are sorted by the North American Industry Classification System, Manufacturing is the sector with the highest percentage and Construction the second highest. When comparing these percentages to the census data for British Columbia in 2016 and 2021, Kitimat has a noticeably higher amount of people working in these sectors.

Distribution of the Employed Labour Force Aged 15 Years and Over by Broad Occupational Categories, Kitimat & British Columbia				
Sector	Percentage in Kitimat 2021	Percentage in Kitimat 2016	Percentage in BC 2021	Percentage in BC 2016
Legislative and senior management occupations (2021) & Management occupations (2016)	0.4%	8.0%	1.2%	11.1%
Business, finance and administration occupations	11.5%	12.6%	16.8%	14.9%
Natural and applied sciences and related occupations	6.7%	6.4%	7.9%	6.5%
Health occupations	6.2%	4.0%	7.5%	6.6%
Occupations in education, law and social, community and government services	10.2%	8.6%	11.6%	10.9%
Occupations in art, culture, recreation and sport	2.1%	1.3%	4.2%	3.8%
Sales and service occupations	20.8%	19.0%	25.1%	24.1%
Trades, transport and equipment operators and related occupations	27.8%	27.0%	17.7%	14.6%
Natural resources, agriculture and related production occupations	2.5%	1.4%	2.7%	2.6%
Occupations in manufacturing and utilities	9.6%	9.7%	3.3%	3.1%

Source: Statistics Canada

Industry Sectors by North American Industry Classification System, Kitimat & British Columbia				
Sector	Percentage in Kitimat 2021	Percentage in Kitimat 2016	Percentage in BC 2021	Percentage in BC 2016
Agriculture, forestry, fishing and hunting	0.8%	0.5%	2.3%	2.6%
Mining, quarrying, and oil and gas	2.6%	3.4%	0.9%	1.0%
Utilities	0.9%	0.6%	0.6%	0.5%
Construction	14.9%	16.5%	8.8%	8.1%
Manufacturing	19.2%	19.9%	5.7%	6.4%
Wholesale trade	2.0%	1.9%	3.0%	3.3%
Retail trade	7.5%	8.7%	11.3%	11.5%
Transportation and warehousing	3.6%	3.5%	5.4%	5.2%
Information and cultural industries	0.2%	1.1%	2.7%	2.7%
Finance and insurance	1.2%	1.2%	3.6%	3.8%
Real estate and rental and leasing	1.1%	1.1%	2.2%	2.2%
Professional, scientific and technical	4.0%	3.9%	9.0%	8.0%
Management of companies and	0.5%	0.0%	0.2%	0.2%
Administrative and support, waste management and remediation services	4.6%	5.0%	4.1%	4.4%
Educational services	5.7%	5.3%	7.3%	7.0%
Health care and social assistance	9.7%	7.8%	12.0%	11.0%
Arts, entertainment and recreation	3.0%	1.4%	2.3%	2.3%
Accommodation and food services	5.3%	7.2%	6.9%	8.4%
Other services (except public	4.7%	3.2%	4.3%	4.5%
Public administration	5.9%	5.8%	5.4%	5.1%

Source: Statistics Canada

9.0 Characteristics of Industrial Lands

Industrial lands include a range of uses, densities and impacts, which are commonly designated or categorized as being either light, medium or heavy industrial uses. The Kitimat Municipal Code (KMC) contains all the regulatory bylaws of the District of Kitimat. Division 6 in Part 9 of the KMC lists six industrial zones, each with a list of permitted uses, which allows other uses that are not commonly included in industrial zoning and in some instances, permits the three types of industrial categories under a range of different uses in one zone. Below lists each industrial zone and their permitted uses:

Industrial Zone	Permitted Uses
M1 Manufacturing Zone	Abattoir
	Agriculture
	Brewery
	Cannabis Production
	Cidery
	Construction Camp
	Distillery
	Log Booming
	Manufacturing
	Marine Activities
	Meadery
	Processing of Animal Products
	Restaurants
	Storage
	Transportation
	Temporary Uses: in accordance with Part 9, Division 8
	Winery

(for more detailed information please refer to Part 9 of the Kitimat Municipal Code)

Industrial Zone	Permitted Uses
M2 Service Centre General Zone	Auction House
	Automotive Sales and Services
	Builders Supplies
	Cannabis Production
	Cannabis Retail
	Discount Store
	Dry Cleaners and Laundries
	Equipment Sales
	Food Processing
	Fuel Sales
	Funeral Parlours
	Light Industry
	Municipal Yards
	Nurseries
	Offices
	Printing Press
	Second Hand Stores
	Trailer, Boat and Mobile Home Sales and Services
	Truck Terminals
	Warehousing
	Wholesaling
	Kennel or Animal Boarding Establishment
	Transportation, including helicopter landing pad meeting Transport Canada licensing
	Temporary Uses: in accordance with Part 9, Division 8

(for more detailed information please refer to Part 9 of the Kitimat Municipal Code)

Industrial Zone	Permitted Uses
M2-A Service Centre Commercial Zone	All uses in M2 Zone, excluding Cannabis Production
	Barber and Hair Dressing Shops
	Cannabis Retail
	Coffee Shops
	Hotels
	News Stand
	Pet Shop and Taxidermists
	Photographic Studios
	Retailing excluding Department Stores, Grocery Stores, and Clothing Stores
	Shoe Shine
	Tobacconists
	Veterinary Clinics
	Temporary Uses: In accordance with Part 9, Division 8

(for more detailed information please refer to Part 9 of the Kitimat Municipal Code)

Industrial Zone	Permitted Uses
M2-B Service Centre Industrial Zone	All uses in M2 Zone, excluding Cannabis Retail
	Railways and Marshalling Yards
	Wrecking Yards
	Temporary Uses: in accordance with Part 9, Division 8.

(for more detailed information please refer to Part 9 of the Kitimat Municipal Code)

Industrial Zone	Permitted Uses
M3 Maintenance Depot Zone	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
	Temporary Uses: In accordance with Part 9, Division 8
	Warehousing and Mini Storage

(for more detailed information please refer to Part 9 of the Kitimat Municipal Code)

Industrial Zone	Permitted Uses
M4 Sawmill Industrial Zone	Sawmilling and Wood Processing
	Log Storage and Sorting
	Metal Salvage and Recycling including automobiles
	Temporary Uses: in accordance with Part 9, Division 8.

(for more detailed information please refer to Part 9 of the Kitimat Municipal Code)

As mentioned above, Kitimat has had success attracting global level industrial projects, which would be considered beyond the scale of a light, medium and heavy industrial category. As a result, these types of uses would be considered under a separate type of zoning, as the scale of the projects extend beyond local government jurisdiction and are guided more so by federal and provincial regulations because of their scale and global significance.

For the purpose of this Baseline Report, below outlines how light industrial, medium industrial, and heavy industrial will be defined, including the types of industrial uses and compatible service commercial uses that could likely be expected under each category. A review of the North American Industry Classification System was done to identify the many types of uses industrial activity can result in.

Light Industrial: means a use engaged in the fabrication, assembly, and servicing of finished products and includes packaging, incidental storage, and wholesale distribution of such products. The use is entirely enclosed within a building or structure and/or screened from public view using a solid screen. The use does not produce off-site impacts from emissions and noise, except when related to the transportation of the finished product.

Medium Industry: means a use engaged in the manufacturing of finished products or parts, predominantly from previous prepared materials, including processing, fabrication, assembly, treatment, packaging, incidental storage, and wholesale distribution of such products, but excluding heavy industry.

Heavy Industry: means a use engaged in storing, processing, or manufacturing materials or products predominantly from extracted, bulk or raw materials, or a use engaged in storing or manufacturing processes using flammable or explosive materials or storing or manufacturing processes that potentially involve hazardous or commonly recognized offensive conditions.

10.0 Industrial Land Supply

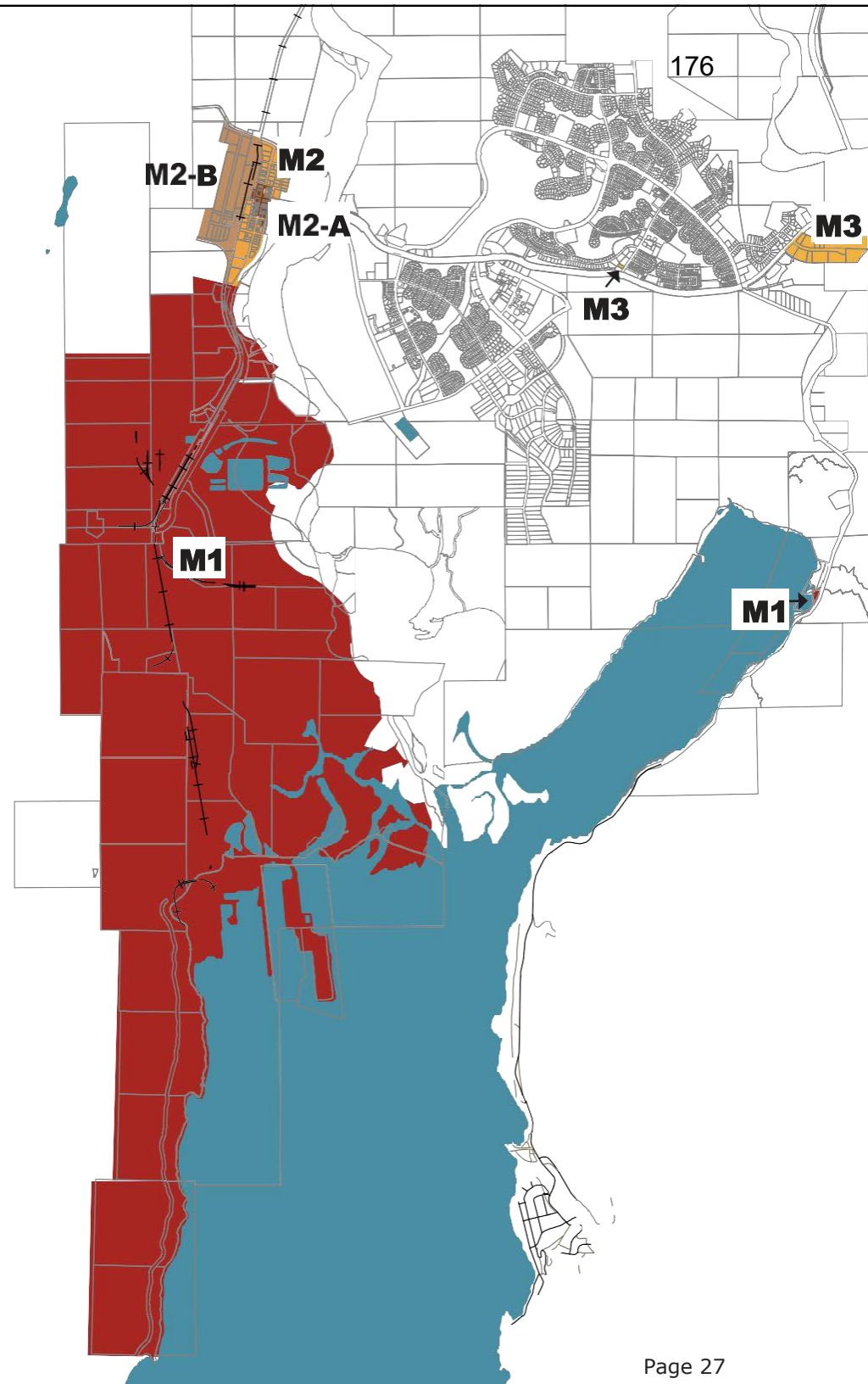
10.1 Identifying Lands Zoned Industrial

There are 6 industrial zones in Kitimat that collectively equal ~2310 hectares or 5708 acres, which is ~ 6.7% of the total land within the District of Kitimat*. The industrial lands in Service Centre represent 3% of the total lands zoned industrial. The M1 zone south of Service Centre and extends along the Douglas Channel represents the significant majority.

- **M1:** 2222.8ha (96% of lands zoned industrial)
- **M2:** 25.4ha (1.1% lands zoned industrial)
- **M2-A:** 5.3ha (0.2% of lands zoned industrial)
- **M2-B:** 38.9ha (1.7% of lands zoned industrial)
- **M3:** 17.4ha (0.8% of lands zoned industrial)
- **M4:** 0ha (0% of lands zoned industrial)

Along Forest Avenue there is another industrial area (M3 zone), which represents 0.7% of the lands zoned industrial. There are a few outlier lands zoned industrial, one being off Kingfisher Avenue (M3 zone) and another off Kitamaat Village Road (M1 zone).

*This total includes roads and is not limited to just specific parcels of land.



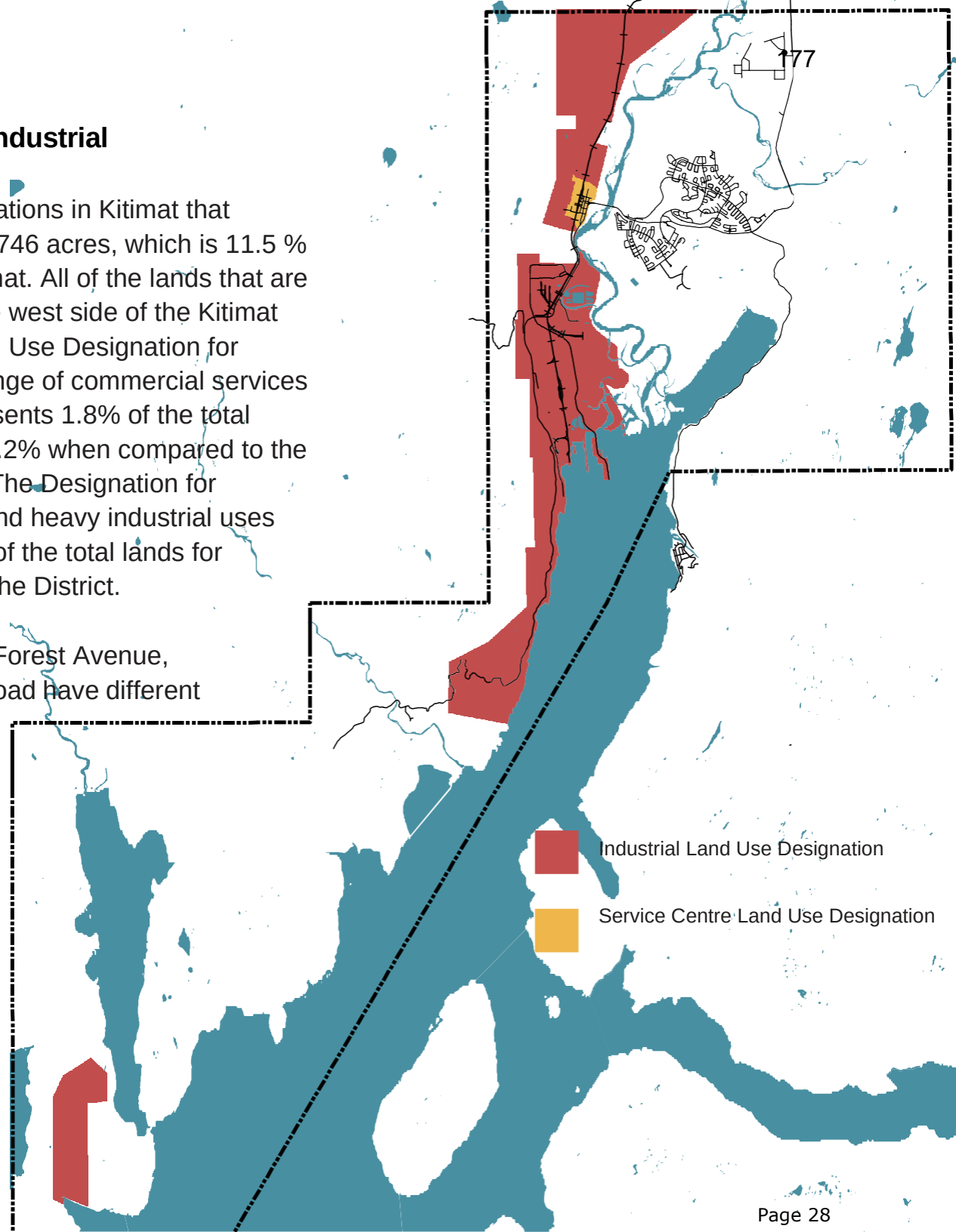
10.2 Identifying Lands Designated Industrial

There are two industrial Land Use Designations in Kitimat that collectively equal ~ 3,944 hectares or ~ 9,746 acres, which is 11.5 % of the total lands within the District of Kitimat. All of the lands that are designated for an industrial use are on the west side of the Kitimat River and the Douglas Channel. The Land Use Designation for Service Centre, which is intended for a range of commercial services and light to medium industrial uses, represents 1.8% of the total lands designated for industrial uses and 0.2% when compared to the rest of the lands in the District of Kitimat. The Designation for Industrial, which is intended for medium and heavy industrial uses and port development, represents 98.2% of the total lands for industrial uses and 11.3% of the lands in the District.

The lands that are zoned industrial along Forest Avenue, Kingfisher Avenue and Kitamaat Village Road have different designations than their current zoning:

- Forest Avenue - Major Institutional
- Kingfisher Avenue - Neighbourhood
- Kitamaat Village Road - Commercial

All future zoning amendments in these areas would require an OCP amendment if the rezoning application was for further industrial uses since zoning amendments need to align with the property's future land use designation.



10.3 Inventory of Industrial Land Based on Developed, Vacant, and Underutilized

There are a number of factors to be considered in order to understand land supply in addition to a property's zoning and land use designation, including but not limited to, whether its developed, vacant, underutilized, and/or a brownfield site as well as parcel size, land value, and marketability. The types of lands included in this initial inventory are industrial lands in Service Centre since the focus of the study is mainly on service commercial and light industrial uses. However, this scope may be expanded when the industrial land strategy is being developed to include all lands either zoned industrial and/or designated industrial.

The definition of developed, vacant, and underutilized lands for this Baseline Report are as follows:

Developed:

lands with industrial uses or compatible commercial uses based on BC Assessment property description and contains either buildings or structures.

*It's recommended for the Industrial Land Strategy that this information is cross referenced with BC Assessments Actual Use Codes and Descriptions as well as a site visit conducted for further review. Some properties may be initially documented as developed but may either require major repairs to be utilized fully and/or the business has not been operating for a number of years and therefore, would be considered underutilized. Some properties may also be initially documented as developed under the BC Assessments "Retail" and "Office" property description with the assumption that the use is to support industrial related activity but may change to underutilized upon further examination if determined the retail or office use is non-industrial and does not support industrial activity.

Vacant:

a parcel that contains no buildings or structures and flagged as vacant by BC Assessment property description, followed by a cross-check for vacancy through ortho-photo review. In cases where BC Assessment describes the property as vacant, but the aerial photo shows the property being used for open storage, the property will still be noted as vacant because it contains no buildings or structures.

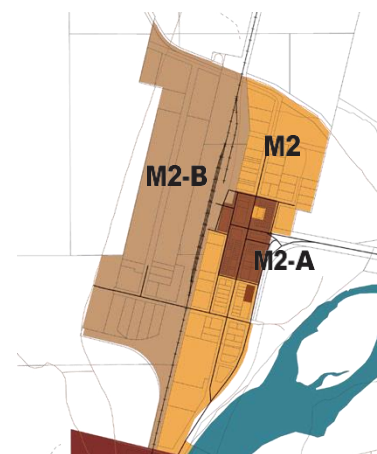
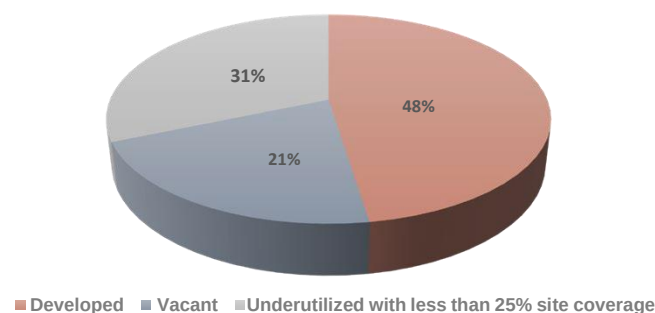
*It's recommended for the Industrial Land Strategy that this information is cross referenced with BC Assessments Actual Use Codes and Descriptions as well as a site visit conducted for further review.

Underutilized:

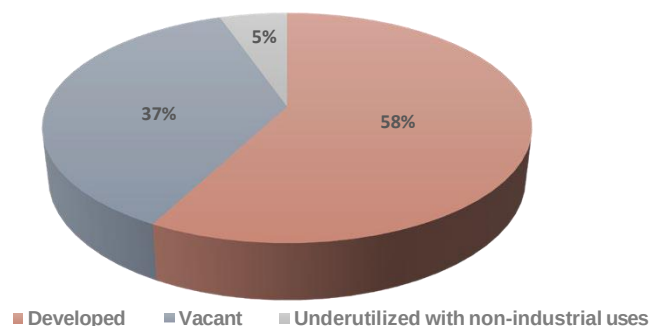
a parcel that is not developed to its full zoning potential and through an aerial photo review: (1) was deemed to have under 25% level of utilization or (2) lands that are zoned for industrial but currently have non-industrial uses based on BC Assessment property description. Utilization is defined by the presence or combination of permanent buildings or structures, surface parking / loading areas, or outdoor storage.

*It's recommended for the Industrial Land Strategy that this information is cross referenced with BC Assessments Actual Use Codes and Descriptions as well as a site visit conducted for further review.

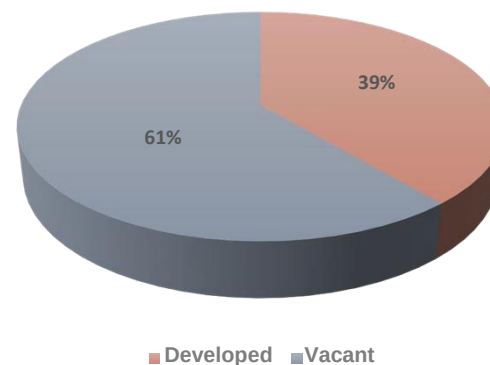
Industrial Lands Zoned M2 in Service Centre:



Industrial Lands in Zoned M2-A Service Centre:



Industrial Lands Zoned M2-B in Service Centre:



10.4 Defining Brownfield Sites & Identifying Constraints, Opportunities, and Locations

Brownfield sites are defined as abandoned, vacant, derelict, or underutilized commercial or industrial properties where past actions have resulted in actual or perceived contamination and where there is an active potential for redevelopment. The definition indicates that a brownfield site may have “perceived” contamination, which in itself can act as a deterrent to redevelopment. In BC, the Ministry of Environment (MOE) Land Remediation Section regulates the identification and remediation of contaminated sites through the Environmental Management Act (EMA), Contaminated Sites Regulation (CSR), and Hazardous Waste Regulation (HWR). Generally speaking, environmental quality standards have been established for different site specific land uses (e.g. residential, commercial, industrial) by the BC MOE. A contaminated site is defined as an area of land in which the soil, soil vapour, groundwater or sediment contains a hazardous waste or substance in concentrations that exceed provincial environmental quality standards. A site is considered contaminated if it is unsuitable for a specific current or future land, water and sediment use.

Typical examples of brownfields include: old industrial waterfronts and manufacturing plants, abandoned mines, former railway yards, abandoned service stations and former drycleaners. Brownfield sites can be complicated to redevelop and there are a number of impediments that can increase the costs for a developer:

- The additional cost of funding required for environmental studies and site clean up;
- Difficulty obtaining project financing from traditional sources of development capital;
- Significant demolition and infrastructure upgrading costs;
- Fear of regulatory (government) and civil liability due to environmental contamination that may remain on the site or may have spread off site;
- Additional time, complexity and process uncertainty associated with the environmental and planning approval processes compared to greenfield development;
- Community and neighbourhood concerns and opposition that can result in costly time delays; and
- Limited local information, knowledge and capacity around brownfield redevelopment.

Local governments can't require developers to redevelop brownfield sites but there are roles they can play to support and promote brownfield redevelopment through:

- **Building Capacity:** collect and disseminate information on brownfield redevelopment, raise brownfield awareness and education, create a stakeholder advisory group of people who have experience with or may be affected by brownfield redevelopment, or compile an inventory of potential brownfield sites.
- **Planning, Support & Leveraging:** improve local planning approval process, develop and offer financial incentives, such as exempting the brownfield site from all or part of the municipal portion of property tax (section 226 of the Community Charter), or support brownfield remediation through partnering with stakeholders to obtain federal and provincial grants that may be available.
- **Leadership on Municipal Brownfields:** create a strategy for local government owned brownfield sites to demonstrate leadership to the private sector, or take action to proceed to tax sales on brownfield properties that have gone into tax arrears.
- **Marketing & Promotion:** create a marketing strategy to market redevelopment opportunities and provide information on getting assistance and advice from the municipality and the province, or educate the public and other stakeholders on environmental site assessments and remediation processes.
- **Monitoring:** monitor the performance of redevelopment strategies through quantitative measurements such as the amount of land remediated or the amount of space constructed by type and increase in property tax revenues, and/or qualitative measurements such as environmental and health threats that are removed.

Information from the Ministry of Environment Land Remediation Section on identification and remediation of contaminated sites is accessible to the public through BC Registries and Online Services and contains information on the following:

- sites that are contaminated and sites that are not contaminated;
- sites that may be at different stages of investigation or remediation; and
- sites that have been cleaned up to meet applicable remediation standards.

A synopsis or detailed report of the properties that are included in the province's registry can be obtained for a fee. The fee is charged for each property that is requested. Included is a map of the industrial parcels that are contained in the Site Registry.

*During the creation of the industrial land strategy, it's recommended that the synopsis of each property is obtained to gain a better understanding of which sites included in the list are contaminated, at different stages of investigation or remediation, and/or have been cleaned up to meet applicable remediation standards.

10.5 Land Ownership - Service Centre



10.6 Industrial Land Value, Parcel Size & Sale History

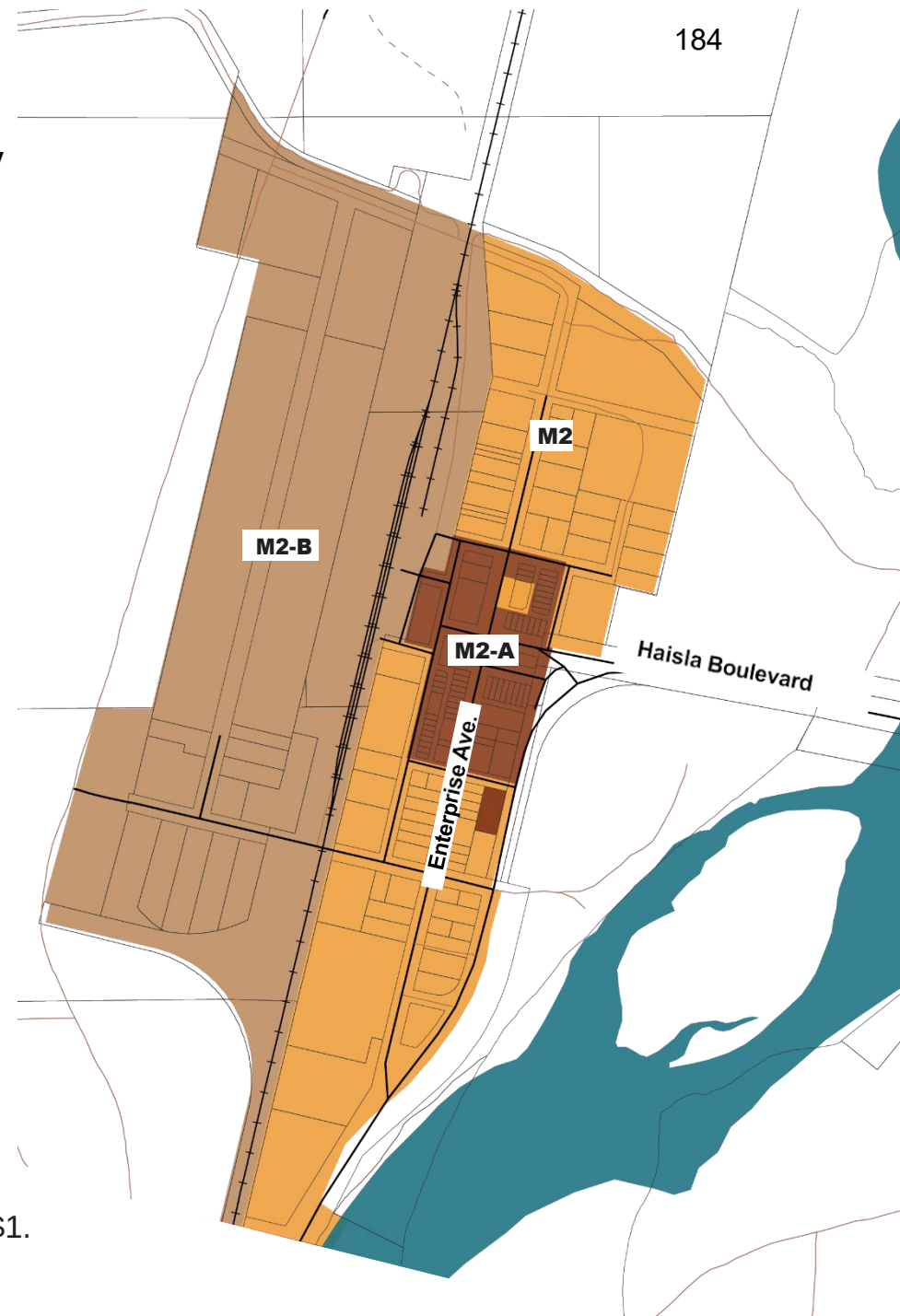
The information on industrial land value, parcel size and sale history for Service Centre has been received from BC Assessment. Obtaining this information helps provide a better understanding of the current industrial land availability. This information can also be helpful when considering expansion options to determine what the value of the new lots could project to be or the impact new lots brought to the market would have. Additionally, it can help understand the needed parcel size during subdivision to ensure that the lot size matches the intended industrial uses or provides additional options not offered by the existing subdivided lots.

*During the creation of the Industrial Land Strategy, industrial zoned or designated lands in the rest of the District may be added to this information. It may also be determined beneficial to collect the year the buildings were built in the three different zones listed for Service Centre and their square footage to understand the likeliness of redevelopment.

Industrial Land and Building Value:

Based on the information that has been collected, land and building value in Service Centre from 2022 to 2023 has increased and for 2023:

- Total land and building value is \$75,699,101, with an average of \$625,612, a high of \$4,963,000 and a low of \$1.
- Average price for 1 acre of land is \$804,582, .5 acres is \$402,291.02, and .25 acres is \$201,145.51.



Below provides this information based on the three different zones and a comparison to 2022 values.

M2 Zone	Total Value 2023	Land Value 2023	Building Value 2023	% Difference of Total Value 2022
Total Value of M2 Lands	\$40,970,401	\$24,676,301	\$15,733,100	2.68%
Average Value Per Lot	\$744,916	\$448,302	\$365,886	2.68%
Median Value Per Lot	\$484,500	\$347,000	\$229,000	2.23%
Highest Lot Value	\$4,963,000	\$2,429,000	\$2,534,000	2.41%
Lowest Lot Value	\$1	\$1	\$4,800	0%

M2-A Zone	Total Value 2023	Land Value 2023	Building Value 2023	% Difference of Total Value 2022
Total Value of M2 Lands	\$15,079,200	\$8,330,800	\$7,414,400	2.08%
Average Value Per Lot	\$307,739	\$170,016	\$274,607	2.08%
Median Value Per Lot	\$121,400	\$57,500	\$211,000	2.27%
Highest Lot Value	\$1,930,000	\$937,000	\$993,000	3.32%
Lowest Lot Value	\$29,500	\$10,200	\$3,000	2.07%

M2-B Zone	Total Value 2023	Land Value 2023	Building Value 2023	% Difference of Total Value 2022
Total Value of M2 Lands	\$19,649,500	\$13,383,000	\$6,266,500	2.92%
Average Value Per Lot	\$1,155,853	\$787,235	\$522,208	2.92%
Median Value Per Lot	\$935,000	\$781,000	\$411,000	2.30%
Highest Lot Value	\$2,796,000	\$1,591,000	\$1,205,000	2.27%
Lowest Lot Value	\$122,000	\$122,000	\$18,500	2.52%

Industrial Land Value by Lot Size:

The M2-A zone average land value by lot size is noticeably higher than the M2 zone, and particularly the M2-B zone. When collecting the information for the parcel lot size in the three different zones in Service Centre, it's noted that the parcel size in the M2-B zone is significantly smaller, with several of the lots being ~117 square metres. As a result, this can influence what the average value per acre is.

Land Value by Acres	M2	M2-A	M2-B
Average Value for 1 Acre	\$762,348.90	\$943,442.35	\$540,974.23
Average Value for .5 Acre	\$381,174.45	\$471,721.17	\$270,487.11
Average Value for .25 Acre	\$190,587.22	\$235,860.59	\$135,243.56

Industrial Land by Parcel Size

The land parcel size in Service Centre varies quite significantly mainly due to the small parcels which are largely along and around Enterprise Avenue. When collecting the land inventory information, it was noticed that some uses are not contained within one parcel but rather spread over several, which can indicate that the small individual parcels are not adequate for the current industrial use.

*During the creation of the industrial land strategy, it's recommended to consider if how the lots are currently subdivided presents a constraint for redevelopment or higher land utilization for industrial purposes.

Parcel Size (Acres & Sq M.)	M2	M2-A	M2-B
Average	0.7524 ac or 3045 sq. m.	0.1956 ac or 792 sq. m.	1.3 ac
Median	0.447 ac or 1809 sq. m.	.057 ac or 231 sq. m	1.1 ac
Largest Parcel Size	5.2 ac	1.6 ac	3.3 ac
Smallest Parcel Size	.092 ac or 372 sq. m.	0.029 ac or 117 sq. m.	0.378 ac or 1530 sq. m.

Sale History

Based on information received on BC Assessment, from 2020 to 2023, 6 properties were sold in Service Centre:

- 2 properties in 2020 with a total sale price of: \$3,460,000
- 4 properties in 2021 with a total sale price of: \$5,266,741
- 0 properties in 2022.
- 0 properties in 2023.

*During the creation of the industrial land strategy, it's recommended that information on the number of properties listed for sale, asking price and whether they sold is obtained from local realtors to gain a better understanding on industrial land brought to market but didn't end up in a sale.

10.7 Industrial Land Demand

At this time, determining the industrial land demand has been through informal, qualitative information, such as:

- rezoning applications to permit industrial uses in residential areas;
- bylaw complaints received for industrial activity operating on residential properties; and
- inquiries received for industrial lands to the District's Economic Development Director, Kitimat's Chamber of Commerce, and local realtors.

In 2021, nine rezoning applications were submitted to the Community Planning and Development Department to permit industrial type uses in residential areas*. The Planning Department has also received several bylaw infraction complaints for industrial activity operating on different residential properties from 2020 to 2023. In both cases, the applicant as well as the property owner causing the zoning infraction indicated their rationale or reasoning was due to a lack of available industrial land.

The District of Kitimat's Economic Development Department has had three inquiries from investors about obtaining light industrial land in the past year with a total land demand of 2.7 acres. Through preliminary communication with Kitimat's Chamber of Commerce, much of the discussion around industrial land is based on the lack of land or the

constraints related to redevelopment, specifically fears of redevelopment when the unknown implications of potential remediation may be required based on contamination, which may or may not be present. Through preliminary communication with local realtors, most of the requests for available industrial land is through leases due to the cost to purchase the property as well as the longevity of the intended industrial activity.

*3 of the 9 rezoning applications were pulled by the applicants before they were brought to Council.

11.0 Infrastructure and Utilities

Understanding existing infrastructure and utilities (electricity, natural gas, telecommunications, roads, water, sanitary, and stormwater) is an integral part of developing an industrial land strategy as it identifies current constraints as well as upgrades that would be required if either further intensification or expansion occurred. Through the creation of the industrial land strategy, this information will be obtained and will form an important aspect of the recommendations that will be made. Since the focus of the strategy is on service commercial, light industrial and may extend into medium industrial uses, the information obtained will relate to those types of uses. Current capacities or upgrades required for heavy industrial will not be a part of the review.

Based on the current understanding of local infrastructure capacities in Service Centre, there are existing limits on available fire flows, and water main sizes will need to be increased to improve fire flows. For sanitary, the lift station is at capacity and upgrades to forcemain and lift station is required to increase capacity, as determined through engineering studies. This information will be further expanded upon during the creation of the industrial land strategy.

12.0 Glossary of Terms

Brownfield:

Abandoned, vacant, derelict, or underutilized commercial or industrial properties where past actions have resulted in actual or perceived contamination and where there is an active potential for redevelopment.

Contaminated Site:

An area of land in which the soil, soil vapour, groundwater or sediment contains a hazardous waste or substance in concentrations that exceed provincial environmental quality standards. A site is considered contaminated if it is unsuitable for a specific current or future land, water and sediment use.

Developed:

A parcel that contains either buildings or structures.

Garden City Concept:

The Garden City concept was devised by the English town planner Ebenezer Howard and was promoted by him in *Tomorrow: A Peaceful Path to Social Reform* (1898). The concept is based off creating self-contained planned communities that are surrounded by greenbelts, containing proportionate areas of residences, industry, and agriculture.

Heavy Industrial:

A use engaged in storing, processing, or manufacturing materials or products predominantly from extracted, bulk or raw materials, or a use engaged in storing or manufacturing processes using flammable or explosive materials or storing or manufacturing processes that potentially involve hazardous or commonly recognized offensive conditions.

Land Use Designation:

Land Use Designations establish a general land use visions for lands, which includes a range of uses, densities and forms to guide decision-making for development in a particular neighbourhood, area or property. Land Use Designations work in collaboration with zoning provisions that regulate the specific uses and density that are permitted to occur on the land.

Light Industrial:

A use engaged in the fabrication, assembly, and servicing of finished products and includes packaging, incidental storage, and wholesale distribution of such products. The use is entirely enclosed within a building or structure and/or screened from public view using a solid screen. The use does not produce off-site impacts from emissions and noise, except when related to the transportation of the finished product.

Service Commercial:

Commercial uses that are compatible with light and medium industrial uses. Examples include: vehicle or boat dealers, mini storage, and building material and garden equipment retailers.

Medium Industrial:

A use engaged in the manufacturing of finished products or parts, predominantly from previous prepared materials, including processing, fabrication, assembly, treatment, packaging, incidental storage, and wholesale distribution of such products, but excluding heavy industry.

Official Community Plan:

An Official Community Plan (OCP) provides longer term visions for the community. Under the Local Government Act section 471, an OCP is a statement of objectives and policies to guide decisions on planning and land use management, within the area covered by the plan, respecting the purposes of local government.

Underutilized:

A parcel that is not developed to its full zoning potential.

Vacant:

A parcel that contain no buildings or structures.

Zone / Zoning:

Zoning implements municipal and regional district land use planning visions expressed in official community plans and regional growth strategies, and may support community sustainability and resilience goals. Zoning bylaws regulate how land, buildings and other structures may be used by managing growth, development, and land use in the community. Established in Part 9 of the Kitimat Municipal Code, zoning regulations divide the community into 46 zones, name each zone, and provide land use provisions within the zones in accordance with Part 14, Division 5 of the provincial Local Government Act. Zoning provisions in Kitimat include permitted uses and densities, minimum lot sizes, parking requirements, property line setbacks, maximum building heights, and others.