



City of Richmond

Report to Committee

To: General Purposes Committee **Date:** November 5, 2018

From: Jason Kita **File:** 01-0025-01/2018-Vol
Director, Corporate Programs Management Group 01

Re: **Richmond's Submission to Transport Canada on the Port Authority Review**

Staff Recommendation

1. That the submission to Transport Canada detailed in the report "Richmond's Submission to Transport Canada on the Port Authority Review" from the Director, Corporate Programs Management Group, regarding the review of the Canadian Port Authorities, be endorsed and submitted to the Government of Canada; and
2. That copies of the submission be forwarded to local Members of Parliament and Members of the Legislative Assembly as well as senior Federal Ministers on the West Coast of British Columbia.

Jason Kita
Director, Corporate Programs Management Group
(604-276-4091)

Att. 1

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Economic Development	<input checked="" type="checkbox"/>	
Engineering	<input checked="" type="checkbox"/>	
Finance Department	<input checked="" type="checkbox"/>	
Information Technology	<input checked="" type="checkbox"/>	
Law	<input checked="" type="checkbox"/>	
Policy Planning	<input checked="" type="checkbox"/>	
Richmond Fire Rescue	<input checked="" type="checkbox"/>	
Sustainability	<input checked="" type="checkbox"/>	
Transportation	<input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

At the October 15, 2018 General Purposes Committee meeting, discussion occurred regarding Richmond's submission to Transport Canada on the Port Authority Review. As a result, the following referral was made:

That the staff report titled, "Richmond's Submission to Transport Canada on the Port Authority Review" from the Director of the Corporate Programs Management Group, be referred back to staff to provide further analysis.

This report responds to the referral with further analysis and information provided.

In March 2018, as part of the Government of Canada's Transportation 2030 Plan, Transport Canada announced a review of the Canadian Port Authorities in order to promote sustainable and inclusive economic growth through effective governance and innovative operations. The arms-length Canadian Port Authorities (CPAs) run Canada's 18 ports and were created in 1998. They are legislated under the Canada Marine Act¹.

The Vancouver Fraser Port Authority (VFPA), which manages the Port of Vancouver, has significant operations in Richmond. Over the last five years, the City has had several conflicts working with the VFPA primarily regarding land use. As the City has a direct interest in the outcome of the review, the City of Richmond should contribute to Transport Canada's review in order to recommend solutions to improve the working relationship and achieve the long term goals of the City.

This report supports Council's 2014-2018 Term Goal #5 Partnerships and Collaboration:

Continue development and utilization of collaborative approaches and partnerships with intergovernmental and other agencies to help meet the needs of the Richmond community.

5.1. Advancement of City priorities through strong intergovernmental relationships.

5.2. Strengthened strategic partnerships that help advance City priorities.

This report supports Council's 2014-2018 Term Goal #8 Supportive Economic Development Environment:

Review, develop and implement plans, policies, programs and practices to increase business and visitor appeal and promote local economic growth and resiliency.

¹ Canada Marine Act <http://laws-lois.justice.gc.ca/eng/acts/C-6.7/page-1.html>

Findings of Fact

Transport Canada is reviewing the effectiveness of the Canada Port Authorities (CPA) across Canada. Ports are significant economic generators. In 2017, CPAs handled more than 60% of Canada’s commercial cargo volume, which is approximately 334 million tonnes, valued at over \$200 billion and generated \$2.1 billion in taxes. The Port of Vancouver is the largest port in Canada. Its role is to responsibly facilitate Canada’s trade through the port at various locations across the Lower Mainland.

The CPA review is intended to increase the ability of ports across Canada to promote sustainable and inclusive economic growth through effective governance and innovative operations. The deadline for submission is December 3, 2018 with the results of the review released in the spring of 2019.

The CPA review will focus on five key objectives:

1. Support the competitiveness of Canada’s economy by facilitating the movement of goods and passengers;
2. Strengthen relationships with Indigenous peoples and local communities;
3. Promote environmentally sustainable infrastructure and operations;
4. Enhance port safety and security; and
5. Optimize governance and accountability, including with respect to financial management.

Transport Canada’s discussion paper which outlines the need for the review and identifies key target questions is included for information (Attachment 1).

The City of Richmond has identified various issues in working with the VFPA over the last four years. With the growth of the port operations and the City of Richmond, the priorities of the Port of Vancouver and the VFPA have often conflicted with priorities and long-term objectives of the City of Richmond.

The following table outlines the Reports to Council which provide background on the key issues with VFPA that Richmond City Council has dealt with in the last four years. These issues have primarily focused on the expansion of Port of Vancouver operations and the purchase of land in the Agricultural Land Reserve as well as the actions taken by the City to offset the future use of this land for industrial use.

Table 1: Key Reports to Council 2014 to 2018

Report to Council	Date	Description
1. Removal of Highway 99 interchange at Blundell Road and extension of Blundell Road	July 23, 2018	Council approved the removal of the transportation corridors on Blundell Road from the Official Community Plan.
2. Application by VAFFC for a Development Permit	February 28, 2018	The Development Permit Panel considered the development permit for the construction of a Marine Terminal Facility for aviation/ jet fuel at

<p>at 15040 Williams Road</p>		<p>15040 Williams Road but it is still pending Council approval.</p>
<p>3. Industrial Designation of 1700 No.6 Road</p>	<p>July 8, 2017</p>	<p>Council approved the designation of additional industrial land for Port use on land already designated/ zoned as industrial.</p>
<p>4. Vancouver Airport Fuel Delivery Project Environmental Assessment Certificate Amendment</p>	<p>April 26, 2016</p>	<p>Council approved comments to send to the BC Environmental Assessment Office regarding the Vancouver Airport Fuel Corporation's application for amendment of the approved Vancouver Airport Fuel Delivery project's Environmental Assessment Certificate submission.</p>
<p>5. FCM Resolution – Federal Port Operations on Agricultural Land</p>	<p>January 22, 2016</p>	<p>Staff reported on the approved resolution at the FCM Annual General Meeting. The resolution recommended the Port Authorities establish a meaningful consultation processes and prohibit the expansion of Port Metro Vancouver operations onto lands within the Agricultural Land Reserve.</p>
<p>6. Update on Port Metro Vancouver Project and Environmental Review Application Process</p>	<p>October 9, 2015</p>	<p>Council approved the staff analysis of the new Environmental Review Process.</p>
<p>7. Revised UBCM Resolution-Port Metro Vancouver and Agricultural Lands</p>	<p>September 24, 2015</p>	<p>Council approved a revised resolution be sent to and approved by UBCM. The resolution recommended the prohibition of the expansion of Port Metro Vancouver operations onto lands within the Agricultural Land Reserve.</p>
<p>8. Vancouver Airport Fuel Delivery Project Update</p>	<p>September 14, 2015</p>	<p>Council approved the staff comments sent to Port Metro Vancouver regarding the Vancouver Airport Fuel Facility Corporation's Fuel Receiving Facility.</p>
<p>9. Supporting Port and Industrial Development While Protecting Agricultural Lands in Richmond</p>	<p>July 27, 2015</p>	<p>Council recommended letters be sent to Port Metro Vancouver, the Prime Minister, the Minister of Transport Canada, Provincial Ministers and the Agricultural Land Commission.</p>
<p>10. Port Metro Vancouver Resolutions to LMLGA, UBCM and FCM</p>	<p>February 25, 2015</p>	<p>Council approved that resolution be sent to LMLGA, UBCM and FCM. The resolution recommended the prohibition of the expansion of Port Metro Vancouver operations onto lands within the Agricultural Land Reserve.</p> <p>Council directed staff to send a letter and the staff report to all the municipalities in the Lower Mainland.</p>

		Council directed staff to send copies to the Prime Minister, the Minister responsible for Transport Canada, the Premier of British Columbia, the Minister of Agriculture, Richmond Members of Parliament and Members of the legislative assembly and the Federal and Provincial leaders of the official opposition.
11. Richmond Response: Adopted Port Metro Vancouver Land Use Plan	January 27, 2015	Council approved the staff comments to send to Port Metro Vancouver regarding the Vancouver Airport Fuel Facility Corporation's Fuel Receiving Facility.
12. Update on PMV's Approval of Fraser Surrey Docks Direct Transfer Coal Facility	September 3, 2014	Council recommended letters be sent to Port Metro Vancouver and senior government elected officials outlining outstanding concerns regarding the Fraser Surrey Docks Direct Transfer Coal Facility.

Analysis

The City of Richmond understands the important role that the Port of Vancouver plays in the economy of the region, the province and the country. Richmond will continue to work toward an effective working relationship and a viable port operation. For 2018, Port Authorities and their related tenants contributed over 4% of total municipal taxes and ranked as the 2nd highest commercial property tax payer to the City.

With the growth of the Port of Vancouver, there have been several areas where conflict has arisen. The City of Richmond has identified several issues and suggests the following recommendations be submitted to Transport Canada in order to develop a more effective and integrated port operation that aligns with the long term goals of municipal government.

Richmond Submission to Transport Canada – Canadian Port Review

The following is Richmond's proposed input to the Canadian Port Authority Review. Through the identification of City issues and recommendations, the intention is to ensure the VFPA's goals support the City's priorities and plans.

1. Port Governance

City of Richmond Issues:

- a. VFPA has been in a position of conflict of interest as it relates to the environmental assessment review of the Vancouver Airport Fuel Delivery Project. The VFPA leases the land to the owner of the fuel tanks facility, the Vancouver Fuel Facilities Corporation (VAFFC). VAFFC managed the environmental permit process for the Fuel Receiving Facility and the VFPA was the federal reviewer of the project even though it was on VFPA owned land. Richmond could only comment on the review but had no recourse if a dispute arose. Fire Safety Plans and disaster response plans requested by the City still have not been provided.

- b. The community consultation identified by the VFPA is often perceived as information sharing as opposed to meaningful engagement where feedback is integrated into solutions. Where VFPA has the authority as the lead agency, meaningful public consultation is not required. It needs to become evident where public consultation has an effect on the project to meet the community's needs.
- c. The City is opposed to the purchase or use of agricultural land for industrial use. With the growth of the Port of Vancouver and the City of Richmond, land use is becoming a very important issue. There is growing conflict over the jurisdiction of municipal bylaws and upholding of Provincial legislation, especially as it relates to the Agricultural Land Reserve. The VFPA has purchased land zoned as agricultural land in Richmond. This purchase and the refusal of the Port Authorities' Board of Directors to begin communication with Richmond City Council, has strained the relationship for several years and sent a clear message to Richmond that VFPA does not respect, acknowledge and support municipal priorities or the City's Official Community Plan (OCP).
- d. The VFPA Board of Directors is comprised mainly of port users and business leaders, including directors from out of Province, who can assist with the growth and expansion of port operations. The VFPA has minimized the influence of municipal government. The organizational structure prevents the VFPA from being aware of community concerns or opportunities for City input.
- e. The focus on growth and expansion and increasing funding for new Port projects often places the objectives of the Port Authorities in direct conflict with municipal government's priorities to ensure livable and safe communities. Growth and expansion is often perceived as more valuable than the objectives and priorities of municipal government. Opportunities for collaboration and creative solutions are lost due to perceived conflicting priorities.
- f. There is a lack of a dispute mechanism when a conflict arises with municipalities. Municipal governments have very few options to resolve a conflict with the port authorities. There is a lack of clarity on port authority accountability.

Recommendations and Imperatives:

- a. Revise the governance model in order to include and respect municipal government's priorities, the OCP and bylaws including the protection of the Agricultural Land Reserve. VFPA needs to be clearly accountable to longstanding municipal plans, regulations and jointly planned outcomes with municipal governments.
- b. The Vancouver Fraser Port Authority should not be permitted to conduct environmental reviews for projects on land that they own or have an interest in.
- c. Ensure the VFPA is accountable to municipal safety bylaws including enforcement of the building code and the Fire Safety Code and takes responsibility for financial costs relating to its projects.
- d. Include the possibility of currently serving municipal representation on the VFPA Board of Directors as well as working committees and build in mechanisms to work with municipal governments.

- e. Provide joint planning and communication opportunities on a regular basis with municipal government. Create letters of agreement with municipal governments in multiple areas including land use, utilities, disaster and emergency planning, police services, dredging development and fire protection.
- f. Integrate joint planning when problem solving and include the participation of municipal governments. Use meaningful community engagement which affects project outcomes.
- g. Create a Western Canada Port Agency to amalgamate the Vancouver Fraser Port Authority and the Prince Rupert Port Authority, to collaborate and develop a Western Canada Strategy that utilizes marine and inland ports. This would include: Marine Port Alberni Port Authority, Nanaimo Port Authority, and major inland ports near Ashcroft, Prince George, Edmonton (Port Alberta), Calgary, Regina (Global Transportation Hub) and Winnipeg (CentrePort Canada).

2. Innovation and Trade Logistics

City of Richmond Issues:

- a. There is an industrial land scarcity and need for efficient and customer-optimized use of industrial lands in the region.
- b. A labour shortage exists in the logistics & warehousing sectors and a skills shortage in administering and operating digital supply chains.
- c. There is a lack of co-operation and integration of goods movement between the Port and regional and local jurisdictions regarding transportation network planning.
- d. There is a need for the VFPA to support long-term municipal priorities, objectives and policies with respect to land use and transportation planning.
- e. Infrastructure improvement is often planned in isolation of stakeholders (e.g., business tenants and the City). Lands owned by the VFPA are not subject to municipal bylaws or taxes. The VFPA does not pay Development Cost Charges (DCCs) including Roads DCCs, which decreases the assistance the City can provide in funding transportation capital projects. Timely project implementation is often lacking especially with respect to infrastructure required by the VFPA operations within its lands to support current and future demand for transportation services, both short-term and long-term.

Recommendations and Imperatives:

- a. Increase cross-jurisdictional integration and include OCP objectives as well as industrial land use, transportation planning and project requirements amongst all stakeholders. This includes transportation planning especially where municipal infrastructure and Port infrastructure connect.
- b. Recognize, support and reflect municipal priorities and OCP objectives when expanding industrial land use on Port lands.
- c. Create increased density on VFPA owned lands to minimize the pressure on agriculture land and use the land efficiently and exclusively for Port related uses only.

- d. Investigate the expansion of Port operations outside the Lower Mainland to decrease the demand for land in Richmond.
- e. Do not expand industrial uses onto land in the Agricultural Land Reserve.
- f. Increase smart technology and ensure collaboration with Richmond, academia and the private sector toward efficient, shared infrastructure and a transportation network integrating municipal and Port operations. This will assist with increased efficiency, emergency planning, improved safety and increased communication between stakeholders.
- g. Develop partnerships to augment the labour force, develop local labour skills and enhance environmental sustainability, including educational institutions, academia and training organizations, as well as First Nations, municipal government and Provincial ministries.
- h. Ensure capital costs allocated by the Port for road improvements within Port lands keep pace with growth.

3. Partnering with Indigenous Peoples

The City of Richmond recommends the continued commitment to work with First Nations communities.

4. Sustainability and Port Communities

City of Richmond Issues:

- a. The Fraser River Estuary Management Program (FREMP) which provided an integrated environmental review of projects along the Fraser River was disbanded. Since that time the review process has become increasingly disjointed. There appears to be no reference to, or coordination of the processes for projects spanning areas of foreshore under jurisdiction of the Port of Vancouver, the Province of BC and the local First Nations.
- b. Tenants of VFPA that are in violation of municipal bylaws and contribute to significant environmental pollution, are not held to the same standard as other municipal businesses not located on Port land.
- c. Joint planning between municipalities and VFPA with respect to sustainability, is not consistent. There is little recognition of City Policies or Bylaws or how the VFPA's permit process will address a project that may contradict Richmond's Official Community Plan or adjacent land uses.
- d. It remains unclear how or when the City will be notified in an environmental review process and if and how public consultation will be carried out for assessed projects.
- e. Multiple agencies are responsible for separate environmental reviews. Richmond is an island and only part of the foreshore is covered under the Port of Vancouver's permit process. The balance of the foreshore is managed by the Province's Ministry of Forest, Land, and Natural Resource Operations and Rural Development. First Nations are also required by the Provincial Government to conduct an independent review of projects in

and around the Fraser River. The disjointed review process often adds significant time and potentially cost to projects.

- f. The Environmental Review Process, conducted on Port of Vancouver land, is not legally required to consider municipal priorities. Municipalities are not approving partners in the approval process. The Vancouver Airport Fuel Delivery Project owned by the Vancouver Fuel Facilities Corporation (VAFFC) is an example of a project that was not consistent with City priorities. A conflict of interest was perceived when the VFPA issued the environmental review process approval on land they owned. The Port of Vancouver leases the land to the VAFFC, where the potential 107 million litre capacity jet fuel receiving facility, providing fuel to Vancouver International Airport, is housed. The Environmental Review Process, while it included the federal and provincial governments, was managed by the VAFFC and the Federal reviewing agency was the VFPA. The City was permitted to comment but there was no dispute mechanism to challenge the outcomes of the project. Permits and plans expected in the rest of the municipality, such as a Fire Prevention Plan including clear access roadways, are currently not in place creating a significant safety hazard. The City currently has no course of action to require these or other plans.
- g. There is limited consideration for timely evaluation of projects.
- h. There is confusion with respect to who is responsible for dredging of the Fraser River which is affecting the primary and secondary channels bordering Richmond. There is a need for timely dredging and regular communication with key stakeholders along the Fraser River.

Recommendations and Imperatives:

- a. Reinststate an integrated environmental review board, similar to the FREMP model that includes multiple partners and conducts reviews in a comprehensive and timely manner. Include municipal government as a required partner in the review process.
- b. Plan jointly around community environmental enhancement areas that integrate with the long term objectives of the City of Richmond.
- c. Ensure tenants of VFPA adhere to municipal/regional bylaws and standards regarding pollution and odor emission.
- d. Include municipal, provincial and other federal agencies with vested interest in Richmond when planning in areas such as disaster mitigation, traffic management and other areas of mutual interest. Integrate shared smart technology, increase renewable power sources and maximize operational efficiency. Share data where appropriate.
- e. Understand and support municipal sustainability principles and the OCP. Set measurable deliverables with municipal governments which demonstrate a genuine interest in community enhancement.
- f. Formalize intergovernmental relationships to create accountability for areas of mutual concern such as land use planning, disaster and emergency planning, dredging of the Fraser River and/or environmental assessment.

- g. Integrate a clear community consultation requirement when developing projects that potentially have effect on the City of Richmond. Public consultation or notification should be a requirement regardless of project size or category. Ensure the consultation involves meaningful community engagement, influences project outcomes and is more than information sharing.
- h. Take ownership of the dredging of primary and secondary channels along the Fraser River. Planning should include shared timelines and work plans in order to ensure smooth operation of businesses along the river.

5. Port Safety and Security

City of Richmond Issues:

- a. Emergency planning is conducted in isolation of municipal priorities. There are challenges with enforcement and compliance on VFPA owned lands.
- b. Data is not shared between partners in areas such as transportation, crime statistics and fire safety.
- c. City Bylaws are not enforced on Port of Vancouver land and Richmond Fire Rescue is challenged to enforce the Fire Safety Code as accountability of the VFPA is unclear. The Port does require tenants on their land to comply with bylaws and in general are not obstructive when RFR has tried to enforce bylaws. The accountability of the VFPA is not clearly defined.
- d. The Vancouver Airport Fuel Delivery Project on leased Port of Vancouver land was not required to adhere to municipal safety and building bylaws as well as other standards. With a 107 million litre capacity of jet fuel at the receiving facility, the potential for a major disaster is significant. Fire Safety Plans and disaster response plans have not been provided to the City. This creates a significant safety hazard and there appears to be no course of action.

Recommendations and Imperatives:

- a. Ensure buildings on Port lands are accountable to fire safety and other municipal bylaws related to safety. Create binding agreements between municipal, provincial and federal governments and the VFPA with respect to safety plans on Port land. This includes taking responsibility and being accountable for fire response, safety and other related costs.
- b. Increase smart technology and ensure collaboration with multiple Smart Cities partners on traffic management and disaster mitigation. Create opportunities to strengthen partnerships between public, academic and private sectors to advance new solutions and processes.
- c. Integrate joint planning around transportation routes and work with City departments for funding requests.

- d. Develop joint strategies with municipal governments to meet the demand of limited resources including policing, flood protection and fire services.
- e. Create data driven solutions to increase digital monitoring and surveillance to decrease crime, increase emergency response and increase communication between the VFPA and the City of Richmond as well as other stakeholders.
- f. Create regular bilateral planning sessions between the VFPA Board of Directors and Richmond City Council and safety working committees. Demonstrate a commitment to more effective communication between municipal and Port operations.

Financial Impact

None

Conclusion

Transport Canada is reviewing the Canadian Port Authorities (CPA) to promote sustainable and inclusive economic growth through effective governance and innovative operations. To improve the viability of the Port of Vancouver operation in Richmond and the working relationship with the Vancouver Fraser Port Authority, staff recommends the City of Richmond contribute the included submission to Transport Canada to help shape the future direction of port operations.



Denise A. Tambellini
Manager, Intergovernmental Relations and Protocol Unit
(604-276-4349)

Att. 1: Ports modernization review: discussion paper Transport Canada