

Subject: Land Use Bylaw Amendment – Portions of W ½ 32-81-6 W4M, NE 32-81-6 W4M, S 5-82-6 W4M, NE 5-82-6 W4M – Highway 881, 77 Km northwest of Janvier – Bylaw No. 15/005

APPROVALS:

Marcel Ulliac, Chief Administrative Officer

Administrative Recommendations:

1. THAT Bylaw No. 15/005, being an amendment to Land Use Bylaw No. 99/059 be read a second time.
2. THAT Bylaw No. 15/005 be read a third and final time.

Summary:

The Regional Municipality of Wood Buffalo has received an application to amend Land Use Bylaw 99/059 to redesignate portions of W ½ 32-81-6 W4M, NE 32-81-6 W4M, S 5-82-6 W4M & NE 5-82-6 W4M from Rural District (RD) to Business Industrial Unserviced District (BIU). The purpose of this redesignation is to allow Inter-Chem to expand their current operation at the Barr transload facility to handle crude oil and molten sulphur.

The authority to amend the Land Use Bylaw is vested with Council under the *Municipal Government Act*.

Background:

Located 80 kilometers southeast of Fort McMurray and 17 kilometers northwest of Janvier, Inter-Chem Canada Limited operates a transload facility within CN's right-of-way in an existing siding known as Barr, through a Service Agreement. A railroad siding is a short stretch of railroad track, typically adjacent to the mainline, used for temporary railcar storage or to enable trains on the same line to pass. In 2012, the existing railway siding and access road at Barr was upgraded as an intermediate facility to handle up to six railcars of molten sulphur per day. Inter-Chem is proposing to expand the existing transload facility on an adjoining Miscellaneous Lease (DML 050016) and is to be completed in three phases.

The expansion will allow for a maximum capacity of 110 cars with an additional 75 car back-up storage on site, two loading zones to transfer sulphur from truck to railcar, two 10 car loading zones to transfer oil directly from the truck to railcar, and a tank farm (storage facility). Phase one includes the construction of two industrial tracks, interior road network, and portable top loading system enabling the transfer of product from truck to railcar. Phase two comprises of construction of two additional industrial tracks and second loading zone. Phase three comprises of fixed overhead loading racks and a tank (storage) farm.

The subject land is designated Rural District (RD) and does not permit the development of a transloading facility outside of the CN right of way. To pursue a development permit application on the subject lands, a re-designation is required.

April 14 Public Hearing:

During the public hearing on April 14, 2015, Council posed several questions to staff, and requested that the information be brought back to Council before summer recess. The questions and their associated answers are as follows:

1. Concerns were raised about the volatility of liquid sulphur, and that it should be formed into dry sulphur for transportation.
 - a. This is an issue to be addressed as a potential condition of approval on a future development permit. This is not pertinent to the Land Use Bylaw amendment itself.
2. The desire was expressed for the applicant to adopt an Emergency Response Plan.
 - a. This is an issue to be addressed during the circulation of a future development permit application. This is not pertinent to the Land Use Bylaw amendment itself.
3. Concerns were raised about the condition of the tracks between Janvier and Lac La Biche, the speed of the train through the area, and whether the train crews wore earplugs which might prevent them from hearing any noise that might be associated with a spillage of liquid sulphur.
 - a. Per representatives from CN Rail, the tracks from Janvier comply with all conditions for operation per the Federal regulations established by Transport Canada.
 - b. Per representatives from CN Rail, because the tracks are fully compliant with Federal regulations, there is no speed differential in the train from one location to the next. The CN representative was unable to confirm the actual speed the trains would travel at as they went through Janvier.
 - c. Per representatives from CN Rail, the train crews do not wear earplugs when transporting loads of liquid sulphur, and thus if there were any spillage-associated noise, the crews would presumably be able to hear it.

4. Concerns were raised about the condition of the railroad crossing near Conklin, and the preference to have enhanced safety devices (flashing lights, barriers, train whistles, etc.).
 - a. Per representatives from CN Rail, the trains are required to use whistles at crossings, and the crossing meets all Federal regulations established by Transport Canada. The crossing is equipped with a “Cross Box” warning device, which is the standard railroad crossing sign, used across Western Canada, and typically seen at a roadside crossing. Per the CN representative, this crossing does not warrant any further warning devices. The representative did note that the CRDAC has applied to Transport Canada for upgrades to the safety devices at the Conklin crossing, but they require a Traffic Impact Assessment to justify the request.

5. Questions were raised about a Traffic Impact Assessment for Highway 881 and Highway 63 to cover the subject property, and whether heavy loads could be limited to overnight hours along Highway 881 to avoid potential conflict with school buses.
 - a. The applicant has consulted with Alberta Transportation, and at their direction prepared a Traffic Impact Assessment (TIA) to cover the areas of their infrastructure most impacted by a future application for a transloading facility. This, specifically, was the intersection of the road to the subject property and Highway 881, and various intersection improvements were identified. These would be incorporated as potential conditions of approval on a future development permit application. Per representatives from Alberta Transportation, the expected truck traffic generated by the first phase of a potential transloading facility would not negatively impact conditions on Highway 63 through Fort McMurray to warrant any subsequent improvements. Any phased intensifications to a future transloading facility would require an updated TIA, per Alberta Transportation.
 - b. Per representatives from Alberta Transportation, Highway 881 is an all-weather, 24 hour road, and heavy loads with the appropriate permits are cleared for 24 hour operation. Disruptive (primarily over-sized) loads would be restricted to overnight hours.

6. Concerns were raised about winter operations on Highway 881, specifically the lack of passing lanes and cleared shoulders during the winter months.
 - a. Per representatives from Alberta Transportation, they are implementing a program of “enhanced winter maintenance” to ensure the visibility and usefulness of the shoulders along Highway 881. Furthermore, Alberta Transportation is expecting to commence a program of widening various highways in the next 3 to 5 years. This would include improvements to shoulder width and safety, and would include Highway 881. Again, the TIA prepared by the applicant has identified improvements to the intersection that include a turning lane which should help alleviate safety concerns. These would be applied as potential conditions of approval on a future development permit for a transloading facility.

Rationale for Recommendation:

The purpose of the Business Industrial Unserviced District (BIU) is to provide for the development of industrial uses located on unserviced lots outside of the urban area. If approved, the proposed amendment will allow for the development of a transloading facility, transferring crude oil and molten sulphur from truck to rail.

Both the Municipal Development Plan and the Highway 63/881 Area Structure Plan support the proposed amendment. Direction R.2.3 of the Municipal Development Plan encourages the expansion of rail transportation as the existing rail infrastructure provides an alternative to land transportation for movement of oil and bitumen to the south. The Highway 63/881 Corridor Area Structure Plan policies support industrial uses in the rural policy area relating to oil sands production and storage facilities.

A Traffic Impact Assessment has been completed and reviewed by Alberta Transportation for the proposed expansion. Based on this assessment, some improvements to Highway 881 will be required. These improvements will be the responsibility of the developer should Council approve this bylaw amendment and will be completed with phase two or in 2020, whichever is earlier.

Administration supports the proposed amendment and recommends that Bylaw No. 15/005 be given second and third readings.

Attachments:

1. Bylaw No. 15/005