



To: Public Works and Transportation Committee

Date: December 10, 2020

From: Peter Russell, MCIP RPP
Director, Sustainability and District Energy

File: 10-6125-30-011/Vol 01

Re: **Global Container Terminals Deltaport Expansion – Berth Four Project**

Staff Recommendation

That the comments outlined in the staff report titled "Global Container Terminals Deltaport Expansion – Berth Four Project ", dated December 10, 2020, from the Director, Sustainability and District Energy, be endorsed and submitted to the BC Environmental Assessment Office and the Impact Assessment Agency of Canada in response to the provincial and federal environmental assessments.

Peter Russell, MCIP RPP
Director, Sustainability and District Energy
(604-276-4130)

Att. 3

| REPORT CONCURRENCE | | |
|-----------------------------------|-------------------------------------|--------------------------------|
| ROUTED TO: | CONCURRENCE | CONCURRENCE OF GENERAL MANAGER |
| Community Economic Development | <input checked="" type="checkbox"/> | |
| Engineering | <input checked="" type="checkbox"/> | |
| Transportation | <input checked="" type="checkbox"/> | |
| Corporate Programs | <input checked="" type="checkbox"/> | |
| SENIOR STAFF REPORT REVIEW | INITIALS: <i>Mo</i> | APPROVED BY CAO |

Staff Report

Origin

This report introduces the Global Container Terminals Deltaport Expansion – Berth Four Project and summarizes the provincial and federal environmental assessment processes currently underway. This report also recommends that comments regarding this project be endorsed and submitted to the BC Environmental Assessment Office and the Impact Assessment Agency of Canada in response to the provincial and federal environmental assessment phases.

This report supports Council’s Strategic Plan 2018-2022 Strategy #1 A Safe and Resilient City:

Enhance and protect the safety and well-being of Richmond.

1.2 Future-proof and maintain city infrastructure to keep the community safe.

This report supports Council’s Strategic Plan 2018-2022 Strategy #2 A Sustainable and Environmentally Conscious City:

Environmentally conscious decision-making that demonstrates leadership in implementing innovative, sustainable practices and supports the City's unique biodiversity and island ecology.

2.1 Continued leadership in addressing climate change and promoting circular economic principles.

Analysis

Project and Site Description

Global Container Terminals Canada Limited Partnership (“GCT”) is owned, in part, by the Ontario Teacher’s Pension Plan, IFM Investors and BC Investment. The company has been operating on the West Coast since 1907. GCT’s proposed Deltaport Expansion – Berth Four Project (“DP4”) involves: expanding the existing terminal’s container storage and handling area; adding a fourth berth on the southeast side of the Roberts Bank Causeway; expanding the existing rail yard; and, relocating several buildings and related services (Attachment 1). DP4 will require additional dredging to provide safe access for ships and to relocate the existing tug basin.

The existing Deltaport Terminal is located on federal land, managed by the Vancouver Fraser Port Authority (“the Port”) and adjacent to the Port’s Roberts Bank Terminal 2 Project (“RBT2”), proposed at the Westshore Terminal. Primary land use in the adjacent areas includes a mix of urban, residential and agriculture, primarily located within the provincial Agricultural Land Reserve. Roberts Bank supports numerous species of fish, ecologically important eelgrass beds and contains mudflats that sustain significant communities of birds on the Pacific Flyway. Upland wildlife habitat in the area includes farm fields, old-fields, shrub land, hedgerows, and channelized watercourses. The Fraser River Estuary (encompassing Roberts Bank, Sturgeon Bank, and Boundary Bay) supports large numbers of resident, migrating, and/or wintering birds and the Strait of Georgia supports several marine mammal species. The area is important in

terms of its environmental attributes, and as a key transportation corridor for the movement of goods and people.

DP4's proposed dredging and shipping activities triggers a review under BC's *Environmental Assessment Act* and the federal *Impact Assessment Act* to determine if environmental certificates are required. GCT prepared an Initial Project Description that was accepted by the BC Environmental Assessment Office and Impact Assessment Agency of Canada in October 2020 to initiate the provincial Early Engagement phase and federal planning phase of the environmental assessment processes. The agencies are currently coordinating these processes together. The purpose of these early phases is to identify key issues, concerns and omissions to better inform a plan for resolution during the assessments, should DP4 proceed. Illustrations of the provincial and federal environmental assessment timelines are included in Attachment 2. A decision on whether DP4 will proceed to environmental assessment will be made by the provincial and federal governments at the Readiness Decision Stages.

Deltaport Expansion Relationship with the Proposed Port Expansion on Roberts Bank

The Port assumed responsibility for managing the Deltaport Terminal and Westshore Terminal in 1983 when the *Canada Port Corporation Act* was enacted. Since then, the terminals have been gradually expanded to meet the region's increasing shipping and transportation demand. The Port is currently proposing to construct a new, three-berth marine container terminal adjacent to its existing location on Robert's Bank (Attachment 1). RBT2 has been undergoing federal and provincial environmental assessments under the 2012 *Canadian Environmental Assessment Act* and the 2002 *BC Environmental Assessment Act* since 2013. Approximately 117 hectares of the Project is proposed to be constructed on federal land and approximately 52 hectares of the project is proposed to be constructed on submerged lands that will be required to widen the causeway and construct an overpass. This project's total area would be 182.5 hectares and would be situated on newly acquired and built federal land managed by the Port. A federal and provincial decision on this project is expected in 2021. Staff are participating in both processes to ensure that Richmond's interests are considered; however, it is the responsibility of the federal and provincial governments to approve or reject each project.

GCT is proposing a 44 hectare terminal expansion, a 560 metre berth extension, 12 hectare rail yard expansion, and a new barge berth (with short-sea shipping considerations). If approved, the application notes that DP4 would be constructed through a phased approach over 4 years, while adding similar shipping capacity to the proposed RBT2. GCT estimates that the construction of DP4 will create 4,700 full-time equivalent jobs in BC (directly) and projects that the existing workforce at Deltaport will also expand by 1,000 additional permanent jobs when at capacity. The project aims to add two million 20-foot equivalent units per year on a new land-based container storage and handling facility. GCT is currently operating on federal land managed by the Port. Should DP4 be approved by the federal and provincial assessment agencies, GCT will also require regulatory approvals from the Port. It is unclear if an independent assessment of total cargo/berthing needs has been completed. Additional comparisons between the proposed DP4 and RBT2 projects are tabulated below.

Table 1.

| | Roberts Bank Terminal 2 | Deltaport Berth Four |
|--|---|--|
| Federal Impact Assessment Act Trigger | Proposed marine terminal designed to handle vessels larger than 25,000 DWT | Proposed marine terminal designed to handle vessels larger than 25,000 DWT |
| Provincial Environmental Assessment Act Trigger | Proposed dredging and filling of more than 2 hectare (ha) of submerged land | Proposed dredging and filling of more than 2 ha of submerged land |
| Projected Container Increase | 2.4 million containers per year | 2 million containers per year |
| Major Project Components | A new three-berth marine container terminal | New marine berth (4 th berth): 560 m berth extension |
| | A widened causeway to accommodate additional road and rail infrastructure | Improvement of existing causeway and rail infrastructure |
| | Expanding existing tug basin | A new expanded tug basin |
| Total Impact Size | 164 ha of infill | 54 ha of infill |
| | 20 ha of dredge area | 14 ha dredge area |
| | 184 ha total impact | 68 ha total impact |
| Construction duration | 6 years | 4.5 years |
| Estimated shipping traffic when completed | An estimated 468 container ship calls by 2030 | Information not available in GCT's Initial Project description. |

Both the DP4 and RBT2 projects will require authorization under the federal *Fisheries Act* for infilling activities that are anticipated to permanently alter existing fish habitat on Roberts Bank.

Summary of Early Engagement and Staff Comments

The BC Environmental Assessment Office and the federal Impact Assessment Agency are leading a coordinated approach to obtain comments from the public and stakeholders regarding DP4. A 45-day public comment period, held jointly between the two agencies, opened on October 13, 2020 and closed on November 27, 2020. Comments were accepted on the BC Environmental Assessment Office and the federal Impact Assessment Agency websites. Virtual information sessions for the public were held on November 5, 2020 and November 10, 2020 to collect the community's early concerns related to GCT's Initial Project Description. Advertising

for the information sessions were included in all of the major newspapers including the Richmond News. A total of 74 people attended the virtual open houses including staff.

Staff have reviewed the information outlined in GCT's Initial Project Description. Although the project is not located in Richmond, project components (similar to the proposed RBT2) related to construction and operations including traffic, land use and shipping may impact the community and should be further evaluated. Staff recommend that the following comments be forwarded to the BC Environmental Assessment Office and the Impact Assessment Agency of Canada:

1. There are currently a number of major projects (proposed and/or approved), at or near the Fraser River estuary including the RBT2, the Delta Grinding Facility Project, the Vancouver Airport Fuel Delivery Project and the George Massey Tunnel Replacement Project (Attachment 3). The City relies on the ecosystem functions of the Fraser River estuary to reduce the impacts of flooding and improve the community's quality of life. Recent updates under *BC's Environmental Assessment Act* and federal *Impact Assessment Act* have not been tested and have the potential to inadequately mitigate the long-term cumulative effects of climate change caused by DP4 and others. If the project proceeds Richmond expects GCT to fully assess the cumulative effects of DP4 in the context of all the major projects proposed in the Fraser River;
2. The local and regional areas evaluated during the RBT2 assessment did not extend into the municipal limits of the City of Richmond for various components including traffic. The City of Richmond expects that if DP4 proceeds to environmental assessment, the City of Richmond will be included in the assessment of valued components, as appropriate, to better understand how impacts including traffic, noise, light, air and visual quality, wave effects, accidents and malfunctions will be managed by GCT and mitigated to reduce possible impacts to the community;
3. The wake, from increased marine traffic, needs to be assessed for wave energy, amplitude and cumulative effects as related to the City's flood protection infrastructure. Future analysis should also include a scenario whereby both RBT2 and DP4 are fully operational;
4. The need for increased containerized cargo volumes is driven by the growth in the regional population, trade and economic development. This will generate increased demand for industrial lands in Metro Vancouver, including large trade-oriented parcels, as well as land supporting general light industrial activities that are part of the international and inter-provincial trade and logistics supply-chain sector, such as local manufacturers, warehouse/distribution, transshipment, and brokers. The City seeks to understand how additional container cargo capacity may impact existing Metro Vancouver projections for the absorption of industrial land in the region;
5. An independent assessment of total cargo/berthing needs to confirm the GCT's assessment. Future analysis should also include a scenario whereby both RBT2 and DP4 are fully operational;
6. GCT's proposed project should align with Metro Vancouver's 2040 Regional Growth Strategy;
7. It is unclear if the City's road network will be impacted from increased truck movements as a result of DP4. If the project proceeds, impacts to regional roadways is required to be assessed including a Traffic Impact Assessment and a Transportation Management Plan are

required for the City's review to determine if possible transportation improvements and/or mitigation are needed, should DP4 proceed. Given the forecasted increase in vehicle movements, the project should not proceed until the long-term improvements to the George Massey Crossing are complete;

8. The City understands that GCT is currently considering short-sea shipping as a project component. The City is interested in understanding how short-sea shipping can be implemented, through further analysis, to reduce regional truck movements;
9. DP4 is proposed in an ecologically sensitive area. The City seeks to understand how adverse impacts to the marine environment, species at risk, critical habitat, birds, marine animals can be avoided during the construction and operations stage should the DP4 proceed;
10. The site is currently located on land in the City of Delta that is designated for industrial uses. If the project proceeds, land outside of the proposed project footprint and within the provincial Agricultural Land Reserve should not be developed to support construction or staging activities;
11. More information is required to ensure that induced tanker traffic will not pose a risk to the community and Fraser River in terms of spills, accidents, malfunctions and potential security breaches; and
12. More information is required regarding proposed low-carbon technologies including grid electricity, green hydrogen, and biodiesel, which also support broader policy and regulatory direction in Canada (and BC) regarding transition from fossil fuels.

Next Steps

If endorsed, the comments above will be submitted to the BC Environmental Assessment Office and the federal Impact Assessment Agency to inform a Joint Summary of Issues and Engagement that will be prepared for GCT's consideration. GCT then has up to one year to consider these concerns and prepare a Detailed Project Description to inform a provincial regulatory readiness decision, expected in late-2021. The agencies will have numerous options at that time including requesting revisions to the Detailed Project Description, terminating the project from the assessment process, issuing an exemption, and proceeding with environmental assessments. Should the project proceed to environmental assessment, staff intend to take GCT's technical submission documents to the City's Advisory Committee on the Environment for their review and comment.

Notice of a future readiness decision will be posted publicly and staff will provide updates to Council accordingly.

Financial Impact

None.

Conclusion

Staff are seeking Council's endorsement for comments detailed in this report in response to Global Container Terminals Initial Project Description. Staff will remain engaged during these early stages and will participate on the Technical Advisory Committee, should the proposed Deltaport Expansion – Berth Four Project proceed to provincial and federal environmental assessments.



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Manager, Environment
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- Att. 1: Site Location Plan
- 2: Provincial and Federal Environmental Assessment Timelines
- 3: Locations of Projects and Transportation Corridors

Site Location Plan



Strait
of
Georgia

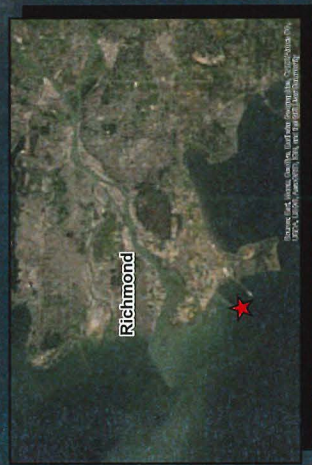
Delta

Tsawwassen
First Nations

BC Ferries
Terminal

Legend

- Proposed Deltaport Expansion Berth Four Project
- Proposed Roberts Bank Terminal 2 Project

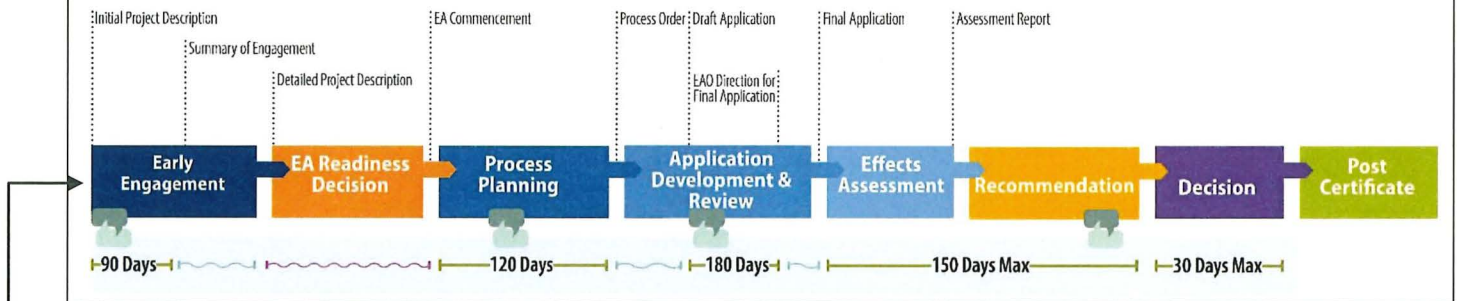


Richmond

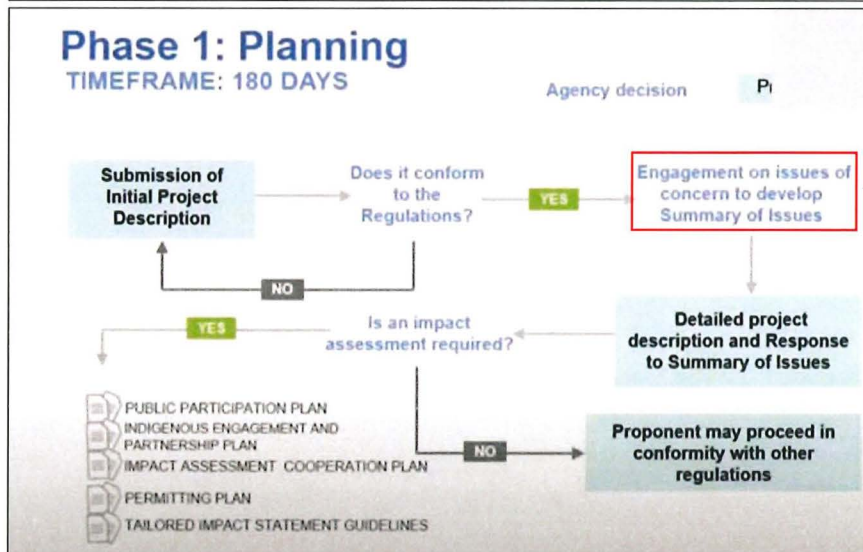
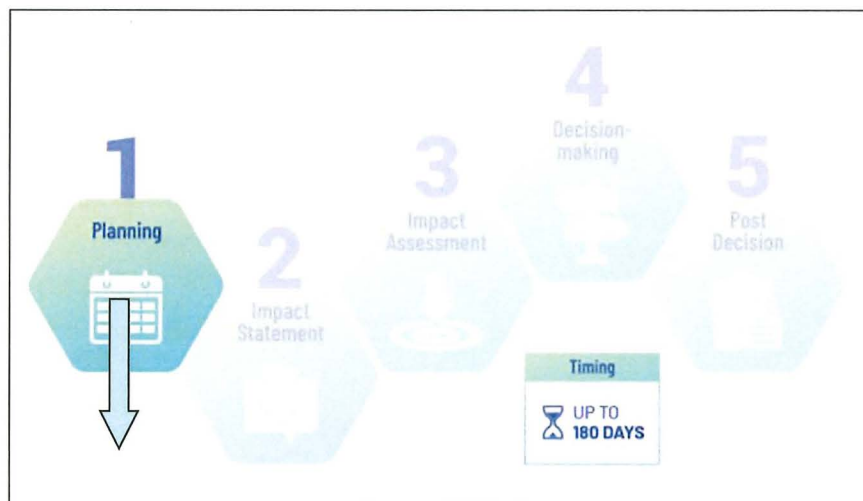
Attachment 2: Provincial and Federal Environmental Assessment Timelines

Environmental Assessment (2018) Timeline

Timeline
 - EAO Time
 - Proponent Time
 - Public Engagement & comment Period



We Are Here



We Are Here

Locations of Projects and Transportation Corridors

