

BUSINESS VANCOUVER

Schedule 2 to the Minutes of the General Purposes Committee meeting of Richmond City Council held on Monday, November 7, 2016.

TRANSPORTATION (/SECTIONS/TRANSPORTATION/)

Barnston business dilemma: industry or ALR?

It's in the ALR, but the orphan Fraser River island could play a key role in the region's goods movement chain or food manufacturing and ...

By Timothy Renshaw | Nov. 1, 2016, 6 a.m.

The island in this stream could provide Metro Vancouver's Asia-Pacific gateway with a strategic industrial land option.

It also has potential as a regional manufacturing distribution hub that, unlike areas designated for industrial use elsewhere, is close to prime road and river transportation corridors.

However, Barnston Island is also prized by some as an important Agricultural Land Reserve (ALR) property and tranquil Fraser River hobby farm collective providing a lifestyle reminiscent of a bygone era.

Its industrial potential faces some major roadblocks. For one, it's in the ALR; for another, access to Barnston relies on the river's last inland ferry.

Barnston's agricultural hurdles are also significant.

The island has a high water table, which, because of the rhythms of the river, rises at crucial times in crop cycles. That results in poor growing conditions for roughly 85% of the island.

A report in an April 2006 Barnston Island Majority Landowners submission to remove the island from the ALR noted that Barnston's agricultural productivity has declined since the 1980s. It estimated that, on the other hand, rezoning 1,100 acres of the 1,400-acre island to industrial from agricultural use would yield a \$13.8 billion benefit to the local economy.

But the EvEco Consultants report concluded that soil suitability is not a game-breaker in Barnston's sustainable agricultural potential. The real issues, it said, were limited access, lack of government support for infrastructure, development pressures and changing market forces.

Those factors weigh against the success of any commercial venture on the island.

Falling within Metro Vancouver's unincorporated Electoral Area A, Barnston is also an awkward regional orphan. It's not part of any municipality; it has no tax base to finance infrastructure improvements.

But Barnston is in the centre of one of Metro Vancouver's fastest-growing areas – a location that gives it significant economic potential – especially in a region with a rapidly shrinking industrial land base.

The Port of Vancouver is among the regional economic drivers that have raised red flags over industrial land erosion. Representatives of the country's largest port claim that it needs land to expand containerized freight and other Asia-Pacific gateway cargo infrastructure – not just for the region but for B.C. and the rest of the country.

One piece of that infrastructure is the Vancouver Fraser Port Authority's proposed \$2 billion Terminal 2 expansion project at Roberts Bank (see "The trouble with Terminal 2"; Business in Vancouver issue 1401, September 6–12). Competition for transpacific containerized cargo along North America's west coast and around the continent is accelerating as highly leveraged deep-sea shipping companies grapple with overcapacity and low container shipping rates.

Global freight company alliances with fleets of larger ships mean container carriers are now making fewer stops at fewer ports. Container handling and trans-shipment efficiency is therefore essential for ports and terminals.

So is land on which to expand cargo-handling capacity.

In an interview with Business in Vancouver earlier this year, Robin Silvester, the Vancouver Fraser Port Authority's president and CEO, said the loss of usable industrial land threatens to stall growth for the port and the region.

"I really worry," he said, "that we are heading toward an economic brick wall in the Lower Mainland."

* Cliff Stewart, the Port of Vancouver's vice-president of infrastructure, estimated that the annual tax revenue and economic spinoff from 100 acres of industrial port land is around \$1.8 billion. The high-paying jobs generated by the operations on that land and off-terminal activities like trucking, warehousing and railway, Stewart added, are significant.

"If you don't have the industrial land available, those jobs will still happen, but they will happen somewhere else."

Others, however, are less keen about exploiting Barnston's industrial potential.

Delta South Independent MLA Vicki Huntington sees it as further erosion of the region's ALR and the regional food security it provides.

"Again, it's pressure on the ALR, and at some point the ALR has to be off limits."

While she agreed that the island is well placed to service regional industrial land uses for goods movement and manufacturing, Huntington said that even the idea of removing Barnston Island from the ALR in exchange for other lands being added to the reserve is "such a mug's game, [especially] with a government that isn't very much in support of the ALR."

The City of Surrey at one time was interested in annexing Barnston Island.

But Mayor Linda Hepner said the annexation's economics would work for her municipality only if Barnston were freed up for industrial or other commercial uses. Hepner said she's aware of the region's need for industrial land to support economic activity, but conceded that some of what's available in Surrey and other municipalities is too far removed to be of practical use to the port.

Barnston's potential uses beyond port logistics, as pointed out in the landowners' submission, include a hub for value-added manufacturing, processing and distribution of food produced on the island and elsewhere in the region.

Hepner noted that over the past 15 years the region has lost many of its food distribution centres, which are critical to maintaining and expanding the Lower Mainland's sustainable food industry and improving local food security.

A major Barnston landowner agrees.

* David Emri and his Emri Group own roughly 55% of the island. But Emri, a former vice-president of acquisitions and development for the Onni Group of Companies, maintains he's not a developer.

"I'm an investor," he said.

Reasons for his Barnston investment are many. Barnston's industrial potential is one.

But whether it's in the form of agricultural cultivation, food distribution, industrial warehousing or port container transshipment, that potential will be realized only if the island's access issues are resolved and all or a portion of its land is freed of ALR restrictions.

* Emri concedes that a single business or investor is not going to make that happen. But he added that if he were a planner, then "absolutely it should be industrial."

As he pointed out, Metro Vancouver has a mandate to protect the region's remaining industrial land but no similar direction to create more.

Because of its proximity to highway and river transportation arteries and its contribution to preserving and cultivating the local food industry, Barnston as a food distribution and manufacturing hub, he said, would be sustainable "green industrial."

His investment, then, is based on the bet that the island will eventually be in the region's development conversation.

Emri emphasized that he is not lobbying to convert Barnston to industrial, but he said the intersection of industrial and ALR needs to be rethought in Metro Vancouver.

- * Emri said Barnston could service industrial manufacturing businesses that support high-paying jobs without having to extend major arterial transportation links through residential areas.

He added that while entities like the Port of Vancouver complain that the region is running out of industrial land, government is not taking the initiative to secure more and better-located sites for future industrial development.

ALR flexibility is one solution.

- * "My definition of green [industrial], from 30,000 feet, is Barnston. We've got rail; we've got river. It's sustainable development. [But] no. This is in the ALR, so we just stop our discussion, and that to me is ignorant."

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Harold Steves • a day ago

Barnston Island was in the ALR. A public hearing was held to consider taking the land out of the ALR. Metro Vancouver Planner Hugh Kellas and I represented Metro Vancouver at the public hearing. David Emri attended the public hearing. So did some people involved with Port Vancouver. The Land Commission rejected the exclusion and kept Barnston Island in the ALR. David Emri subsequently bought up much of Barnston Island.

Barnston Island has a high water table. So does Richmond. They require good drainage and pumping systems. Over the decades Barnston Island had some of the most prominent dairy farms in British Columbia. So did Richmond. Barnston Island and Richmond are part of a very small 1.1% of BC that can grow the vegetables, greens and small fruit that we eat. Neither Barnston Island nor Richmond had a serious drainage problem until land values increased from \$40,000 per acre as farmland to \$1 million per acre for industrial use.

Port Vancouver CEO Robin Silvester wants 2,700 acres of farmland for port expansion. The Port has purchased 200 acres of farmland in Richmond and investors own several hundred acres more. All that is needed is an additional 1,000 acres on Barnston Island and another 1,000 acres in Delta to make up 2,700 acres. Much of Delta is already owned or "optioned" by investors.

Silvester claims that he can use Federal Authority to over-rule both the Richmond and Delta agricultural zones, the Metro Vancouver Regional Plan and the BC Agricultural Land Reserve to develop the land for industry. Under Stephen Harper local MP's assured Richmond Council that Silvester would not be permitted to do so. However, under Trudeau, the new Federal Minister of Agriculture has just announced that Port Vancouver will indeed be able to over-rule local and regional government and the ALR. All that "investors" have to do is sell to the port and the port will remove the land from the ALR.

It appears that we are prepared to risk the serious consequences of climate change to ship coal, oil, and LNG for others to burn as fast as we can get it out of the ground. At the same time we are shipping from farmland that will be needed to feed our own hungry people when much of California becomes desert due to climate change

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