

## ADMINISTRATIVE REPORT

<b>TO:</b> Planning Committee
<b>FROM:</b> Administration
<b>DATE:</b> March 23, 2020
<b>RE:</b> Official Community Plan Amendment – Tank Farm Phase 1

### ISSUE

An amendment to the 2010 Official Community Plan (OCP) to allow for commercial and industrial development on a portion of Lot 429, Group 804, Plan 26170 LTO (“the Tank Farm site”) adjacent to Wasson Place.

### REFERENCE

- *Municipal Act* (2002)
- Official Community Plan (2010)
- Proponent Application Report
- Zoning Bylaw 2012-20
- Bylaw 2020-10 (OCP)
- *Environment Act* (2002)

### HISTORY

The Tank Farm site is 56 hectares in size and is bounded by Hamilton Boulevard to the west; Valleyview to the north; a Ta’an Kwäch’än Council parcel and Alaska Highway to the east; and Hillcrest and Burns Road to the south. The entire site is designated as Residential – Urban in the 2010 Official Community Plan and has been designated for long range residential development since the 1987 OCP.

Between 1942 and 1996, the former Tank Farm operated as a petroleum storage facility. During this time, petroleum hydrocarbons leaked from the tanks, valves and pipelines into the soil which eventually led to environmental contamination of the site. Beginning in the early 1990s, the owners undertook remediation work and in 2001, the near surface contamination area was cleaned up. However, petroleum hydrocarbons were still present in soil and groundwater at lower depths.

In 2011, Environment Yukon designated the Tank Farm as a contaminated site which means it is subject to the Yukon Contaminated Sites Regulations under the *Environment Act*. It gives the Government greater authority over remediation activities on the property so as to ensure the protection of human health and the environment.

In 2012, an integrated restoration and redevelopment strategy for the Tank Farm was developed. In May 2012, engagement was undertaken on the future of the Tank Farm, which included meetings with the Government of Yukon, City of Whitehorse, Kwanlin Dün First Nation, Ta’an Kwäch’än Council, the general public, and nearby community associations. This work cumulated in the creation of the preferred concept which divides the Tank Farm into an urban residential neighbourhood on the western (upper) portion of the site and a mixed use industrial/commercial area on the eastern (lower) portion of the site.

In December 2012, Council approved an OCP amendment to allow for remediation and quarrying activities in order to clean up the site for future development. Temporary remediation activities are allowed in any OCP land use designation, but due to the extent of the remediation activities necessary, the amendment allowed for on-going remediation activities including clearing, excavation, crushing, land treatment facilities, and the removal of soil. During the remediation process, the site has undergone significant re-contouring.

3 Pikas, acting on behalf of the owner of the Tank Farm site, has applied to amend the OCP to facilitate industrial/commercial development on a portion of the site. If approved, future zoning and subdivision processes would also need Council consideration.

### **ALTERNATIVES**

1. Proceed with the Official Community Plan amendment under the bylaw process.
2. Do not proceed with the amendment.

### **ANALYSIS**

#### **Development Proposal**

The subject area (Phase 1), is a 7.3 ha portion of the Tank Farm site (Lot 429, Group 804, Plan 26170 LTO) located in the southeast corner of the lot, adjacent to lots on Wasson Place. Phase 1 is already cleared and mostly free of organics due to extensive excavation work from remediation. The majority of the area is not currently suitable for development as there are deep depressions created through the remediation process. Development at the current grade would require substantial fill to be hauled on-site.

A portion of Phase 1 is at the same grade as lots located on Burns Road. However, due to steep grades on the western portion of the subject area, the proponent expects that an additional 750,000 cubic metres of material will need to be relocated prior to development. This material would be moved to another area of the Tank Farm site and stockpiled for use in future phases (e.g. road construction). The timeframe for the relocation of the material would be relatively short (approximately 3-4 months). Once the excess material has been relocated, the proposal is to develop approximately 13 fully serviced commercial/industrial lots accessed from an extension of Wasson Place.

Future zoning for these lots is proposed as similar to what is currently applied to Wasson Place and Burns Road. Water and sewer connections would be made to existing infrastructure in Burns Road and Wasson Place, although some capacity issues will need to be addressed prior to any potential zoning amendment.

There would also be a significant grade change of approximately 12 m between proposed Phase 1 and the future residential area, which would help to mitigate any impacts resulting for a change in land use.

#### **Official Community Plan**

The proposal is to amend the OCP designation from Residential – Urban to Mixed-Use – Industrial/Commercial. This designation is found in numerous locations along the Alaska Highway, as well as in Marwell, and is intended to provide a mix of service commercial and light industrial activities.

Due to the significant grade change and previous elimination of organic materials, this portion of the Tank Farm site is directly adjacent to the industrial/commercial uses on Wasson Place and Burns Road and is likely not suitable for residential development.

OCP section 6.2.2 states that suitable vegetated buffers shall be maintained around service commercial areas that border on residential areas. The proponent has provided a Master Plan that includes a significant natural buffer between the residential and industrial/commercial area that will range from 30 m to 100 m in width. Part of this buffer is a natural depression that will serve as a drainage area, as well as a potential future recreational and active transportation link.

There would be a significant grade change of approximately 12 m between proposed Phase 1 and the future residential area, as well as a vegetated buffer, which should limit impacts of the proposed amendment to Phase 1 on any future residential development.

Approximate nearby properties and neighbourhoods designated for residential uses include (distances measured to closest points):

- Hillcrest – 120 m
- McIntyre – 560 m
- Tank Farm (residential) – 65 m
- Alacrity parcel – 650 m
- Kwanlin Dün First Nation (KDFN) parcel on Sumanik Drive – 860 m
- Valleyview – 1000 m

As part of the OCP Review Process, Administration has been assessing demand for a variety of different land uses. This work, such as the Commercial and Industrial Land Study, has been undertaken at a citywide scale and isn't directly applicable to the proposed amendment. However, research and engagement to date has shown a high level demand for commercial and/or industrial land in general.

### **Servicing**

Initial review of servicing in the area has shown that the Hillcrest sanitary trunk main may be nearing capacity. As the existing City Sewer and Water Study has not been updated since 2003, additional engineering work will be required to confirm overall servicing potential. Administration has notified the proponent that although demonstration of servicing capacity is not required for an OCP amendment, an amendment to the zoning in this area will not be accepted until the issue has been resolved.

Potential zoning restrictions, such as limited uses or number of lots, could be included in a future zoning amendment to mitigate any capacity issues that are found. Upgrades to existing servicing, if required, could also be negotiated at that time.

As Phase 1 will need to be subdivided from the larger Tank Farm parcel, agreed-upon servicing standards and requirements could be secured as a condition of subdivision, clearly spelled out in a Development Agreement that would be registered on title.

Since potential servicing concerns and design can be addressed more thoroughly through subsequent approval processes (zoning and subdivision), they should not impact the land use decision put forward as part of this OCP amendment.

The projected schedule for the amendment is:

Planning Committee:	March 23, 2020
First Reading:	March 30
Public Hearing:	April 27
Report to Committee:	May 19
Second Reading:	May 25
Third Reading (assumes full 45-day Ministerial review):	July 27

**ADMINISTRATIVE RECOMMENDATION**

THAT Bylaw 2020-10, a bylaw to amend the Official Community Plan designation of a portion of Lot 429, Group 804, Plan 26170 LTO (Tank Farm) from Residential – Urban to Mixed-Use – Industrial/Commercial be brought forward for consideration under the Bylaw process.