



## Metro, industry in dispute over right of way for railway

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A dispute over a half-kilometre-long railway on Annacis Island is brewing between the island's industrial tenants and Metro Vancouver.

The tenants, which include the Southern Railway of B.C. - a major transporter of freight in the province - claim they need a 574-metre statutory right-of-way for a connecting rail line to grow business and intensify industry on the island, and they have the support of the federal government.

But some Metro directors argue they cannot afford to give up any land or the right-of-way for rail, because it could hamper future expansion of the region's largest waste water treatment facility.

The issue, which will be voted on behind closed doors Friday by the Metro Vancouver board, highlights land-use conflicts playing out in various municipalities as they try to boost regional transportation and economic development.

The battle centres around a 1.2-acre section in the northwest corner of Annacis Island, which is already a bustling railway hub, with two rail lines running north and south along the island. Southern Railway of B.C. wants to buy the statutory right-of-way on that parcel for \$2.2 million to build a 584-metre track and connect the two existing rail lines.

The move, said railway CEO Frank Butzelaar, would improve goods movement along the tracks, which were built in the 1950s for 5,000 rail cars, but now see 35,000 cars per year.

It would also expand the supply chain and create hundreds of jobs on the island.

The railway has already received Transport Canada funding for the plan, he said, while steel companies are setting up on the island with visions of tapping into the liquefied natural gas market. Without the connecting rail, Butzelaar warns, those jobs are likely to go offshore.

"The real opportunity here, and what we're trying to explain to Metro Vancouver, is the major component to recognize is that they need to protect and intensify the use of industrial land," he said. "We have a very unique business park there that can be accessed by road, marine access on the Fraser River, and by rail. This is a sheer huge win for everybody."

Richard Walton, mayor of North Vancouver District and vice-chairman of Metro's utilities committee, said he expects most mayors would support improved goods movement and increased economic development on the island.

But the issue comes down to ensuring that Metro is fairly compensated for incremental costs on the land. Walton, who hasn't been involved in the negotiations, said Metro bought the land because it would be needed in the next few decades to expand the sewage treatment plant.

If it sells a chunk of it, this means Metro would have less room not only to expand the plant, but for construction equipment and storage, which could mean higher construction or land costs, especially if the area is built out.

"I don't think any Metro Vancouver director has a problem with moving goods more efficiently," Walton said.

"It's certainly going to assist the future economy by improving freight and logistics. I get that. But there's a cost to that and that cost is expected to be borne by Metro Vancouver. We have a fiduciary duty to supply utility services in the most economical way."

City of North Vancouver Mayor Darrell Mussatto, who chairs Metro's utilities committee, argues the sale of the land could result in limited access to that corner of the island because of the trains, which will result in traffic bottlenecks.

He likened the situation to what's already happening in North Vancouver.

"If you take a piece of property and put a train track through it, what does it do? It significantly affects it," he said.

"We obtained it for future expansion for treating sewage and have to protect that. It's not like the railway is going to go out of business. My goal is to look out for the public good."

Mussatto maintains Southern Railway can still function "in a very positive way" with the existing rail lines, but it could be a different story altogether for Metro Vancouver down the road.

But Delta Mayor Lois Jackson dismissed those arguments, noting Annacis Island was created as an industrial park and should be intensified, as part of the regional growth strategy. More rail lines would mean fewer trucks on the road, along with faster goods movement, she said.

A Delta staff report notes the marine rail terminal constructed by Southern Railway connects their existing tracks on Annacis Island with Canadian National, Canadian Pacific, BNSF and Union Pacific rail lines. The volumes expected to be handled at this facility can handle up to 6,000 loads per year.

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