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Vancouver Island Motorsports Circuit

Rezoning Application and Community Consultation Report

January 2019

Table of contents

- **Executive summary**
- **Introduction**
- **Project description and history**
- **Current proposal and application process**
- **Community consultation**
- **Changes to the rezoning plan**
- **Development Permit**
- **Studies completed**
- **Polices, project implications and impacts**
- **Servicing**
- **Conclusion and next steps**
- **Appendices**

Executive Summary

This report outlines the history, process, consultation and a discussion of the issues pertaining to the rezoning application and OCP amendment application by Vancouver Island Motorsports Circuit (VIMC) for the expansion of the Circuit.

VIMC has been working closely with the Municipality of North Cowichan (the “Municipality”) since 2014 on acquiring the land, obtaining permits, constructing phase 1 of the Circuit and now expanding the Circuit for a phase 2.

The rezoning application was submitted at the request of the municipality in July 2017 and the Official Community Plan (OCP) amendment application in August 2017. A consultation plan was approved by the Municipality in early 2018 and has been diligently implemented by VIMC, including:

- Consultation with the Cowichan First Nation;
- Hosting several well-attended public open houses with notification of the open houses going to every home in the entire municipality as well as to the Sahtlam neighbourhood;
- Offering information online and in various documents;
- Stakeholder meetings including;
- Individual dialogue with neighbours and anyone interested in the project;
- Establishing an email list to use to update interested residents on the project;
- An active public Web site;
- Over 700 personal tours of the facility for members of the public; and
- Use of the facility by many Community Groups including schools, First Nations, and events like the Car gathering and annual Christmas Open House. In total over 9,000 people from the Cowichan area have visited and used the facilities.

The consultation process in the spring of 2018 resulted in a range of comments from the community:

- **Positive comments**
 - Support for community access to trails and natural areas.
 - Support for having a facility for community events.
 - Support for the Circuit’s positive economic benefits.
- **Concerns**
 - Acceptable sound level
 - Any environmental impact
 - More consultation needed with the community and First Nations

VIMC subsequently revised the site plan and submitted an updated site plan along with a Development Permit (DP) application in October 2018.

To address concerns raised in this initial stage, the revised site plan changed the Circuit’s proposed layout to be entirely within the land currently zoned for industrial uses (I-2), reduced the impacts on the environment and proposed significant measures to further mitigate any sound level impacts that some residents felt were unwarranted by the Circuit.

The proposed rezoning and site plan meet a full scope of the Municipality's OCP goals and policies including:

- **Protecting Cowichan Valley's rural setting** by keeping development on industrial lands, having no impact on visible hillsides in viewshed areas. It also protects forested areas and will reforest other areas in the phase 2 Circuit expansion to achieve over 80% forest cover in this expansion area. In addition, it will give forest land to the community, and support the Valley's farms, wineries and food industry through its positive impact in tourism.
- **Guarding the health of the environment** by not impacting environmentally sensitive areas, minimizing and mitigating impacts on riparian areas in the project area. It will install advanced storm water management systems and gift natural areas to the community. In addition, it will reduce allowable sound levels at the Circuit and is proposing sound level mitigation infrastructure. VIMC has also consulted with First Nations on culturally significant issues.
- **Responding to climate change issues** by ensuring the Circuit is designed with resilience in mind, preserving forested areas, pursuing clean EV vehicles and charging infrastructure in the Circuit, and adopting environmentally friendly operations practices.
- **Encouraging economic development** and benefits to the Cowichan Valley community including \$16.7 million to construct the first phase of the Circuit and spending \$1.5 million in the Valley every year currently. Phase two is projecting another investment of \$36.5 million and adding another \$4.5 million annually into the regional economy, including employing over 20 full time staff currently and projecting 28 fulltime jobs associated with the phase 2 expansion along with hundreds of jobs during construction. In addition, the Circuit provides hundreds of thousands of dollars in tax revenue directly to the Municipality every year and plays a major role in expanding the Valley's tourism sector.
- **Implementing the Valley's Industrial Lands Development Policy** by diversifying industrial activity, enhancing its global identity and profile, adding publicly accessible parks and trail land, increasing servicing infrastructure to industrial areas and promoting clean vehicle technology.
- **Building strong communities** in the Valley through adding growth within the Urban Containment Boundary, enhancing the municipality's infrastructure and protecting and enhancing natural and park lands.

The Municipality has repeatedly acknowledged the suitability of the I2 zone for the facility. On October 10, 2018, VIMC filed an application for a development permit in relation to its proposed expansion of the facility within the I2 zone.

However, VIMC and the Municipality also consider there is value to the community in first proceeding with a comprehensive rezoning application for VIMC's properties, and as a result VIMC has agreed to have the proposed rezoning addressed in advance of processing the development permit application.

Having met all the requirements for the process and zoning application, VIMC is looking forward to proceeding through the Council approvals process and into development of the next phase of the Circuit to realize all the benefits it will bring to the Valley.

Introduction

This report provides a summary of the Vancouver Island Motorsport Circuit's (VIMC) rezoning application and the consultation work undertaken in support of the application.

The report includes a significant amount of information drawn from the rezoning application and supporting studies, for the purpose of summarizing the project elements, addressing key issues and providing a full perspective on the project.

Context

North Cowichan has been pursuing the development of a stronger commercial and industrial tax base to support and fund the social and other municipal services needed to support the residential population for many years. Commercial and industrial properties provide a proportionately higher level of tax revenues than residential and agricultural properties.

In addition, the Municipality has been promoting the growth of the tourism sector for decades, to diversify its economic foundation away from primary resource-based industries and to build on the Valley's significant natural and agricultural tourism assets.

In the lands adjacent to this site, in response to the significant interest in motocross motorcycle activities amongst families in the Valley, land in the industrial park was rezoned in the 1980s (1984) to C8 that allowed a race track. The development on this and adjacent lands focused on a safe place to race motocross bikes and was called *Island Motocross Duncan*. For approximately 10 years, the track was heavily used by this group with up to 2 dozen bikes being on the track at any given time. This group also hosted national motocross competitions, with up to 300 bikes competing at the same time. The municipality agreed to the sound levels associated with the track.

In addition, go-kart racing occurred on some of the areas of the current site around 2012.

Project history

In 2014, the Municipality of North Cowichan and the GAIN Group engaged in discussions to purchase the then municipally-owned land at 4063 Cowichan Valley Rd, on which the Vancouver Island Motorsport Circuit (VIMC) is now located.

The legal description includes:

- LOT A SECTION 3 RANGE 1 SOMENOS PLAN EPP35449
- PID: 029-201-675
- Folio: 05005-100

There are three parcels associated with the site:

- **Parcel 1**
 - This parcel is home to the current phase of the Circuit and has two zones: C-8 (Commercial Rural Recreation) and I-2 (Heavy Industry).
- **Parcel 2**
 - This parcel is zoned I-2 and is the focus of the next phase of development of the Circuit and its supporting facilities.
- **Parcel 3**
 - This parcel is zone A-4 (Agriculture / Rural Resource)



Map of parcels

Development of the first phase of the VIMC

Prior to agreeing to purchase the land, VIMC's concept and associated land uses were discussed in depth with the Municipality and it was confirmed in writing on multiple occasions that the proposed uses were acceptable and permitted within the existing zones in the Municipal zoning bylaw.

The municipality stated that the vehicle test circuit and driver training facility, as it was proposed (and has since operated) was permitted within the I-2 zone as an industrial use.

With that assurance, VIMC purchased the land, and undertook extensive studies and design work in 2014. In 2015, VIMC was issued permits in 2015 and 2016 for development on the first parcel.

Permits included:

- Development Permit (#DP000032) on April 14, 2014 – for clearing of the site for the facility;
- Development Permit (#DP000054) on August 17, 2015 – for the Vehicle Testing and Training Facility;
- Building Permit (#BP007154) on August 17, 2015 – for construction of the facility foundation;
- Building Permit (#BP007154) on October 20, 2015 – for construction of the complete facility; and
- Development Permit (#DP000075) on September 9, 2016 – for stormwater management facilities and form and character.

While these permits were issued "as of right," Council further supported the project by voting on an agreement where VIMC would invest \$1.3 million in (water) servicing upgrades to the area – which have subsequently been constructed.

The first phase of the Circuit was completed in May 2016 and opened to the public in June 2016. The Circuit has been in operation since.

As a result of a legal challenge by a group of three households, the Municipality recommended that a comprehensive by-law be enacted to provide clarity on a number of issues.

The current industrial zoning does not empower the Municipality to address some of the issues that were of concern to some residents in the Sahtlam neighbourhood, including hours or days of operation, acceptable sound levels and others. Through approving an updated comprehensive zone for the Circuit's lands, these issues can be addressed to the satisfaction of all parties.

With this goal in mind, in July 2017, with the assistance of the Municipality and its staff, VIMC submitted a rezoning application for a comprehensive development zone (CD) for the entire property (all parcels) to more closely align the zoning with the larger vision for all phases of the project and to address concerns that had been discussed.

In August 2017, the Municipality informed the land owner that an OCP amendment would also be required and on August 30, 2017, that OCP amendment application was filed.

The rezoning and consequential OCP amendment are the subject of this report.

Current proposal and application process

The Circuit is a facility for the testing, servicing and repairing of motor vehicles, and as such is appropriate in the I-2 zone (per the “industrial use” and “service industry” permitted uses). The facility’s conformity with the I-2 zoning has been confirmed on many occasions by the Municipality and is the basis on which past development permits and building permits have been issued.

The Municipality also confirmed the facility’s conformity with the I-2 zoning in an affidavit filed in the Supreme Court of British Columbia on August 10, 2018 and stamped in the court registry for August 14, 2018, Mark Ruttan, Director of Corporate Services / Deputy Chief Administrative Officer for North Cowichan stated that:

3. The elected Council of the Municipality has endorsed the position that the Owner / Operator’s use of the Lands complies with the Municipality’s Zoning Bylaw 1997, No. 2950, as amended, (the “Zoning Bylaw”) and, as a result, the Municipality’s Noise Bylaw 1995, 2857, as amended (the “Noise Bylaw”).

The Court accepted that evidence and in its judgment of October 12, 2018 wrote, “the Municipality of North Cowichan takes the position that VIMC’s use of the site where it operates complies with the Municipality’s Zoning Bylaw and its Noise Control Bylaw”.

The future vision for the project includes an expansion of facilities, as well as making land available for public use, and thus the intent of creating a new comprehensive site zoning to support the new plan was agreed upon by all parties as the optimum way forward.

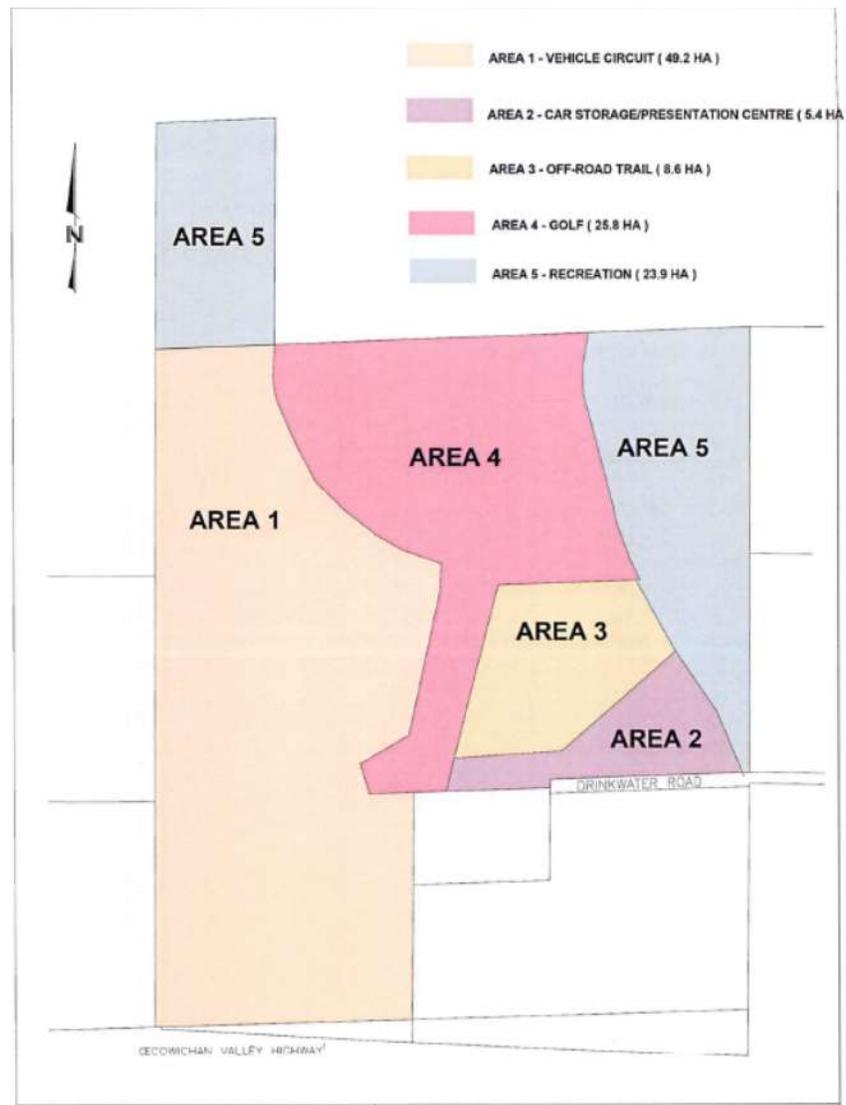


Image of Vancouver Island Motorsports Circuit – Phase 1

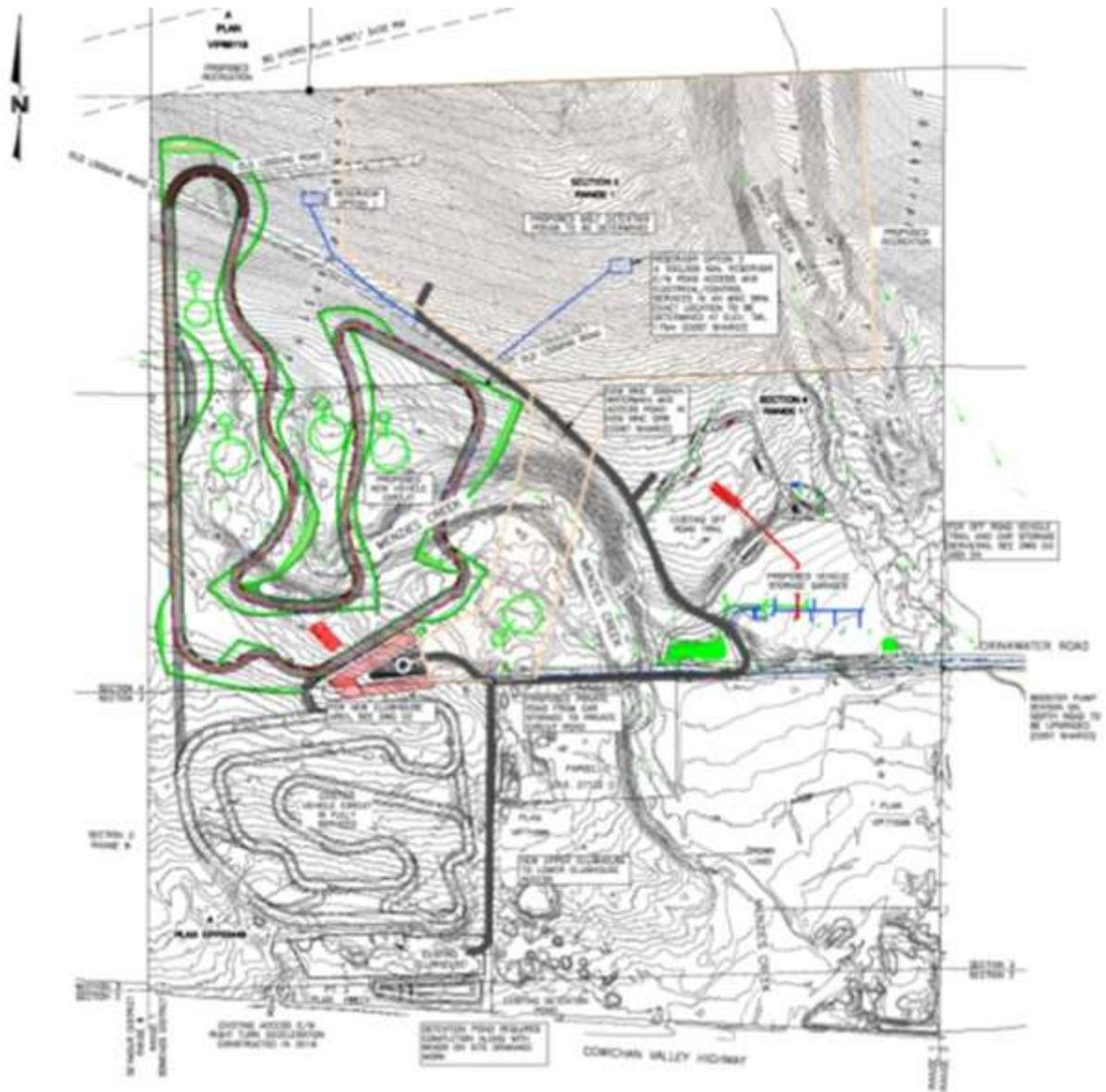
The initial rezoning proposal

The rezoning proposal, submitted in 2017, is intended to support an expanded vision for the site on Parcels two and three. It restructured the site into five subareas including:

- An expanded vehicle circuit;
- A vehicle storage, presentation and inspection centre;
- A new off-road vehicle testing circuit; and
- A natural recreation area.



Rezoning application plan structure



Rezoning application site plan

Community consultation

VIMC is committed to be a good corporate citizen in the North Cowichan community. As such, VIMC has undertaken a comprehensive public consultation program with the community over this rezoning and the expansion of the circuit.

A public consultation plan

A public consultation plan was developed by VIMC and approved by the municipality on April 4, 2018, as per Council meeting notes where the CAO, Ted Swabey, noted:

“We’ve also had a public engagement strategy proposed by the track. We’ve reviewed it and it is now ready to be posted on the website and for them to get on with their public engagement process with the neighbourhood.”

Key elements of the approved consultation plan included:

- Goals:
 - To inform the community about VIMC’s rezoning application;
 - To consult and obtain input and feedback;
 - To identify and make changes to the plan to respond to concerns; and
 - To inform the community about the changes that were made.

- Techniques that were to be used included:
 - Public open houses;
 - Information displayed online and in various documents;
 - Stakeholder meetings including;
 - Individual dialogue with neighbours and anyone interested in the project;
 - Establishing and email list to use to update interested residents on the project;
 - An active public Web site;
 - Over 700 personal tours of the facility for members of the public; and
 - The facility has been used by many Community Groups including schools, First Nations, and events like the Car gathering and annual Christmas Open House. In total over 9000 people have visited and used the facilities.

The public consultation process

VIMC has implemented this plan over 2018, including the following elements.

First Nations Consultation

VIMC has met with the Cowichan Tribes on several occasions:

- In July 2017, VIMC met with Chief William Seymour and the Band's staff at their office to discuss the project.
- In October 2017, VIMC gave a tour of the site to an elder and staff members of the Band.
- In November 2017, VIMC took an elder and staff member up into the site to the location of the off-road track.
- Cowichan Tribes was specifically invited to each open house.
- Additional meetings are being scheduled between VIMC and Cowichan Tribes.

Public open houses

Three public open houses were held in 2018 at the VIMC facility:

- Two in the spring— April 24th (est 250-300 attendees) and April 29th (est 150-200 attendees); and
- One on November 17th (203 attendees signed in)

Notification for these open houses included:

- A Canada Post mail drop to every household in North Cowichan and Sahtlam. The standard of practice is to mail drop in the immediately surrounding neighbourhoods and the municipality's draft new Municipal Procedures Bylaw only requires notification within a few hundred metres of a project site. However, VIMC sees itself as a facility for the entire community and therefore is interested in everyone's feedback and therefore has notified the entire community of its open houses.
- Two full page ads were put in the local paper (Cowichan Citizen) prior to each meeting.
- Additional information was provided online and through email.
- A personal email was sent to the Mayor and each municipal Councillor inviting them to each open house.

Stakeholder meetings

In addition to public open houses, VIMC has had discussions with many stakeholders in the Valley including:

- Letters were sent to each of the seven members of the Cowichan Community Coalition requesting a meeting. Only one agreed to meet with VIMC – the Somenos Marsh Wildlife Society. VIMC met with the Somenos Marsh Wildlife Society to discuss their concerns and ideas.
- Meetings with local businesses, including Surespan, Duncan Paving, Imperial Welding, Duncan Meadows Golf Course and Averill Creek Winery.

- Meetings were held with local organizations including, Duncan Chamber of Commerce, Lake Cowichan Chamber of Commerce, Cowichan Hospital Association, BC Forest Discovery Centre, and Purica Foundation.
- Meetings have also been held with residents from the Sahtlam Neighbourhood.

Local government meetings

VIMC has had good communication with the local government including:

- Many meetings have been held with the Municipality's CAO and staff.
- Meetings have been held with the Mayor and Councillors of North Cowichan.
- VIMC tried to connect to the CVRD's Manager of Economic Development but no phone calls or emails from VIMC were returned by the ED office.

Community dialogue and interaction

VIMC has worked closely with the Municipality to engage discussion on issues directly with the community, through the community stakeholder meetings as well as through emails and conversations with the community.

Feedback that has been received and responded to through these venues included disseminating reports and studies, discussing them, ensuring adequate information was provided on the community page of VIMC's website and others.

The Circuit plays a significant positive role in the life of the community. Since its opening in 2016, over 50,000 people have attended events at the Circuit's facilities. The annual Motorgathering event, held each of the past three years, attracts approximately 10,000 people alone to the Circuit each year.

In addition, the Circuit's facilities are made available to the community for a wide range of gatherings. In the past three years, these have included, corporate events, tours, birthdays, team building events, drivers training, traveling experiences, bachelorette and bachelor parties, gatherings of families and friends, holiday events, Christmas events, open houses, vehicle launches, photo shoots, dealership events, car club events, car meets, recognition events, and others.

Results of initial consultation

The results of the open houses in April 2018 and dialogue on the plan submitted in the original rezoning application identified issues that the community supports and ones about which they have concerns.

As is common with industrial activities on industrial land, the benefits of the industry and activities are experienced community-wide, but the challenges are experienced by those who live near the industrial lands. As such, many of the issues raised in these open houses were by a small group of residents who live in the Sahtlam neighbourhood near the site. However, not all residents of the Sahtlam

neighbourhood agree with the concerns raised by the small group of residents who took legal action against the Circuit.

The documentation from the open houses is included in the appendix to this report, and in summary, the list of issues addressed were similar across both of the open houses in April 2018, including:

- **Positive comments**
 - Support for community access to trails and natural areas.
 - Support for having a facility for community events.
 - Support for the Circuit's positive economic benefits.
- **Concerns**
 - Acceptable sound level
 - Any environmental impact
 - More consultation needed with the community and First Nations



Images from the Open House held in November 2018

Changes to the rezoning plan

Following a significant amount of input from the open houses and community dialogue in early 2018, VIMC undertook to change the site plan in the rezoning application and implement a range of measures to respond to the concerns raised by the community. This work occurred during the summer and early fall of 2018.

A summary of the changes that have been made to the plan in response to the input, include:

- ***Design and environmental impact***
 - The proposed Circuit expansion area was changed to be more compact and contained solely within the already zoned I-2 industrial area to thereby reduce the amount of clearing required and eliminate impact on the A-4 parcel.
 - A reforestation plan was implemented to reforest all areas around the Circuit that are needed for travel and safety zones, resulting in the new Circuit expansion area being over 80% forested when complete. This change will set this industrial use apart from others in the Valley for its preservation of forested lands.
 - The number of crossings of Menzies Creek was reduced from seven to four.
 - Additional stormwater management measures were added to ensure the post-development runoff did not exceed pre-development levels, and that all runoff was detained and sensitively percolated back into the ecosystem's groundwater table.
 - Fish habitat enhancements were included in and around any stream crossings.

- ***Sound levels***
 - New standards were implemented regarding the maximum allowable sound levels from vehicles on the Circuit, reducing the levels at the source to achieve an effective reduction of sound impact experienced by the human ear by nearly 50%.
 - A significant investment in sound barriers are now planned for the both the existing and new areas of the Circuit, including berms, sound absorbing walls and fencing.

Sound mitigation

The issue of sound has been raised by some and as such, it is important to delve a little deeper into this issue. Throughout this rezoning and public engagement process the Circuit has continually tested, modified and changed its operational procedures in order to assess the reasonableness of concerns over sound and in any event reduce sound levels, regardless of whether such concerns are well-founded or not.

There are several aspects to consider with respect to the issue of sound levels, including:

- Allowable sound levels in industrial areas with respect to municipal bylaws;
- Timing of sound impacts;
- Sound level mitigation efforts

Sound bylaws

Throughout the Motorsports entire operation from June of 2016 to the present, there has not been any vehicle or device which has shown or been proven to be having an impact above 60DBs in the neighbourhoods adjacent to the Circuit. Sound levels at the source (next to the vehicle) are significantly reduced as the sound travels to reach surrounding areas, resulting in a significant reduction in its impact.

In addition, there have been no actual violations of the noise-by laws in the Municipality of North Cowichan or the neighboring Sahtlam area. To date, no Municipality has served the VIMC with a notice of any violation at any time. In addition, no municipal staff, current or past, or Council have questioned the Circuit's operation as being in violation of a noise bylaw.

This information is based on testing done by sound experts on the Island and Internationally, who visited the site and were retained by VIMC to review its sound levels.

The context for sound levels is also important to consider. Lying between the Circuit and many of the neighbourhoods where concerns have been voiced is Cowichan Valley Highway (18). Cowichan Valley Highway is a busy highway and it carries a wide range of vehicles, many of which produce as high or higher sound levels than the vehicles that use the Circuit – logging trucks, sports cars such as Corvettes, Harley Davidson motorcycles and others. The highway currently has nearly 5,000 vehicles per day including hundreds of large trucks.

A review of the Cowichan Valley Highway data from Watt Consultants indicated the following:

- The count location (12-060EW) provided daily (and hourly) traffic volumes and vehicle classification data over a 3-day period. In 2015, this section of road was posted at 90km/h and had a daily traffic volume of 3,600 vpd (roughly 50/50 per direction over the day). Hourly volumes by direction were fairly consistent between 7am and 4pm with 130 vph per direction.
- The last time the vehicle classification (types of vehicles) were collected was 2005. At that time the breakdown was as follows (over a 73-hour period):

<i>Vehicle type</i>	<i>73 hr period count</i>	<i>% by class</i>	<i>Daily volume on Hwy 18 at VIMC</i>
Passenger Vehicles	10,289	84%	4,872
Buses	75	0.6%	348
Single Unit	1,200	9.8%	568
Single Trailer	350	2.9%	168
Multi-Trailer	336	2.7%	157

Notwithstanding the fact that the sound levels from the Circuit fall within all allowable levels, in response to community comments, VIMC has taken the step to change what vehicles are allowed on the Circuit and reduced allowable levels on the Circuit well below what is allowed.

VIMC has adopted a policy to only allow “street legal” vehicles on the Circuit, or manufacturers’ prototypes of future street legal vehicles. This policy will further ensure acceptable levels of sound. Even though a number of the vehicles that used the Circuit prior to this policy being implemented are considered non-street-legal (e.g.: Crossbow, Radical, others) they still did not exceed the allowable sound levels. However, in order to address the concerns of some residents, VIMC has adopted this new policy.

The Circuit uses no outdoor speakers or outdoor music and the screeching of tires is prohibited. Any Circuit member or person leaving or arriving at the Circuit is expected to respect and adhere to these rules, both on and off site on Highway 18.

Hours of operation

The industrial lands on which the Circuit operates permit the use of heavy industrial machinery as well as equipment with significant sound impacts, such as helicopters.

The Municipality does not have established controls on hours of operation or permitted sound levels for industrial lands (including the Circuit). The municipality accepts that heavy industrial businesses in North Cowichan, as in any municipality, are a key part of the economy and are often accompanied by significant levels of noise.

VIMC has however instituted controls that only permit the Circuit to be used during regular daytime business hours and has not permitted the use of helicopters for some time.

Sound barriers

The proposed second phase of the Circuit’s expansion included in this rezoning and its associated Development Permit application, include a commitment from VIMC to invest a significant amount in physical sound mitigation structures – berms, sound fencing and sound walls.

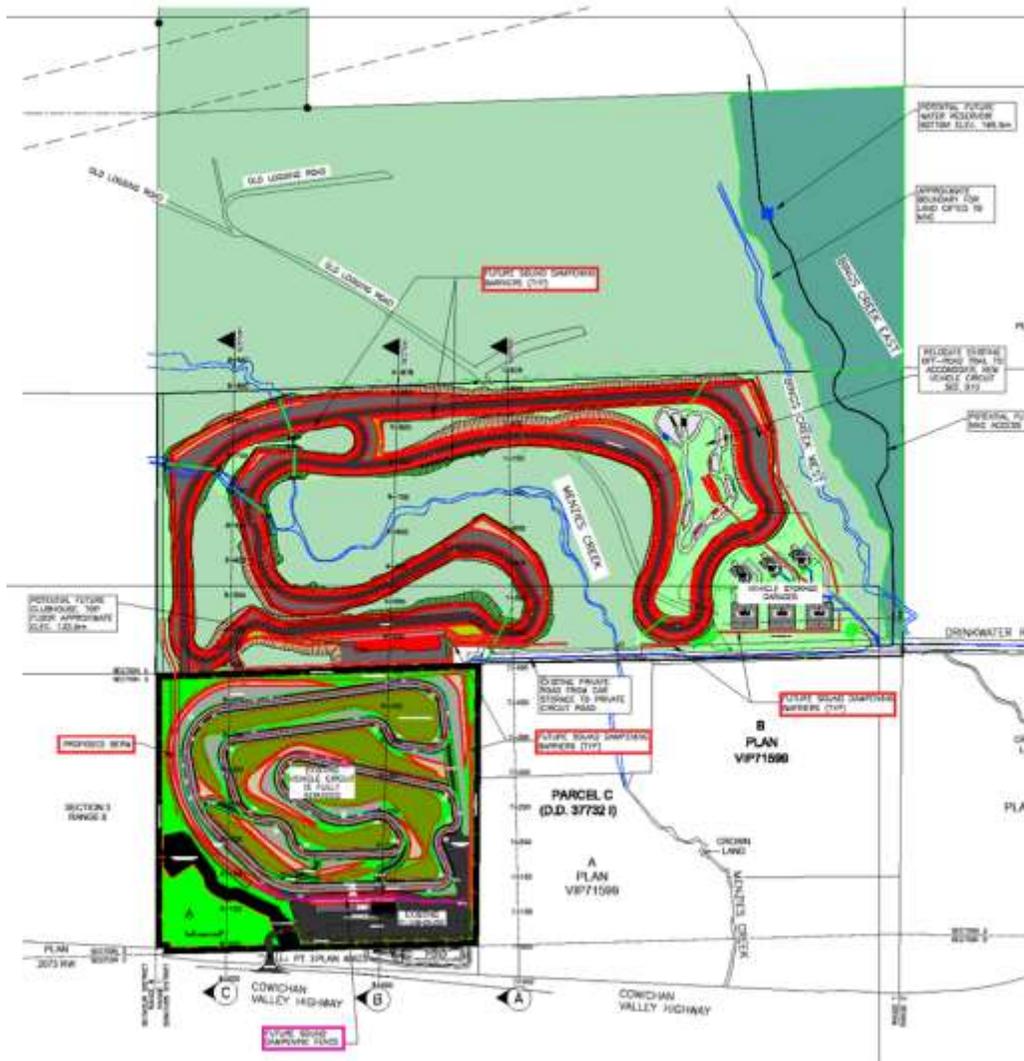
The list of proposed measures includes:

- **A sound blocking berm** to be installed on the west edge of the current phase 1 of the Circuit. This berm will significantly reduce sound impacts on the neighbouring areas east of the Circuit.
- **A sound-absorbing “sound wall”** to be installed in the current phase of the Circuit, along the south edge of the Circuit, adjacent the current Clubhouse. This sound wall will significantly reduce the sound impacts on the neighbourhood opposite Highway 18 from the Circuit.
- **Sound fencing** will be installed in many areas across phases one and two of the Circuit, including:
 - The east edge of the current phase one of the Circuit – to limit sound travel into the industrial area;
 - The south side of the Phase 2 expansion – to limit sound travel into the industrial area and any neighbourhoods south of Highway 18;
 - The east edge of the Phase 2 expansion – to limit sound travelling toward Bing’s Creek and Drinkwater Rd; and

- On the south edge of several sections of the Circuit in Phase 2 – to further mitigate sound from travelling south from within the Circuit.

The highly experienced sound experts retained by VIMC anticipate that this investment in sound barriers will have a significant impact on reducing sound levels in the surrounding areas.

In addition, the natural topography of the area designated for Phase 2 of the Circuit will naturally mitigate sound travel in many cases. The current phase of the Circuit is on topography that slopes southward and the site has been cleared. This setting provides little in the way of natural sound barriers. In contrast, much of land that will hold the Phase 2 expansion, is flat or even in a gentle valley and significant percentage of the land will be forested. These features will naturally mitigate and further reduce some sound travel.



The revised rezoning application site plan

Review of the revised site plan

Another open house was held on November 17, 2018, to present the new plan and to inform and consult with the community on the changes. VIMC had a full team of their consultants and others available to discuss issues and answer questions at this open house. Feedback was sought on the changes through comment cards.

Feedback in the comment cards on the updated plan included:

- **Positive comments** (21 comment cards generally in favour)
 - Appreciation for the positive economic benefits from the Circuit.
 - Appreciation for the communication efforts of VIMC.
 - Appreciation for the changes to the design to address environmental and sound-level issues.
 - Appreciation for the facility and efforts to connect to the community.
 - A desire from some for expanded events at the Circuit to include electric vehicles and go-karts.

- **Concerns** (11 comment cards generally concerned or opposed)
 - Concern for unknown impacts on elk in the area and a desire that it be fenced to avoid conflict between vehicles and elk.
 - Concern for impacts on the adjacent creeks, especially from runoff from the Circuit paved areas.
 - Concern for sound levels and how effective the sound-mitigation berms, walls and fencing will be.
 - Concerns for fire risk.
 - Concern about impacts on nearby home values.

Addressing the issues

With respect to the concerns raised in the November open house and the revised plan, the following comments can be made:

- | | |
|---|--|
| <ul style="list-style-type: none">• Elk habitat and protection | <ul style="list-style-type: none">• The protection of elk involves two primary issues – maintenance of their travel corridors, especially to and along water courses, and fencing to keep them apart from the Circuit.• The Circuit (all phases) is and will be fully fenced to keep ungulates, including elk, away from the Circuit as interactions are dangerous for both the elk and the users of the Circuit.• The riparian corridors have been protected to a distance of at least 30m from the creeks with no breaks in the continuity of that setback along the creeks. This riparian corridor supports easy access to and movement along the riparian areas across the site. |
|---|--|

- In addition, the change in the Circuit layout to focus on the Industrial zoned parcel retains the natural character of the A-4 parcel for use by the elk.

- **Impact on creeks**
 - The revised plan significantly reduced impacts on the creeks associated with the earlier plan, specifically reducing the number of crossings of Menzies Creek from seven to four.
 - The standards used for protection of the Creeks with setbacks and mitigation measures around crossings meet all provincial criteria and best practices.
 - The on-site design for stormwater management also maintains the surface and base flows to the streams at a predevelopment level.
 - Oil-water separators will be installed to remove any contaminants from runoff associated with the vehicle facilities before percolation.
 - Over 80% of the proposed Circuit expansion area will be forested or replanted for future forest cover thereby supporting the natural water cycles as well as providing a rich source of nutrients and organisms for the creek's ecosystems.
 - For an industrial area, the level of environmental protection of the creeks and land is significant.

- **Sound level concerns**
 - The revised plan includes a significant investment in new sound controls around both the current and the future areas of the Circuit.
 - The sound controls include:
 - Berms installed in several areas;
 - Sound dampening fencing installed in many areas around and internally within the Circuit; and
 - Sound absorbing walls installed in key areas.
 - In addition, VIMC has reduced the allowable sound levels from vehicles on the Circuit.
 - Furthermore, VIMC is proposing the installation of permanent sound monitoring devices, not only within the Circuit's property, but also within the Sahtlam neighbourhood, to measure and record sound levels.
 - In the future, the percentage of vehicles on the Circuit that are zero-emission electric vehicles will grow rapidly as BC is enacting legislation to require all new vehicles to be electric / zero emission by 2040 and many auto manufacturers are shifting partly or wholly to EV technology.

- **Fire risks**
 - The Circuit is located in an area of moderate fire risk in the Valley.
 - VIMC has a comprehensive fire response capacity for the circuit.
 - Since the opening of the Circuit, only one vehicle fire as occurred on the Circuit.

- The Circuit utilizes an emergency response truck that responds to the rare events when a response is required, including health and safety, fire and any other issue that arises.
- Every area of the Circuit is under constant video surveillance in order to ensure immediate response to any issue or emergency that may arise.
- The current phase of the Circuit is unforested and easily monitored.
- The next phase will include extensive forested areas and hydrants are being considered for the future design phases to enhance fire suppression capacity.

The Development Permit application

Given that the revised plan, based on public input and direction, locates the Circuit completely within the current industrial zoned lands, and given the need to further circulate the plan to the Provincial Environmental agencies to commence their review process, on October 10, 2018 a Development Permit application for the Circuit expansion plan was filed with the Municipality along with the revised rezoning site plan.

Starting the Development Permit process enabled the triggering of important environmental reviews with the Province and launches more detailed design work that will provide additional clarity to the Municipality and the community on the development that is envisioned in the rezoning.

Current status

The current status of the rezoning process includes:

- The application remains current and active;
- Significant community consultation has occurred during 2018 and has been documented, satisfying both the consultation plan the municipality approved, as well as the expectations of the yet-to-be adopted new Procedures bylaw;
- The application has not yet been circulated by the municipality in the formal referral's process to other agencies as of October 2018;
- A Development Permit application was filed on October 10, 2018 and accepted; and
- Staff have yet to write a council report on the rezoning application and bring it to Council.

Studies completed

A significant number of studies have been completed during the past several years in support of the development of these lands, both for Parcel 1 and for the current rezoning application, including:

- **Environmental**
 - Riparian Area Assessment Report (Ted Burns, Biologist) – March 2010
 - Biophysical Assessment Report (Aquaparian Environmental Consulting) - March 2014.
 - Construction Environmental Protection and Monitoring Plan (Aquaparian) – March 2014
 - RPT Fisheries and Oceans (Fisheries and Oceans Canada) – March 2014.
 - Nest Survey Report (Ursus Environmental) – April 2014
 - Vegetation Management Plan (Aquaparian Environmental Consulting) – May 2015
 - Environmental Monitoring Inspection Report – November 2015
 - Biophysical report (Aquaparian Environmental Consulting) – July 2017
 - Menzies Creek Preliminary Assessment (Aquaparian) - 2017/2018
 - Water Sustainability Act – Section 11 Notification Drinkwater Rd Extension Access Rd (Aquaparian) - 2017/2018
 - In-stream Work Environmental Monitoring Drinkwater Rd Extension Access Rd (Aquaparian) - 2017/2018
 - Temporary off-road Circuit Impact Assessment (Aquaparian) - 2018
 - Bing’s Creek Riparian Areas Assessment (Aquaparian) - 2018
 - Perimeter Fence Assessment and Environmental Protection Plan – Menzies Creek (Aquaparian) - 2018
 - VMC Phase 2 Environmental Impact Assessment – Sept 2013 (Redesign Section 4 only) (Aquaparian)
 - Water Sustainability Act Section 11 Approval Application (Aquaparian) - 2018
 - Menzies Creek RAR Assessment - (Aquaparian) - 2018
- **Servicing and stormwater management**
 - Rain and Stormwater Management Plan (JE Anderson) – May 2015
 - Proposed servicing report (JE Anderson) – July 2017.
- **Noise**
 - Noise monitoring report (RWDI – Wakefield Acoustics) – October 2016.
 - Noise Study, Sound Impact Assessment and Measurement Report (BeSB GMBH Berlin Acoustical Consulting) – September 2017
- **Traffic**
 - Traffic Volume Study for Highway 18 and Tansor Road (Watt Consulting Group) – December 2018
- **Economic impact**
 - VIMC Economic Impact Assessment (Grant Thornton) – January 2018

The issues that these reports consider are addressed in the next section of this report.

Policies, project implications and impacts

The VIMC has a range of positive impacts on the Cowichan Valley. The impacts are summarized here and organized generally around the Official Community Plan policy framework.

North Cowichan's Official Community Plan (OCP) articulates the values and vision for the growth of the community. It also includes a wide range of policies to offer guidance to development in the community. The following explores a range of the OCP's principles and policies and how the VIMC fits within their framework.

OCP Goal 2.1 - Preserve the rural setting

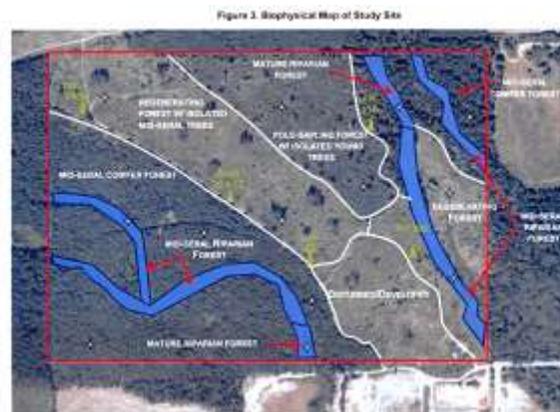
- Make the agricultural sector healthy.
- Maintain healthy forests
- Protect visual value of rural landscapes

VIMC's proposed development:

- Is not located in the Agricultural Land Reserve (ALR);
- Is not located in a high value agricultural area;
- Is not located in the municipal forest reserve;
- Is not located in a highly visible mountainside or scenic drive area;
- Is reforesting the new Circuit area to achieve over 80% of the site in forest cover to maintain the rural character;
- Is located in an area zoned for heavy industry with many areas of cleared land around it; and
- Is giving forested land to the community for protection and recreation.

In addition, VIMC supports local farms, wineries and food industry businesses in support of the Valley's food security objectives.

As such, the site is a good location for the proposed project, with respect to this OCP goal.



Biophysical map of site

OCP Goal 2.2 - Guard the environment

- **Protect and restore local ecosystems**
- **Minimize the risk to the public from air and noise pollution**
- **Avoid natural hazard areas (e.g.: steep slopes and emergency response plans)**
- **Protect archaeological resources**

VIMC's proposed development:

- Is not in an area classified as environmentally sensitive;
- Is not in a natural hazard area or flood-prone area;
- Is extending a cleaner I-2 land use than many allowed in industrial areas, thereby enhancing the municipality's goal to promote industry that is cleaner and encourages tourism and less disruptive uses;
- Is focusing the Phase 2 Circuit expansion in the industrially zoned area, away from the agricultural zoned and more natural areas;
- Is ensuring all development does not impact Menzies Creek or Bing's Creek riparian areas through design and reducing the number of creek crossings originally envisioned;
- Is ensuring post-development stormwater flows match pre-development flows;
- Is installing many measures to protect the aquifer including oil/water separators and detaining and percolating runoff in all storm events to maintain a healthy groundwater regime for the forest and base flows in the creeks;
- Is locating the new Circuit in already disturbed areas where possible and reforesting areas of the Phase 2 Circuit grounds so that it can to achieve approximately 80% forest cover in that area;
- Is preserving natural land along Bing's Creek for preservation and community recreation;
- Is taking measures to respond to fire risks;
- Has undertaken sound level studies and will continue to operate within applicable noise bylaw levels;
- Is reducing allowable sound levels from vehicles to well within typical highway or industrial sound levels;
- Is adopting policies of only allowing street-legal and prototypes of street-legal vehicles on the Circuit to minimize sound levels;
- Is adopting policies of limiting Circuit use during important statutory holidays or other sensitive times; and
- Has met with First Nations and had a professional confirm there are no sites or instances of archaeological or cultural significance in the area.

OCP Goal 2.3 - Respond to climate change

- **Reduce emissions and plan resiliency**

VIMC's proposed development:

- Is designed to be resilient to impacts of climate change including floods, fires and storms; and

- Is preserving significant forest areas and reforesting all areas possible around the new Circuit;
- Will be a location where a significant number of automobile manufacturers who are pursuing zero-emission electric vehicles can have them tested. In the future, the percentage of hybrid, zero-emission and electric vehicles that will use the Circuit will rise steadily. This direction will assist the Province in achieving its recently approved target of 100% zero emission standards for all new vehicles by 20140.

OCP Goal 2.4 - Encourage economic opportunities

- **Support the economic viability of existing businesses**
- **Promote a healthy industrial sector**
- **Reduce the potential for conflicts between industrial and other land uses**

VIMC's proposed development has many positive economic impacts including the following:

Investment

- The investment so far in Phase 1 of the VIMC facilities has infused \$16.7 million into the regional economy, and annually it spends over \$1.5 Million in the local area.
- The projected investment of the next phase of development as outlined in the rezoning and DP applications includes an additional \$36.5 million spent on the expansion.
- VIMC has invested a significant amount in upgrading and expanding the water supply infrastructure in the area and has plans to assist the municipality in further expansions, associated with the development of Parcel 2 and in the future, Parcel 3.

Employment

- Attracting new businesses and jobs to a rural region is challenging. A significant number of new jobs have been created by VIMC for Cowichan Valley residents, including:
 - **Phase 1** (The current Circuit)
 - Construction: 124 jobs
 - Operation: 21 jobs
 - **Phase 2** (This rezoning)
 - Construction: 235 jobs
 - Operation: 28 jobs
 - These jobs are well-paying jobs, all well above minimum wage.

Tax revenues

- The current Circuit pays \$157,000/year to the Municipality in taxes.

- The phase 2 expansion is expected to result in annual tax revenue for the Municipality of \$400,000 / year.
- The expansion is expected to contribute \$23.6 million to GDB and provide \$5.6 million in Federal and Provincial tax revenue.
- Once in operation its future operations are predicted to infuse another \$4.5 million annually into the economy and contribute \$1.9 million in GDP annually and \$800,000/yr in Federal and Provincial tax revenue.

Tourism

- VIMC has opened a whole new stream of tourism into the region that will increase with the expansion of the facility.
- The land owner has a “buy local” policy and endeavours to use local suppliers whenever possible.
- Because the Circuit is part of the larger company (the GAIN Group), they have continued to use local suppliers at other development sites that they own on the Island as well.

Industrial Lands Development Policy

In addition to OCP policies on economic development, North Cowichan has an Economic Development Workplan that it adopted in 2010 that outlines many streams of action that the Municipality is taking to support economic development. There are many points of alignment between this plan and the work that VIMC is undertaking.

1.7 – Explore opportunities to diversify industrial opportunities on heavy industrial sites.

VIMC has significantly extended and diversified the industrial uses in the area and this rezoning is a further extension of that business. The diversification strategy has now attracted millions of dollars of tourism and business into the region during phase 1 of the Circuit, with additional growth to come through phase 2.

2.3 – Promote “identity” of the Valley

VIMC, as a world-class industrial automobile training and testing location, has put the Cowichan Valley “on the map” for this sector. This facility has attracted the attention of some of the world’s top automotive manufacturers who have chosen the Cowichan Valley as the location for the global launch of new vehicles.

VIMC’s approach has been multi-sector including other initiatives intended to capitalize on the Circuit’s attraction and to link its clients to other experiences in the Valley, thereby furthering the “brand identity” of

5.4 – Investigate additional tourism products.

the Valley including its food, wine, outdoor recreation, arts and culture.

VIMC has added a new dimension to the tourism sector that did not previously exist – one that showcases the many other tourism experiences and businesses in the Valley. In addition, associated with the Circuit are other tourism businesses in the region including the Aerie Lodge and a Fishing Lodge that draw tourism and employ residents of Cowichan Valley.

5.6 – Develop a multi-use trail network connecting communities in the Cowichan Valley.

Through this rezoning, VIMC is planning to donate eight acres of natural land to the community to support its overall trail network, as well as other community infrastructure needs.

6.4 – Promote clean technology opportunities.

VIMC is a site of testing of some of the most progressive vehicles in the world. Hybrids and electric vehicles are used and tested on the Circuit regularly.

8.4 – Investigate where water/sewer extensions can provide economic benefit.

VIMC has invested a significant amount of resources in extending water lines to service the industrial park in which it is located. In addition, the land it will be donating to the community includes the site for a future municipal water reservoir.



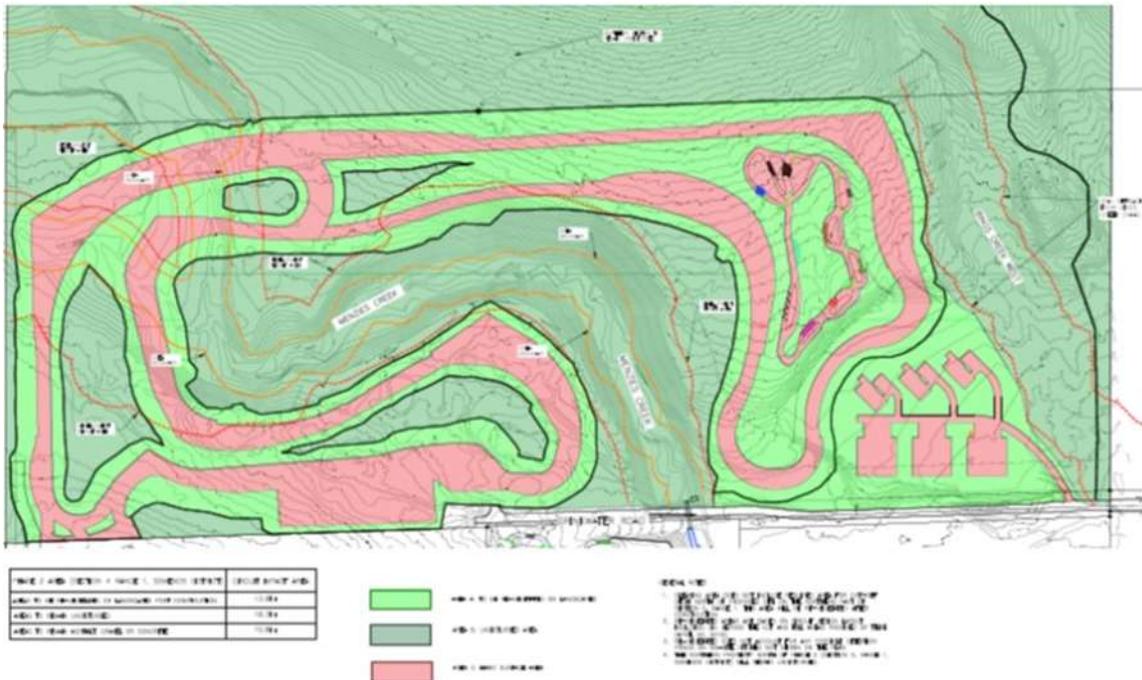
Images of Community events at VIMC

OCP Goal 2.5 - Build strong communities

- Direct growth into growth centres.
- Promote affordable housing
- Maintain an effective transportation network and support multi-modal uses.
- Infrastructure – protect drinking water supply; manage rainwater effectively, minimize environmental impact.
- Provide diverse recreational opportunities and parks.

VIMC's proposed development:

- Is located within an already zoned industrial area;
- Is enhancing the servicing within the industrial area to support further growth within the approved growth area;
- Is planning to give land to the municipality to support a future water reservoir to meet future servicing needs;
- Is managing the forest in its Circuit expansion to include 80% forest cover retained or replanted, not change in stormwater flows, and keeping development out of the hillside area; and
- Is maintaining a forested buffer between the facility and the highway to maintain the rural character of the highway and
- Is providing trails and park land in natural areas for public enjoyment to support a healthy lifestyle in the neighbourhood.



Circuit forest protection and revegetation map

A Buy-local policy

VIMC has a buy-local policy and makes an effort to support local businesses in the Cowichan Valley in any way they can. Currently, a partial list of businesses VIMC has engaged in the Valley includes:

<p>Elmworth Construction Krazy Joe's McKay's Electronics Living Stone's Interlocking Brick Island Tractor HUB Insurance Microtel, Ladysmith Kiwi Cove Lodge Footprints Security Patrol Super 8, Duncan Travelodge, Duncan Thunderbird Hotel Ramada, Duncan Farm Table Inn</p>	<p>Riverside Inn Maple Bay Manor Duncan Taxi ACE Courier Tractor Trax All Batteries Duncan Iron Works Lordco Roses and More Price's Alarm Systems Price's Lock and Safe Red Arrow Brewery York Street Diner Buckerfields PNR Western Star</p>	<p>Cowichan Auto Repair Tire Exchange Mark's Instant Sign Shop Print Craft Imperial Welding Duncan Paving Surespan Lion Rampant Scottish Pub Duncan Meadows Revy Auto Group Apex Landscaping NK Photography Potentially Famous Chemainus Theatre Averill creek Winery</p>
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Community events and sponsorships

VIMC has worked to be a responsible corporate citizen and support the Cowichan Valley community, through providing the facility to community groups for events, hosting many Circuit-related events, fundraising and providing over \$200,000 of sponsorships to community organizations. The following community organizations have been the beneficiary of support:

<ul style="list-style-type: none"> • Duncan Choral Society • Big Brothers Big Sisters • Purica Foundation • Dragon Boat Divas • Cowichan Secondary Dry Grad • 100 Women Who Care • Kerry Park Islanders Bantam • Kerry Park Islanders Novice • Cowichan Capitals • Shawnigan Lake School • RCMP • Cowichan Valley Bantam AAA • Cowichan Lake Seniors Association • Malahat Volunteer Fire Dept • Chambers of Commerce: <ul style="list-style-type: none"> ○ Duncan ○ Cowichan Lake ○ Chemainus ○ Ladysmith 	<ul style="list-style-type: none"> • Shine a Light on PTSD • Cowichan Women Against Violence • Cowichan Valley Ride for Suicide • Duncan Cowichan Festival Society • Lake Days • Cowichan Therapeutic Riding Assoc • Cowichan Valley Hospice Society • Shimmy Mob • Cowichan Valley Green Community • Duncan Curling Rink • First Responders • Cowichan Musical Society • Tour De Rock • Duncan Wildcats • Averill Creek Winery • Tourism Cowichan • Chemainus Theatre • The Full Cupboard 	<ul style="list-style-type: none"> • Duncan Rotary Club • Queen Margaret's School • Salvation Army • Laketown Ranch Benevolent Society • Cowichan Valley Lacrosse Association • Vancouver Island Pickle Ball Championship • BC Forest Discovery Centre • Frances Kelsey School Junior Team • Cowichan District Hospital Foundation • School District 79 • Cowichan Valley Drifters • Ride to Live • Clements Centre for Community Living • Vancouver Island University
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Servicing

A full servicing plan has been done for the proposed expansion of the Circuit in this rezoning application.

Access

- The current clubhouse and facilities are accessed directly off the highway.
- The proposed second clubhouse, vehicle maintenance and storage facilities and off-road, rough terrain skills course are to be accessed off Drinkwater road.
- Upgrades to Drinkwater road will be made as needed.
- An internal loop road will be provided for servicing and emergency vehicle access.

Stormwater drainage

- A Rain and Stormwater Management Plan has been developed for the project in accordance with applicable regulations.
- Runoff is handled throughout the site through channeling it into detention ponds in various locations, as well as some release into ditches along the Drinkwater ROW.
- Oil-water separators are provided at all buildings where vehicle repair work is done.
- The detention ponds near Menzies Creek are designed to attenuate flows to percolate water into the groundwater table and to keep the runoff into the Creek at the same rate as pre-development.

Sanitary management

- Since the area does not have municipal sanitary systems, the sanitary system is managed through a septic system, to be approved by Vancouver Island Health Authority.

Water supply

- A 300mm MNC water main was constructed in 2016 to serve the area, and all proposed buildings will be connected to this supply.
- A Fire Suppression water supply system is integrated into the design with significant pumping infrastructure.
- Booster pumps will be installed in this system to ensure required pressures are met.

Utilities

- New power poles will be added to Drinkwater road to convey power to the expanded Circuit area and associated buildings.
- Offsite lighting is not proposed.
- Onsite lighting will be part of future design stages.

Conclusion and next steps

This document has provided information regarding the rezoning application for the Vancouver Island Motorsports Circuit (VIMC).

While the Municipality has agreed that the site's industrial zoning supports the current uses, the purpose of the rezoning is to create a comprehensive development zone to fully support the vision for the project across all three parcels of land involved. Currently the municipality has little control over the land and issues that have caused some concern for the community, such as hours and days of operation and sound levels. These issues can be addressed effectively through a new comprehensive zoning bylaw for the lands, as proposed.

A consultation plan was developed by VIMC and approved by the Municipality on April 4, 2018, and VIMC has implemented the plan as agreed.

The first open houses on the rezoning application were held in April 2018, and feedback from those open houses was addressed by VIMC and changes were made to the proposed project, including:

- The layout of the Circuit was changed to be located entirely within the I-2 industrial area;
- Crossings of Menzies Creek were reduced from seven to four;
- Additional effort was undertaken to eliminate any impacts to the creeks or groundwater table;
- A major tree retention and replanting program has been planned to have the new Circuit expansion area achieve over 80% forest cover when complete; and
- A significant investment in sound level mitigation initiatives are proposed and VIMC is adopting a new policy to reduce allowable levels of sound from the Circuit.

A third open house was held in November 2018, and the feedback from that open house showed a positive response to the changes that were made.

The revised plan meets a broad spectrum of municipal policies including the OCP, Economic Development policies and others. VIMC also brings significant benefits to the community, socially and economically, and will involve VIMC providing a significant amount of land for public use.

Since all appropriate studies and consultation have been completed for this rezoning application, the next step is for municipal staff to complete a Council report and move the application forward into the formal Council approvals process, starting with 1st Reading.

Appendices