

STAFF REPORT

File No.: GL_PL-RZ-2024-0003 (Palmberg)

DATE OF MEETING:	February 11	., 2025			
TO:	Galiano Island Local Trust Committee				
FROM:	Kim Stockdill, Island Planner Southern Team				
COPY:	Robert Kojir	ma, Regional Planning Manager			
SUBJECT:	Lot A, Plan 22128 (Galiano Way) Rezoning Application – Staff Report				
	Applicant:	Leif Palmberg			
	Location:	Lot 'A' of Lot 15, Galiano Island, Cowichan District, Plan 22128			

RECOMMENDATION

1. That the Galiano Island Local Trust Committee direct staff to proceed with application PL-RZ-2024-0003 (Palmberg) and to prepare draft bylaws.

REPORT SUMMARY

The purpose of this staff report is to provide further information regarding rezoning application GL-RZ-2024.1 (Palmberg) provided by the applicant and to seek direction from the Galiano Island Local Trust Committee (LTC) to proceed, or not proceed, with the application, including the preparation of draft bylaws.

The application as proposed would amend the Galiano Island Land Use Bylaw No. 127, 1999 (LUB) by rezoning the subject property to permit the following proposed uses:

- Works yard
- Contractor's workshop and yard
- Storage and sale of gravel, soil and aggregates
- Sawmilling, planing and manufacturing of wood products
- Production and sales of cider and wine

BACKGROUND

A preliminary staff report was presented to the Galiano Island LTC on July 9, 2024. At this meeting the LTC passed the following resolution:

GL-2024-015

that Galiano Island Local Trust Committee request that the applicant for PLRZ20240003 submit to the Islands Trust

- I. Information regarding the scale of the proposed uses
- II. Business plan for the light industrial uses and cidery
- III. Information on a ground water management plan
- IV. Information on timing / phased approach
- V. Detailed site plan

The applicant has provided an updated <u>site plan</u> (attached), a <u>well construction</u> report on the well drilled last year, and a <u>business plan</u> which includes information on the scale of the proposed uses and phased development.

Applicant's Proposal & Business Plan

The applicant wishes to add additional permitted uses to their lot in order to facilitate the growth of their business as well as add new economic opportunities that would use produce from the property's farm.

The applicant is proposing a phased approach to the implementation of the proposed uses on the property. If the rezoning application is successful, the following outlines the timeline for development:

- Present Farm use (orchard and garden)
- Within 1 year Small scale commercial saw milling and wood processing, and the storage of aggregates and soil
- 2 to 3 years Bays will be constructed for the storage and sale of gravel, soil and aggregates
- 5 to 10 years Development of cidery using produce grown on the property. This timeline would allow the property owner a reasonable timeframe to obtain the necessary licensing for cidery/wine production and a provincial water license, complete the construction of a cidery building and accessory infrastructure, and allow the on-site plants to mature and produce fruit.

The applicant has provided further details for each proposed use:

Contractors' workshops and yards

• These uses would allow for the continued operation of the applicant's excavation/septic business in a more efficient manner

Storage and sale of gravel, soil and aggregates

- The intent is for a small-scale operation with limited public hours, with the majority of sales dedicated to aggregate delivery
- Maximum volume of material stored per years is 305 metres³ (400 yards³)
- Allows the applicant/property owner to split loads of material efficiently, rather than having to haul full loads of material from suppliers in Saanich, directly to the client's site.

Sawmilling, planing and manufacturing of wood products

- The annual processing of raw logs is 350 metres³ (450 yards³), which is approximately 10 logging truckloads per year.
- No raw logs will be taken off-site; they will be processed on-site
- Raw logs would be from on-site and also from Galiano clients who are clearing for driveways and construction
- Potential for one employee
- The applicant's current equipment (trucks, excavators, and loaders) can be used for both the existing excavating business and sawmilling, planing, and manufacturing of wood products

Production and sales of cider and wine

- Cidery will be a craft cidery focused on producing local, high-quality ciders
- Direct sell to consumers as well as restaurants, bars and local retail stores
- There are currently no local cideries, wineries, or breweries on Galiano Island

- Fruit from on-site orchard to be primarily used. Early production may require purchasing a large portion of the required fruit until the orchards reach maturity. Intent is to purchase from local growers
- Production up to a maximum of 20,000 imperial gallons/year (90,000 litres/year)
- Pressing, fermenting, aging and packaging will be on-site
- Initial staff of two employees covering production, sales and administrative duties

The applicant's rationale can also be found in the preliminary staff report dated July 9, 2024.

ANALYSIS

Official Community Plan

The Galiano Island Official Community Plan (OCP) land use designation for the subject-property is currently Rural (R) and the principal uses shall be residential and agriculture. The Rural policies in the OCP do not provide any policies related to permitted additional uses within the designation (for example, contractor yard, cidery uses). If the rezoning application proceeds, staff will determine if an OCP amending bylaw will be required to support the proposed contractor yard, wood processing, aggregate sale/storage, and cidery use, or if they could be permitted as accessory uses.

Land Use Bylaw

The subject property is zoned Rural 2 (R2) in the Galiano Island Land Use Bylaw No. 103. The R2 zone permits dwellings, cottages, home occupations, farm use, and secondary suites. As the R2 zone does not permit the proposed uses, an amendment to the Galiano LUB will be required.

A draft LUB will permit the proposed uses and can regulate the following:

- Increased setbacks for certain uses, buildings and/or structures
- Establish a maximum floor area, or total maximum floor area for proposed uses
- Establish height requirements (for example, 5 metres in height for all buildings except for a dwelling and/or cottage)
- Landscape screening requirements
- Lot coverage requirements

Regulating days and hours of operation, specific conditions of use, and/or number of vehicles on site can be achieved by registration of a Section 219 covenant.

Terms of Reference

Should the LTC decide to proceed with the application, the attached terms of reference will be issued to the applicant providing specific guidance on application requirements that is consistent with the Galiano Island Development Approval Information Bylaw No. 148 (DAI Bylaw). The following is included in the terms of reference:

- A septic disposal report
- An ecological overview report prepared by a R.P.bio to assess the ecological impacts of the proposed uses (if any) and provide recommendations and mitigation measures
- A Groundwater Management Plan prepared by a professional hydrogeologist. The specifics for the groundwater management plan will be prepared by the Islands Trust Freshwater Specialist
- A Section 219 covenant to restrict or require the following:
 - A Section 219 that would restrict a use until a groundwater assessment prepared by a professional hydrogeologist to demonstrate there is sufficient quality and quantity of

groundwater is received. A section 219 covenant may also be required to require ongoing monitoring and/or future groundwater assessments confirming sufficient quality and quantity prior to development of the certain uses (cidery). The specifics of a groundwater assessment and/or monitoring report will be prepared by the Islands Trust Freshwater Specialist. Staff will report back with further information.

- Specific construction requirements (if required)
- Conditions of use days/hours of operation, number of vehicles on site, etc.
- Environmental monitoring or reporting (if required)
- Wastewater and stormwater management plan (if required)

Anticipated Impacts of Proposed Uses

Contractor Yard, Aggregate Sale/Storage, Wood processing Uses: The rationale for the proposed uses is supportable due to the limited Light Industry zoned properties on Galiano Island. Currently there are three properties zoned for Light Industry, and one Temporary Use Permit which temporarily allows a contractor's yard use and the processing of aggregates, soils and mulch.

The lots surrounding the subject property are larger tracts of land which would be minimally impacted from the proposed uses. As part of the LUB bylaw amendment, staff would require landscaping requirements and setback requirements to ensure the reduction of any potential visual or noise impacts.

Cidery Use: Although the proposed use of a cidery or winery could be supported as there are no other similar uses on Galiano Island, the following potentials impact should be properly discussed and assessed:

- Water use: The production of cider could put additional demand on the local aquifer. A groundwater assessment and monitoring will be required at time of development of the cidery use. The applicant will also be required to apply to the province for a commercial groundwater license
- Traffic: Increase to local traffic. The LTC may wish to consider requiring of a section 219 covenant to restrict the number of days or hours for the proposed uses
- Noise: An increase of noise disturbance from the cidery/winery
- Other unintended uses: The LTC may wish to consider restricting other uses; for example, restrict the rental of the cidery/ winery for events and weddings
- Septic: A septic assessment will be required to ensure sufficient and safe disposal

Rationale for Recommendation

Based on the foregoing, the recommendation on page 1 is supported as:

• Proceeding with the preparation of draft bylaws would allow for next steps in the process to proceed including the initiation of First Nations engagement, referrals to potentially affected agencies, and the consideration of further input from the public including adjacent property owners.

ALTERNATIVES

The LTC may consider the following alternatives to the staff recommendation:

1. Request further information

The LTC may request further information prior to making a decision. If selecting this alternative, the LTC should describe the specific information needed and the rationale for this request.

Resolution:

That the Galiano Island Local Trust Committee request that the applicant for PLRZ20240003 submit to the Islands Trust ______.

2. Send Rezoning Application to the Galiano Advisory Planning Commission

Resolution:

That the Galiano Island Local Trust Committee refer rezoning application PLRZ20240003 (Palmberg) to the Galiano Advisory Planning Commission for the following purpose _______.

3. Deny the application

The LTC may deny the application.

Resolution:

That the Galiano Island Local Trust Committee proceed no further with application PLRZ20240003 (Palmberg).

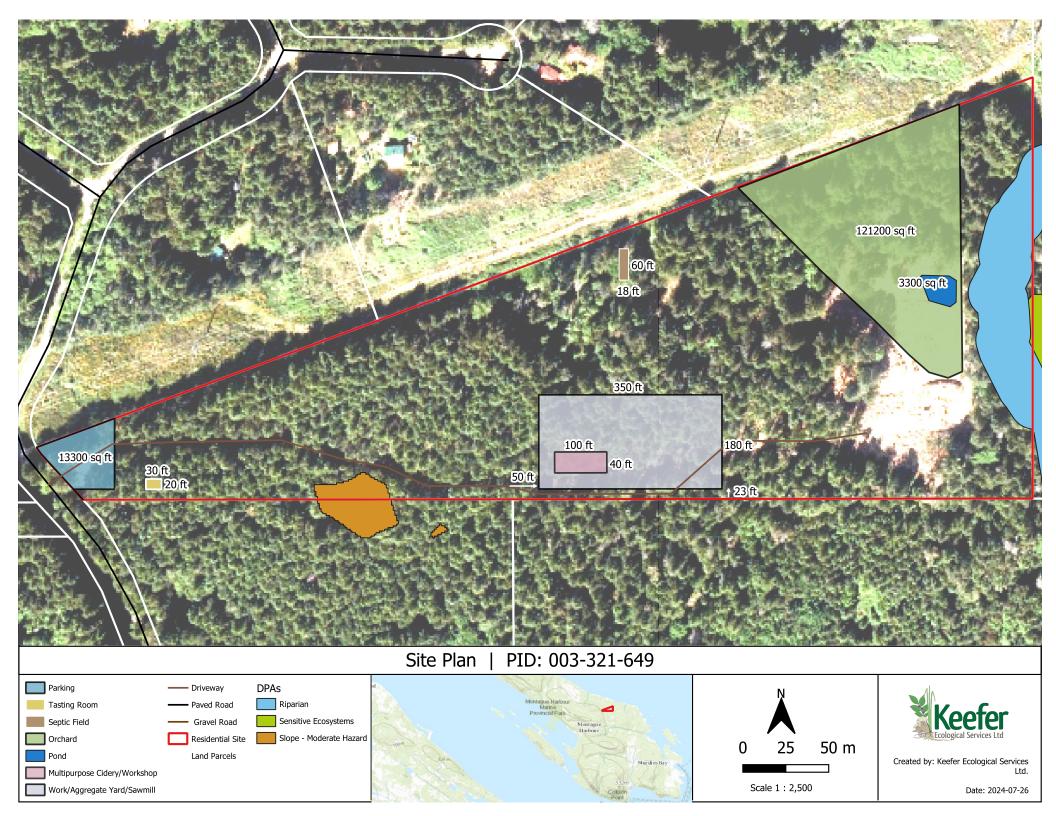
NEXT STEPS

With direction from the LTC, Staff will draft amending bylaws for further consideration by the LTC and issue the Terms of Reference to the applicant.

Submitted By:	Kim Stockdill, Island Planner	February 4, 2025	
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ATTACHMENTS

- 1. Updated Site Plan
- 2. Business Plan
- 3. Well Log
- 4. Draft Terms of Reference



Islands Trust Re-Zoning Application for PID 003-321-649. Response to follow up questions

1. Scale of proposed uses

- a. <u>Cider & Wine production:</u> production up to a maximum of 20,000 imperial gallons / year.
- b. <u>Wood processing:</u> annual processing to a maximum of 350 cubic meters of raw logs/year. This equates to approximately 10 logging truck loads per year.
- c. <u>Aggregates and soils:</u> maximum volume of aggregates and soils stored at any one time will be 305 cubic meters (400 cubic yards).

2. Business Plan for Light Industrial uses and cidery - see below.

3. Groundwater management plan

a. A detailed groundwater management plan will be created with the assistance of a hydrogeologist. This is in the early stages of development.

4. Timing and phased approach details

a. <u>Cider & Wine production:</u>

We expect cider production would hopefully begin within 5 years of rezoning. We feel that this would be a reasonable timeframe to get necessary licensing for alcohol production, as well as a water license, and construct a cidery building and associated infrastructure. This early production may require purchasing a large portion of the required fruit until the orchards reach maturity.

b. <u>Wood processing:</u>

Small scale commercial saw milling and wood processing could commence within approximately one year. Production would increase as infrastructure allows but will likely never reach the maximum of 350 cubic meters per year.

c. <u>Aggregates and soils:</u>

Storage of aggregates will start immediately, with bays being constructed over a period of 2-3 years as needed.

Business Plan: Cidery - 832 Galiano Way

Mission Statement: To produce high-quality craft cider using apples grown on-site, and locally sourced apples, using traditional cider production methods.

Business Name: Yet to be determined

1. Executive Summary:

Location: 832 Galiano way

Products: Ciders of various styles using mostly traditional methods.

Target Market: Local and tourist cider enthusiasts (farmgate sales, i.e. tasting room sales), restaurants, and retail outlets.

Business Description
 This cidery will be a craft cidery focused on producing local, high-quality ciders on
 Galiano Island. We will emphasize locally sourced ingredients and traditional methods to
 create a distinct product line.
 Legal Structure: Limited Liability Corp.
 Location: 832 Galiano way, Galiano Island, BC

3. Market Analysis

Industry Overview: The craft cider industry is growing rapidly as consumers seek alternative beverages to beer and wine. There is a particular demand for locally produced, artisanal products within the gulf islands.

Target Market: Consumers aged 19+ with an interest in craft beverages. The plan will be to sell direct to consumers as well as to restaurants, bars, and local retail stores focused on local and craft products. Potential for expanding into regional markets as production increases.

Competition: There are currently no local cideries, wineries, or breweries. Competition at a Galiano Island level is minimal. On a wider scale, competition includes regional craft cideries, wineries and breweries on the other Gulf Islands, Rural Vancouver Island, as well as large commercial cider brands.

4. Organization and Management: 100% ownership to be retained by Leif Palmberg. This will be a small scale business managed by Leif Palmberg.

Staffing: Initial staff of two employees (including myself), covering production, sales, and administrative duties.

5. Marketing and Sales Strategy: Confidential.

6. Operations Plan:

Facility Setup: Design and layout of the cidery to optimize production efficiency, including a space for fermentation, storage and office space.

Production Process: Apples will be sourced from on-site orchards as well as other orchards(ideally local) as needed. Pressing, fermenting, aging, and packaging on-site. Quality control at each stage of production as per industry standards.

Suppliers: Supply as much fruit as possible in house, secondly build relationships with other local growers, lastly source fruit as needed from off island only if demand cannot be met locally.

Distribution: Deliver to wholesale customers while maintaining inventory for direct sales.

7. Financial Plan: Confidential

Business Plan: Leif Palmberg Excavating - light industrial uses at 832 Galiano Way

1. Executive Summary:

Leif Palmberg Excavating is the business I currently operate on Galiano as a one person operation. As a licensed ROWP I construct and service septic systems, I also offer general excavating. For certain projects I collaborate with other local small business operators who do similar work, including Galiano Tree Service, Galiano Cleaning, Sam Moodie, Galiano Septic, and others.

My aim is to provide quality services for the best possible price while remaining profitable. I always try to achieve this goal by maximizing efficiency and good planning. Over the past few years I have found it difficult to consistently achieve this goal without a yard to operate from, or location to store materials and equipment. The rezoning at 832 Galiano Way will provide a yard to keep an assortment of aggregates. This will allow me to split loads of material efficiently, rather than having to haul full loads of material from suppliers in Saanich, directly to the client's site.

I have a small sawmill which has been in my family for over 30 years. I would like the opportunity to buy logs from clients who are having land cleared for driveways and construction and turn these logs into high value products. Having these opportunities would allow me to hire

one employee starting immediately, and possibly more in the future, generate more cash flow and invest in newer, more efficient and more environmentally friendly equipment. Much of my equipment including trucks, excavators and loaders can be used for both my existing excavating business and in production and handling of logs and lumber, allowing me to generate added revenue with limited new equipment investment.

3. Market Analysis:

My target market is all landowners and general contractors on Galiano, as they require some land clearing, septic systems, driveways, general excavating and wood products. My experience over the last six years suggests there is room for growth in this industry as I have had to turn down many jobs that I would've been happy to take on, if I would have had the time and personpower.

4. Organization and Management:

I have been operating as a sole proprietor but would create an LLC before hiring employees and growing my company. I will remain as the owner/operator/manager of this business but with the right employee and proper training, I could in time hand over some managerial duties.

5. Products or Services:

- General Excavating
- Septic System Installation and Servicing
- Land Clearing
- Aggregate and Soil Delivery and Sales

6. Financial Plan: Confidential

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200-1627 Fort Street, Victoria, BC V8R 1H8 Telephone 250 405-5151 Fax 250 405-5155 Toll Free via Enquiry BC in Vancouver 660-2421. Elsewhere in BC 1.800.663.7867 Email information@islandstrust.bc.ca Web www.islandstrust.bc.ca

February XX, 2025

File Number: GL_PL-RZ-2024-0003

Attn: Leif Palmberg Via email: XXX

Dear Leif Palmberg

Re: Rezoning Application GL-PL-RZ-2024-0003 (Palmberg) - Terms of Reference - Lot 'A' of Lot 15, Galiano Island, Cowichan District, Plan 22128, (PID 003-321-649)

The Galiano Island Local Trust Committee (LTC) received a staff report for rezoning application GL_RL-RZ-2024.0003 (Palmberg) at the February 11, 2025 LTC meeting. At that meeting, the LTC passed a resolution to proceed with the application, including the drafting of amending bylaws and the issuance of a Terms of Reference (TOR).

Consistent with the Galiano Island Development Approval Information Bylaw No. 148 (DAI Bylaw), the objective of this TOR is to identify and request any anticipated information from the applicant in a timely manner, and as early as possible in the process.

The information received by Islands Trust in your application package includes:

- 1. Completed application form
- 2. Statement of Title Certificate
- 3. Site Disclosure Form
- 4. Letter of Intent
- 5. Site Plan
- 6. Business Plan
- 7. Well Log

Additional information required to proceed with your application includes:

- 1) A **site plan** professionally prepared at an appropriate scale, based on the existing legal survey, delineating the proposed area for rezoning and all existing and proposed buildings and structures, roads and driveways, topographic features, and any significant sensitive habitat features.
- 2) A **septic disposal report**, prepared by a registered onsite wastewater practitioner, for the septic servicing of the proposed uses consistent with section 8.13 of the LUB.
- 3) **Development Permit Areas** There are the following development permit areas (DPAs) affecting the area proposed for rezoning
 - DPA 1 Riparian Areas
 - DPA 3 Tree Cutting & Removal
 - DPA 5 Sensitive Ecosystems (Wetland)

• DPA 7 – Steep Slope Hazard Areas (Moderate)

Please note that any land alteration or construction of a building or structure may require a Development Permit.

- 4) An ecological overview report prepared by a registered professional biologist that includes:
 - a. Property location and description including existing legal encumbrances and history of use
 - b. Identification of existing structures, roadways and other development features
 - c. A desktop GIS inventory that includes:
 - i. Identification of habitat by type and calculation of percentage of each type
 - ii. Identification of significant or sensitive terrestrial and aquatic ecosystem features
 - d. Identification of development permit areas (DPAs) and an assessment of ecological impacts of any proposed **developable areas** within those DPAs
 - e. Ground-truthing of desktop inventory findings as required
 - f. Maps, Photos and other relevant materials
 - g. Recommendations for alternative development options and mitigation measures
- 5) A **Groundwater Management Plan** prepared by a professional hydrogeologist. The specifics for the groundwater management plan will be prepared by the Islands Trust Freshwater Specialist.
- 6) Land Title Act s. 219 covenant The applicant should be aware that the LTC may seek further conditions of rezoning to be established as part of a s.219 covenant. A s.219 covenant is a charge secured against the title to a property in favour of the LTC to impose an obligation on the property owner, as per the provisions of s.219 of the Land Title Act. In this case, a s. 219 covenant could include conditions not captured through rezoning in the LUB such as the inclusion of a detailed site plan, specific construction requirements, environmental monitoring and reporting obligations, and other limits on the proposed land use and development.

In this case, a s. 219 covenant could include conditions not captured through rezoning in the LUB such as the inclusion of a detailed site plan, specific construction requirements, groundwater use restrictions, wastewater and stormwater management plan obligations (if required), environmental monitoring and reporting obligations, and other limits on the proposed land use and development.

7) **Archaeological Material -** The Islands Trust reviews all applications to ensure the preservation and protection of cultural heritage, archaeological sites, and ancestral places. In this case, there is a portion of a registered archaeological site located on the subject property near the proposed area of rezoning, and archaeological potential identified on other areas of the subject property.

To provide the applicant with awareness regarding potential archaeological sites, including what to do if archaeological materials are encountered during development, staff include the Islands Trust Chance Find Protocol and the provincial Archaeological Branch *Heritage Act* guidelines as attachments to this TOR.

Reporting Requirements

With respect to any reporting requirements listed above, the applicant and/or professional must, in accordance with generally accepted impact assessment methodology, ensure the reports:

- (a) identify relevant baseline information and document the nature of the resource or other matter on which the proposed activity or development may have an impact;
- (b) identify and describe the potential and likely impacts of the activity or development including any cumulative effects when combined with other projects proposed or under development;
- (c) evaluate the impacts in terms of their significance and the extent to which and how they might be mitigated; and
- (d) make recommendations as to conditions of approval that may be appropriate to ensure that undesirable impacts are minimized or avoided, and
- (e) make recommendations as to measures that may restore or enhance natural functions or features that have been damaged or degraded prior to development or that would be impacted by the proposed development.

This information must be prepared by a professional or professionals in good standing with his/her professional organization within British Columbia, acting within his/her area of expertise, and with demonstrated and pertinent experience and/or training.

Please also note that the Islands Trust reserves the right to require additional information or clarification in response to the project reports. Any additional requirements will be provided in writing and will identify the additional information required in as clear and specific manner as possible.

If you have any questions concerning the application or TOR requirements stated above, please do not hesitate to contact me.

Sincerely,

Kim Stockdill Island Planner, Galiano Island Local Trust Area

Attachment 1. Islands Trust Chance Find Protocol Attachment 2. Provincial Archaeological Branch *Heritage Act* guidelines

pc: Robert Kojima, Regional Planning Manager