

Oshawa Port Authority Land Use Plan



January 23, 2013



The Oshawa Port Authority is a corporation without share capital created by Letters Patent issued pursuant to the Canada Marine Act for the purpose of managing and administering the Crown lands associated with the Port of Oshawa and operating the port in accordance with its Letters Patent and the Canada Marine Act.

Mission

To manage the port-related Crown lands and operate the Port of Oshawa in a manner that is commercially sound and responsive to the needs of current and future port users, while remaining financially self-sufficient and contributing to the growth and prosperity of the Canadian economy at large and the local and regional economy in particular and doing so in a manner that acknowledges the divergent views of a wide variety of stakeholders.



EXECUTIVE SUMMARY

The viability of the Oshawa Port and its capability to generate economic activity depends on its ability to respond to local, national and global market opportunities and conditions. The Draft OPA Land Use Plan has been developed within this context and recognizes the challenging and competitive environment in which the Port of Oshawa operates.

The Draft OPA Land Use Plan acknowledges that;

- The port is a major economic asset to the economy of the Province of Ontario and the Durham Region;
- OPA is a self-financing port authority that operates in a highly competitive environment with other ports in North America, specifically the St. Lawrence Seaway System;
- Port revenues are derived from user fees of top wharfage, side wharfage, harbour dues, land rent, facility factors and throughput charges.
- The port has a limited land base that must be managed to accommodate the long-term needs of the port industry;
- Many of the port's businesses are heavy industrial operations and therefore have specific land and infrastructure needs;
- The viability of the port depends on an effective and efficient road and rail network for the movement of goods and cargo between the port and its markets;
- International requirements for safety and security in and around the port will continue to be reinforced to ensure that port operations meet trade import and export requirements;
- Public benefits must be balanced with the operational realities of a working port; and
- Working with community and business stakeholders is critical to long term sustainability of the Port given the physical constraints of operating in a small harbour surrounded by a wide variety of land uses.



Foreword

In keeping with the legislative requirements of the Canada Marine Act, the Oshawa Port Authority (herein after referred to as the OPA) has developed its first Draft Land Use Plan.

- The Oshawa Port Authority (OPA) is providing an opportunity for the public to comment on this Draft Land Use Plan
- The Draft Land Use Plan is available in hard copy and on CD at all four Oshawa Public Library branches.
- The Draft Land Use Plan is also available on the OPA website www.oshawaportauthority.ca
- A public meeting will be held on Wednesday, January 9, 2013 from 4p.m.-7p.m. at the Quality Hotel and Conference Centre, 1011 Bloor Street East, Oshawa for the purpose of allowing an opportunity to view hard copies and comment.
- Comments will be accepted by the OPA in writing by mail to Donna Taylor, President & CEO, 1621 Simcoe Street S, Oshawa, ON, L1H 8J7, by email to Donna Taylor, President & CEO portoshawa@bellnet.ca, or in person at the public meeting.
- Deadline for comments is 2p.m. January 23, 2013

Notice of Public Meeting



OSHAWA PORT AUTHORITY DRAFT LAND USE PLAN

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ÉBAUCHE DU PLAN D'UTILISATION DES SOLS

DE L'ADMINISTRATION PORTUAIRE D'OSHAWA

- L'Administration portuaire d'Oshawa (APO) offre au public l'occasion de formuler ses commentaires au sujet de l'Ébauche du plan d'utilisation des sols.
- L'Ébauche du plan d'utilisation des sols est disponible sur copie papier et sur CD dans les quatre succursales de la Bibliothèque publique d'Oshawa.
- L'Ébauche du plan d'utilisation des sols est également disponible sur le site Web de l'APO www.oshawaportauthority.ca
- Une réunion publique aura lieu de 16 h à 19 h le mercredi 9 janvier 2013 au Quality Hotel and Conference Centre, 1011, rue Bloor Est, à Oshawa. Des exemplaires de l'Ébauche du plan seront mis à la disposition des participants qui pourront formuler leurs commentaires à cette assemblée.
- Prière de transmettre les observations écrites à l'APO par la poste aux soins de Donna Taylor, présidente-directrice générale, 1621, rue Simcoe Sud, Oshawa, ON, L1H 8J7, par courriel à Donna Taylor, présidente-directrice générale à portoshawa@bellnet.ca, ou de les formuler en personne à la réunion publique.
- La date limite pour les commentaires est le 23 janvier 2013, à 14 h.

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1.0 Oshawa Port Authority

Oshawa Port Authority (OPA) is one of eighteen Canada Port Authorities established under the Canada Marine Act (See ANNEX 1). Its mission is to facilitate maritime trade and maximize the use of Port assets by providing facilities, services and business development expertise for customers and stake-holders. In so doing, it will ensure a thriving long-term Port.

Paramount for the Port Authority is to ensure it has sufficient facilities and flexibility in its land holdings to accommodate the efficient and timely transfer of cargo and passengers between ship and shore, providing a global portal for Canada's imports and exports.

Governing Legislation and Mandate

The governing legislation for all port authorities is the Canada Marine Act that implements the federal government's National Marine Policy and called for the modernization of the marine management and regulatory regime by introducing business disciplines to achieve greater efficiency in the marine transportation sector. It constituted and allowed for the establishment of Canada Port Authorities (CPA's). In recognition of the significance of marine transportation to Canada and its contribution to the Canadian economy, the purpose of the Act is to:

- Implement marine policies that provide Canada with needed marine infrastructure, offer effective support for the achievement of national, regional and local social and economic objectives and promote and safeguard Canada's competitiveness and trade objectives.
- Promote the success of ports for the purpose of contributing to the competitiveness, growth and prosperity of the Canadian economy;
- Base the marine infrastructure and services on international practices and approaches that are consistent with those of Canada's trading partners in order to foster harmonization of standards amount jurisdictions.
- Ensure that marine transportation services are organized to satisfy that needs of users and are available at a reasonable cost;
- Provide for a high level of safety, security and environmental protection;
- Provide a high degree of autonomy for local or regional management of components of the system of services and facilities and be responsive to local needs and priorities;
- Manage the marine infrastructure and services in a commercial manner that encourages and takes into account input from users and the community in which a port of harbour is located;
- Provide for the disposition, by transfer or otherwise, of certain ports and port facilities; and
- Promote coordination and integration of marine activities with surface and air transportation systems.

The OPA is also subject to other Federal legislation, the most relevant to land use being the Canadian Environmental Assessment Act 2012 and Regulations and the Marine Transportation Security Act and Regulations.

Each Canadian Port Authority is established by individual letters patent. Letters Patent issued on January 25, 2012 established the OPA as a Canadian Port Authority, a continuation from the Oshawa Harbour Commission.

As part of its responsibility, the OPA is charged with managing federal real property as described in its Letters Patent (See ANNEX #2). The Port Authority operates as a financially self-sufficient agent of the federal crown.

Port Authority tenants pay property taxes.

The OPA operates entirely from its own resources, deriving its revenues solely from port fees, leases and investment income all of which pay for operational expenses and contribute towards capital expansion projects. Profits are reinvested in the Port of Oshawa to ensure an efficient and competitive environment for Canada's domestic and international waterborne trade.

In the interest of responsibly managing the resources under its jurisdiction, the OPA endeavours to balance customer demands with those for sustainable development and competing demands. Accordingly, the OPA is committed to processes that enable it to meet this challenge proactively.

Settlement Agreement

A Settlement Agreement was signed in July 2010 by the Crown, the then Oshawa Harbour Commission and the City. (See ANNEX 3)

The Settlement Agreement provides a statement for the future and is a means of goodwill and understanding, with the ultimate purpose of assisting the CPA to carry out its mandate.

The terms of the Settlement Agreement

- Resolved jurisdictional disputes with respect to land at Oshawa Harbour;
- Achieved a balanced use of the Oshawa Harbour area;
- Allows the City to proceed with elements of its vision for certain lands at Oshawa Harbour
- Optimizes short and long term economic benefits to the City and Durham Region from Oshawa Harbour area lands;
- Creates certainty for the City as well as the users and stakeholders of the Port;
- Creates a stable environment that will attract economic development and investment in Oshawa Harbour area lands and Port operations; and
- Provides the City with the opportunity to acquire the site of the former marina.

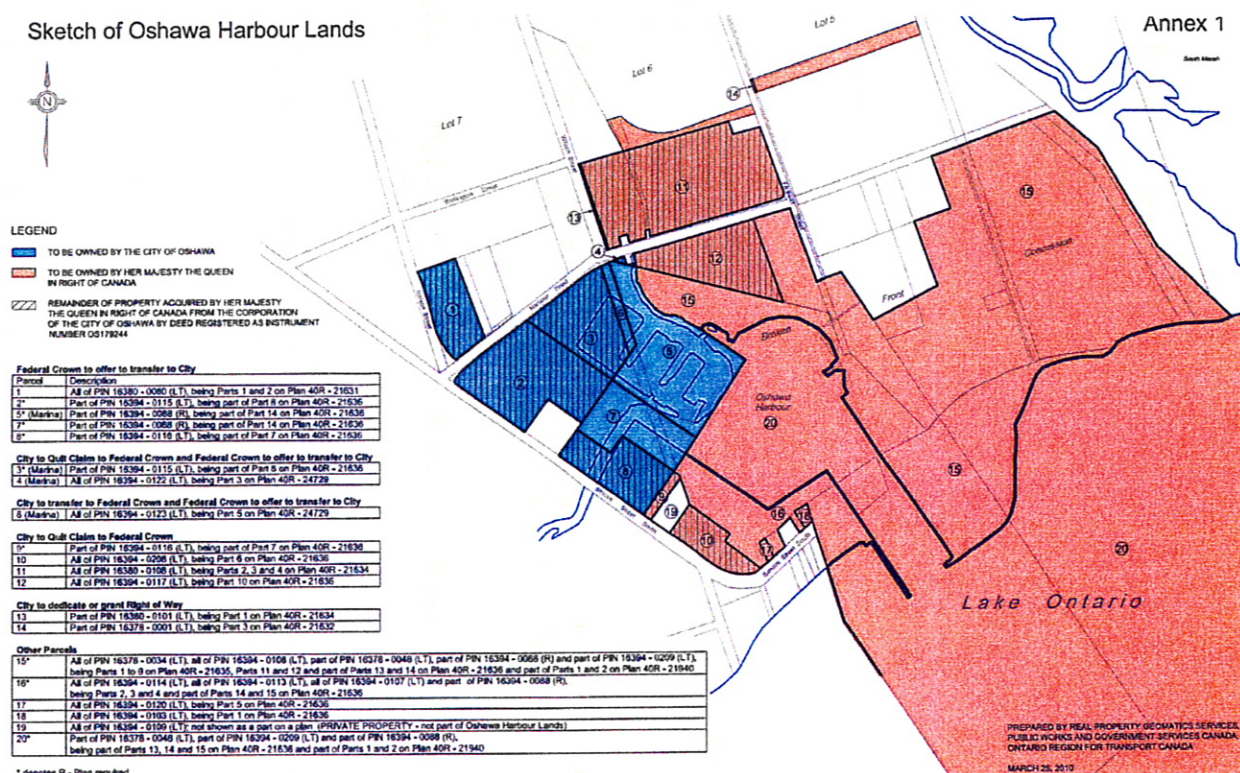
The City and the OPA also entered into a "Land Use, Development and Municipal Services Agreement" intended to facilitate and promote cooperation between the OPA and the City so as to achieve a greater degree of compatibility with respect to developments in the Oshawa Harbour area. This agreement was signed on the same date as the Settlement Agreement.

The Settlement Agreement is an extremely important development for the Port's future. As a result of the Settlement Agreement the OPA can:

- Build the rail spur;
- Build the new East Wharf;
- Convince existing tenants to sign long-term leases; and
- Attract new tenants and customers.

Annex 1 of the Settlement Agreement

Sketch of Oshawa Harbour Lands



Legislative Framework for the Land Use Plan

The Canada Marine Act, Section 48, requires that each Canadian Port Authority adopt a comprehensive Port Land Use Plan. The Oshawa Port Authority Land Use Plan must include the Port's land use objectives and the policy directions under which it will make its development decisions. This Land Use Plan will fulfil these requirements for the OPA.

Purpose of the Land Use Plan

The purpose of the Port Authority's Land Use Plan is to serve as a guiding document for the ongoing development and utilization of Port lands. The objectives of the Plan are to:

- Communicate OPA's long term land use policy directions and initiatives;
- Illustrate the Port's ability to accommodate future growth in an economic, environmental and socially responsible manner;
- Use policy directions to link optimal land utilization with future growth opportunities;
- Identify the significance of the regional and national transportation networks to the ongoing and future success of the Port of Oshawa; and
- Help strengthen land use coordination between the OPA and neighbouring communities, other port stakeholders and governments.

2.0 Port Planning Context

Development History

Oshawa Harbour was officially opened by Transport Canada in 1930. At the time, it consisted of the existing harbour basin, which was formed by dredging of the marsh that had existed previously at this location, and newly built wharves along the west and south sides of the harbour. Prior to this time, port facilities at Oshawa had consisted of piers extending into Lake Ontario at the mouth of the bay that is now the harbour basin.

Creation of the Commission

The 1960's marked the beginning of a new era of port development at Oshawa Harbour, beginning with the creation of the Oshawa Harbour Commission (OHC) in 1960. This created a distinct entity (the OHC) to manage the Harbour, with Commissioners appointed by the federal Minister of Transport and by the City of Oshawa. Harbour assets previously administered by Transport Canada, including wharves, lands around the harbour, and waterlots, were transferred to the OHC. This was a time when the lake shipping industry was growing rapidly, following the opening of the St. Lawrence Seaway in 1959. Commissioned status was granted to Oshawa Harbour by the federal government at the request of the City, which viewed this as a means to promote industrial development in the community, and in the harbour area in particular.

Port development progressed soon after the creation of the OHC. New facilities were built, new cargoes were attracted to the port, and the OHC acquired more land around the harbour to accommodate future developments.

In 1962, a new wharf and transit shed for general cargo were built on the east side of the harbour. In the same year, a liquid chemical storage facility was built by a private operator at the southwest corner of Farewell Street and Harbour Road. In 1967, the City of Oshawa transferred 24 hectares of land on the west and north sides of the harbour to the Commission, to facilitate port development. All of these lands were caveated, to be returned to the City if and when they are no longer required "for harbour purposes".

The 1970s saw a continuation of the patterns observed in the previous decade. Major new port users included a sugar refinery, built at the Northeast corner of Farewell Street and Harbour Road in 1973, and Olco Petroleum, which opened a storage and distribution terminal on private land on the West side of the harbour in 1977. The East Wharf was extended to 222 m in 1974 to accommodate full Seaway-size vessels. The OHC continued to build up its land inventory, aided by the City of Oshawa, which transferred 85 hectares, encompassing the Second Marsh East of the harbour, to the OHC in 1970 under caveat. In 1974, the OHC acquired the site of the former Port Oshawa Cemetery from its trustees, by paying for the transfer of the graves to another site owned by the City. In 1976, the OHC purchased outright from the City the remaining lands between the harbour and the Second Marsh, known as the Gifford Farm. At the same time, the OHC and the City reached an agreement to share the cost of extending Harbour Road to the East, when required to serve development of the purchased lands. These land transfers were made to establish a reserve for port-oriented industrial development – a reserve which continued to play a prominent part in the port's development plans in more recent years.

The 1970s was also a period of growing interest by the local community in the recreational potential of the waterfront area. This was evident in the development of a marina in the Northwest corner of the harbour, and by the directions promoted by the Lakeview Park Master Plan, prepared by the City in 1978. This plan was the first to promote development of the lands on the West side of the harbour for recreational/commercial purposes, to increase the attractiveness of the adjacent Lakeview Park. The build-up of a port land reserve to the east was consistent with awareness by the OHC and the City of the limitations of the West side of the harbour for port industrial development, due to depth restrictions there, and to the proximity of the park.

The 1984 Oshawa Harbour Development Plan – (See Annex 4)

In the early 1980's, a concerted effort was made to plan for the long term development of the port, in a manner that would satisfy competing desires for industrial and recreational development. The OHC appointed a task force in 1983, involving representatives of the federal, provincial, and municipal governments, to produce a plan for the development of the harbour for the following 20 years. The plan recognized the need to provide for future port development, while accounting for industrial, commercial, recreational and environmental interests in the harbour area. The plan achieved a remarkable degree of consensus among all the agencies concerned. Among its key recommendations were:

- The Port of Oshawa be developed in phases in a generally southerly direction
- The Harbour Commission consider the early implementation of Phase 1 in order to alleviate current operational problems.
- The Second Marsh be retained for educational and limited recreational purposes.
- The Western area of the harbour, adjacent to the East side of Simcoe Street South, be gradually converted to recreational/commercial uses.
- A buffer zone be established between the Second Marsh and the Port upland area and that the specifications of this zone jointly be worked out by the Oshawa Harbour Commission and the various government departments involved.

1984 Oshawa Harbour Development Plan

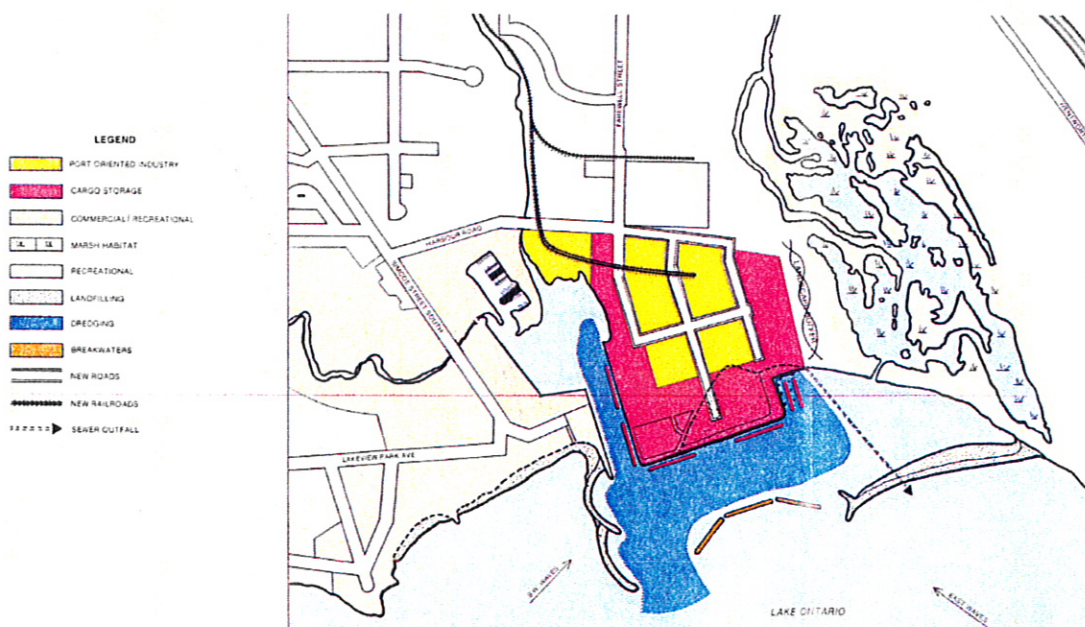


Fig 14 - Oshawa Harbour Development Plan

While this study was taking place, and in the years following its completion, substantial changes occurred in the port's traffic base. A roll-on-roll-off (RO-RO) cross-lake truck ferry began operating from the port in 1981, and ceased operations a year later. Inbound coal shipments, traditionally a major source of traffic for the port, were diverted to the Bowmanville Wharf facility of St. Mary's Cement (the primary user of the coal) in 1983. In 1988 salt traffic was also diverted to Bowmanville, and the Port lost another major user when the sugar refinery was closed. During the same period, a number of new commodities began to flow through the Port, beginning with potash in 1984, and gasoline in 1987. In 1988 and 1989, McAsphalt Industries purchased lands from the OHC to develop an asphalt terminal and processing facilities. General cargo traffic, while variable from year to year, showed an overall growth trend. A new berth facility was constructed on the East side of the harbour in 1986 to handle the potash shipments, and with a pipeline connection also handled traffic for the liquid chemical facility, which was purchased by the OHC in 1984. Asphalt shipments would also be handled at the new berth beginning in 1990.

Despite all of these changes, many of which were not foreseen in the 1984 plan, the OHC in many ways was able to follow through on the recommendations of the plan. The new port development was accommodated on the East side, although not towards the lake, as anticipated. The Commission took steps to preserve the Second Marsh, by appointing a committee in 1986 to develop a management plan for those lands. In the same year, a study was conducted for the Commission to examine the feasibility of commercial/residential development on the West side of the harbour.

City Planning Studies in the 1980s

Planning studies conducted by the City in the late 1980's also followed from and continued to support the recommendations of the 1984 Harbour Development Plan. The Oshawa Waterfront Development Plan, prepared in 1987, recommended that OHC be encouraged to redevelop the West side of the harbour for commercial and recreation purposes, to enhance public access to this part of the Harbour and improve the aesthetic qualities of the Lakeview Park area. The Plan also recommended support for the OHC'S Second Marsh Management Plan. The Plan projected a need for more recreational boating facilities along the Oshawa waterfront, but focused on the creation of a proposed Lakefront West Park, West of the Harbour, as a site to accommodate this demand. On a more general level, this plan recommended that a long term goal of the City should be to increase public land ownership of and access to the Lake Ontario shoreline, with Oshawa Harbour, Lakeview Park and Lakefront West Park identified as key activity areas, to be linked by a continuous walkway and bicycle path.

The City in 1987 also completed a master plan for parks in Oshawa. This study was coordinated with the Waterfront Development Plan, and echoed its recommendations with regard to a waterfront trail system and the Lakefront West Park development. It also identified a number of potential improvements to Lakeview Park, many of which were later carried out.

These City planning studies demonstrated a continuing and growing interest in developing the recreational potential of the Lake Ontario waterfront. Nevertheless, support for the role of the Harbour as an industrial port also continued, as evidenced by support for the 1984 Harbour Development Plan, and by the long-standing policies of the City's Official Plan and corresponding zoning by-law, which regard the OHC lands surrounding the harbour as a site for industrial development. In 1989, the potential for conflict between these objectives was brought to the forefront, as the City implemented what was to become a 2-year freeze on building permits in the harbour area, while a comprehensive land use planning study was undertaken.

Meanwhile, the OHC continued to make progress towards fulfilling some of the recommendations of the 1984 plan. The Second Marsh lands were declared surplus for harbour purposes by the OHC, and turned over to the City of Oshawa in 1992. At the same time, the OHC designated a strip of land along its Eastern boundary, adjacent to the high water line of the Second Marsh, as a set-back from the Marsh, in which no development would be permitted, in accordance with provincial guidelines on wetlands management at that time. Also, in 1990, the OHC reached an agreement with the City to provide public access to the West pier as a promenade and vantage point from which to view the adjacent beach as well as ships and recreational boats entering and leaving the Harbour.

The Late 1990s to Present

In 1998 the Canada Marine Act was enacted and eighteen ports across Canada became Port Authorities under the new legislation. The Port of Oshawa was not one of the first eighteen because of an impact on the revenues of the Port following a lengthy Ontario Municipal Board hearing with the City of Oshawa.

For the next twelve years the Oshawa Harbour Commission petitioned the Federal Government for Port Authority status. The Settlement Agreement was executed in July 2010 and Port Authority status was granted in January 2012. This decision was based on;

- Improved financial viability;
- A record of cost effective and efficient operation which regularly outperformed its competitors;
- The committed support of all existing Port users which support includes ongoing solid business plans and a willingness to continue and expand their already substantial economic commitment; and
- A demonstrated willingness to meet the reasonable needs and requests of our local municipality and to follow through on our part of any arrangements made.

The Commission's Vision for over two decades had been a mixed use waterfront, operating and developing an efficient industrial port in support of local economic and social objectives. The initial statement of that vision was made in the 1984 Land Use Plan for the Port of Oshawa.

The Plan was re-examined in 1994 and the Vision for the port reaffirmed. The Oshawa Harbour Commission continued to develop the East side of the harbour by adding storage domes, a new warehouse and expanded cargo handling pads.

3.0 Today's Port

Location

The Port of Oshawa is located 60 km east of Toronto on the shores of Lake Ontario. It is one of the three main ports serving Ontario, along with the ports of Toronto and Hamilton.

The Port is located within the Golden Horseshoe, a densely populated and industrialized urban agglomeration centred on the Greater Toronto area. With more than eight million residents and with large-scale steel-dominated and car-oriented industrial production facilities, this region is the sixth most populous greater urbanized area in North America.

Highway 401 is less than 3 km away from the Port, providing a direct link to Montreal, Toronto and Windsor/Detroit. In addition to Highway 401, the Ontario Ministry of Transportation announced in June 2010 its intention to extend Highway 407 eastwards to the Durham Region, thus providing port users with another highway connection nearby.

The Port is also near the main Canadian National Railways ("CN") rail line, giving access to all of North America. The OPA is building a rail spur to connect the port directly to the CN rail line.

St. Lawrence Seaway System

The Port also has access to the Northeastern United States market and to overseas markets through the St. Lawrence Seaway System.

The Great Lakes-Seaway marine shipping industry supports 227,000 jobs in the U.S. and Canada, generates \$35 billion in business revenue, and moves 164 million metric tons of cargo annually on the system (2011 statistics). Marine mode is efficient, safe, and sustainable transportation.

Economic Impacts of the Port of Oshawa

Employment Impacts

Of the 294 jobs supported by the Port of Oshawa, 153 individuals were directly employed as a result of vessel activity and the cargo handled at the marine terminals.

Regional and local purchases by direct employees supported 71 induced jobs in the regional economy.

69 indirect jobs were supported by \$8 million of local purchases by businesses supplying services at the marine terminals at the Port of Oshawa.

Combining the direct, induced, and indirect income impacts, the cargo handled at the Port of Oshawa generated \$7.9 million in wages and salaries, and local consumption expenditures in the Great Lakes regional economy.

Business Revenue Impacts

In 2010, the direct business revenue received by the firms directly dependent upon the cargo handled at the marine terminals in the Port of Oshawa was \$23.5 million. These firms provide maritime services and inland transportation services for the cargo handled at the marine terminals and the vessels calling at the terminals.

Federal, Provincial and Local Tax Impacts

A total of \$5.9 million in provincial and federal taxes were generated by cargo and vessel activity at the Port of Oshawa, with \$1.2 million generated at the provincial level and \$4.7 million generated at the federal level.

Port Facilities

The Port is located on both the East side (the “East Wharf”) and west side (the “West Wharf”) of Oshawa Harbour. Essentially all of the facilities administered by the OPA are located on the East Wharf, which has Seaway water depth of 8.2 metres. The West Wharf has a water depth of 7.16 metres and is used for overflow cargo from the East Wharf and other port-related uses.

The construction of a new Wharfage and handling space on the East side is underway as provided for in the Settlement Agreement. This will increase the capacity of the Port and will allow consolidation of uses. Financing for this project is being provided by the Federal Government.

The OPA has reached an agreement with CN and McAsphalt Industries (“McAsphalt”, a major Port customer) for the construction of a rail spur to the East Wharf.

The Port’s major facilities include:

- Storage tanks with a total capacity of 18.3 million litres, leased to Miller Paving Limited and Morris Chemicals Inc., used principally for storing calcium chloride;
- A storage dome with a storage capacity of 9,500 metric tonnes, leased to Agrico Canada Limited and used for storing potash/fertilizer;
- A complex of four domes which have a total capacity of 40,000 metric tonnes, currently used by Cargill Limited for the storage of salt;
- A warehouse, 25,000 sq. feet used as a garage and for cargo storage;
- A 50,000 square foot warehouse jointly owned with Oshawa Stevedoring Inc., seven years old and used for cargo storage ;
- A garage leased to McAsphalt which uses it for its tractor-trailer leasing, repair business; and
- Two office buildings, one used by the OPA and the other leased to a port tenant.

The OPA also oversees an unused marina facility located within the north harbour basin. According to the Settlement Agreement, the City may accept or decline the transfer of all the marina lands.

Products Handled and Customers

Major products handled at the Port include steel, asphalt, calcium chloride, potash/fertilizer and salt. Occasionally the port gets a request to handle unusual or hazardous materials on behalf of the customers the port serves. In these special circumstances there are heightened security and safety protocols put in place and the police and fire services are engaged for advice. These cargoes are restricted to the east side to ensure their transport to road and rail is away from the more populated Simcoe Street.

Port of Oshawa – Cargo Statistics

Category	2008	2009	2010	2011	2012
Asphalt	81,815.1500	106,014.7500	93,265.5680	94,680.0300	97,102.7800
Calcium Chloride	28,479.3160	35,976.6890	29,571.6910	11,831.9400	35,732.9244
Potash/Fertilizer	9,143.6100	5,469.8500	12,580.8980	8,021.5690	14,214.9450
Steel	59,538.1900	53,873.6980	105,211.0820	126,788.7740	248,923.7010
Grain	0.0000	6,443.7700	26,586.3000	14,876.0500	15,855.4400
Salt	54,218.3630	71,264.9570	0.0000	14,881.6000	56,915.4790
Millscale	0.0000	0.0000	0.0000	10,030.0000	0.0000
Aluminium	0.0000	0.0000	0.0000	2,647.9000	0.0000
Project Cargo	0.0000	0.0000	0.0000	159.4180	3,807.4870
Barite Ore	0.0000	0.0000	0.0000	0.0000	0.0000
Total Tonne	233,194	279,043	267,215	283,917	472,552

Asphalt

Asphalt is liquid asphalt brought into the port by McAsphalt, who operate an asphalt plant near the East side of the Harbour on land purchased from the OPA. The pipeline access has been renewed in perpetuity.

McAsphalt, formed in 1970, is a Canadian company involved in the development, production, distribution and marketing of asphalt and related products and services, operating from 19 terminals located across Canada, including Oshawa.

Calcium Chloride

Calcium Chloride is used mainly for accelerating cement hydration and reducing its set time. It is also distributed locally for dust control on the gravel roads. Calcium chloride, which is handled in liquid form, is brought into the port by Miller Paving Limited and Morris Chemicals Inc., who lease storage tanks from the OPA.

Miller Paving is part of the Miller Group, a Canadian company that provides road construction, paving, road rehabilitation, engineering construction, waste management and recycling services, transit operations, winter maintenance services, aggregate-based materials, cement and ready-mix concrete.

Morris Chemicals, founded in 1948, specializes in supplying and applying calcium chloride.

Potash

Potash is brought into the port from Saskatchewan by Agrico Canada Limited, who has been leasing a dome storage facility from the OPA since October 2005.

Agrico was formed in 1931 and today provides its customers with fertilizers, crop protection products and seed products, and brings potash into the Port for distribution to Ontario farmers.

Steel

Most of the steel handled by the Port is imported in the form of rebar, beams, pipe and plates. Volume varies depending on steel prices, exchange rates and demand in the Canadian market. Steel traders are the port's customers. The steel products are stored on the dock and loaded onto trucks of the customers of the traders.

Project Cargo

Project cargo represents large, one-off shipments of large components. It can be import or export cargo and is driven by external influences. The Port can attract project cargo because it has sufficient land to accumulate all the components for shipment or to unload a vessel until it can be trucked away. Some examples include press pieces imported and exported by General Motors, a water filtration plant for export, and the export of cement pieces by St. Mary's Cement.

The market for project cargo is competitive. Freight forwarding companies get bids for this cargo from different ports. A direct rail connection will make the port more competitive for project cargo since many of these components are oversized.

Salt

Salt refers mainly to road salt brought into port for local use by Cargill Deicing Technology ("Cargill"). Cargill stores salt in the four domes leased from the OPA.

Cargill is an American company which produces and distributes deicing slat from its production facilities in Ohio, New York and Louisiana.

Agricultural Products

Grain, corn and soya beans were first transported through the Port in 2009 as a pilot project by Les Grains lac Supérieur Ltée. Grain is brought to the Port by truck by local farmers who would otherwise need to drive to grain elevators in Hamilton or Prescott. At the Port, grain is loaded onto barges and shipped to the Grains Lac Supérieur grain terminal in Trois-Rivières, Quebec. Grain shipments were 26,586.3000 in 2010 following the successful trial in 2009.

Les Grains Lac Supérieur has built a small grain storage facility at the Port.

Les Grains lac Supérieur is a Canadian-based grain trading company originating and distributing grain and by products from Western Canada, Ontario and Quebec to domestic and export markets. It is owned by the Upper Lakes Group Inc.

International Scope of Products Handled

The Port is clearly international. Salt comes mainly from Cleveland and asphalt from Detroit. Steel, the most important cargo handled by weight, is all imported. Flat-rolled steel comes from Tianjin, China; Busan, South Korea; Novorossiysk and St. Petersburg, Russia; and Odessa, Ukraine. Steel bar, rod, angle, shape and wire come from Turkey, Gibraltar, Poland, Ukraine and China. Other metal products arrive from Malaysia, Greece, Spain and Germany.

Adjacent Lands

The lands adjacent to the port on the east side are compatible with port use.

James Dick Concrete

This property was the original sugar refinery that was the reason for development of the east wharf. It is now a concrete batching facility of approximately twelve acres, owned by James Dick Concrete. A pad at the rear of the property is used for salt storage.

Triad Metals

A steel importer and current customer of the port purchased twenty-two acres of land north of James Dick for the purpose of constructing a steel distribution warehouse and extending the rail spur.

OPA

The OPA has a small, narrow two acre parcel of land between Triad Metals and James Dick Concrete that will likely be used for rail access to either facility once the new spur is operational or other port operations.

West Wharf

The lands adjacent to the west wharf are comprised of Tommy's Snack Bar and two private residences. The Harbour Commission had purchased three adjoining lots. These have been transferred to the Crown and will be retained for port operations, recognizing their proximity to the beach and museums. In future the OPA may wish to acquire the remaining properties.

Impacts on Port Operations

Space for Expansion

The Port has space to grow. Even following the transfer of land to the City under the Settlement Agreement, the OPA still has over 90 acres of land on the East side of the Oshawa Harbour that can be used for Port activities or leased for port related industrial use. Any properties adjacent to or close to the port lands that become available may be considered for purchase to expand the operational footprint of the port.

Long-term Customers

Many of the OPA's customers, such as McAsphalt, Agrico and Cargill, either own facilities near the Port or lease facilities from the OPA. They are therefore more likely to continue to use the Port since they have a vested interest. Other customers, such as steel importers have used the Port for many years and in some cases have entered into multi-year handling agreements with the terminal operator.

Local Uses of Port Volume

Much of the volume going through the Port is being brought in for local use. Products such as asphalt, steel and potash would be more expensive for their consumers if another port were used. The strength of the local economy also gives confidence in the Port's future.

Highway and Rail Connections

Highway 401 is only 3 km away from the Port and can be reached easily. The extension of Highway 407 will add another highway connection for Port users. The rail spur to the East Wharf terminal will open the market to project cargo.

Terminal Management

The Oshawa Harbour Commission landlord management approach has been adopted by the Oshawa Port Authority. The OPA invests in infrastructure to be utilized directly by the OPA or leased to a tenant for port purposes. The OPA does not own equipment or hire labour from Local 1997 of the ILA. The OPA contracts with a terminal operator to provide these services. This is a common management strategy in smaller ports.

Labour Force

Local 1997 of the International Longshoremen's Association are comprised of members with years of experience handling a wide variety of cargo.

Seasonality

The Great Lakes St. Lawrence Seaway System is closed for three months each year for maintenance. This affects all Great Lakes ports, including U.S. Ports. This results in higher activity at the beginning and end of the season as port users replenish depleted stock and then refill the facilities.

Size of Ships

The Great Lakes St. Lawrence Seaway System locks are 766 feet long. This limits the size of ships that can reach any of the Great Lakes Ports. The Port of Oshawa has been designed to handle the maximum seaway size vessels.

Need for Dredging

Because sand accumulates near the entrance to the Harbour, the OPA dredges approximately every three years to maintain full Seaway draft for vessels.

New East Wharf

The expansion of the East Wharf, will give the Port greater capacity to serve its existing customers and attract new business. The preferred concept adds consolidation of uses on the East Wharf will allow for greater productivity.

Diversification

Asphalt, calcium chloride and steel represent over 80% of volume handled at the Port, however, the Port continues to diversify, adding grain recently as a new product. The Port Land Use Plan must provide for the continued attraction of diversified port uses and land development to accommodate future new or growing cargoes. With the addition of the rail spur the port will be fully intermodal with excellent connections to rail, road and water. The Oshawa Airport completes the intermodality.

Future Opportunities

The local farming community has already expressed an interest in an expanded agri-product terminal at the port. It is anticipated that there will be an area adjacent to the east wharf expansion for this purpose. The facility would be on port land and served by conveyor from the wharf.

The expansion makes provision for a short sea shipping or feeder service berth. Ports on the Great Lakes are working together collaboratively to encourage a container feeder service to Montreal. The LCBO warehouse is only 8 km from the Port and those containers factor heavily in the justification of a service. The land at the corner of Harbour Road and Farewell Street is anticipated to be a container terminal, leased to an operator. When the seaway is closed for 3 months the containers can move by rail or road.

Future plans also include the expansion of the existing warehouse by another 50,000 sq. feet to the east.

Marine Security

Marine security has become a high priority for all ports and the marine industry, not only in Canada but internationally. In considering its land use and the operation of its marine facilities, the Port Authority is required to follow the requirements of the Marine Transportation Act and Regulations, both of which are linked to the International Ships and Port Facility Security Code established by the International Maritime Organization (IMO) following the events of 9/11. This requires strict access controls at port facilities and restricts access to those employed at facilities and those conducting business at the port. It includes registration of personnel, issuance of identification cards and in certain cases the provision of a Transport Canada Clearance. It is anticipated that security controls will continue to evolve given the ongoing perimeter security discussions between Canada and the United States.

In considering adjacent uses and ownerships and traffic flow (both pedestrian and vehicular) the Port Plan must be responsive under the ISPS code to changes in threat (MARSEC) levels and have built in restrictions. Port property by necessity may look uninviting but a concerted effort will be made to make public interface areas attractive, yet functional.

4.0 Draft Oshawa Port Authority Land Use Plan 2012

The viability of the Oshawa Port and its capability to generate economic activity depends on its ability to respond to local, national and global market opportunities and conditions. The Draft OPA Land Use Plan has been developed within this context and recognizes the challenging and competitive environment in which the Port of Oshawa operates.

The Draft OPA Land Use Plan acknowledges that;

- The port is a major economic asset to the economy of the Province of Ontario and the Durham Region;
- OPA is a self-financing port authority that operates in a highly competitive environment with other ports in North America, specifically the St. Lawrence Seaway System;
- Port revenues are derived from user fees of top wharfage, side wharfage, harbour dues, land rent, facility factors and throughput charges.
- The port has a limited land base that must be managed to accommodate the long-term needs of the port industry;

- Many of the port's businesses are heavy industrial operations and therefore have specific land and infrastructure needs;
- The viability of the port depends on an effective and efficient road and rail network for the movement of goods and cargo between the port and its markets;
- International requirements for safety and security in and around the port will continue to be reinforced to ensure that port operations meet trade import and export requirements;
- Public benefits must be balanced with the operational realities of a working port; and
- Working with community and business stakeholders is critical to long term sustainability of the Port given the physical constraints of operating in a small harbour surrounded by a wide variety of land uses.

Land Use Policy Directions

General Land Use

The OPA is developing land use policy directions for the Port of Oshawa to enable its customers, stakeholders, municipal neighbours, government agencies and the public to identify and understand the principles by which it intends to manage its federal land assets. The geography of the Port of Oshawa provides only a limited land base. Therefore, the OPA must endeavour to effectively protect and manage its land and water resources to accommodate the long term needs of port industry. It is essential the OPA optimise land utilization in order to capture economic benefits and manage its land resources.

The OPA's general land use policy directions are aimed at enhancing the Port as a full service port with the resources and businesses to handle passengers, a diverse range of cargo, services and marine based industries. The policy's stated factors and guidelines apply to all land uses in the Port. In continuing to develop the draft land use plan Annex 2 of the Land Use, Development and Municipal Services Agreement "Suggested Guidelines for Preparation of a Land Use Plan" will be consulted.

Cargo Policy Direction

East

The East Wharf area, expanded East Wharf and adjacent land to the East will be utilized and expanded for direct and ancillary port related industrial use either directly by the OPA or its tenants. The Consolidation Project, funded by the Federal Government (east wharf expansion) will be guided by CEAA 2012 regulations with all other applicable legislation. The OPA has already commenced this process and is looking at impacts on fish habitats, wave action and many other environmental considerations.

A Zone will be maintained as a buffer and berm area with no public access and planted with indigenous species in recognition of the proximity of Oshawa's Second Marsh. Development of these port lands will be respectful of the Oshawa Second Marsh and this zone.

West

The North end of the West Wharf has been transferred to the City of Oshawa.

West Wharf centre has been identified as a transition zone serving the City of Oshawa Marine Rescue Association (COMRA) and Sea Cadets. This area will be cleaned up over time and present well to the adjacent public uses envisioned by the City of Oshawa.

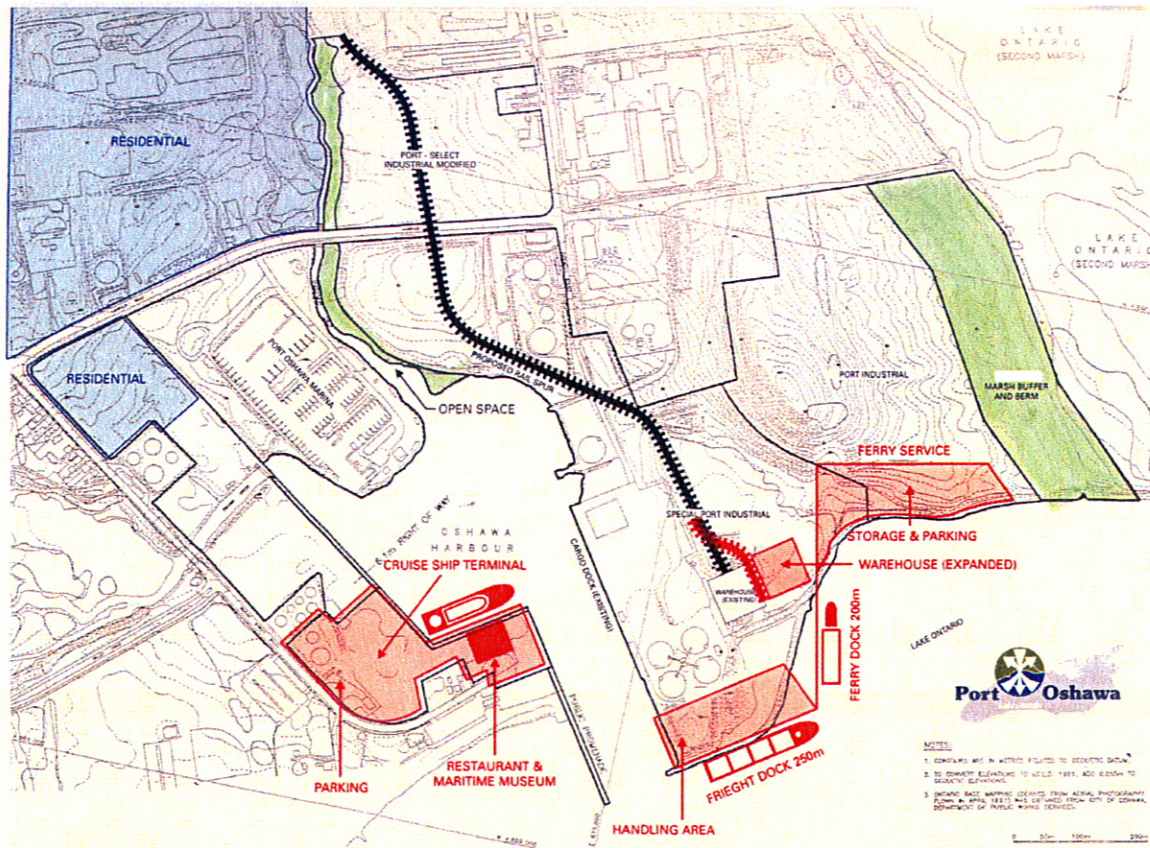
The South end of the West Wharf will continue to be used by the OPA for:

- Cargo handling
- Naval Vessel Visitations
- The OPA Office
- Cruise Vessel Activities
- Tug Mooring
- Equipment Marshalling

The OPA recognizes the proximity to the beach and museums and will provide visual barriers and consideration where possible.

Marina

Should the marina lands remain under jurisdiction of the OPA those lands will be developed for a public purpose including a public launch ramp, waterfront trail, picnic area and fishing stations.



Potential Port Land Use Development

Environmental Stewardship

The Oshawa Port Authority is committed to ensuring that all future developments meet CEAA 2012 requirements and all applicable legislation.

Oshawa Official Plan

The City of Oshawa has developed its Official Plan which sets the broad planning context for the lands within the City. The Official Plan sets goals, objectives and general land use policies for all lands within its municipal boundaries. The City Official Plan will be considered, however, where there is a discrepancy between this Land Use Plan and the City's Official Plan, the policies of this Plan shall apply.

Municipal Servicing and Utilities

As the development of the Oshawa Port Authority Lands proceeds, the extension of municipal services may be required from time to time. In these cases, the Oshawa Port Authority will co-ordinate with the City of Oshawa and other stakeholders to ensure that the mutual interests of each organization are met in the most cost efficient and expedient manner.

Finance

Any proposals for new development will be evaluated on its economic viability to ensure compliance with the Canada Marine Act's requirement that the Oshawa Port Authority be financially self-sustaining.

Community Interface

Previously The Oshawa Harbour Commission had:

- Preserved the Oshawa Second Marsh and transferred it to the City of Oshawa
- Entered into an agreement with the City of Oshawa for public use of the West Wharf entrance wall (public promenade);
- Agreed there would be an area set aside as a buffer and berm area adjacent to Oshawa Second Marsh;
- Developed a concept for the former marina lands to accommodate a public launch ramp, waterfront trail, picnic area and fishing stations;
- Opened up OHC property for public parking for community events;

Following the Settlement Agreement the Oshawa Port Authority has:

- Been monitoring the marina lands during remediation and assured the City of their continued interest in a public vision for the lands should the City not take possession;
- Identified a site to accommodate the City of Oshawa Marine Rescue Association and Sea Cadets facilities and relocated them;
- Determined that this area will be for their long term use as a transition zone between the OPA's continued use of the South West Wharf and recreational uses;
- Encouraged the visitations of Naval Vessels to the West Wharf and opened OPA property for public tours

The Settlement Agreement provided for two landscaping projects to enhance the interface between the OPA and public uses.

The first has been completed at the South end by the public beach and historic museum compound. Plantings have been installed to make the area look more compatible and over time shield the port operations.

The second phase has been completed at the corner of Farewell Street and Harbour Road with the same intentions to improve the visual impact on the public. The Land Use and Municipal Services Agreement ensure that the City and the OPA communicate effectively. These areas will be maintained and where possible expanded to enhance the interface areas.

Future Revisions

This Plan shall be reviewed at least every five years and more frequently if required. The City of Oshawa and the Region of Durham will be engaged on an ad hoc basis.

Adopted January 23, 2013