LETTER OF INTENT

Alpha Auto Parts Inc. To Wheatland County

Application:

Light to Heavy industrial (IG to II)

Proposed use:

Automotive recycling and distribution

September 10, 2021

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1. Introduction

1.1. *Purpose*

The purpose of this application is to provide supporting information, consistent with the Goldfinch Area Concept Plan requirements, to Wheatland County to propose a land use change from light duty industrial (IG) to heavy duty industrial (II) zoning. This document contains information to support the proposed land use change. The proposed land use is for a private automotive recycling and parts distribution centre operating in a niche market and specializing in light duty pick up trucks and Sport Utility Vehicles (SUVs).

1.2. Vision

Alpha Auto Parts' (AAP) vision is to be the premier auto recycling facility, creating a sustainable operation that will:

- Provide valued products to our customers through the recycling of used auto parts,
- Contribute to protecting the environment directly and indirectly (i.e. 3Rs),
- Provide local employment opportunities.

AAP currently provides affordable high quality auto parts to the public for a fraction of the cost of new parts. Due to continued demand for our product, AAP is looking to expand to a larger facility to allow AAP to keep up with product demands. This will create many benefits including the creation of employment opportunities for the local population. The facility aims to hire between two to three employees in the first two years. As the demand will dictate our operation's growth, hiring additional staff is expected to occur on this basis. The niche market we serve is relatively young and offers exciting opportunities. AAP's priority is to ensure maximum benefit is returned to the local community, and hiring will focus on the local population.

While AAP's operation will be relatively small, in comparison to other facilities, we are committed to the principles of the 3Rs (Reduce, Reuse, Recycle) consistent with the guiding principles of the Canadian Auto Recyclers Environmental Code. Through recycling of auto parts, AAP's operation will help to alleviate some environmental impacts from the mass-production of automobiles by reducing the need to extract raw materials through metal mining operations.

1.3. *Plan*

The plan is for the proposed facility to be a dismantling and distribution hub, serving the local communities and surrounding areas, including delivery nationwide. While the proposed facility can accept all makes and models of vehicles, part of our vision is to be a niche market for special or highly sought after vehicle parts. Section 2.2 provides additional details of AAP's business model. While our current inventory of vehicles consists of conventional internal combustion vehicles, the advent of electric vehicles offers an opportunity for AAP's recycling facility to adapt to changing demands.

2. Operational Details

2.1. Location

Figure 2.1 below shows the location of the property at a regional scale. The property is located approximately 30 minutes east-southeast of Calgary in Wheatland County. The current Zoning is Industrial General (IG). The legal address is Lot 1 Block 4 Plan 0412931 in the NE ¼ Section 07 Township 022 Range 26 W4M.

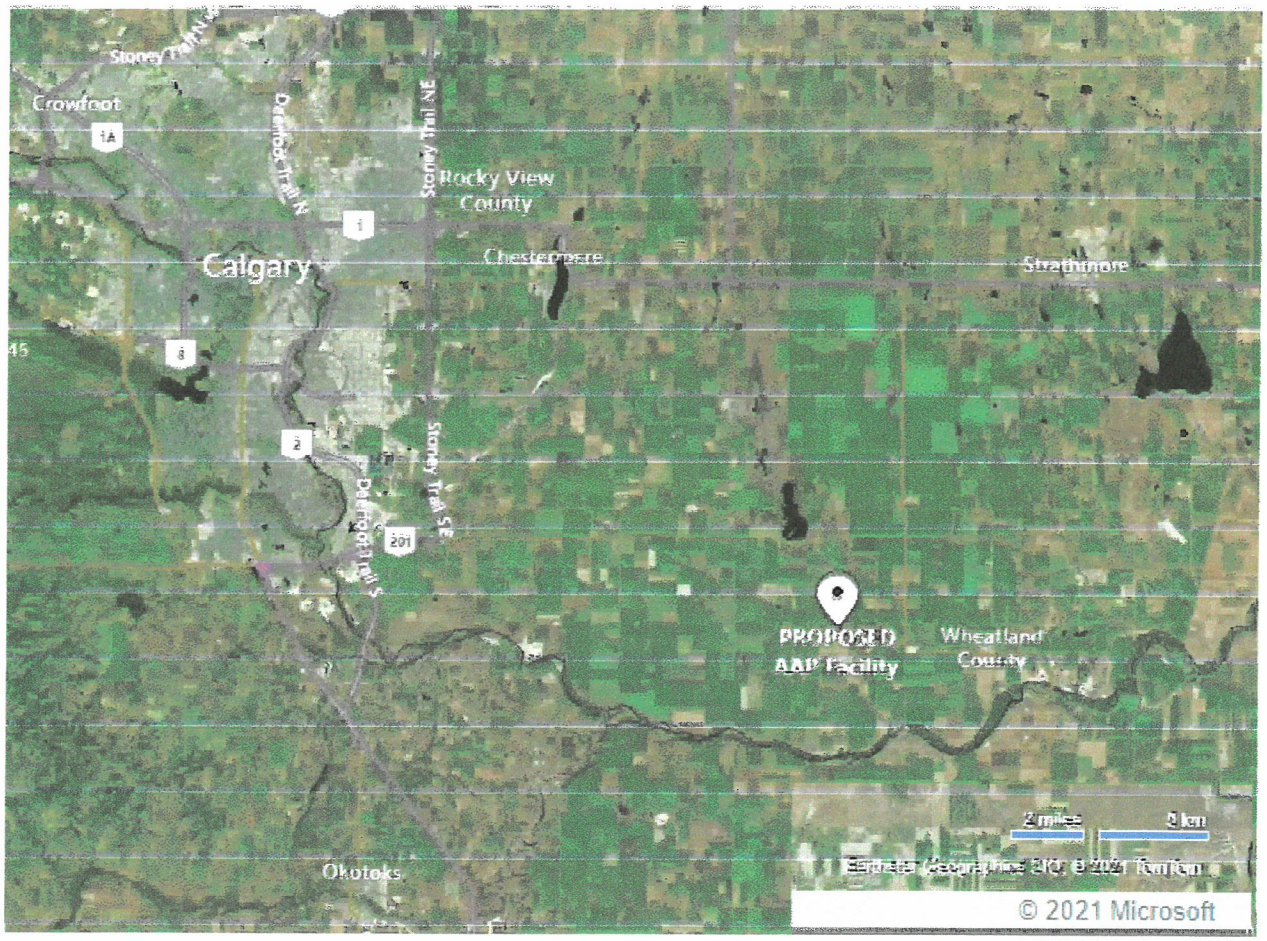

Figure 2.1: Proposed AAP Recycling Facility - Regional Map.

The property is approximately five kilometres due-south from Highway 201 (22X), as shown on Figure 2.2 (below). The property is accessed from Calgary via paved secondary Highway 797 or Range Road 273; Figure 2.2 below shows the property location compared to the nearest main highway.

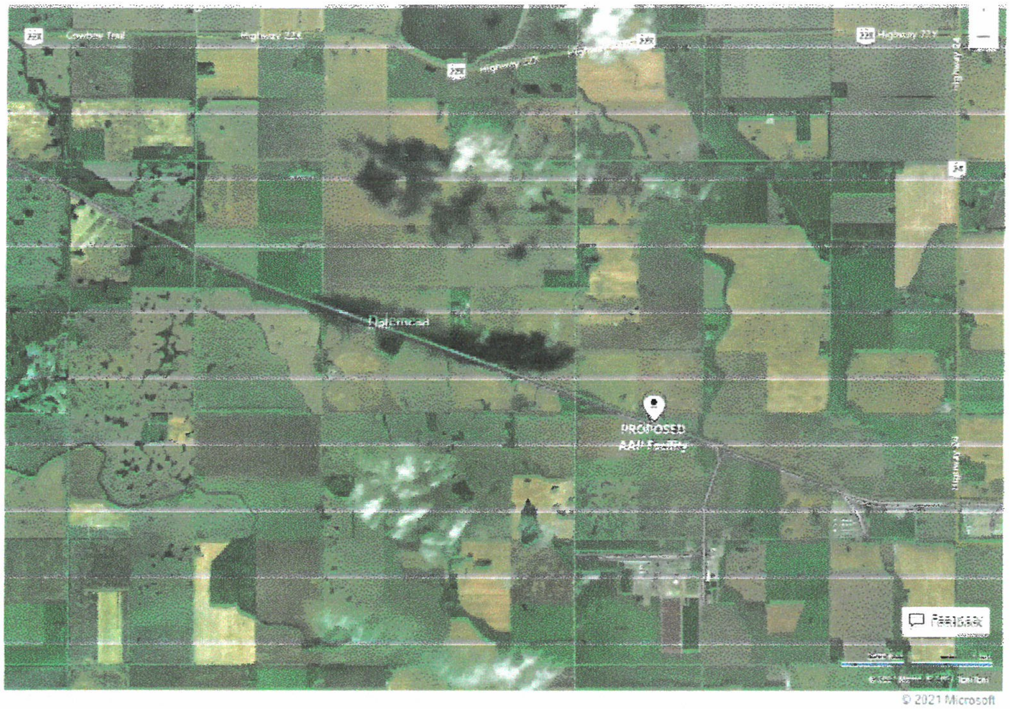

Figure 2.2: Proposed AAP Recycling Facility - Local Map.

The nearest community to AAP's facility is Carseland, which is less than 5 kilometres to the east. Carseland is a community with a population of approximately 525 residents (Census, 2016).

Figure 2.3 shows the local surrounding properties, with Township Road 222 and the CP Railway defining the north and south property boundaries, respectively.

Figure 2.3: Proposed AAP Recycling Facility - Local surrounding properties and infrastructure.

Figure 2.3 also shows there are four nearby residences. Section 3.4 provides additional details on AAP's proposed local community consultation and engagement plan.

Figure 2.4, below, shows AAP's proposed facility. The property includes three large building structures, *where dismantling and storage operations will be conducted to ensure a controlled environment for* operations, as shown in Figure 2.4.

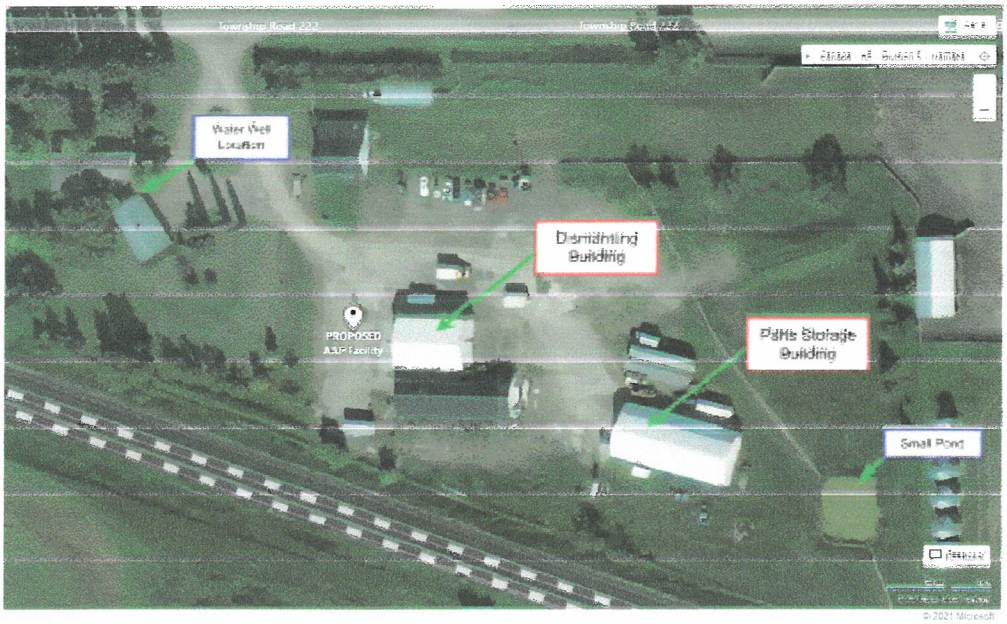

Figure 2.4: Proposed AAP Recycling Facility - Local Scale.

The map above also shows the water well location and a small dugout pond at the end of the property. As part of AAP's onsite monitoring for any contamination in the ground and surface water, these locations can be sampled and test results submitted as part of any requirements to ensure water resources are protected. AAP welcomes any additional requirements to enhance the proposed monitoring protocol.

A *limited Phase II Environmental Site Assessment was conducted in May 2012. The assessment found no* contamination on the site. The assessment results summary is provided in Section 3.2.1.

Figure 2.5, below, shows the nearest existing industrial facilities to the proposed property. The proposed AAP facility is a relatively very small operation by comparison. Regardless of size, however, AAP is *committed to using best management practices to ensure the safety of its employees, the public, and the* environment. Section 3.3 provides further details on how the risks were evaluated, and where the risk was seen as too high, mitigation measures are employed to reduce this risk.

At this time, AAP is unaware of any other recycling facilities (existing or proposed) within 30 kilometers of the proposed facility. On this basis, AAP is confident that we will be filling an existing gap with this service for the local area.

Figure 2.5: Proposed AAP Recycling Facility - Nearby Existing Industrial Operations (Red Dots).

2.2. Recycling Operation

The operation of the recycling facility breaks down to six main steps which are as follows;

- Procurement of the inventory;
- Dismantling of inventory and life cycle;
- Scrap metal and waste management;
- Storing goods and safety handling;
- Marketing and brand specialization strategy; and
- Distribution channels.

2.2.1. Procurement of the inventory

The heart of the AAP's operation is the purchasing of goods, which is done through three different channels.

- Public

  Alpha Auto Parts offers to purchase from the public their dysfunctional or unwanted vehicles for the purpose of reusing, recycling by offering the reusable parts. Approximately 30% of AAP's inventory comes from this source.

- Automotive auctions

  A majority of the goods are purchased from the automotive auctions locally and cross-province. Auctions offer quality stock which we purchase and enter them into our facility to recycle. The salvage/insurance automotive auctions are the main streams for procuring our inventory. They offer higher end vehicles which is part of our sustainability strategy and competitive edge in the recycling and used parts industry. This source comprises approximately 50% of AAP's inventory.

- Auto Mechanic and auto body shops

  Our facility offers local mechanic shops and body shops to purchase their vehicles that are no longer repairable or functional for parts and purpose of recycling. This source comprises approximately 20% of AAP's inventory.

2.2.2. Dismantling of Inventory

Each vehicle comes in different shapes and forms. Some have been through accidents with various amounts of damage, some have mechanical and body issues. Regardless of the shape of the vehicles, the receiving AAP team member responsible for intake and initial documentation will place them into the dismantling process. AAP has best practice procedures based on current guidelines. AAP's processes are based on the Canadian and Alberta recycling association best practices (reference guides).

The steps in the procedures are simple, but essential to adopt by team members to ensure repeatability and consistency in operations. The vehicles get tested and diagnosed with their primary problems first; secondly, the inventory sheet is filled with each vehicle's information; then a stock number will be given to each vehicle and the expected lifespan of the vehicle through the facility will be determined. Once the vehicle has been tested and has gained a stock number then they are inventoried to our inventory management system. Each vehicle entering the facility after this stage is ready to get drained of all of its fluids, and dismantled of components for reuse or recycling.

Fluids include: Used engine and transmission oil, gas or diesel, brake fluid, coolant, power steering oil, A/C gas and differential fluids and the batteries. Scrap metals include aluminum, cast, thin or thick metal and finally the catalytic converters. Each fluid will have a designated tank to be drained into, and all scrap metal which will be disposed of in separate bins. The used oils will all be drained into one tank which are then picked up by a third party company for further disposal and recycling from the facility each time the tanks are full. *Note, all vehicles will only be allowed to be stripped inside of the shop, which has a concrete floor base.* The coolant fluid will also be given a separate tank to be drained into and also picked up by the same third party company for further disposal and recycling. The fuels will have separate tanks to be stored and used for shop and facilities equipment and machineries. A/C gas is sucked into a cylinder tank straight from the vehicle's air conditioning system using a vacuum pump which is then transported out of the facility for draining by a third party company. Batteries are all removed from the vehicles and stored on a pallet which are either sold to the public/ customers for reusing or sold to a recycling facility for further recycling.

It is important to note that there will not be any vehicles stored in the yard with any sort of fluids to minimize the chances of spillage.

2.2.3. *Scrap Metal and Waste Management*

Scrap metals, either thin or thick, are both a major source of income for the facility. Each metal has its own storage bin. Thin metal such as the damaged body panels and the thick metals such as the frames of the vehicles will be stored outside in the yard and not inside of a bin. They will get transported for scrap as a whole whenever possible. All other metals are removed and placed into the respective bins which will be transported to a metal recycling facility and sold. Aluminum parts along with the cast metals and wiring harnesses of the vehicles, which contain copper and other precious metals, are also separated.

Another major source of income for the facility are the catalytic converters. The catalyst contains precious metals such as rhodium, palladium and platinum which are natural metals extracted from the ground through highly disruptive mining operations. These catalytic converters will be collected and stored in bins , and sold in volumes upto 200 units per cycle.

Any damaged drive trains that are not reusable or resellable to the public, are sold to mechanic shops for refurbishing. This also applies to the body panels which are sold to private or professional body shops for rebuilding, reselling or reuse. In the case of which either mechanical part or body part is non-repairable, these parts either sold as brickage (mechanical parts) or as scrap metal (body panels) to metal recycling facilities for further recycling. Most plastic parts of the vehicles will be sold to the customers for reusing. The parts that do not get reused will be sent with the vehicles to the metal recycling facilities to further separate the plastic from the metal and recycle them. All of the parts that contain any sort of metal will be provided to our customers or to metal recycling facilities.

2.2.4. *Storing Goods and Safety Handling*

AAP is aware of the hazardous situations that could possibly arise and therefore have safety procedures in place to make sure that our staff and public are as safe as possible. It begins with hiring professionals that are already qualified and have been through training through their accredited programs and/ or have verified work experience. Additionally, all staff must go through two weeks of training and safety procedures to make sure that they are ready and able to do their jobs well.

Practical training focuses on all of the hazards that could be present when working. We train staff on how to minimize risk and stay safe while working. We review the basics, such as the PPE (personal protective equipment) and best practices with our staff. We review how to work and stay safe in hard and changing weather conditions for work conducted outside the dismantling and storage buildings. We go through the dismantling steps, such as: safely moving vehicles with the heavy equipment, removing individual parts, vacuuming A/C gasses, how to drain oil into the oil drum, and safely strapping engines and transmissions

to pallets. We also train our staff on how to operate some of the equipment such as forklift, lift hoist. Once we have gone through the steps on how to dismantle the vehicles and how to use the equipment around the facility, we start the hands-on training. All of the knowledge that is gained in practical training, will have to be put in action in supervised, hands-on training, before the potential employee can begin working on the job site.

AAP is planning to store the majority of parts indoors within the quonset structure. Some interior parts will remain within the vehicles as these parts will be sold based on demand.

2.2.5. Marketing and Brand Specialization Strategy

With technology being more available and cost efficient, we use platforms such as Facebook, Instagram, and Kijiji to market our products. These platforms have a very high number of users which is beneficial for getting our products out to the public. We have a main inventory management system, Car-Part.com/ Checkmate, which we use to sort, organize and keep track of what we have in stock.

2.2.6. Distribution Channels

As part of our business plan, we are moving towards more shipping and delivery of our products and having less local pick-ups. We find that the distance of the facility to the nearest main city, which is Calgary, could be a challenge for our customers to come and pick up their parts. Therefore our aim is to deliver and ship our products to our customers free of charge, which we see a net-positive impact on mitigating local concerns around noise, dust, and traffic.

2.3. AAP Management Structure

The following provides an introduction into the management structure and personnel currently employed at AAP.

Dismantling Personnel: Mohammadhossein Bashiri Majd

Intake and Administrative Personnel: Mohammadhossein Bashiri Majd

Management Personnel: Mohammadhossein Bashiri Majd, Saeid Reza Bashiri Majd, and Stephanie Haddad

3. Proposed Facility

3.1. Wheatland County ASP

Wheatland County, Planning Department, developed the Goldfinch Industrial Area Structure Plan (ASP) and with the last reading of the plan, it was approved on December 18, 2018. Figure 3.1 shows the lands contained within this area (red dashed line).

3.1.1. Goldfinch ASP

AAP's proposed facility falls near the northwest corner of the Goldfinch ASP plan area, between the CP railway and Township Road 222.

Figure 3.1: Areas of Wheatland County Within Goldfinch Area Structure Plan (ASP); Source: Goldfinch Industrial ASP, December 18, 2018.

Figure 3.2, below, shows the current land use for the property as being with the Industrial General (IG) district.

It is encouraging to note that the proposed facility was approved for IG in the past, from an Agriculture use. This may serve as a valuable precedent where a non-agriculture use was overlaid by an Industrial General use.

The definitions provided by Goldfinch ASP for the two zones are as follows:

• **Heavy Industrial.** The Heavy Industrial Area is intended to accommodate medium and heavy industrial *development that creates a moderate to significant nuisance for adjacent landowners.*

• **Light Industrial.** The Light Industrial Area is intended to provide for light industrial uses that have minimal to no impacts on adjacent landowners in terms of operational nuisance.

AAP's proposed development seeks the Intensive Industrial (II) as per Wheatland County's designation, or Heavy Industrial designation as per the Goldfinch Industrial ASP concept plan.

The recommendation to apply for this change was based on conversations with Wheatland County officials. An Area Concept Plan (ACP) was not required for this development, due to the fact that it is only one parcel, and our current understanding is that a Letter Of Intent (LOI) will suffice. On this basis, an amendment to the Goldfinch ASP is not required, as it is not considered relevant, given the relatively small scale of operations being proposed.

Also, it was conveyed by Wheatland County that, since much of the area was already developed, the assessments at this stage are conceptual in nature.

Considering the current zoning of the property, which is considered light industrial, our proposed dismantling processes will mitigate any noise concern by restricting these activities to indoors. Sections 3.3 discuss the hazards and risks associated with AAP's proposed operation and the proposed monitoring and mitigation to reduce the risk to acceptable levels.

3.2. Site Assessments

The location of AAP's proposed facility was the subject of a Phase II Environmental Assessment in May, 2012. The results of the assessment showed baseline conditions for air, soil and water were within acceptable guidelines.

3.2.1. Phase II Environmental Site Assessment (ESA)

A limited Phase II Environmental Site Assessment, dated May 2012, was completed for the existing site. The document is provided to Wheatland County to supplement the existing information on the proposed site.

The highlights of the Phase II ESA are as follows:

- The objective of the study was to determine the presence/absence of potential contaminants associated with a prior sand blasting and auto body/painting shop, and potential impacts from the adjacent CP railway.
- The closest surface water body potentially impacted by any operation at the location is approximately 800m to the east.
- A total of four test holes were drilled to depths ranging between 3.1 m and 4.6 m below the ground surface.
- The soils considered susceptible to contamination is a clayey soil located between 1.0m and 1.2 m below a sandy gravely fill cover.
- Three of the four boreholes included PVC standpipe piezometers to allow groundwater level measurements.
- Groundwater levels were measured to be between 0.3m and 0.5m below ground surface.
- Test results of the soil and groundwater samples, based on Alberta 2010 Tier 2 Soil and Groundwater Remediation Guidelines, showed results that are within acceptable limits.
- Any exceedances in guidelines were noted to be related to natural occurrences.

AAP has provided Wheatland County with a hardcopy of the referenced ESA, and is looking forward to any comments or feedback.

3.2.2. Stormwater Drainage Assessment

Figure 3.6 shows the local topography surrounding the proposed AAP recycling facility. As can be seen in Figure 3.6, the local topography suggests a general drainage from the northwest to the southeast at an approximate gradient of 0.8%, which presents relatively flat terrain that would not promote large movement of surface water offsite. Locally, the site is sloping at a similar gradient, and surface water drainage is captured and directed to the small holding pond at the southeast corner of the property.

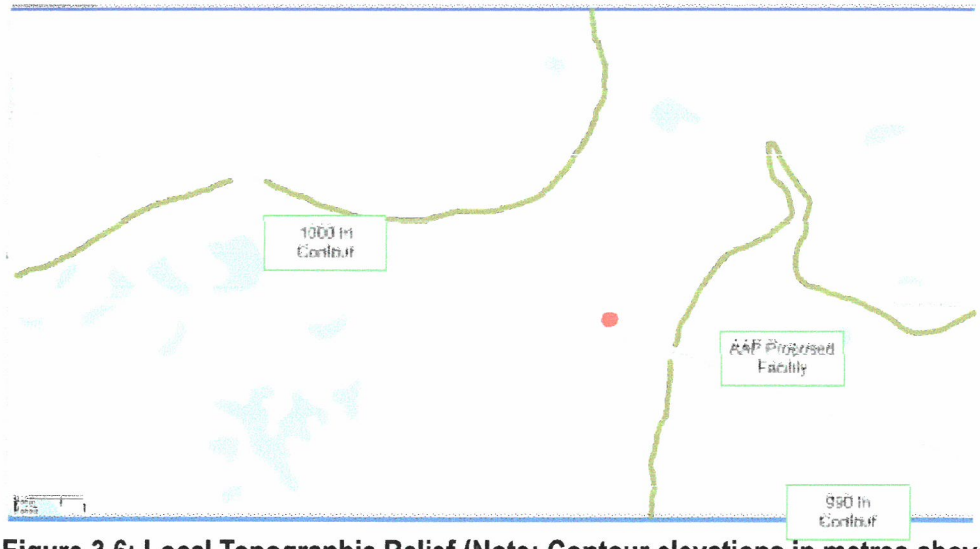

Figure 3.6: Local Topographic Relief (Note: Contour elevations in metres above sea level). Source: https://www.eodms-sgdot.nrcan-rncan.gc.ca/index-en.html.

3.2.3. Water and Wastewater Servicing Plan

There is no water that will be used for commercial purposes. Drinking water is available to us through bottles and jugs. There is a washcar for the bathroom, which has its own water and wastewater tanks. The washcar's holding tank is pumped by a third party company and is disposed of through their services. *There will be no washing vehicles or parts on the property.*

The only well on the property is used for residential purposes, which we do not make use of.

3.3. *Risk Management*

Assessment of the possible risks is an important step in developing a monitoring and mitigation plan to, if necessary, reduce the risk to an acceptable level, or eliminate the risk if possible. This will ensure valued resources (employees, public, environment) are protected.

The risk associated with a system is broadly summarized as the product of the probability of failure and the consequence of failure of the system. Risk assessments can be complex undertakings, and are classified as either quantitative or qualitative in nature. Qualitative risk assessments are appropriate for conceptual level projects where the probability and consequence of failure are evaluated in a subjective manner, based on the experience of the practitioner.

The following section provides a qualitative risk assessment of the hazards within AAP's operation and the risks associated with these hazards.

3.3.1. *Qualitative Risk Assessment*

An example of a qualitative risk assessment for scrap yard safety is provided by the Western Australian Department of Commerce which illustrates some of the more common hazards associated with similar salvage operations. While the example assessment is a checklist intended to assess occupational safety *and health related hazards, it provides a useful example of such an assessment. Figure 3.4 shows the* results of such a qualitative risk assessment.

Risk rating table – for working out level of risk Use the vertical and horizontal columns to consider both the likelihood of injury or harm to health and the consequences to work out the level of risk

Likelihood of injury or harm to health	Consequences of any injuries or harm to health			
	Insignificant eg no injuries	Moderate eg first aid	Major eg extensive injuries	Catastrophic eg death
Very likely	High	Extreme	Extreme	Extreme
Likely	Moderate	High	Extreme	Extreme
Moderate	Low	High	Extreme	Extreme
Unlikely	Low	Moderate	High	Extreme
Highly unlikely (rare)	Low	Moderate	High	High

Risk assessment is a 'best estimate' on the basis of available information. It is important the responsible person undertaking a risk assessment has the necessary information, knowledge and experience of the work environment and work process, or such a person is involved.

Figure 3.4: Example of a qualitative risk assessment for a hazard causing injuries or harm. Source: https://www.commerce.wa.gov.au/sites/default/files/atoms/files/scrap_metal.pdf.

AAP will adopt a similar risk assessment strategy to manage workplace hazards. Other hazards that may not be restricted to the workplace, such as noise, dust, traffic, and contaminants (to water), which can have impacts off-site can be assessed using this method. The following section assesses these hazards.

3.3.2. AAP Potential Offsite Hazards Identification

As mentioned above, a qualitative risk assessment of various hazards that can have impacts off-site are related to noise, dust, traffic and contaminants to surface and groundwater resources. The likelihood and *consequence of these hazards causing impacts to nearby residents is discussed below.*

Noise: The likelihood of noise pollution taking place is unlikely, with insignificant consequences. The only source of significant noise would be from the forklift, which is used to transport vehicles from the yard to the shop. Once in the shop, noise is not expected to be an issue as the shop is enclosed and insulated, which *reduces the possibility of sound leakage into the surrounding area.*

AAP's main strategy to mitigate noise concerns is to limit activities causing excessive noise to indoors. Other strategies may include restricted hours of operations.

It is important to note that the property is currently bounded on the south side by the CP Railway, which generates frequent and significant noise and low frequency vibrations that are heard and felt at large distances away from the tracks. This is noted for relative comparison of the scale of impacts, and to reiterate that AAP's operations will be minimal in terms of noise generation.

Dust: The likelihood of excessive dust generation is unlikely, and the consequence is considered as insignificant. The only sources of dust would be employees/occasional customers entering and leaving the

premises, as well as the forklift moving throughout the yard space. The creation of dust in the yard is minimal when compared to the dust created from local traffic on Township Road 222.

AAP can mitigate to suppress dust generation though several means:

- *Water spraying,*
- Chemical or oil treatment to gravel roadway.

Traffic: As noted in Section 3.2.2, the likelihood of traffic creating excessive disturbances to surrounding land owners is considered low, with the consequence being considered as insignificant. Customers are not expected to visit the proposed premises as we will transition to offer free delivery to customers in Calgary and surrounding areas on all transactions. This is being offered in an effort to reduce the amount of traffic to and from the property.

AAP can further mitigate traffic concerns through some of the following options:

- Restricted operating times,
- Signage,
- Greater emphasis on Free Delivery for customers.

It is understood from the property owner that an application has been submitted to Wheatland County to install a 'Truck Turning' sign to warn oncoming traffic of the traffic at the existing facility. The current status of this application is unknown.

***Visual**: As noted in Section 3.2.3, the visual impact was assessed and a likelihood of negative impacts is* considered likely, with consequences being considered moderate to high. Two locations may require mitigation to reduce the potential unsightliness.

AAP's proposed mitigation may include raising the earthen berm and installing a privacy fence on the north *side of the property that is nearest to the road to avoid any concerns regarding negative visual impacts.*

Contamination: The risk for contamination is considered low to moderate when dismantling vehicles, due to the nature of the fluids being handled. While the probability of this occurring is very low, due to indoor dismantling, the consequences of such contamination requires AAP to take the necessary steps and *training to ensure that there is little to no risk of contamination. The consequence of contamination if it does* occur, is low to moderate.

AAP proposed mitigation includes:

- All vehicles stored in the yard are drained indoors before storage,
- *Drainage of fluids is conducted on a concrete pad where there is no risk of infiltration,*
- Vehicle shells are transported by forklift to the designated storage area within the yard.

The results of the limited Phase II ESA provided a reasonable baseline for existing soil and groundwater conditions. Additionally, an existing potable water well and monitoring wells, installed as part of the ESA, provide further opportunities to monitor groundwater quality.

3.3.3. Hazards Monitoring and Mitigation Plan

An important aspect of AAP's management plan is to monitor for the hazards noted above to ensure that no related exceedances result.

AAP will work with Wheatland County to develop a reasonable monitoring plan that is consistent with the level of risk identified. Based on this, a reporting schedule can also be established to ensure full transparency.

4. Closure

4.1. Summary

The following summarizes AAP's Letter Of Intent application to Wheatland County.

The application is intended to propose a land use change from Industrial General (IG) to Intensive Industrial (II) for the proposed use of a "Salvage Yard". The proposed benefits and risks have been evaluated resulting in the following key outcomes:

- Minimization of the impact from off-site impacts such as noise, dust, traffic and contamination,
- *Minimization the mass mining and raw materials through adoption of the 3Rs,*
- Creation of employment opportunities, and
- Filling the demand for such a service in the local and surrounding areas.

Additionally, best practice procedures are in place to create a safe and community friendly environment for *the public, customers and nearby landowners.*

4.2. Final Comments

The information provided in this application is provided based on information gathered from public online and private resources. Any errors or omissions are completely inadvertent and AAP will gladly provide supporting supplemental information upon request to clarify or correct any gaps.

https://wheatlandcounty.ca/wp-content/uploads/2020/06/Area-Concept-Plan-Application-2021-Complete-Package.pdf