



Employment Lands Strategy Surrey, British Columbia

Prepared for:
City of Surrey
6645 – 148th Street
Surrey, B.C.
V3S 3C7

As of November, 2008

Cushman & Wakefield LePage, Inc.
Valuation & Advisory Services
700 West Georgia Street, Suite 700
Vancouver, B.C. V7Y 1A1
(604) 683-8181

C&W LePage File ID: W7-34



Global Real Estate Solutions driven by talent, resources, results.



URBAN FUTURES
Strategic Research to Manage Change



EXECUTIVE SUMMARY

Background

The Metro Vancouver region is maturing and the City of Surrey is fast becoming a more complete community with growing employment opportunities located within its boundaries. To realize its full potential and consolidate local control over its economic development, the City must optimize its employment lands which are comprised of industrial, commercial, office and institutional lands. The regional shortage of well-located and affordable employment lands is a great opportunity for Surrey. Yet short term market pressures to convert employment land to housing, and gaps between policy and implementation could limit this potential. The City's long-term objectives demand strategic, knowledgeable, and efficient management of this supply.

The scarcity of employment lands is giving the City ever more control over land use. The value of entitlements and infrastructure, the two levers of control exercised by the City, has never been more important in the development process. Recognition of the employment land challenge, combined with the long-term objective of being self sufficient in local employment, has triggered the City's support for the development and implementation of a strategy for Surrey's employment lands.

Purpose and Approach

The City engaged Cushman & Wakefield LePage, Stantec Consulting Ltd. and Urban Futures to develop an Employment Lands Strategy (ELS). Surrey wishes to eventually achieve a one to one ratio of jobs and residents and a more balanced property tax base. The purpose of the ELS is to define a vision and strategy for Surrey's employment lands that is grounded in an understanding of local and regional issues, opportunities, and constraints, and that responds to the project goals, as defined by the City.

The approach used to develop the ELS was three-pronged including:

- Supply and demand analysis: An employment by occupation forecast (2006 – 2031) was developed and assessed against the supply of employment land.
- Planning analysis: Planning documents, including the OCP, Secondary Plans and the Zoning Bylaw, were analyzed to identify issues and recommendations and “best practices”.
- Consultation: To ensure a transparent and inclusive process, staff advisory meetings, business and community stakeholder meetings, a Council workshop, an Open House, and a presentation to Council were conducted.

Vision: *The ELS includes this statement of Surrey's vision of employment in the year 2028:*

“Surrey has been actively involved in shaping a complete community where citizens can both live and work. Employment lands are valued as being critical to the short-term, medium-term and long-term economic and social viability of the community. A greater balance of jobs to labour force has been achieved through protection of its existing and valued employment lands, development and redevelopment of employment lands and a commitment to ongoing economic development. To the greatest extent possible, the development of employment lands reflects principles of sustainability, including greater land use efficiency. In keeping with its focus on sustainability, Surrey values its agricultural land base and the social, economic and environmental benefits it provides. The City has supported employment-related growth in City Centre and Town Centres across Surrey, recognizing the benefits of compact form. As a healthy city, Surrey is a

place where existing businesses want to stay and expand, and new businesses want to locate. Surrey is committed to supporting jobs for residents of Surrey and elsewhere in the region”.

Principles: The employment vision is accompanied by supporting principles and a recommended strategy to respond to the employment lands situation in Surrey.

- The City is committed to being competitive and to pro-actively encouraging local economic growth and retention and expansion of existing businesses to achieve a mix of jobs that support different market sectors and, in turn, a balanced economy.
- The City is dedicated to providing predictability and certainty related to the supply of serviced employment lands and the uses that are permitted within them.
- A more balanced tax base ratio of residential to business is critical to municipal well being.
- Further enhancing Surrey’s character and image will encourage economic development.
- The City supports innovative and sustainable businesses.
- The agricultural land base is important to the overall fabric of Surrey and contributes to the economy through agriculture and agro-industrial activities.
- The City is dedicated to ensuring an adequate supply of ‘ready to build on’ employment lands to facilitate short-term, medium-term and long-term economic growth.
- High quality and environmentally responsible development of employment lands is supported, as are the benefits associated with such developments.
- The City acknowledges port lands and key transportation corridors as contributors to local economic well-being and is committed to protecting employment lands in these areas.
- The City supports vibrant urban centres (i.e. City Centre and Town Centres) and corridors that provide employment, services and a community focus for local and regional populations.
- The City supports planning that will directly provide for jobs in the most appropriate locations.
- The City is committed to facilitating the development of a strong City Centre that is supported by residential and commercial activity and that serves as the 'second downtown' for the region.
- The City will respond to market conditions, accommodate the different needs of businesses, and remain competitive by supporting higher density and quality business parks at key locations.
- The City will encourage increased employment densities where appropriate, i.e. urban centres and emerging areas such as corridors.

This strategy, as provided below, allows the City’s objectives to be met while providing flexibility. It also allows for some innovative responses to the challenge of providing a diversified employment base while still targeting sustained employment growth and sustainable solutions.

RECOMMENDED STRATEGY: Adopt an employment policy that supports employment lands protection and creative solutions to generate employment growth. The Recommended Strategy (Option E) is detailed below:

- **Industrial land shall be protected for industrial use.**
- **Conversion from an employment use to a non-employment use is only supported where development will align with the City's objectives to create thriving, transit oriented, mixed-use centres and corridors.**
- **Conversion from industrial to another employment use is only permitted for local serving, ancillary retail, or commercial uses needed to support industrial activity. Policy and regulation regarding maximum floor areas and % of floor space allocated to ancillary retail or commercial uses shall be adopted/strengthened.**
- **Integrated industrial/office (i.e. industrial/office) may be considered in industrial areas provided industrial is not compromised and a series of other conditions are met.**
- **Rezoning commercial land in corridor areas outside City Centre and Town Centres is permitted if 1.5 times more jobs are provided than under the employment typically permitted through present zoning.**
- **Corridor areas must have adequate amenities and existing or planned transit to support development. Corridor areas shall be limited to: King George Highway, 104th Avenue, Scott Road and Fraser Highway. Greater definition surrounding the extent of these corridor areas will be identified during the OCP Review process which the City is currently embarking upon.**
- **The integrity of Surrey's agricultural land base shall be protected for agriculture and agro-industrial activity as per existing City policy.**
- **Recognizing the need for intensification and redevelopment, City Centre and Town Centres shall support commercial, institutional, service and residential uses that respect the hierarchy of urban centres within Surrey.**

The ELS provides community snapshots for Northwest Surrey (includes City Centre, Whalley, Bridgeview and South Westminster) Guildford (includes Port Kells), Fleetwood, Newton, Cloverdale and South Surrey. Each snapshot provides details regarding the current reality, future issues/opportunities and recommended planning directions for all employment land uses.

Employment Land Demand

This report estimates that approximately 120,000 new jobs will be generated in Surrey between 2006 and 2031. Of these, 107,000 are expected to be at regular places of work outside of the home. Based on average employee space requirements, these new jobs would require an additional 47.51 million square feet of building space (65% growth). Over the coming 25 years, the largest increment would be the 20.59 million additional square feet of commercial space, followed by the 11.67 million square feet of industrial, 10.48 million square feet of institutional, and 4.78 million square feet of office space.

In considering current and future site coverage ratios for each of these sectors, the projected employment would require 2,845 acres of land. This represents a 57% increase over the estimated 4,961 acres that are already in use today. Additional land can be accommodated through new land supply and more efficient use of currently underutilized lands. The latter is defined as land that is currently not used for its intended use

and/or could support greater density. A more comprehensive definition is provided in the body of this document.

CITY OF SURREY EMPLOYMENT LAND DEMAND

Employment Land Demand, City of Surrey - Baseline Scenario								
	2006	2011	2016	2021	2026	2031	Growth 2006-2031	
							absolute	relative
Empl. with a usual place of work:	151,385	181,752	208,469	225,589	241,581	258,031	106,646	70%
<i>using office land</i>	25,909	31,571	36,289	39,333	42,186	45,130	19,220	74%
<i>using industrial land</i>	43,527	46,913	52,422	55,988	59,361	62,835	19,308	44%
<i>using commercial land</i>	50,599	64,804	75,288	81,913	88,076	94,412	43,813	87%
<i>using institutional land</i>	31,350	38,464	44,470	48,355	51,957	55,655	24,305	78%
Floor space (millions of sq. ft.)	73.14	86.93	99.10	106.62	113.54	120.65	47.51	65%
<i>office</i>	6.09	7.56	8.75	9.48	10.16	10.87	4.78	78%
<i>industrial</i>	27.94	30.09	33.48	35.60	37.58	39.61	11.67	42%
<i>commercial</i>	25.02	31.98	36.95	39.98	42.75	45.60	20.59	82%
<i>institutional</i>	14.10	17.30	19.92	21.55	23.05	24.58	10.48	74%
Total employment lands - (acres)	4,961	5,744	6,495	6,955	7,376	7,806	2,845	57%
<i>office</i>	112	139	161	174	187	200	88	78%
<i>industrial</i>	2,822	3,036	3,369	3,572	3,758	3,946	1,124	40%
<i>commercial</i>	1,595	2,039	2,356	2,549	2,726	2,908	1,313	82%
<i>institutional</i>	431	530	610	660	705	752	321	74%

Source: Urban Futures Projection Models

Meeting Demand

Central to meeting demand will be revitalization and intensification within existing employment areas, including but not limited to Surrey's urban centres, transit oriented development (TOD), industrial and office integration, live/work, mixed-use and suburban business district development. Enhancing or expanding land supply, such as through the recently signed MOU between the Province and the City of Surrey which sets the stage for the City to purchase a 300 acre gravel pit from the Province to be used primarily for future industrial development, should be considered as a longer-term objective as required. Tools such as density bonusing and a paradigm shift toward green development are also recommended.

Community Planning Directions

NW Surrey/City Centre: NW Surrey/City Centre is one of the most centrally located communities, offering convenient access to the rest of the Metro Vancouver region. It will continue to be one of the most urban areas of Surrey and account for an increasing share of new employment in terms of commercial, institutional and office development. This area is a logical extension of the regional office market and benefits directly from rapid transit and major highway infrastructure improvements. NW Surrey/City Centre will densify and allow more Surrey residents to live closer to where they work. The recommendations to achieve the stated employment lands goals in NW Surrey/City Centre are:

- conversion from an employment use to a non-employment use is only supported where development will align with the City's objectives to create thriving, transit oriented, mixed-use centres and corridors or is required by a more complete community vision such as waterfront access;
- stimulate investment, continue to support mixed use and TOD and support area revitalization in City Centre;
- encourage and support office development, including region serving office space in City Centre;

- support mixed-use development and corridor transformation;
- work with other orders of government to focus transit expansion east toward Guildford/Port Kells;
- expedite approvals for office and commercial development in select area;
- focus major institutional growth in this area;
- undertake branding and marketing, including focused outreach and engagement of the business community (e.g. local BIA) to encourage commercial retention;
- protect the industrial land base by limiting commercial uses.

A more comprehensive listing of planning directions is identified in pages 118 – 120 of this document.

Guildford/Port Kells: As with NW Surrey/City Centre, Guildford/Port Kells is centrally located and offers convenient access to the rest of Metro Vancouver. It will become one of the most urban areas of Surrey and account for an increasing share of new commercial, institutional and office employment. Transportation infrastructure development will trigger the location of many new commercial and high value employment uses to Guildford/Port Kells. The recommendations to achieve the stated employment lands goals in Guildford/Port Kells are:

- conversion from an employment use to a non-employment use is only supported where development will align with the city's objectives to create thriving, transit oriented, mixed-use centres and corridors
- work with other orders of government to focus the rapid transit extension east toward Guildford/Port Kells;
- expedite approvals for office/business park development applications in Guildford Town Centre to encourage investment and allow a more even playing field to compete with suburban office locations;
- address the local road network to improve access to future employment around Highway 1 at 160th Street;
- protect the industrial land base by limiting commercial to local serving, ancillary retail or commercial uses needed to support industrial activity, and limiting retail floor area.

A more comprehensive listing of planning directions is identified in pages 125 – 126 of this document.

Newton: Newton will continue to support more localized employment. The office market will remain moderate with a focus on corridor sites (e.g. King George Highway, Highway 10). There is opportunity to seek creative re-development solutions including within the context of other planning policies. There is also an opportunity to encourage more commercial activity along all of the major corridors (i.e. King George Highway, 120th St and No. 10 Highway) and at Newton Town Centre and smaller commercial areas. Looking ahead, the focus should be on local institutional development rather than region-serving institutional.

The recommendations to achieve the stated employment lands goals in Newton are limited as it has less vacant land and less convenient access as compared to NW Surrey/City Centre, Guildford/Port Kells and South Surrey.

Planning directions include:

- conversion from an employment use to a non-employment use is only supported where development will align with the city's objectives to create thriving, transit oriented, mixed-use centres and corridors
- protect the industrial land base by limiting commercial to local serving, ancillary retail or commercial uses needed to support industrial activity, and limit retail floor area; amend the West Newton/Highway 10 NCP to provide more opportunity (e.g. residential, commercial, office) along Highway 10;
- amend the East Newton Business Park Land Use Plan to include policy for business park development instead of live/work to maximize the employment generating potential of the area.

Cloverdale: Similar to Newton, Cloverdale will continue to support more localized employment. There will be increased densification and re-use of under developed employment lands to achieve higher levels of employment.

The recommendations to achieve the stated employment lands goals in Cloverdale are limited as it has less vacant land and less convenient access as compared to NW Surrey/City Centre, Guildford/Port Kells and South Surrey. Planning directions include:

- conversion from an employment use to a non-employment use is only supported where development will align with the city's objectives to create thriving, transit oriented, mixed-use centres and corridors
- protect the industrial land base by limiting commercial to local serving, ancillary retail or commercial uses needed to support industrial activity, and limiting retail floor area;
- encourage mixed-use (residential with office/commercial), within the context of other planning policies, on lands around the Cloverdale Town Centre (e.g. lands designated for multiple residential to the north of the Town Centre);
- enhance the small town character of the area to attract employment activity; support higher density residential in areas in and adjacent to the Town Centre to provide the population base to support commercial activity;
- undertake branding and marketing, including focused outreach and engagement of the business community (e.g. local BIA), to encourage commercial retention.

Fleetwood: Similar to Newton and Cloverdale, Fleetwood will continue to support more localized employment. There will be increased densification and re-use of underdeveloped employment lands to achieve ever higher levels of employment. The recommendations to achieve the stated employment lands goals in Fleetwood are limited as it has less vacant land and less convenient access as compared to NW Surrey/City Centre, Guildford/Port Kells and South Surrey. Planning directions include:

- conversion from an employment use to a non-employment use is only supported where development will align with the City's objectives to create thriving, transit oriented, mixed-use centres and corridors
- protect the industrial land base by limiting commercial to local serving, ancillary retail or commercial uses needed to support industrial activity;

- amend the Fleetwood Centre Land Use Plan to provide direction in support of mixed use (residential with office/commercial), within the context of other planning policies, along the Fraser Highway;
- following the implementation of an efficient transit network (e.g. bus rapid transit) through Fleetwood, allow for parking relaxations in Fleetwood Town Centre to encourage development;
- undertake branding and marketing, including focused outreach and engagement of the business community to encourage commercial retention.

South Surrey: This geographically large community has the most significant vacant employment land base in the entire region. It will become pivotal in Surrey's drive to balance population and local employment. There is ample demand and land supply for all employment categories, particularly industrial. The recommendations to achieve the stated employment lands goals in South Surrey are:

- conversion from an employment use to a non-employment use is only supported where development will align with the city's objectives to create thriving, transit oriented, mixed-use centres and corridors
- protect the industrial land base by limiting commercial to local serving, ancillary retail or commercial uses needed to support industrial activity, and limiting retail floor area;
- amend the Campbell Heights Land Use Plan to focus future development on employment use without a residential component;
- pursue integrated office and industrial uses in areas currently planned to support residential in Campbell Heights (future office development should be a long-term plan that is contingent on the provision of transit to the area);
- re-examine where land uses are planned in the context of Campbell Heights (i.e. office relative to industrial);
- consider rezoning lands for industrial use to increase the supply of zoned industrial land available for development; continue policy support for an appropriate interface between agricultural and residential uses adjacent to Campbell Heights;
- consider business park development and focus on an integrated development in the Grandview Heights/Highway 99 Corridor to encourage a mix of employment uses (including office and industrial and business park development)

TABLE OF CONTENTS

TABLE OF CONTENTS	0
1.0 INTRODUCTION	1
1.1 BACKGROUND AND ISSUES	2
1.2 PURPOSE AND GOALS	3
1.3 PROJECT APPROACH	4
2.0 SURREY STRATEGIC POSITIONING AND RECOMMENDED STRATEGY	7
2.1 BALANCING LAND USE WITH CITY OBJECTIVES & DIRECTIONS	7
2.1.1 Economic Objectives	7
2.1.2 Sustainability Framework	7
2.2 VISION AND PRINCIPLES	8
2.2.1 Employment Vision	8
2.2.2 Employment Vision in Context	8
2.2.3 Supporting Principles	9
2.3 CONSIDERATIONS AND RISKS	10
2.3.1 Considerations and Risks	10
2.4 STRATEGIC POSITIONING TO GENERATE EMPLOYMENT	11
2.4.1 Strategy Options/RECOMMENDED STRATEGY	11
2.4.2 Strategy Options Analysis	13
2.5 STRATEGIC POSITIONING TO GENERATE EMPLOYMENT	15
2.5.1 Employment Mix	15
2.5.2 Employment Growth in Urban Centres	16
2.5.3 Employment Growth in Corridor Areas	20
2.5.4 Employment Along the Fraser River	22
2.5.5 Accommodate Future Demand Through Increased Employment Densities	27
2.5.6 Accommodate Future Demand Through Enhanced Land Supply	28
2.5.7 Infrastructure and Parking	28
2.5.8 Incentives for Desired Employment Growth	30
2.5.9 Future Employment – Location, Considerations and Requirements	30
2.5.10 Targeted Employment Sectors and New Opportunities	33
2.6 POLICY FRAMEWORK AND PLANNING CONSIDERATIONS	34
2.6.1 Policy Framework	34
2.6.2 Official Community Plan	36
2.6.3 Zoning Bylaw	43
2.7 IMPLEMENTATION	43
2.7.1 Priorities and Timing	43
2.7.2 Monitoring and Reporting	44
3.0 ECONOMIC CONTEXT AND OPPORTUNITIES	47
3.1.1 Canada	47
3.1.2 British Columbia	49
3.1.3 Metropolitan Vancouver	51
3.2 SURREY ECONOMIC CONTEXT	53
3.2.1 Transportation Infrastructure Capacity	53
3.2.2 Economic Diversification and Growth of Large Scale Employers	57
3.2.3 Growth and Diversification of Resident Workforce	60
3.2.4 Overall Economic Challenges and Opportunities	60
3.3 OFFICE MARKET AND EMPLOYMENT OVERVIEW	61
3.3.1 Asking Rents For Office Space	62
3.3.2 Office Development	62

3.3.3 Office Space Development Trends	63
3.4 INDUSTRIAL MARKET AND EMPLOYMENT OVERVIEW	65
3.4.1 Asking Rents for Industrial Space.....	66
3.4.2 Industrial Sector Vacancy	66
3.4.3 Industrial Development.....	66
4.0 EMPLOYMENT FLOOR SPACE AND LAND.....	68
4.1 OFFICE.....	68
4.1.1 Office Floor Space Supply and Absorption Rates	68
4.1.2 Office Land Supply.....	71
4.1.3 Future Directions for Office.....	72
4.2 INDUSTRIAL.....	72
4.2.1 Industrial Space Supply and Absorption Rates	72
4.2.2 Industrial Land Supply.....	74
4.2.3 Future Directions for Industrial.....	77
4.3 COMMERCIAL.....	77
4.3.1 Commercial Space Supply and Absorption Rates.....	77
4.3.2 Commercial Land Supply	78
4.3.3 Future Directions for Commercial	80
4.4 INSTITUTIONAL	80
4.4.1 Institutional Space.....	80
4.4.2 Institutional Land Supply.....	81
4.4.3 Future Directions for Institutional.....	81
4.5 AGRICULTURAL.....	82
4.5.1 Agricultural Land Supply.....	82
4.5.2 Future Directions for Agricultural	82
5.0 OCCUPATION BASED PROJECTION OF EMPLOYMENT.....	84
5.1 EMPLOYMENT AND LAND DEMAND IN THE CITY OF SURREY	84
5.1.1 Housing and Population.....	85
5.1.2 Employment by Occupation.....	86
5.1.3 Employment Lands Demand.....	90
6.0 MUNICIPAL RESPONSE TO ACCOMMODATE DEMAND.....	94
6.1 ACCOMMODATING FUTURE DEMAND THROUGH INNOVATIVE PLANNING AND DEVELOPMENT	94
6.1.1 Transit Oriented Development.....	94
6.1.2 Live/Work.....	97
6.1.3 Industrial and Office Space Integration	98
6.1.4 Integrated Suburban Business Districts	100
6.1.5 A Paradigm Shift Toward Green.....	101
6.2 ACCOMMODATING FUTURE DEMAND THROUGH ENHANCED LAND SUPPLY.....	104
6.2.1 Issues and Opportunities	104
7.0 EMPLOYMENT LAND BY COMMUNITY.....	108
7.1 COMMUNITY POPULATION TRENDS	108
7.2 FUTURE EMPLOYMENT (LAND DEMAND) ACROSS COMMUNITIES.....	109
7.3 COMMUNITY SNAPSHOTS/RECOMMENDATIONS	113
7.3.1 Northwest Surrey/City Centre	113
7.3.2 Guildford/Port Kells.....	121
7.3.3 Newton.....	126
7.3.4 Cloverdale.....	131
7.3.5 Fleetwood.....	135
7.3.6 South Surrey	139

Introduction

1.0 INTRODUCTION

The Lower Mainland has always had a land shortage relative to most other urban areas in North America. This land constraint is the result of the physical geography which tightly bounds the area with mountains and water. The natural limits to development are further compounded by the US border located on the southern edge of Surrey.

Employment lands, defined as office, industrial, commercial, and institutional land uses, are critical to economic development and employment. Increasingly, municipalities are feeling pressure to convert their employment lands to higher order uses. Cumulatively, the impacts of these conversions are felt at local and regional levels – Surrey and Metro Vancouver are no exception. Residential development consumes the vast majority of developable land and it generates the highest land values.

An adequate supply of well-located and affordable employment land is a key factor in the future economic prosperity of Surrey. Surrey has the largest land base of any municipality in the region and this objective should be achievable. There are, however, many challenges affecting the supply and use of employment lands including, market pressures to convert employment land to higher order uses such as housing, location and access constraints and a gap between policy and ‘on the ground’ development. It has become imperative that Surrey strategically manage its limited supply of employment lands to secure and grow its economic base into the future. This Employment Lands Strategy (ELS) provides the information and guidance necessary to achieve the City’s long-term objectives.

The following outlines each of the sections in the report.

Section 1: The report begins with this introduction, followed by a discussion regarding background and issues surrounding employment lands in Surrey. This section continues with a discussion about the purpose, objectives, goals and approach.

Section 2: This section provides the strategic positioning and recommendations required to move forward with the management of Surrey’s employment lands. Included in this section are the employment vision, supporting principles, an overarching strategy, a policy framework and policy and zoning specific recommendations.

Section 3: This section provides the economic context, identifies current market trends, and discusses opportunities and challenges affecting employment in Surrey.

Section 4: This section includes a detailed outline of the land use market in Surrey and Metro Vancouver. This information frames much of the discussion as to Surrey’s current position and its regional context.

Section 5: This section includes a complete outline of current and future employment projections for Surrey. The strong surge in demand over recent years is moderated within the long term trend. Employment by occupation projections are converted into land demand by floor space per worker and floor space ratio (FSR).

Section 6: This section explores various alternatives that can be considered by the City to meet future demand using the existing supply of employment lands. Transit oriented development (TOD), live/work, industrial and office space integration, business districts and eco-industrial developments are discussed.

Section 7: This section includes employment profiles for each of Surrey's six communities. These profiles outline the employment issues, opportunities and recommendations.

1.1 BACKGROUND AND ISSUES

The City of Surrey Official Community Plan (OCP) calls for the City to continue to strengthen its economic base by diversifying and building upon its strengths and to create a positive environment for business investment. This includes the identified strategic direction of ensuring there is a sufficient supply of serviced employment lands to meet future needs. Land is the single most important factor that will shape Surrey's future.

Surrey's OCP policies strongly support the achievement of a balance of local jobs to employed residents and achieving a strong and balanced fiscal base. Surrey's OCP targets are to:

- Reach a balance of 60% residential to 40% industrial/commercial assessment by the year 2021, from the current 70% residential and 30% industrial/commercial;
- Provide one job per resident worker in Surrey or 1 to 1, from the current 0.68 jobs per resident worker.

Achieving a balanced jobs-to-workforce ratio would prove very challenging even over the long-term. Recognizing the magnitude of employment growth projected for the City over the coming three decades, at today's total labour force participation rate, the population growth projected for the City would see the ratio of jobs to labour force participants move towards 0.85 by the end of the projection period. While a number of new jobs will be located in office or commercial space in commercially or residentially designated areas, a significant amount of this employment will need to be accommodated in industrially designated lands. Industrial activity is land intensive and, more than any other land use, it requires ample, affordable vacant land. This is something which is in short supply.

Surrey's population is expected to continue to grow from its current population of 462,000 at a rate of at least 10,000 persons per year, and as such, it is important to ensure that job and assessment growth opportunities continue to keep pace with this population growth.

In recognition of these and other growth related challenges, the City of Surrey has entered into a Livability Accord with three other 'High Growth Cities' in the region, (Coquitlam, Langley Township and Abbotsford). The Livability Accord serves as an umbrella document with economic sustainability, including job creation, as one of its primary elements. The Accord commits the partners to work collaboratively to ensure that the projected shared growth of 500,000 residents by 2031 and the required local jobs, will be accommodated in a sustainable manner in the four high growth cities. Specific areas of focus of the Livability Accord include sustainable land use, public transit and transportation infrastructure, public safety, social infrastructure and redefining and developing new relationships between cities and other levels of government.

Several key issues affecting both Surrey and Metro Vancouver illustrate the need to develop the Employment Lands Strategy (ELS). In general, the issues include:

- A shortage of zoned and serviced industrial land. There is an acute lack of well located industrial lands within the entire region. Given its land-intensive nature, industrial activities will play an imperative role in any ELS;

- The increase in demand for lower intensity, storage warehousing in Surrey, which has been driven by a number of industrial conversions across Metro Vancouver and the rise in the warehousing and distribution industrial market sector. The goods handling industry has seen significant growth while most other heavy industry employment sectors have languished. This use is not an ideal employment generator as it offers relatively few jobs per acre;
- Gateway initiatives, in particular the South Fraser Perimeter Road (SFPR) project which is intended to improve access to major trade gateways and industrial areas and facilitate development in designated industrial areas along the south side of the Fraser River, will result in greater demands on North Surrey to be an employment provider;
- Limits to growth as determined by the ALR, which accounts for approximately 29% of Surrey's land base;
- The challenge of protecting employment lands from being converted to non-employment land uses in an environment that is focused on short-term financial gains without recognition/understanding of mid and long-term implications. Converting non-employment lands to employment lands is very difficult;
- Attracting significant numbers of jobs to the City Centre and Town Centres to date has proven to be challenging.
- Surrey's current jobs to labour force ratio is low but improving. Projections indicate that a balanced job to labour force ratio will be very challenging to attain.

Council has provided direction to the effect that until such time as the ELS is completed and adopted, staff cannot process applications to re-designate land from "Industrial" to any other designation, unless already designated in an approved Neighborhood Concept Plan (NCP). This moratorium is a significant step toward protecting the existing employment land base, of which industrial land is a major component.

1.2 PURPOSE AND GOALS

The City engaged Cushman & Wakefield LePage, Stantec Consulting Ltd. and Urban Futures to develop the ELS: a long-term plan for Surrey's employment lands.

The purpose of undertaking this project is to define a strategic vision for Surrey's employment lands that is grounded in an understanding of local and regional issues, opportunities and constraints. The ELS will articulate the strategic vision, ultimately providing direction for how employment lands should be managed with a view to ensuring an adequate supply to meet projected demand. The ELS will shape policy and regulations, and ultimately, provide the foundation for day-to-day land use decisions by Surrey staff and Council.

The goals of the project are to:

- Assess current and projected employment lands in Surrey, examining Surrey's potential market roles within the regional, provincial, national and international context;
- Develop a strategy that will identify, assess and manage employment areas on a short, mid and long-term basis that will position Surrey to take advantage of its locational strengths, diverse labour force and its other assets;
- Direct distribution of employment uses to appropriate locations in the City;
- Recommend strategies to strengthen the current industrial and employment designations and prevent the erosion of the employment land base; and

- Recommend strategies to ensure a balance of land to accommodate where people work and live and how they travel.

INDUSTRIAL LAND ISSUES

While this study focuses on all employment lands, industrial based employment does represent a significant opportunity for Surrey because it has the largest vacant industrial land base. Despite this the City is still faced with a shortage of well located, zoned and serviced vacant industrial lands available to meet business demands from both new and existing users.

This land shortage could eventually result in the loss of potential business investment and local employment opportunities and erosion of the City's non-residential assessment and tax bases. Surrey's supply of industrial lands should be protected and enhanced, in any strategy.

Surrey is impacted by the following:

- As higher order land uses have taken over former industrial lands in the City of Vancouver and other inner ring municipalities, there is an apparent demand for lower intensity, storage, distribution, warehouse, and other related uses in Surrey. Surrey is one of the last municipalities with a substantial industrial land supply;
- The construction industry and building trades require heavy and medium industrial sites.
- The continued growth of the Fraser Surrey Docks and the impact of the Federal and Provincial Gateway initiatives;
- The presence of the ALR which establishes a provincially mandated urban growth boundary;
- The presence of the majority of independent truck operators who require truck-parking locations;
- Major highway improvements that will all act to make the City more accessible.
- Most of the leading potential industrial land users are in the transportation industry and tend to provide low density improvements and relatively few employees per acre.

1.3 PROJECT APPROACH

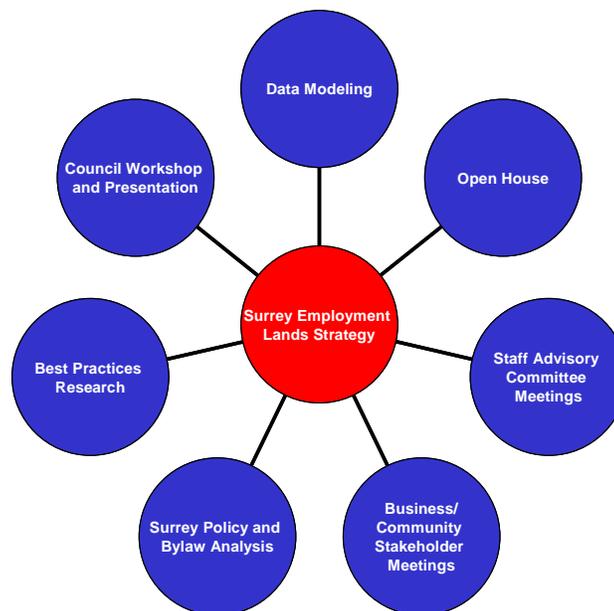
The approach for the project was three-pronged including:

Supply and demand analysis: An employment by occupation forecast (2006 – 2031) was developed and an economic analysis completed to determine employment demand. Demand was assessed against the current supply of employment land to determine employment land requirements through to the year 2031.

Planning analysis: Planning documents, including the OCP, Secondary Plans and the Zoning Bylaw, were analyzed to identify issues and recommendations that could benefit the efficient use and protection of employment lands over the long-term. Part of the analysis also involved a review of how selected other municipalities in the region and elsewhere in British Columbia are managing their employment lands.

Consultation: With a view to ensuring a transparent and inclusive process that allowed for information sharing among the consultant team, City staff, Council and stakeholders, the following occurred as part of the project process:

- Staff advisory meetings – These meetings were held September 26, October 26, November 26, and December 10 of 2007, and February 13, April 07 and May 27 of 2008. The objective was to provide progress updates, discuss key issues and directions for moving forward.
- Business and community stakeholder meetings – These meetings were held on October 26 and November 26 of 2007. The objective was to provide information on preliminary findings, receive feedback, and provide opportunity for discussion.
- A Council workshop was conducted on December 17, 2007, and again on October 6, 2008. The objective was to present initial findings and to engage in a question and answer period.
- An Open House was held on January 21, 2008. The objective was to raise awareness about the project, share preliminary findings, and receive informal and formal feedback.



Surrey Strategic Positioning and Recommendations

2.0 SURREY STRATEGIC POSITIONING AND RECOMMENDED STRATEGY

This chapter of the report describes a series of pro-active and deliberate objectives, recommended strategy and strategic directions that, together, will enable the City to effectively manage, balance, and optimize its employment growth in the future. These initiatives, which are both innovative and practical, will help Surrey achieve a more balanced job to workforce ratio and tax base and ultimately, a more liveable community.

2.1 BALANCING LAND USE WITH CITY OBJECTIVES & DIRECTIONS

Municipal land use strategies and economic development plans are inextricably linked. Surrey's land use strategy (i.e. OCP), which determines where and how employment will be generated, is a reflection of the City's economic objectives as well as its commitment to sustainability. Surrey's Sustainability Charter will further direct the City to remain focused on sustainability in planning as will the Livability Accord the City of Surrey signed along with Coquitlam, Langley Township and Abbotsford referenced earlier in this report.

2.1.1 ECONOMIC OBJECTIVES

Surrey's OCP calls for the City to continue to strengthen its economic base by diversifying and building upon its competitive strengths and to create a positive environment for business investment. This includes the strategic direction of ensuring there is a sufficient supply of serviced employment lands to meet future needs. This land requirement is particularly acute for the industrial sector.

OCP policies support the achievement of a balance of local jobs to employed residents and achieving a balanced fiscal base. The targets are as follows:

- To reach a balance of 60% residential to 40% industrial/commercial assessment by the year 2021, (from the current 70% residential to 30% industrial/commercial); and
- To provide one job per resident worker in Surrey, from the current 0.68 jobs per resident worker.

As noted previously, achieving a balanced jobs-to-workforce ratio (1:1) would prove very challenging. Recognizing the magnitude of employment growth projected for the City over the coming three decades, at today's total labour force participation rate, the population growth projected for the City would see the ratio of jobs-to-labour force participants move towards 0.85 by the end of the projection period. More rapid employment growth, slower population growth or increasing participation of the City's residents would each result in pushing this ratio closer towards the one-to-one level currently sought after by the City.

City Council recently approved an Economic Development Strategy for Surrey. This Strategy will assist the City in further articulating its economic objectives and ultimately, help make Surrey a 'go to' place for business investment.

2.1.2 SUSTAINABILITY FRAMEWORK

Surrey recently launched its Sustainability Charter which will guide the City's approach to environmental, social/cultural and economic sustainability. The Sustainability Charter is intended to be a living document that reflects the identified areas of interest under the three pillars of sustainability. The proposed scope of the Sustainability Charter includes the identification of the appropriate role for Surrey in promoting sustainability in three spheres of influence as follows:

- Municipal operations, such as City buildings, facilities and procurement practices;
- Areas under direct municipal jurisdiction, such as land use, development, building permits and local transportation networks; and
- Areas that affect the City but are under the jurisdiction of senior levels of government or the private sector, such as provincial highways, industry standards, building codes and federal/provincial infrastructure programs.

The City has a wide range of sustainability policies as well as policies related to social, economic and environmental sustainability. The Sustainability Charter is not intended to replace these existing policies but, rather, to provide high-level direction on the City's sustainability vision, goals and an implementation framework.

The high-level economic goal, as stated in the draft Sustainability Charter, is to: *'Create a local economy that builds upon our natural advantages and uses our land base and human resources efficiently to create a broad range of environmentally friendly businesses that provide attractive local employment opportunities for residents, a wide range of useful goods and services and a sustainable revenue base for the City'*.

While existing planning documents such as the OCP highlight the City's focus on sustainability, an approved Sustainability Charter will underscore its true commitment to sustainability.

2.2 VISION AND PRINCIPLES

2.2.1 EMPLOYMENT VISION

An employment vision for the City has been developed based on Surrey's economic objectives, its commitment to sustainability, and in consideration of input received from City staff, business/community stakeholders and the public during the ELS process. The vision offers broad direction as to where the City intends to go and, in turn, provides the basis for developing principles and strategy recommendations.

The following statement describes Surrey's vision of employment in the year 2028:

Surrey has been actively involved in shaping a complete community where citizens can both live and work. Employment lands are valued as being critical to the short-term, medium-term and long-term economic and social viability of the community. A greater balance of jobs to labour force has been achieved through protection of its existing and valued employment lands, development and redevelopment of employment lands and a commitment to ongoing economic development. To the greatest extent possible, the development of employment lands reflects principles of sustainability, including greater land use efficiency. In keeping with its focus on sustainability, Surrey values its agricultural land base and the social, economic and environmental benefits it provides. The City has supported employment-related growth in City Centre and Town Centres across Surrey, recognizing the benefits of compact form. As a healthy city, Surrey is a place where existing businesses want to stay and expand, and new businesses want to locate. Surrey is distinguished from other Metro Vancouver municipalities by its focus on attracting and retaining innovative and sustainable businesses as well as traditional industry. Surrey is committed to supporting jobs for residents of Surrey and elsewhere in the region.

2.2.2 EMPLOYMENT VISION IN CONTEXT

Surrey's role as an employment provider will grow in the context of Metro Vancouver. As the municipality with the largest industrial land holdings, Surrey will receive the bulk of the region's industrial growth. Although policy, regulation and incentives will influence uptake, the rate at which this growth will occur will be

contingent on market forces (e.g. cost of land), which could prompt investors to develop outside of Metro Vancouver in areas such as the Fraser Valley. Over the mid-term, Surrey will continue to be the destination of choice for industrial growth and serve as the primary logistics centre due to its land supply, transportation links and strategic location as a gateway to the US.

Short-term growth in the office sector will be contingent on factors such as transit access and revitalization in urban centres, and continued efforts by the City to market City Centre and Town Centres as preferred office locations in Metro Vancouver. Continued residential growth will drive commercial and institutional employment growth. The City has the potential to realize more office, commercial and institutional growth in urban centres and corridor areas in the mid-term as the appetite for intensification grows in response to overall population growth, diminishing land supply across the region and transportation infrastructure enhancement and expansion.

As industries and businesses locate in Surrey, which have provincial and national implications, the status and position of the City will widen and strengthen accordingly. This is particularly true for some sectors with considerable provincial and national impact and international scope (such as the distribution and logistics industries). Surrey can expect to receive support and encouragement from across the country as it positions itself as a leader in accommodating and attracting these high profile business sectors.

Surrey's vision of a greener future is consistent with global trends which are moving toward a green economy. The sustainability momentum is growing. When thinking about employment and the future, not only is sustainability the right thing to do, it is what will help Surrey remain regionally, nationally and globally competitive.

2.2.3 SUPPORTING PRINCIPLES

The following principles support the City's employment vision:

- The City is committed to being competitive and to pro-actively encourage local economic growth and retention of existing businesses to achieve a mix of jobs that support different market sectors and, in turn, a balanced economy.
- The City is dedicated to providing predictability and certainty related to the supply of serviced employment lands and the uses that are permitted within them.
- A more balanced tax base ratio of residential to non-residential is critical to municipal well-being.
- Further enhancing Surrey's character and image will continue to encourage economic development.
- The City supports innovative and sustainable businesses.
- The agricultural land base is important to the overall fabric of Surrey and contributes to the economy through agriculture and agro-industrial activities.
- The City is dedicated to ensuring an adequate supply of employment lands to facilitate short-term, medium-term and long-term economic growth.
- High quality and environmentally responsible development of employment lands is supported, as are the benefits associated with such developments.
- The City acknowledges the Port and key transportation corridors as contributors to local economic well-being and is committed to protecting employment lands in these areas.
- The City supports vibrant urban centres (i.e. City Centre and Town Centres) and corridors that provide employment, services and a community focus for local and regional populations.

- The City supports planning that will directly provide for jobs in the most appropriate locations.
- The City is committed to facilitating the development of a strong City Centre that is supported by residential and commercial activity and that serves as the 'second downtown' for the region.
- The City will respond to market conditions, accommodate the different needs of businesses, and remain competitive by supporting higher density and quality business parks at key locations.
- The City will encourage increased employment densities where appropriate, particularly in urban centres and emerging areas such as corridors.

2.3 CONSIDERATIONS AND RISKS

The City recognizes the importance of providing direction to economic development within the municipality. Critical components of this control and management include a market focus and encouraging development that supports the City's employment vision and principles. By positioning its land base strategically, with appropriate incentives, the City can most effectively direct and manage its economic growth in the future.

2.3.1 CONSIDERATIONS AND RISKS

The employment land situation in Surrey faces diverse challenges that must be considered including:

- Maintaining employment lands in the face of conversion pressures;
- Planning for future development using existing supply to respond to projected demand;
- Recognizing there is an adequate supply of Industrial designated lands to meet projected demand for the medium term. At the same time these vacant industrial lands are not ideally located and are primarily in southeast Surrey;
- Recognizing that projected commercial land demand is not met by a sufficient supply of Commercial and Town Centre designated lands;
- Optimizing economic and employment opportunities on existing underutilized land;
- Identifying opportunities to increase the density and productivity of employment lands;
- Identifying new supply, subject to further study, recognizing the commitment to protect the ALR as per existing City policy, and environmentally sensitive areas;
- National, provincial, and regional initiatives (e.g. Gateway Initiative) that directly affect Surrey, but for which Surrey is not the chief decision-maker.

Other considerations, grouped in the category of 'risks' that should be considered in the context of employment lands are as follows:

- Not having enough land, leading to missed opportunities to support business in Surrey – this is particularly true for commercial, as shown in Section 6.2;
- Spending public money unnecessarily by planning for growth that does not occur;
- Land use conflicts, resulting from a failure to plan far enough ahead.

2.4 STRATEGIC POSITIONING TO GENERATE EMPLOYMENT

2.4.1 STRATEGY OPTIONS/RECOMMENDED STRATEGY

In recognition of the regional and local supply and demand context, as well as the planning considerations and risks, five options (options A to E) were identified as possible strategies to respond to the employment lands situation in Surrey. These options are identified below including the Recommended Strategy (option E). An analysis of all options is provided in Section 2.4.2. **Option A**

- Maintain the status quo and continue business as usual.

Option B

- Adopt a policy statement to protect employment lands from conversion to other uses.

Option C

- Adopt a policy wherein a comprehensive review demonstrates that a conversion from an employment use to a non-employment use is warranted. Minimum requirements would be identified, as would conversion criteria.
- The following identifies the minimum requirements of the municipal comprehensive review:
 - A review of long-term population and growth projections
 - A determination of the best way to accommodate growth
 - Use of opportunities to accommodate projected growth through intensification and redevelopment
 - Consideration of alternative directions for growth
 - Integration of planning for infrastructure and public service facilities
 - Consideration of cross-jurisdictional/regional issues
- The following conversion criteria would need to be demonstrated to allow a conversion to be pursued:
 - The need for a conversion
 - The municipality will meet the employment forecasts allocated to the municipality pursuant to this strategy
 - The conversion will not adversely affect the overall viability of the employment area, and achievement of the intensification target, density target and other City strategies, policies and regulations
 - There is existing or planned infrastructure to accommodate the proposed conversion
 - The lands are not required over the long-term for the employment purposes for which they are designated
 - Cross-jurisdictional issues have been considered

Option D

- Adopt an employment policy, with a particular focus on land conversion, as detailed below:
 - Conversion from an employment use to a non-employment use is not permitted.
 - Conversion from Industrial to another employment use is only permitted for local serving, ancillary retail, or commercial uses needed to support industrial activity. Policy and regulation regarding maximum floor areas and % of floor space allocated to ancillary retail or commercial uses shall be adopted.
 - Rezoning of commercial land outside City Centre and Town Centres is permitted if 1.5 times more jobs are provided than under the employment typically permitted through present zoning. In this way, flexibility is supported while still maintaining the focus on job creation. In corridor areas, it shall be demonstrated that the location is important to the intended use (e.g. corridor location supports and is required for the employment activity).
 - Protect the integrity of Surrey's agricultural land base for agriculture and agro-industrial activity.
 - Recognizing the need for intensification and redevelopment, City Centre and Town Centres support commercial, institutional, service and residential uses that respect the hierarchy of urban centres within Surrey.

RECOMMENDED STRATEGY (Option E)

- **Adopt an employment policy that supports employment lands protection and creative solutions to generate employment growth, as detailed below:**
 - **Industrial land shall be protected for industrial use**
 - **Conversion from an employment use to a non-employment use is only supported where development will align with the City's objectives to create thriving, transit oriented, mixed-use centres and corridors**
 - **Conversion from Industrial to another employment use is only permitted for local serving, ancillary retail, or commercial uses needed to support industrial activity. Policy and regulation regarding maximum floor areas and % of floor space allocated to ancillary retail or commercial uses shall be adopted. Integrated industrial/office (i.e. industrial/office) may be considered in Industrial areas provided the following can be demonstrated:**
 - **The area has a noted deficit of office use relative to the demand analysis;**
 - **The proposed office use shall not detract from the operations of the industrial use.**
 - **The proposed development will not affect the operations of adjacent existing and potential future industrial activity in the area;**
 - **The area has the infrastructure capacity to support the added density provided through industrial/office development.**
 - **The street level is planned for industrial use, with above-street level planned for office or industrial/office uses.**
 - **The proposed development demonstrates a commitment to sustainability (e.g. EID, LEED certification).**
 - **Rezoning commercial land in corridor areas outside City Centre and Town Centres is permitted if 1.5 times more jobs are provided than under the employment typically permitted through present zoning. In this way, flexibility is supported while still maintaining the focus on job creation.**

- **Corridor areas must have adequate amenities and existing or planned transit to support development. Corridor areas shall be limited to: King George Highway, 104th Avenue, Scott Road and Fraser Highway. Greater definition surrounding the extent of these corridor areas will be identified during the OCP Review process which the City is currently embarking upon.**
- **The integrity of Surrey’s agricultural land base shall be protected for agriculture and agro-industrial activity as per existing City policy.**
- **Recognizing the need for intensification and redevelopment, City Centre and Town Centres shall support, commercial, institutional, service and residential uses that respect the hierarchy of urban centres within Surrey.**

2.4.2 STRATEGY OPTIONS ANALYSIS

The matrix below provides an analysis of the options, noting associated strengths and weaknesses:

Options	Strengths	Weaknesses
A – Status Quo	N/A	Employment lands will continue to be converted to higher order uses.
B – Policy Statement	Protection of employment lands is not one of the ten planning strategies in the OCP, nor is it identified in the ‘Build a Local Sustainable Economy’ strategy. An overarching policy statement would provide direction to protect employment lands. This direction could then be reflected in secondary plans and zoning.	A broad-based policy statement does not provide adequate detail to respond to the issues and objectives. The less detail provided, the more opportunity there is to interpret to suit political interests, and accommodate pressure from developers.
C – Comprehensive Review	Permitting conversions only through municipal comprehensive review, subject to specific criteria being met, would prevent ad hoc rezoning and ensure that broader municipal issues and public interests are considered.	This strategy would generate work for City staff, who would be required to assess whether conversion criteria were met and if need be, undertake a municipal comprehensive review. This strategy would not articulate any clear direction regarding the protection of industrial land.
	Conversion criteria would identify issues to consider when rezoning land to a non-employment use. This approach would provide guidance to decision-makers. Criteria could address matters such as cross-jurisdictional issues among municipalities, impact on adjacent existing and potential future employment activity, municipal ability to meet local and regional demand forecasts, etc.	N/A.
D – Employment Policy – Conversion-Focused	Prohibiting the conversion of employment uses to non-employment uses protects the supply of industrial, commercial, office, and institutional lands. This is critical given the finite supply (locally and regionally) and the land demand of industrial use in particular. It is also consistent with the regional emphasis on protection of the industrial land base.	N/A.

Options	Strengths	Weaknesses
	<p>Allowing industrial to be converted to local serving, ancillary retail, or commercial uses that support industrial activity is supportive of the strategy to build communities that are more complete.</p>	<p>There will be attempts to ‘push the envelope’ and demonstrate that a retail or commercial use is local serving and required to support industrial activity.</p>
	<p>Allowing the rezoning of Commercial zoned lands outside City Centre and Town Centres if 1.5 times more jobs can be provided will put the focus on job growth while providing more flexibility to respond to market demands, and potentially, allow the ‘Build More Complete Communities’ strategy to be implemented through developments.</p> <p>Assigning first development priority to employment use in the case of a development will help to address the current problem of residential being favoured as a priority over employment uses such as commercial.</p> <p>The requirement to demonstrate corridor locations are important to the intended use requires will help to ensure that valued corridors are used efficiently while still allowing the flexibility to support growth in corridors.</p>	<p>Developments such as business parks and large format retail require corridor locations (e.g. highways, arterials). Similarly, developments also benefit from corridor locations (e.g. to allow for better access to transit). Allowing Commercial land outside of urban centres to be converted to other uses means that there will be competition for access to prime locations such as corridor areas. Land use control will be diminished in favour of what the market dictates.</p>
	<p>The policy to support , commercial, institutional, service and residential uses in City Centre and Town Centres responds to the opportunity to intensify and redevelop in these urban centres and more efficiently uses land.</p>	<p>N/A</p>
	<p>This approach recognizes that agricultural lands contribute to the economy and should be protected in the same way that other employment lands are protected.</p>	<p>There will be varied opinions about what it means to protect the integrity of the agricultural and agro-industrial land base. More clarity may need to be provided over time.</p>
<p>RECOMMENDED STRATEGY</p> <p>E – Employment Policy – Employment Lands Protection and Creative Solutions to Employment Growth</p>	<p>Specifying that conversion from an employment use to a non-employment use is only supported where development will align with the city’s objectives to create thriving, transit oriented, mixed-use centres and corridors protects the supply of industrial, commercial, office, and institutional lands. This is critical given the finite supply (locally and regionally) and the land demand of industrial use in particular. It is also consistent with the regional emphasis on protection of the industrial land base.</p>	<p>N/A.</p>
	<p>Specifying that industrial land shall be protected for industrial use recognizes the land demand for industrial and the City’s commitment to a balanced economy that includes industrial activity.</p>	<p>N/A.</p>
	<p>Through integrated industrial/office, the City will achieve greater employment growth and improved land use efficiency. In this way, the City will continue to support industrial development while encouraging a higher rate of employment growth. Development approval requires that the proponent demonstrate specified criteria can be met, thereby providing some certainty of rigour.</p>	<p>As this is a new approach for the City, it is likely that weaknesses will be discovered with time. The City should review the policy within six and twelve months of implementation to determine if it needs to be strengthened.</p>

Options	Strengths	Weaknesses
	<p>Allowing the rezoning of Commercial zoned lands outside City Centre and Town Centres if 1.5 times more jobs can be provided will put the focus on job growth while providing more flexibility to respond to market demands, and potentially, allow the 'Build More Complete Communities' strategy to be implemented through developments.</p> <p>The requirement to demonstrate corridor locations are important to the intended use requires will help to ensure that valued corridors are used efficiently while still allowing the flexibility to support growth in corridors.</p>	<p>Developments such as business parks and large format retail require corridor locations (e.g. highways, arterials). Similarly, developments also benefit from corridor locations (e.g. to allow for better access to transit). Allowing Commercial land outside of urban centres to be converted to other uses means that there will be competition for access to prime locations such as corridor areas. Land use control will be diminished in favour of what the market dictates.</p>
	<p>This approach recognizes that agricultural lands contribute to the economy and should be protected in the same way that other employment lands are protected and as per existing City policy.</p>	<p>There will be varied opinions about what it means to protect the integrity of the agricultural and agro-industrial land base. More clarity may need to be provided over time.</p>
	<p>The policy to support , commercial, institutional, service and residential uses in City Centre and Town Centres responds to the opportunity to intensify and redevelop in these urban centres and more efficiently uses land. The requirement of a municipal comprehensive review for any change to the designation ensures that ad hoc redesignations do not occur.</p>	<p>N/A</p>

Based on the analysis provided in the matrix, Options C, D and E (Recommended Strategy) are most suited to protecting the employment lands base as they are comprehensive and detailed. While there is strength in Option C through the requirement of a comprehensive review, Option D provides flexibility to allow responsiveness to the market and allows the City's objectives to be met. Option E (Recommended Strategy) is favoured over Option D as it similarly allows the City's objectives to be met while providing some flexibility, but also allows for some innovative responses to the challenge of providing a diversified employment base while still targeting sustained employment growth and sustainable solutions.

2.5 STRATEGIC POSITIONING TO GENERATE EMPLOYMENT

The Recommended Strategy (option E) (Employment Policy – Employment Lands Protection and Creative Solutions to Employment Growth) will be supported by diverse approaches, as described below. This section also speaks to future employment in terms of locational considerations and requirements, as well as targeted employment sectors and new opportunities.

2.5.1 EMPLOYMENT MIX

Between 2006 and 2031, the commercial sector will see the highest growth in jobs. As identified in Chapters 4 and 6, commercial is also projected to have the greatest demand for land relative to the other employment types. Surrey's urban centres will be able to accommodate a large portion of this demand. However, over the long-term (to 2031), there is a projected shortfall in the availability of vacant and underutilized Commercial and Town Centre designated lands. Considering the amount of vacant and underutilized land noted in Chapter 4 and projected land requirements noted in Chapter 5, there is a projected commercial land shortfall beyond 2016. Should greater densities be achieved, the demand for commercial land will decrease and in turn, reduce this projected shortfall.

As the municipality with the region's greatest industrial land supply, it will not be challenged to secure industrial growth. Surrey's challenge, on the other hand, will be how to manage and direct industrial growth to most effectively capitalize on its opportunities.

Securing office growth will prove more challenging as compared to the other employment types. Looking ahead, Surrey will need to balance its employment mix by supporting more office growth. This can be achieved by encouraging live-work (see Section 6.1.2), industrial and office integration (see Section 6.1.3), in business parks (see in Section 6.1.4), intensification in City Centre and Town Centres (see Section 2.5.2) and corridor transformation (see 2.5.3). Chapter 7.0 refers to opportunities where this can be achieved at a community scale.

Achieving vibrant urban centres is dependent on the City encouraging a mix of employment types. City Centre, ripe for intensification and redevelopment, could benefit from more institutional development which in turn, would spur office and commercial.

2.5.2 EMPLOYMENT GROWTH IN URBAN CENTRES

Figure 2-1 identifies Surrey's urban centres including City Centre and the other five Town Centres.

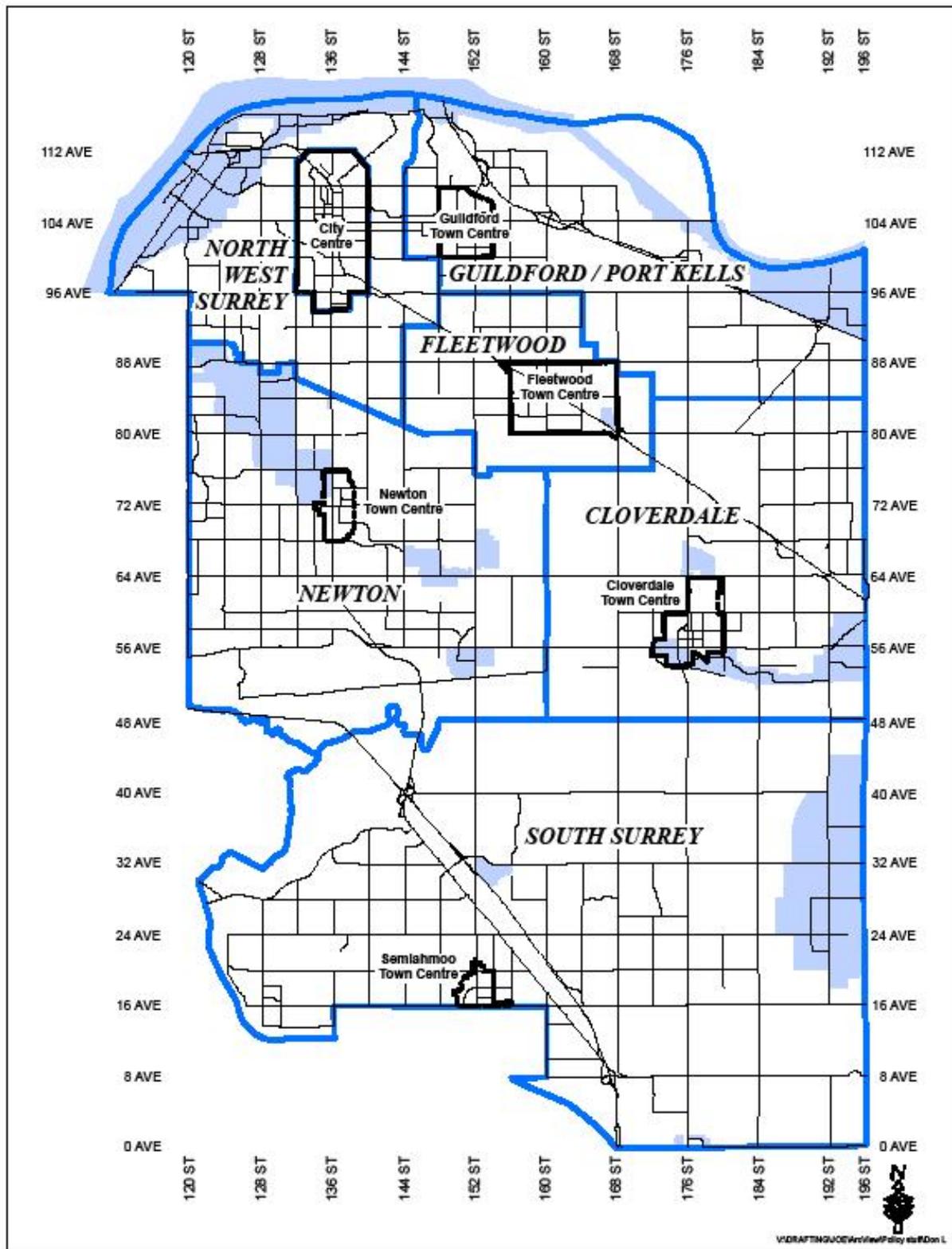
URBAN CENTRES IN NORTH SURREY

The biggest challenge facing Surrey's urban centres is City Centre. As discussed in Section 7.3, it has various advantages (i.e. servicing infrastructure, rapid transit, central location in the region), but has yet to thrive as the vibrant urban centre that it is poised to be. Though quickly improving, the City Centre is still challenged by some image issues as well as its locational disadvantage (i.e. distance to Highway No. 1). Nonetheless, momentum is building with City Centre (e.g. the City's commitment to move City Hall to this location, the hospital development, the new SFU campus) and a commitment to maintaining this momentum is required.

With the rapid transit extension and Gateway improvements, Guildford/Port Kells is positioned to rise as a leader in employment growth in Surrey. To achieve the City's vision of a viable Town Centre, the City should establish a link between City Centre and Guildford Town Centre, effectively creating a regional employment hub in north Surrey. This link could be achieved through superior transit connections that link transit nodes. 104 Avenue is a logical corridor to connect the two urban centres. Corridor transformation will be required to ensure that this important link is revitalized, densified and ultimately, supports a mix of uses, including office and commercial. Without a strategic link between City Centre and Guildford Town Centre, future opportunities for commercial and office growth in City Centre will diminish.

As already identified in this report, growth in the office sector will be critical to meeting future demand and achieving a balanced employment mix. Urban centres, including City Centre and Town Centres, are suitable locations to encourage office growth. Economic development activities to encourage investment in City Centre will help to further secure its position as a regional player. Large government offices are ideally suited to locating in urban centres, and in this case, City Centre. If City Hall was to relocate to City Centre, it would make a strong statement of support for office growth in this regionally and municipally valued urban centre.

**FIGURE 2-1
URBAN CENTRES IN SURREY**



A precedent of region-serving institutional is already established in City Centre. The City should continue to encourage this type of employment, recognizing that it will lead to spin-offs including future commercial and office employment.

Incentives will be useful in encouraging developer interest given that there are acknowledged economic advantages to locating outside of urban centres. Support for improved transit provision and TOD are also ways to encourage office development in urban centres.

USES IN URBAN CENTRES

The following identifies the types of uses that should be targeted to City Centre and Town Centre locations.

City Centre

- Retail stores - community and region serving
- Personal service uses
- General service uses
- Eating and drinking establishments
- Liquor stores
- Office uses – including anchor tenants that will support office tower construction such as government offices (municipal, provincial, federal)
- Tourist accommodation
- Conference and Convention Centre
- Indoor recreation facilities
- Parking facilities contained within a structure (above/below ground)
- Entertainment uses
- Cultural uses
- Assembly halls
- Community services
- Child care centres
- Residential/commercial
- Institutional uses (i.e. hospital, college, university)



Parking structure in City Centre



Institutional use in City Centre (SFU)

While all of the aforementioned uses will be critical to creating a vibrant place of regional and community value, a few key points should be considered:

- The City should continue efforts to attract institutional employment:
 - The presence of SFU, an outpatient facility, a major detachment of the RCMP, the potential relocation of city hall, and the pending expansion of Surrey Memorial Hospital, is a solid starting point for future institutional employment growth.

- A greater institutional presence would encourage future retail and office employment in City Centre.
- The City should continue efforts to attract commercial employment:
 - Commercial has the greatest demand for employment land relative to the other employment types across Surrey.
 - By 2031, Northwest Surrey/City Centre will require 262.5 acres of commercial land. Following Guildford, Northwest Surrey/City Centre has the largest demand for commercial land.
- The City should continue efforts to attract office employment:
 - City Centre could accommodate large office anchor tenants (e.g. government offices).
 - Proximity to rapid transit could be a pull factor for investment, as has been seen in other urban centres such as Metrotown in Burnaby.

Town Centres

- Retail stores - local/neighbourhood serving, with restrictions on maximum gross leasable floor area per tenancy to ensure that the urban centre hierarchy is maintained (i.e. local/neighbourhood serving retail in Town Centres as opposed to City Centre)
- Personal service uses
- General service uses, with restrictions on maximum gross leasable floor area per tenancy to ensure that the urban centre hierarchy is maintained (i.e. small branch offices located in Town Centres as opposed to City Centre where large branches (e.g. head offices) should locate)
- Eating establishments
- Neighbourhood pubs
- Liquor stores
- Office uses - small scale, with restrictions on maximum gross leasable floor area per tenancy to ensure that the urban centre hierarchy is maintained (i.e. smaller scale office uses in Town Centres as opposed to City Centre)
- Tourist accommodation
- Indoor recreation facilities
- Parking facilities contained within a structure
- Entertainment uses
- Assembly halls
- Community services
- Child care centres
- residential/commercial
- Institutional (i.e. schools)



Mixing land uses can occur horizontally across a site, or vertically within a building.

Compact and Transit Supportive Design in Urban Centres

Design considerations to promote a compact and transit supportive urban form in City Centre and Town Centres for employment uses include the following:

- Intensification
- Higher net densities
- development
- Land use pattern based on nodes and corridors
- Pedestrian-friendly design (e.g. mid-block connections, sidewalks and walkways to connect employment areas to transit, traffic calming, safety and comfort design features (e.g. lighting, awnings)
- 5 minute walk (800 m) to transit
- Reduced parking requirements

These design considerations are more specific to commercial, office and institutional employment uses. The activities associated with industrial use (e.g. transportation and warehousing) and corresponding low densities do not support compact and transit supportive form. Surrey will need to focus on achieving compact and transit supportive form in non-industrial areas (e.g. urban centres as it is doing with the Surrey Central Transit Village Plan (SCTVP) (see Section 6.1.1), while making smaller gains (e.g. reduced surface parking) in industrial areas to achieve improved land use efficiency.

2.5.3 EMPLOYMENT GROWTH IN CORRIDOR AREAS

While urban centres are critical to the discussion of employment lands so too are corridors. Markets located farther away than adjacent neighbourhoods can support retailers if corridors support such inflow. If corridors draw from the same regional markets that urban centres do (e.g. City Centre), it follows that their effect on urban centres depends on whether they offer competing or complementary goods. National retail trends in the U.S. show more new development at major intersections and less along extended strips. This suggests the opportunity to restructure strip development corridors to include a greater mix of uses (e.g. residential, office) along some parts of corridors within Surrey and focus on employment generating opportunities at major intersections. Redeveloped corridors would support urban centres (i.e. City Centre and Town Centres) by reducing the amount of retail that is potentially competing, or could potentially compete, with retail uses in urban centres. A focus on employment growth in select corridors would also provide the connections between urban centres – potentially strengthening them (e.g. corridor area between City Centre and Guildford Town Centre, as illustrated below).

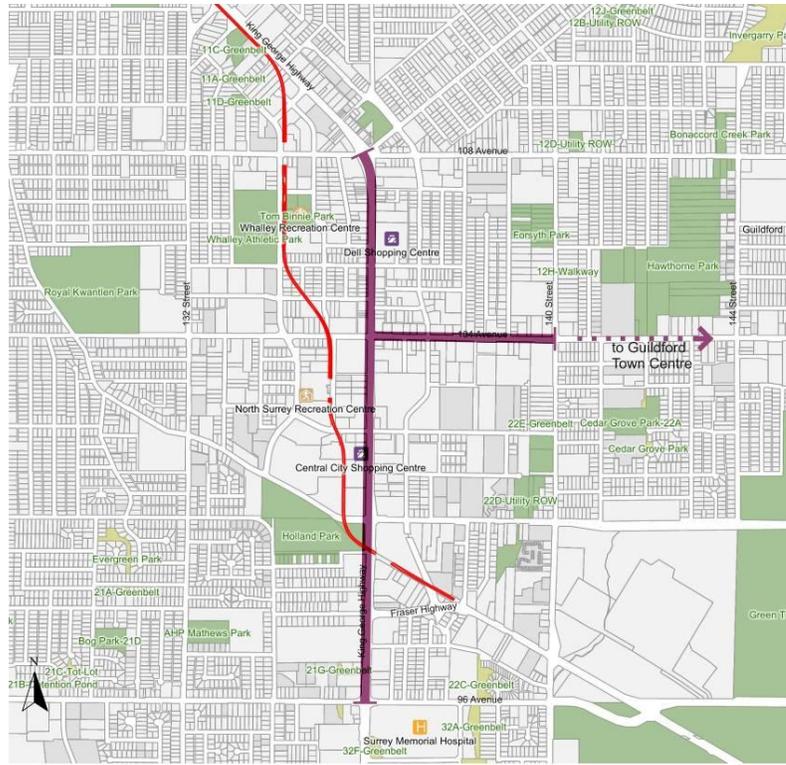
Corridor transformation will require the following:

- Support for mixed use;
- Streetscape improvements;
- Transportation improvements, including access management to decrease congestion and increase mobility, improved transit;
- Policy amendments and investment to encourage change; and
- Public engagement.

Corridor transformation should go hand in hand with a new focus on corridors for employment use. Protecting corridors for intended uses that will positively transform and better integrate urban centres with corridors will be key.

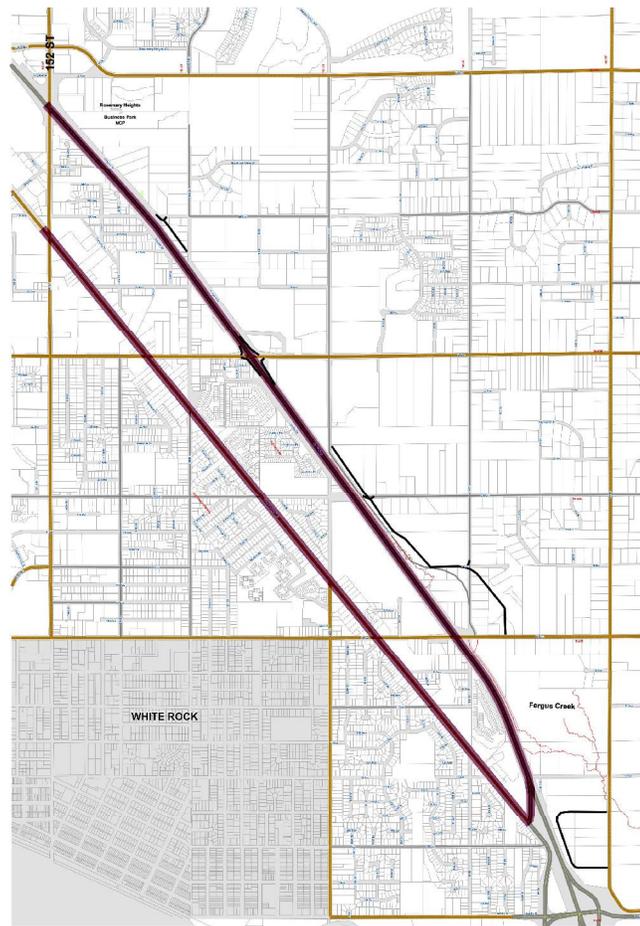
The following identifies corridors that should be transformed with a view to encouraging employment growth in Surrey. For more information, refer to Section 6.0 of this document.

**FIGURE 2-2
KEY CORRIDOR TRANSFORMATION AREAS**



**Key Corridor Transformation Areas
(Whalley)**



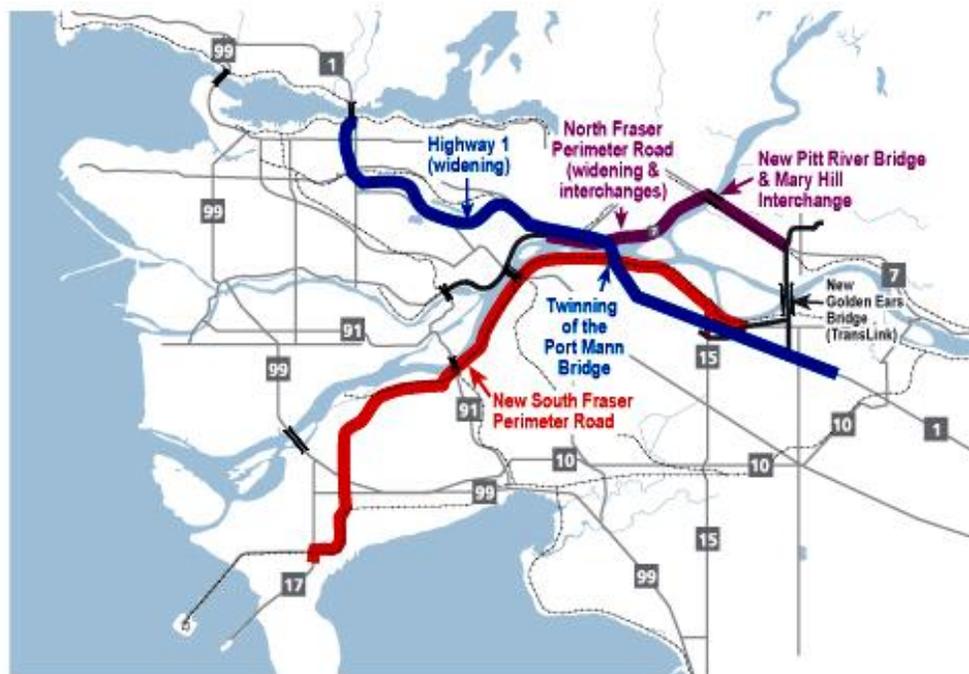


Key Corridor Transformation Areas
(South Surrey)

2.5.4 EMPLOYMENT ALONG THE FRASER RIVER

Part of the Province's Gateway Program includes the South Fraser Perimeter Road (SFPR) - a proposed new four-lane, 80 km/hr route along the south side of the Fraser River. The SFPR will extend from Southwest Delta to approximately 184th Street in Surrey. The SFPR will connect to highways 1, 15, 91, 99, and 17, as well as the future Golden Ears Bridge, ultimately offering goods movers with an efficient transportation corridor that provides better regional access.

FIGURE 2-3



The enhanced regional access provided through the SFPR is expected to impact the economy of Surrey. Notably, one of the project goals is to facilitate development in designated industrial areas along the south side of the Fraser River. This will mean employment impacts in South Westminster. While the goal is to increase employment growth in Surrey, the City is reluctant to see growth in a single industrial sub-sector (transportation and warehousing). However, two important facts must be considered: South Westminster's location relative to the SFPR and Port Metro Vancouver (Canada's largest and busiest port); South Westminster has Surrey's second largest concentration of vacant industrial lands and an industrial land base that is underutilized. With these facts in mind, it is noted that the City must accept some employment growth in the transportation and warehousing sub-sector. That being said, it would be important for the City to encourage employment growth in other sub-sectors of industry to achieve a more balanced job base.

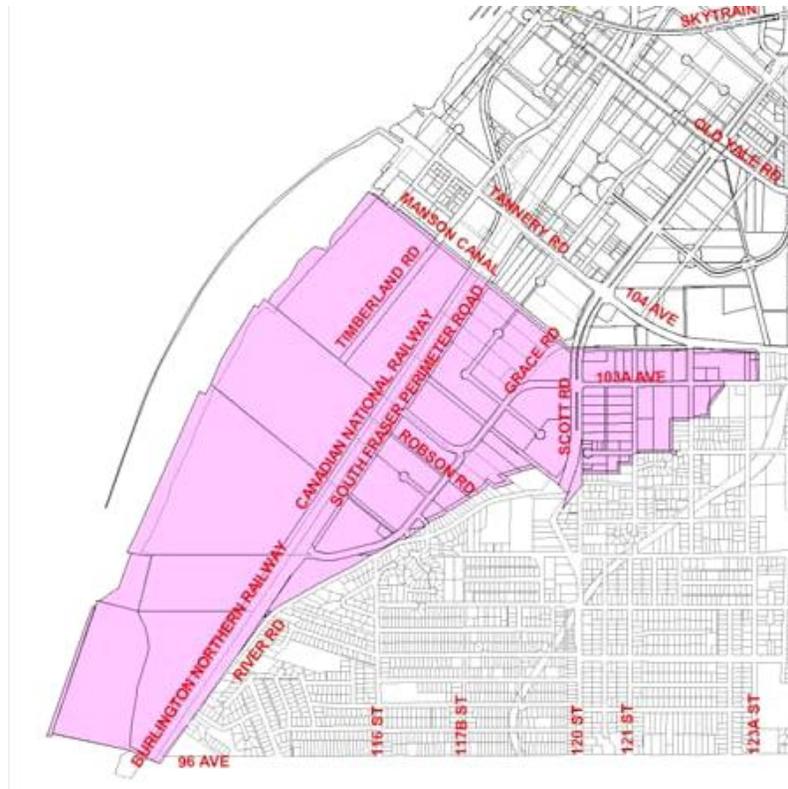
To meet Pacific Gateway objectives, a BC Port Strategy recommendation is that ports / transportation corridor land reserves (or land banks) be created in conjunction with local and regional land use plans in order to ensure that sufficient lands are available. This recommendation has not developed into strategy, but it is important to identify as it underscores the recognized value of port lands. The value of the Fraser River in the context of future employment growth must be recognized. Support should be offered for protecting the integrity of industrial uses in lands around the Fraser River (e.g. South Westminster).

Further to considering external forces that affect employment lands in Surrey, the existing planning directions the City has identified must also be considered. The South Westminster NCP (December 2003) provides the policy context for land use decisions in this area.

The South Westminster NCP identifies the Light Industrial Business Park district, as illustrated below. To ensure and protect land in support of the Port's activities, lands in this district include both Light Impact Industrial and Business Park areas. It is recommended that the NCP should be amended so that the intended use for this district is solely for light industrial. To reduce land use conflicts in areas with adjacent

residential areas, outdoor storage should be limited. Should the City acquire new lands in this area for industrial use, priority should be given for business park use.

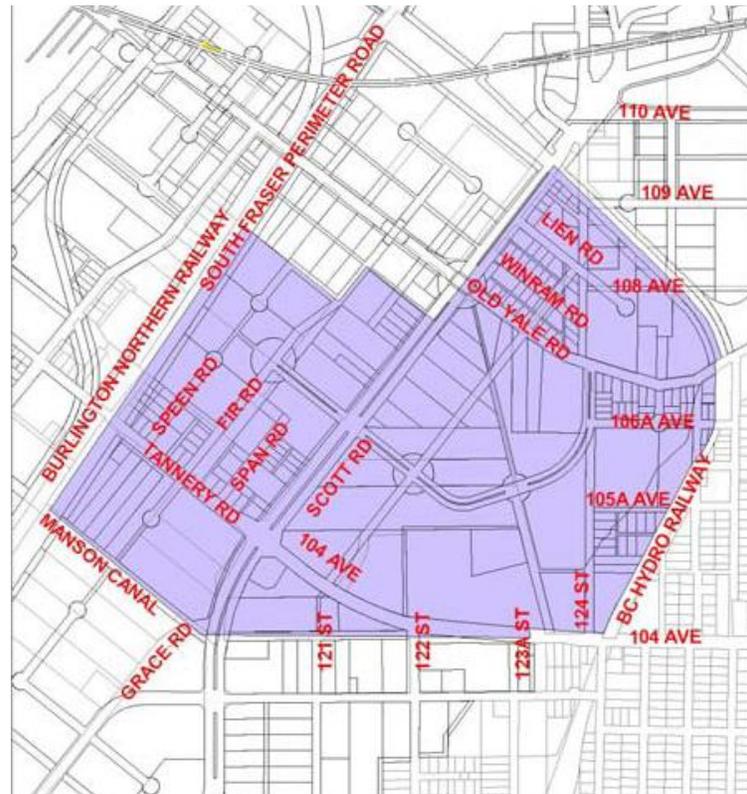
**FIGURE 2-4
LIGHT INDUSTRIAL BUSINESS PARK DISTRICT**



Source: South Westminister NCP, 2003

Also included in the NCP is the Scott Road Commercial district, as illustrated below. There is development interest in this district that is attributed to the area's accessibility (e.g. Scott Road SkyTrain station) and visibility. Highway commercial development is planned along the Scott Road corridor (from 104 Ave / Tannery Rd to Old Yale Rd) and it is already starting to take shape. This will generate employment growth, and it is considered to be appropriate given the access and location issues specific to this area. Policy also calls for business park development along the rear of the commercial corridor toward the SFPR, as well as at other specific locales. Business park development toward the SFPR appears to have impacted the potential to realize high quality industrial activity. The take up for business parks in this area will be approximately 1 acre per year whereas there is a greater market for light industrial. It is recommended that the City rethink the boundaries of this area, perhaps limiting its current extension toward the SFPR.

**FIGURE 2-5
SCOTT ROAD COMMERCIAL DISTRICT**



Source: South Westminster NCP, 2003

The NCP also identifies the Transit Oriented Urban Village district. This area should be developed (i.e. the Scott Road Station) to support higher densities and a vibrant employment mix (e.g. commercial, office) in addition to the existing highway commercial type uses (e.g. large format retail).

**FIGURE 2-6
TRANSIT ORIENTED URBAN VILLAGE DISTRICT**



Source: South Westminster NCP, 2003

The South Westminster NCP identifies the Fraser River Waterfront district, as illustrated below. Within this district, the City has acquired two waterfront parks along the Fraser River – adjacent to the Pattullo Bridge (Brownsville Bar Park) and adjacent to the Fraser Surrey Docks (Tannery Park). The City's intention is to eventually link the two City parks with a public walkway along or near the Fraser River shoreline. This will help achieve the plan's objective of creating public access along the waterfront.

The proposed land uses for the Fraser River Waterfront district present potential conflicts with the current Port activities. Port Metro Vancouver has indicated its desire for all of the land in the vicinity of Fraser Surrey Docks to be designated for industrial activities only. Given the concerns raised by Port Metro Vancouver about the future land use of this area, the waterfront strip, between the two City parks, has been designated a Special Study Area.

Given the projected need for employment land and the locational advantage of the Fraser River Waterfront district for employment, the initial thinking is that the Special Study Area may not be appropriate for recreational purposes. That being said, it is recognized that the acquisition of the two parks has provided a framework for improved public access and non-employment use along this particular stretch of the waterfront. In other words, the wheels are already in motion. Further to providing a recreational amenity, the visual appearance of this area will be improved through redevelopment for public access purposes. This will have a positive impact on Surrey as it is in a prominent gateway location. To make this a valued place for

the public, it is recommended that commercial development be permitted to help make this area a waterfront destination.

**FIGURE 2-7
FRASER RIVER WATERFRONT DISTRICT**



Source: South Westminster NCP, 2003

In addition, within the Fraser River Waterfront district, the NCP includes policy direction for high quality business parks and multiple family residential uses. These are planned for around the Pattullo bridgehead area and along the King George Highway corridor. Policy also directs that the existing trailer park site, located adjacent to the waterfront at Old Yale Road, will be redeveloped to higher density multiple residential uses. It is noted that residential intensification will have the positive impact of stimulating employment. However, it is further noted that the City's objectives to increase employment would be better met if it was supported in these areas.

2.5.5 ACCOMMODATE FUTURE DEMAND THROUGH INCREASED EMPLOYMENT DENSITIES

Non-industrial employment uses, including commercial and office, occur at comparatively higher densities and have the potential to increase in density. This shift to higher density uses and employment activities including commercial and office in urban centres is supported by existing policy. Should employment densities increase in these areas, the demand for employment land would decrease. This is the preferred scenario given limits to the land supply.

The demand for employment lands in Surrey does not operate in isolation of other markets in the region. As other municipalities in Metro Vancouver use their limited employment lands more efficiently to capitalize on already established office locations (e.g. Vancouver), demand for office in Surrey will be impacted. An example of more efficient land use has been seen recently in the addition of more floors to the existing Bentall 5 office building in Vancouver. This allowed for job creation without land consumption.

Given the nature of industrial activity and its requirements for land, industrial typically occurs at low densities and, being ground related, with limited building heights. Generally, industrial growth is in the typically lower density wholesale trade, transportation, and warehousing sub-sector. If Surrey does not foster this type of development, it could occur in other Metro Vancouver municipalities or in areas outside of the Lower Mainland. Surrey could risk a loss of industrial employment growth, but by the same token, could position itself to attract other industrial sector growth and/or other employment uses with higher employment densities. It is recommended that Surrey pursue balanced growth among the industrial sub-sectors rather than simply growth in the transportation and warehousing sub-sector.

As part of its strategic plan for the future, the City should evaluate and implement innovative, market-driven opportunities to enhance employment density in selected areas. These opportunities are outlined in Chapters 6 and 7.

2.5.6 ACCOMMODATE FUTURE DEMAND THROUGH ENHANCED LAND SUPPLY

As noted in Section 6.2 of this report, the City could meet its demand for industrial land by using its existing supply as efficiently as possible over the short- to mid-term. The City should focus on the densification and efficient use of these lands in order to meet its demand for industrial land through the existing supply. This will allow the City to remain committed to protecting Surrey's agricultural land base for agricultural and agro-industrial activity, as per the existing City policy. Enhancing or expanding land supply, such as through the recently signed MOU between the Province and the City of Surrey which sets the stage for the City to purchase a 300 acre gravel pit from the Province to be used primarily for future industrial development, should be considered as a longer-term objective as required.

2.5.7 INFRASTRUCTURE AND PARKING

TRANSPORTATION INFRASTRUCTURE

The 'big picture' issue with transportation infrastructure relates to Gateway Program initiatives and impacts on future employment growth. The SFPR will have regional impacts, but more specifically in the case of Surrey, will affect land use and traffic flows in North Surrey around South Westminster where there is a sizeable amount of vacant and underutilized industrial land.

Another 'big picture' issue beyond the decision-making power of the City is possible rapid transit expansion. Should rapid transit be extended further south, there would be opportunities to pursue TOD. By encouraging transit supportive land uses, the City would generate high levels of transit use and provide an activity node for the local community and citywide transportation network benefits. Ultimately, this would provide the local community various opportunities including employment.

Further to the possible rapid transit extension, other capital investments (e.g. road upgrades, beautification of streetscapes) could attract investment to employment areas such as City Centre that have underutilized and vacant lands.

While there is an increasing focus on green building design, what is not being recognized is that many buildings are responsible for much more energy use getting people to and from those buildings. For an average office building in the U.S., calculations by the *Environmental Building News* show that commuting by

office workers accounts for 30% more energy than the building uses. Transit infrastructure investment and the strategic location of employment close to it will help reduce the transportation energy intensity of buildings¹.

SERVICING INFRASTRUCTURE

In terms of servicing, the City has a mix of market-ready, medium-term, and long-term employment lands. With Industrial designated lands for example, a greater proportion of these lands are serviceable over the long-term (see Chapter 4.0). The City will need to undertake municipal infrastructure assessment for transportation and utilities in accordance with any significant changes in land use that may affect the ability to adequately provide services.

Intensification in already serviced areas is the best way to maximize existing infrastructure to accommodate employment demand. There is ample opportunity to intensify already serviced areas, a good example being City Centre where 48% of the land is underutilized and a further 20% is vacant. Town Centres also provide opportunity for improved utilization of already serviced lands.

Connections to surrounding infrastructure should influence the location of employment. For example, selecting a site in one of Surrey's Town Centres takes advantage of existing municipal infrastructure. On a site near public transportation, facilities can be designed to promote transit use and reduce vehicle parking space. The result will be lower building development costs, fewer community impacts (e.g. fewer single-occupancy vehicles and their associated emissions and impacts), and more efficient land use.

The financial risk associated with public spending in anticipation of forecast growth can be mitigated by ensuring the timing of infrastructure (i.e. piped services and transportation network) expenditures is as closely tied to actual market demand as possible. The City will incur a lower risk if growth occurs through incremental expansion of existing services in multiple areas as opposed to a large expenditure on infrastructure to service a single large area of land. As such, it is recommended that infrastructure spending should occur in a flexible manner tied to the actual rate of growth. That being said, it would be critical to ensure a supply of serviced land is available for immediate uptake. The formation and use of public/private partnerships are increasingly being used as a way to minimize risk.

PARKING

Recommendations are provided regarding the need to reduce parking requirements in areas well served by transit. This will impact how efficiently land is used in City Centre and Town Centres, but will not affect industrial areas such as Campbell Heights. The City should consider alternatives such as rooftop parking and greater allowances for on-street parking. Recognizing that there is limited ability to reduce parking surfaces in industrial areas, the City should adopt a green approach to parking through for example, a requirement for permeable pavement.

A reduction in parking requirements should be considered around rapid transit stations. In addition to proximity to a transit station, parking relaxations should be considered when a site 'earns' further locational/parking management benefits such as:

- Shared parking where different uses require parking at different times of the day.
- Proximity to Park n' Ride sites which could be considered for accommodating parking during off-peak hours.

¹ Transportation energy intensity is defined as the amount of energy associated with getting people to and from that building, whether they are commuters, shoppers, vendors or homeowners.

- On-street parking within transit station areas as part of the parking supply for a development.
- Longer-term, secure bike parking with shower and locker facilities.

A cash-in-lieu policy for parking in TOD areas should also be considered as part of a parking management strategy for a rapid transit station area.

Other strategies may assist in reducing the need for on-site parking in TOD areas (e.g. City Centre). When present, these strategies should be considered in the evaluation of developments in rapid transit station areas:

- Encouraging local shuttle service for employment centres or shopping centres.
- Facilitating community car-sharing and car-pooling by providing preferential parking spots for car-share/car-pool vehicles.
- Promoting Transportation Demand Management (TDM) initiatives such as flextime hours, telework, and bike/walk to work programs, etc.
- Transit ridership programs for employees.

2.5.8 INCENTIVES FOR DESIRED EMPLOYMENT GROWTH

To remain competitive and attract the type of employment growth to the areas where it is needed, the City should offer incentives. The opportunity to do so is varied, but the following provides some recommendations for consideration:

- Reduce the cost of providing parking in City Centre and Town Centres by reducing parking requirements, recognizing that these areas are (or will be) well served by transit and are not entirely automobile dependent. It is recommended that parking reductions occur over the medium-term, when an efficient transit system is in place, including rapid transit connections along major corridors.
- Expedite approvals for employment lands-related applications to reduce developer costs and uncertainty.
- Examine the City's development cost charges (DCCs) structure to determine if adjustments can realistically be made to encourage economic investment. Some examples of options that could be reviewed include: decreasing DCCs for office development in urban centres; reducing DCCs across the city when over the long-term, infrastructure is more built out; decreasing DCCs in corridor areas that are well served by transit.
- Encourage economic investment through reduced development cost charges on employment lands.
- Assess zoning bylaw details such as setback, landscaping, and parking requirements to increase the buildable area.

2.5.9 FUTURE EMPLOYMENT – LOCATION, CONSIDERATIONS AND REQUIREMENTS

LOCATION OF FUTURE EMPLOYMENT

Employment, whether industrial, commercial, office or institutional, locates where there is land and the population base to support the employment activity. The following describes how future employment growth will occur in Surrey, with guidance and support from the City:

- Commercial will follow the population base. In other words, as population grows commercial follows to ensure that goods and services are provided to residents. Northern communities in Surrey have a slight advantage in attracting commercial as they hold the regional retail (i.e. City Centre).
- Office will locate in Town Centres and along corridors (e.g. Highway 1, King George Highway) and in other specified areas throughout the City. This use could be encouraged via flexible zoning where at least 150% of the employment base is provided.
- Industrial location is not linked to the population base. Given the supply of land in Campbell Heights, the majority of new industrial employment will locate in South Surrey. As discussed, there is enough vacant and underutilized Industrial designated land to support future industrial employment. The City should focus on the densification and efficiency of these lands.
- Institutional is generally of two types – local and region serving. Schools should locate within new growth areas whereas regional uses such as colleges, universities, healthcare buildings, and justice or government offices should locate in urban centres, with some flexibility provided for being centrally positioned on major transportation corridors that are accessible.

Locational Considerations and Requirements

The following provides information regarding locational considerations and requirements that should be taken into account to determine the preferred location for new employment lands, which is in part, dependent on the type of employment desired.

For both existing and new supply areas, there are several key factors to consider when determining where employment growth should be encouraged and how, through incentives, revitalization efforts, etc., it should be accomplished. Locational considerations include:

- Parcel size – Parcel size is particularly relevant in the case of industrial where larger (typically in the range of 2 – 3 ac. and 5+ ac.) parcel sizes are required.
- Transportation and accessibility – Access to rail, highways, major arterials, and the Fraser River are important; particularly to support the transportation-related industrial sub-sector (warehousing and distribution). Multi-modal access, whether by automobile, rapid transit, walking or cycling, is also a consideration for office space and supports the City's sustainability objectives. City Centre and Town Centres are best positioned to provide transportation choice to workers.
- Servicing – The serviceability, level of servicing, and the degree of infrastructure upgrades that may be required is an important consideration.
- Compatibility – Compatibility with existing, adjacent development must be addressed. Factors to consider include for example, adjacent uses, scale, density, emissions, and noise. Actual compatibility versus perceived compatibility by adjacent landowners is a very real consideration.
- Environmental constraints – Environmental constraints such as environmentally sensitive areas and the ALR limit where future employment areas can locate. Other considerations such as steep slopes and floodplain areas must also be considered.
- Sustainability – A balanced analysis of the implications of doing business means taking into account the three pillars of sustainability: social/cultural, economic and environmental considerations. As Surrey moves forward with its Sustainability Charter, it will become increasingly important to look at the full costs of employment growth.

The following describes key locational requirements, considering market/economic factors, land use, servicing, sustainability, and community support.

Market/Economic Development

- Support for economic development strategies (e.g. the City's recently approved Economic Development Strategy)

Land Use

- Consistency with Surrey's policies and regulations
- Presence or absence of environmentally sensitive lands (e.g. ALR, floodplain)
- Pattern of development based on location of existing employment lands (e.g. incremental pattern of expansion)
- Access to major transportation corridors
- Access to new business park opportunities
- Access to (or potential for access to) a sustainable transportation network that favours the movement of people and goods over the movement of vehicles
- Proximity to residential to encourage reduced commute times
- Proximity to a range of appropriate business and personal services

Servicing

- Road capacity and cost to service
- Water, wastewater and stormwater capacity and cost to provide services
- Fire services and cost to provide services
- Flexibility of service expansion requirements

Sustainability

- Suitability for "green" infrastructure
- Transit provision for employees
- Travel demand and trip length for employees
- Overall impact on natural environment and areas of environmental sensitivity

Community

- Level of support from the public

Locational Requirements Specific to Office

- Provision for a range of locations to accommodate different objectives (e.g. a firm may seek an up market, highly visible location as opposed to a standard office space)
- Responsiveness to market requirements such as supportive amenities close by including retail and service uses, adequate parking, access to transit, reasonably priced land /rent
- A range of parcel sizes to support different development objectives [e.g. attraction of population serving (e.g. lawyers, accountants) versus region serving tenants (e.g. Nortel office tenants)], and different needs (e.g. a small site for a small scale business versus a large site for a major anchor tenant to justify construction of a multi-storey office tower)

- Central location within the region (i.e. City Centre) that can be accessed by different transportation modes (e.g. rapid transit, highway)

Locational Requirements Specific to Industrial

- Provision for a range of parcel sizes to accommodate different employment activities – typically a minimum of 2 to 3 acres is required, as well as larger parcels that are greater than 5 acres
- Responsiveness to market requirements (e.g. limited, population serving retail)
- Proximity to existing or proposed potentially incompatible uses (e.g. residential) and possible impacts (e.g. noise, emissions, traffic)
- Access to major transportation corridors (i.e. road, rail, water)
- Access to, or potential for access to, a sustainable transportation network that favours the movement of people and goods over the movement of vehicles

Locational Requirements Specific to Commercial

- Provision for a range of parcel sizes to accommodate different types of commercial (i.e. local, commercial, community)
- Responsiveness to residents' requirements (e.g. located close to where people live and work, walkability)

Locational Requirements Specific to Institutional

- Provision for a range of parcel sizes to accommodate different types of institutional uses (e.g. churches, hospitals, universities and colleges, schools)
- Local serving uses such as schools will need to be located within walking distance of residential neighbourhoods whereas region serving uses such as universities and colleges will need to be located to provide the greatest access possible (e.g. proximity to rapid transit, highways, arterials)

2.5.10 TARGETED EMPLOYMENT SECTORS AND NEW OPPORTUNITIES

There is a significant role for low impact industries, particularly those developing sustainable technologies, and jobs that produce the maximum economic benefit with a minimum of social and environmental impacts. The City should seek out opportunities to develop these businesses, including ensuring that there is adequate, suitably located and zoned land with necessary infrastructure, both traditional and information infrastructure, such as wireless and high speed internet networks.

Looking ahead, the scarcity of employment land will intensify pressure on the region. With the greatest supply of industrial land, it follows that Surrey will increasingly be expected to meet the land demand associated with the substantial growth in wholesale trade, transportation and warehousing. The challenge will be to determine to what extent Surrey is willing to support such a land intensive sub-sector growth, particularly as supplies diminish over time and the opportunity to identify new supplies are limited by constraints such as the ALR and issues of compatibility. In an effort to use the remaining employment lands base as efficiently as possible, while at the same time responding to market trends, the City should opt for balanced growth across industrial sub-sectors. A move toward more sustainable practices, including eco-industrial networking (EIN) opportunities is recommended. Balanced growth and more efficient use of its employment land supply should also occur through TOD, live/work, industrial and office integration, in business parks, intensification within urban centres and corridor transformation.

When considering opportunities for growth, the City should keep in mind the projected demand by employment type to ensure it stays focused on providing the right mix of employment to meet demand over

time. Recognizing the interconnectedness of employment will also be critical. For example, introducing large-scale big box development along corridors may be profitable, but could detract from commercial growth opportunities in urban centres. While large format retail does not compete with the type of commercial that typically occurs in City Centre or Town Centres across Surrey, evidence of creative integration of large format retail has been seen recently in Vancouver (i.e. with street level large format retail and upper level multi-residential). Furthermore, while encouraging business parks may be attractive to developers, and is consistent with allowing market demand to provide a greater role in land use decision-making, office development outside of urban centres generally conflicts with sustainability objectives (e.g. a reduction in vehicle kilometres traveled (VKT), reduced automobile dependency).

A key to moving forward for the City will be its openness to change, flexibility, and a balancing of interests. This is easier said than done. It is strongly recommended that Council use this ELS to direct decision-making.

2.6 POLICY FRAMEWORK AND PLANNING CONSIDERATIONS

2.6.1 POLICY FRAMEWORK

The policy framework is based on strategic directions for moving forward, as detailed below.

Maintaining And Protecting Supply

It is critical that the City ensure that a longer-term supply of employment lands is protected and the supply maintained to ensure that long-term needs could be met in terms of scale and location.

Increasing Supply

To ensure that economic development opportunities are not missed, there must be a supply of vacant land that is available to prospective or expanding businesses. Given that industrial is primarily located in Campbell Heights, and a more dispersed supply would be optimal, the value of industrial lands located elsewhere, particularly along the Fraser River, is more acute. Areas such as South Port Kells, North Clayton, South Campbell Heights, and Douglas could be suitable as new employment areas, but would require land to be redesignated. The sale of the City's surplus lands would also be a means to increase supply.

Ensuring A Range Of Parcel Sizes Is Available To Accommodate Different Types of Industrial Activities

The majority of vacant Industrial designated lands are less than 1 acre in size. This is problematic for industrial activities that require 2 – 3 acre parcels or 5+ acre parcels. It will be critical to ensure that larger parcels are available, whether through parcel consolidation and/or new land supply. Surrey needs a competitive offering of a range of parcel sizes, the ability to be flexible (i.e. respond to changing technology which affects sector requirements) and supply protection.

Increasing Land Capacity

Efforts to increase land capacity, particularly for commercial (the projected leader in local employment growth) and industrial (the greatest employment land consumer) will be critical. Consideration must be given to where land capacity is increased (e.g. location close to amenities, transportation/transit corridors, servicing availability) and lot types (e.g. size, configuration) that are created. Increasing capacity on existing and new lands will allow greater densities to encourage increased land use efficiency. Timing is also critical. Before land is brought on stream, it should be demonstrated that the available supply of existing land has been used efficiently and that there is market demand for additional supply.

Creating Opportunities For Employment Generating Uses

As part of the sale and development of surplus City-owned lands, consider opportunities for employment generating uses.

Facilitating Development

Programs to stabilize and preserve employment lands by encouraging desired types of employment to locate, expand, or remain in designated areas will be effective incentives. Examples include initiatives such as area revitalization, site assembly, streamlined/expedited development approvals, tax, or development cost concessions, tax increment financing, and infrastructure pre-servicing or economic development strategies. City Centre and Town Centres would benefit from incentives to encourage office, commercial and institutional to locate and expand in these areas.

Providing Compatible And Quality Developments

Grouping like developments together may foster the synergy of support services and shared initiatives for a positive and productive business climate. Compatibility in terms of impacts on adjacent, potentially non-employment uses is also key. Quality design, as directed through secondary plans responds to this requirement.

Responding To Future Opportunities

Work with Metro Vancouver and the Province to respond to future opportunities, such as the Government of Canada's Asia-Pacific Gateway and Corridor, to provide for an equitable distribution of transportation employment lands (and their impacts) across municipalities in the region. It must be recognized that healthy local economic development requires balanced growth across market sectors and sub-sectors. The land intensive port related uses require new lands and/or mitigating measures by senior levels of government to ensure benefits to Surrey.

Locating Institutional

Locate institutional uses in urban centres where accessibility is provided, density is concentrated and synergies can be created with other land uses. Recognize the hierarchy of urban centres in the context of locating institutional, and support City Centre as the major provider of region-serving institutional employment in Surrey.

Fostering Stakeholder Relations

The City should continue to foster relations with business stakeholders and other community groups through ongoing communication (e.g. an annual Employment Roundtable) to inform and receive feedback regarding proposed initiatives.

Ensuring Ongoing Coordination

Ensure ongoing coordination between planning and economic development strategies/initiatives to jointly promote employment growth.

Monitoring Supply And Demand

Monitor supply and demand of employment lands and demand trends to inform decisions about providing adequate supply to meet the City's employment lands vision over the short, mid and long-term.

Monitoring Performance

Prepare a performance-monitoring plan to track and report on all future employment lands development, including types of use, employment characteristics, land utilization, and other measures.

Taking The Lead

Take the lead by pursuing demonstration projects that promote environmental best practices in developing employment lands. The options are limitless but could include, EFN, LEED design, reductions in impermeable surfaces or use of permeable materials, etc.

Putting Strategy Into Action

Put strategy into action through day-to-day decision-making by Surrey's administration and City Council.

Enhancing And Supporting Image

Through a maturing of the job market, enhance and support the image of Surrey as a sophisticated and urban city.

Remaining Competitive

Part of remaining competitive relative to other municipalities in Metro Vancouver and elsewhere requires that the City continue its marketing efforts to promote Surrey as a complete community – one that provides an opportunity to live and work. Developing a niche (i.e. leader in innovation and sustainability) will help raise Surrey's profile and distinguish itself as a leading competitor in Metro Vancouver. Further to niche development, marketing Surrey's other key attributes (e.g. centrality to the region, availability of employment lands, accessibility, access to a skilled labour force) will be critical to remaining competitive over the long-term.

2.6.2 OFFICIAL COMMUNITY PLAN

To ensure Surrey's employment lands are utilized strategically and effectively, it is important to consider how policy influences the employment land base. The OCP serves as the policy umbrella, providing long-term policy direction to support the community's vision of the future. The following policy changes are identified as options for consideration by the City to help achieve its objectives and realize its employment vision. These options may be considered by the City during its OCP Review process.

Policy Areas

The OCP's policies are grouped according to the following ten planning strategies:

- Manage Growth for Compact Communities
- Build a Sustainable Local Economy
- Build Complete Communities
- Enhance City Image and Character
- Increase Transportation Choice
- Protect Agriculture and Agricultural Areas
- Protect Natural Areas
- Provide Parks and Recreational Facilities
- Improve the Quality of Community
- Enhance Citizens' Safety and Well Being Through Crime Prevention

These strategies provide the basis for an analysis of the policies contained within the OCP.

Manage Growth for Compact Communities

- One of the key future directions is to 'balance suburban lifestyles with future development potential'. It is noted that the Suburban designation establishes areas for semi-rural residential development, but also to reserve areas for future urban, commercial, or industrial growth and to create buffers along the agricultural fringe.

Recommendation: Recognize that the Suburban designation does not adequately provide a reserve function for future employment activity. Identify further lands explicitly for employment use.

- Policy provides direction to 'promote' City Centre as the downtown and major employment centre which supports a range of high-density commercial and residential development, entertainment, cultural and social amenities, and community facilities. Policy also identifies that the City will 'promote' Town Centres as the principal urban centre for the six areas of Surrey, and will include a broad range of business, commercial, and residential uses.

Recommendation: The policies should be amended to recognize the need for intensification and redevelopment within City Centre and Town Centres, and their function, which is to support , commercial, institutional, service and residential uses. Policy should also be amended to provide more direction to reinforce the hierarchy of urban centres, while supporting growth in corridors.

- Policy refers to the integration of 'Workplace Areas'. These areas, as illustrated in mapping, refer to Industrial areas.

Recommendation: The term 'Workplace Areas' should be replaced with 'Employment Areas' to be more comprehensive.

- Policy directs that Workplace areas should be designed to provide services to the workers in these areas. There are no parameters defined as to the type and extent of these services.

Recommendation: Maintain the policy to provide services to workers, but provide clarity such that in Industrial areas the following applies:

- *limit commercial/retail uses to those that are accessory and which support the intended function of the designated use;*
- *limit commercial/retail uses to those which are local area serving;*
- *limit accessory commercial/retail uses which occur at intensities that pose short- or long-term conflicts, or that threaten the conversion of a significant amount of employment land; and*
- *limit the total floor space of accessory commercial/retail uses to a maximum of 8% of the gross floor area of a building or 5,000 ft², whichever is less, and any one tenancy in a multi-tenant building.*
- Policy encourages the development of remaining vacant urban land in existing neighbourhoods.

Recommendation: Amend the policy to also encourage infill and redevelopment of underutilized lands with a focus on urban centres.

- The OCP's emphasis on a multi-nodal development pattern creates the need to distribute growth across centres. Policy calls for a balanced distribution of economic development across Surrey's towns and neighbourhoods. While this ensures employment and services are located in close proximity to where residents live, it could have the effect of diluting the viability of City Centre.

Recommendation: More specific policy direction should be provided to reinforce the hierarchy of the urban centre. For example, major commercial uses should be directed to City Centre and local/neighbourhood/community serving commercial should be directed to Town Centres. City Centre should be defined as the nucleus for major institutions, cultural events, office activities, and commercial.

Build a Sustainable Local Economy

- Policy calls for a ratio of 1 job per resident in the workforce. This may be desirable yet very challenging even over the long-term, given expected population growth and the rate of sustained employment growth that would need to be realized to achieve the balance.

Recommendation: This policy should be amended to reference a desire to achieve a more balanced jobs to workforce ratio. A realistic short to medium term target of 0.85 jobs per labour force participant should be noted, recognizing that the City is working toward a longer term objective of achieving the 1 to 1 ratio.

- The policy under the sub-title, 'Facilitate the Location of New Business Parks' identifies the Business designation as a means to establish business development areas for business park development.

Recommendation: No land is designated as Business within the OCP. Consider eliminating this designation, recognizing that business parks can be located in Industrial areas.

- The policy under the sub-title, 'Preserve Designated Business and Industrial Land for Business Uses' does not strongly convey this objective.

Recommendation: The policy should be amended to strongly state the objective of preserving employment lands, noting key employment areas such as South Westminster, waterfront that supports employment uses, centres and corridors, as well as support for the identifying further lands to be reserved for employment uses.

- Policy encourages creative and flexible land use within designations to expand the range of options for business development location. This policy opens the door to industrial areas being used for other business uses such as retail or commercial.

Recommendation: The policy should recognize that commercial/retail uses in industrial areas should be accessory, local serving and supportive of the industrial uses in the area.

- Policy identifies that the City must be proactive in preparing sites that are readily available for business development.

Recommendation: This policy is ambiguous as it is unclear what 'preparing' entails. It is assumed that this refers to servicing. The City should identify whether 'selected areas' refers only to City-owned lands, and if not, the pre-servicing criteria should include a locational element.

- The policy regarding 'a strong City Centre' indicates support for a variety of land uses, but does not reference institutional uses.

Recommendation: Amend the policy so that it references the intention to include institutional uses (e.g. university, hospital) that can be large employment generators.

- Policy calls for the balanced distribution of business development among Surrey Towns and Neighbourhoods. This policy does not recognize the hierarchy of centres.

Recommendation: Amend the policy to identify that the distribution of business development should not detract from the value of City Centre as Surrey's downtown, and the intention for it to become the region's second downtown.

- Policy exists to recognize agriculture as an economic growth sector, but does not reference the need to protect agricultural land.

Recommendation: Amend the policy to identify that the integrity of Surrey's agricultural and agro-industrial lands shall be protected.

- There is no policy direction aimed at balancing the type of industrial growth that Surrey has over the long-term.

Recommendation: Policy direction should encourage balanced industrial sub-sector growth. Consider including policy to limit the amount of transportation industry in Industrial areas by capping the number of transportation industry developments permitted in the Industrial Light Impact (IL) and High Impact (IH)

zones or by capping the square footage permissible to prevent the development of transportation industry uses.

Build Complete Communities

- Policy directs that institutional uses should be planned in accordance with the nature of the surrounding areas (e.g. large facilities in Town Centres).

Recommendation: Amend the policy to identify that institutional uses should recognize the hierarchy of centres. For example, universities and colleges should be encouraged to locate in City Centre.

- Policy promotes energy efficiency through planning and design. No reference is made to planning and design as it relates to employment.

Recommendation: Amend policy to support high quality and environmentally responsible and sustainable development of employment lands. Consider providing clear policy direction to encourage e.g. EEN, LEED, etc.

Enhance City Image and Character

- No policies are included in this section of the OCP.

Recommendation: It is recommended that policy be added to address the need to beautify employment areas for reasons of attraction and retention, aesthetic enhancement and improved neighbourhood interface in select areas (e.g. City Centre, Town Centres, South Westminster) across Surrey.

Increase Transportation Choice

- Policy is provided to ensure that the transportation system addresses the need for business and industry. Several key linkages are identified, without mention of the Canada/U.S. border.

Recommendation: Amend the policy to recognize linkages between the city's transportation corridors and the U.S. border.

- Policy directs to provide parking in innovative ways, such as reducing the amount of land required for parking, rooftop parking, etc.

Recommendation: Amend policy to identify that the need for innovation is particularly required for land intensive uses such as industrial activity. Parking bylaw standards shall be reviewed with the intent of providing parking more efficiently (e.g. allowing on street parking, decreasing off street parking where possible, encouraging permeable pavement).

- While there is a 20% parking reduction in City Centre, this could potentially be further reduced and applied to other urban centres so as to provide an incentive in areas that provide greater transportation options to workers.

Recommendation: Amend policy regarding the management of parking demand to specify that parking reductions should be directed toward areas that have enhanced transit service (e.g. urban centres), provided that there is established support from a land use economics perspective.

- Policy is provided to support and provide for safe, convenient, and barrier-free pedestrian movement.

Recommendation: Provide additional policy to encourage more pedestrian friendly employment areas that provide a shared environment for automobiles, pedestrians, and other types of commuters. Policy should also recognize the need for connectivity within and beyond the limits of employment areas (e.g. through sidewalks, trail, and access to transit).

- Policy is included that provides direction to manage parking demand.

Recommendation: The policy should be amended to specify that parking reductions should be directed toward areas that have enhanced transit such as City Centre and Town Centres.

- There is no policy in the OCP that makes a link between new employment lands and the need for adequate consideration of transportation issues.

Recommendation: Add a policy to identify that lands that may be identified for future employment use, should be located in areas that provide suitable access to transportation corridors and where possible, provide transportation choice.

- There is no policy in the existing OCP to protect waterfront lands for industrial use.

Recommendation: Adopt policy to encourage the protection of land that is uniquely accessible to water for employment use.

- There is no policy in the existing OCP to protect lands along major transportation corridors for employment use.

Recommendation: Adopt policy promote employment uses along corridors and to encourage transformation such that urban centres are connected by vibrant places that people live, work, and shop.

Protect Agriculture and Agricultural Areas

- Policy is provided to support and encourage the growth of agro-industry.

Recommendation: Amend the policy to encourage innovation in agro-industry practices, with an emphasis on sustainability.

Provide Parks and Recreational Facilities Policy exists to provide open space in City Centre and Town Centres.

Recommendation: Amend the policy to recognize that open space amenities should be provided to offset higher densities in City Centre and Town Centres and redevelopment and infill objectives.

Improve the Quality of the Community

- No policy exists to support innovative and sustainable development.

Recommendation: Add policy to support employment-related development that is both innovative and sustainable.

- Sustainability objectives could be more strongly supported through policy that supports performance based standards for business licensing.

Recommendation: Municipalities have the ability to define which types of businesses may operate in their boundaries and the conditions under which these businesses operate. While the City is not in a position to regulate some matters under regional and provincial jurisdiction, such as aspects of air quality and waste handling, the City should strive to promote requirements that promote sustainability objectives while not inhibiting business development. Performance based standards should be explored for business licensing.

Enhance Citizens' Safety and Well-Being Through Crime Prevention

- Policy is provided to enhance the image of the city through the application of CPTED principles.

Recommendation: Amend the policy to identify that the application of CPTED principles in employment areas should be used to promote economic development in areas for example, that need to be revitalized and intensified (e.g. City Centre).

Protect Employment Lands (new planning strategy)

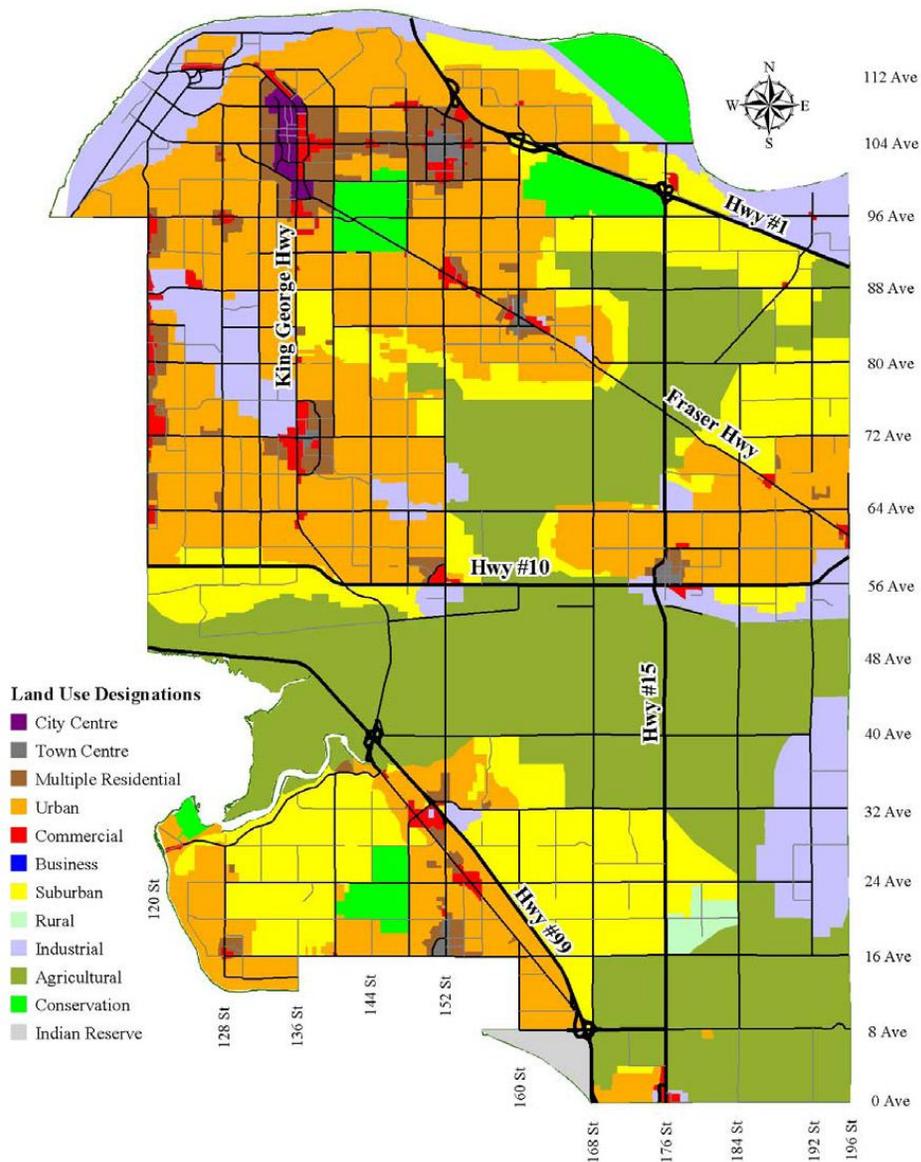
- While reference is made to a complete city (a local economy that is balanced by a high quality residential environment) and complete communities (which include business, employment and investment opportunities), no overt reference is made to the protection of employment lands to support this.

Recommendation: Include a new planning strategy, with corresponding policies, to protect employment lands.

Land Use Designations

The OCP establishes general land use designations. These designations are for commercial, residential, industrial, agricultural and conservation purposes.

**FIGURE 2-8
LAND USE DESIGNATIONS**



Source: Official Community Plan, 1996

Business Designation

- The OCP includes a Business designation to provide broader business location flexibility and opportunity. However, there is no land allocated to this land use designation.

Recommendation: It is recommended that this designation be deleted. The intended buffering function of the Business Designation may be achieved through the Industrial designation (implemented through the Industrial Light zone) or through landscape buffers, as regulated through zoning.

Suburban Designation

- The Suburban designation is intended to allow for semi-rural residential development while at the same time, to reserve areas for future urban, commercial, or industrial growth. This 'catch all' reserve reduces the ability to reserve land for lower order uses such as industrial.

Recommendation: Recognize that the Suburban designation does not adequately provide a reserve function for future employment activity. Identify further lands explicitly for employment use.

LAND USE DESIGNATIONS

Allowable Densities

- The OCP identifies allowable FARs for the different land use designations.

Recommendation: The employment densities identified in the OCP should be revised to allow for greater densities. Section 2.5.2 of this strategy identifies recommended densities for consideration.

Comprehensive Development

- Policy provides that comprehensive developments may be permitted in any land use designation if the mix of uses conform or are compatible with the permitted use categories of that designation.

Recommendation: The policy should be amended such that comprehensive developments are permitted in any land use designation provided that the mix of uses conform to the permitted use categories of that designation.

Performance Criteria

- Additional business-related zones may be allowed in a designation where the proposal meets certain performance criteria that address issues such as land efficiency.

Recommendation: The performance criteria used to evaluate business development proposals should be refined as follows:

- *Land efficiency – Increase FAR.*
- *Commitment to build – Require that in any development, the employment use should precede or coincide with any residential phase of development.*
- *Sustainability – Include 'demonstrated commitment to sustainability' (e.g. through LEED design) as part of the recommended CD zoning Performance Criteria.*

Hybrid Approach

- The existing OCP has moved away from a strictly map based approach to a performance based approach. Provided that the relevant performance criteria are satisfied, business-related zoning categories are permitted in a broader range of designations than was allowed under the previous OCP.

Recommendation: The performance criteria should be amended to require that the development must make a meaningful contribution toward meeting employment projections. Furthermore, in all land use designations, CD zoning shall only be permitted if in compliance with Performance Criteria and subject to

requiring issuance of a Development Permit. In all cases, it must be demonstrated that the mix of uses conforms to the permitted use categories of that designation.

2.6.3 ZONING BYLAW

The zoning bylaw divides Surrey into zones; establishes the boundaries and regulations for each zone including allowable uses, density, siting, size of buildings and size of lots; and provides parking standards. The City should review its Zoning Bylaw with a view to protecting the integrity of employment lands and their intended uses, encouraging greater land use efficiency and ultimately, reflecting the strategic directions of this ELS. The following recommendations are provided for consideration.

- Evaluate the types of uses, both permitted and accessory (e.g. retail allowances, assembly halls), for all employment zones.
- Evaluate the types of zones included in the Zoning Bylaw and give consideration to introducing more zones.
- Evaluate the allowable densities in each employment zone, encouraging more density where desirable and feasible. For example, consider increasing the density in Town Centres from 1.5 FAR to 2.5 FAR.
- Review all industrial zones (i.e. IB, IB-1, IB-2, IL, IL-1, IH, IA) to examine where amendments can be made to align with the City's employment vision, principles and strategy.
- Review parking allowances in employment zones to determine whether efficiencies are feasible and requirements allow for competitiveness.

2.7 IMPLEMENTATION

2.7.1 PRIORITIES AND TIMING

The City of Surrey is well positioned to capitalize on a variety of economic and employment opportunities in the future. To achieve its economic and sustainability objectives the City would benefit from considering the trends, projections and strategic directions described within this ELS. Council, with support and guidance from City staff, will need to determine implementation priorities and timing.

Short to medium-term priorities for consideration by Council and City staff include: adopting the **Recommended Strategy (Option E)** to stem the loss of employment lands and achieve job growth; facilitating development through incentives and programs to encourage growth in key areas that are poised to support intensified growth (e.g. urban centres); and remaining competitive (e.g. through niche development and promotional efforts); and responding to future opportunities (e.g. Asia-Pacific Gateway and Corridor) by working with Metro Vancouver and the Province to ensure an equitable distribution of transportation employment lands across the region. It is acknowledged that Surrey is poised to receive a large amount of transportation-related growth. Recognizing that this is low value industrial, it may be desirable to dialogue at the regional/provincial level regarding appropriate compensation.

In discussions about implementation, the City should remain cognizant of the following key points which are central to the ELS:

- Achieving a balanced jobs-to-workforce ratio (1:1), as identified in the existing OCP, would be extremely challenging even over the long-term. A 0.85 ratio of jobs to labour force participants is achievable by the end of the projection period (2031). More rapid employment growth, slower population growth or increasing participation of the City's residents would each result in pushing this ratio closer towards the existing long-term 1:1 objective.

- The City must protect its employment lands and provide certainty in this regard. A clear and consistent message is required. The higher the risk of achieving a conversion the lower the speculative value of residential use.
- The entire employment lands supply will be required to achieve a more balanced jobs-to-workforce ratio. The City must be diligent in efforts to protect its employment lands from conversion to non-employment uses. Efforts must be made to provide certainty in land use on employment lands. City policies and day-to-day decision making by City staff and Council must make it clear that rezoning of employment lands to non-employment uses is not permitted.
- Protecting the existing supply of employment lands is only the starting point in realizing the City's long-term vision. Further policy and program support is required to encourage more efficient land use. In particular, financial and other economic development support is required to improve competitiveness. While research points to financial support and incentives in American cities, Canadian municipalities do not appear to have the same flexibility or ability to employ such financial supports and incentives although this may change over time. Nonetheless, a full range of financial incentives should be considered and applied where possible. The City could lobby other levels of government for additional capabilities such as the ability to bonus and set different tax classes to stimulate investment.
- To achieve a more balanced jobs-to-workforce ratio, significant new space will need to be added through intensification and redevelopment. The greatest intensification gains can be realized in the office and commercial sectors. This will be particularly critical for commercial given that it has the highest projected absolute growth as compared to other employment types, and is projected to have a long-term land shortfall. Areas with redevelopment promise include urban centres (i.e. City Centre and Town Centres) and South Westminster. Capital investment will play a role in encouraging intensification and redevelopment.
- The City's vacant employment lands will need to be developed in consideration of projected land demand. While the greatest projected absolute growth is seen in commercial, the demand for industrial land is also significant. The land intensive nature of industrial activity will become more pronounced as market trends shift toward transportation and warehousing sub-sectors of industrial activity. The supply of vacant industrial land in South Surrey provides confidence that there will be enough supply to meet projected demand. However, this supply is concentrated in one area of Surrey, suggesting that vacant industrial land in other areas (e.g. South Westminster, Port Kells) is valuable and should be treated as such through its efficient use and protection.

The City will need to consider the above-noted key points and commit to addressing them. A further commitment should be to continue the consultation with business and community stakeholders that occurred during the course of this project so as to maintain communication and information sharing regarding employment issues.

2.7.2 MONITORING AND REPORTING

Through monitoring efforts, the City will be able to determine its level of success in meeting the vision and corresponding principles that form the basis for this ELS. It is recommended that monitoring should occur through individual City departments and programs, as appropriate.

To maintain momentum and show a demonstrated commitment to implementation of the ELS, the City should review and report on implementation progress. Reporting implementation progress to the public is also critical in terms of demonstrating transparency and ensuring ongoing communication.

Economic Context and Opportunities

3.0 ECONOMIC CONTEXT AND OPPORTUNITIES

This chapter provides a context for many of the economic opportunities and challenges that Surrey will need to recognize in the coming years. It also provides a glimpse of Surrey's relative economic position. Land use decisions made this year will significantly influence the economic and employment generation potential within the city for decades to come. Strategically, these decisions must be made with a sound understanding of local, regional and national economic conditions that will prevail in the coming years. Section 3.1 provides this context for the industrial office sectors at the national, provincial and regional levels, with 3.2 presenting a more detailed market analysis for Surrey.

- All charts on real estate are from Cushman & Wakefield LePage Inc. All charts on economics are from the Conference Board of Canada.

3.1.1 CANADA

As a prosperous and technologically advanced industrial society, Canada is characterized by its market-oriented economic system, production patterns, and affluent living standards. Since the mid-twentieth century, the growth of the manufacturing, mining and service industries have transformed the previously rural economy to one that is industrial and urban. The service sector is very important to the Canadian economy, since nearly 75% of the labour force is employed in a service-oriented occupation.

Solid fiscal management has resulted in a long-term national budget surplus, which is substantially reducing the national debt, although managing the rising cost of Canada's publicly funded healthcare and pension systems is the subject of many political and fiscal debates.

Canada's major exports include motor vehicles and parts, industrial machinery, chemicals, plastics, wood pulp, timber, petroleum and natural gas. With 178.9 billion barrels of proven oil reserves, which are the amount of commercially recoverable petroleum from known reservoirs, Canada has the second largest oil reserves in the world, behind Saudi Arabia.

**FIGURE 3-1
CANADA**

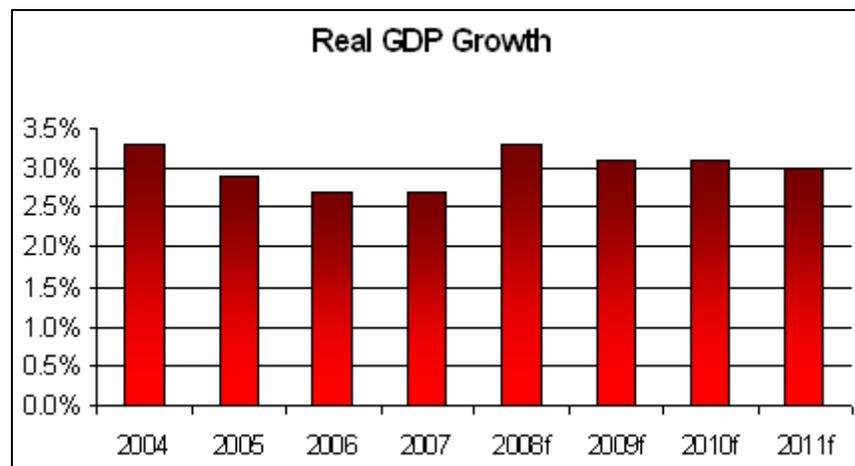
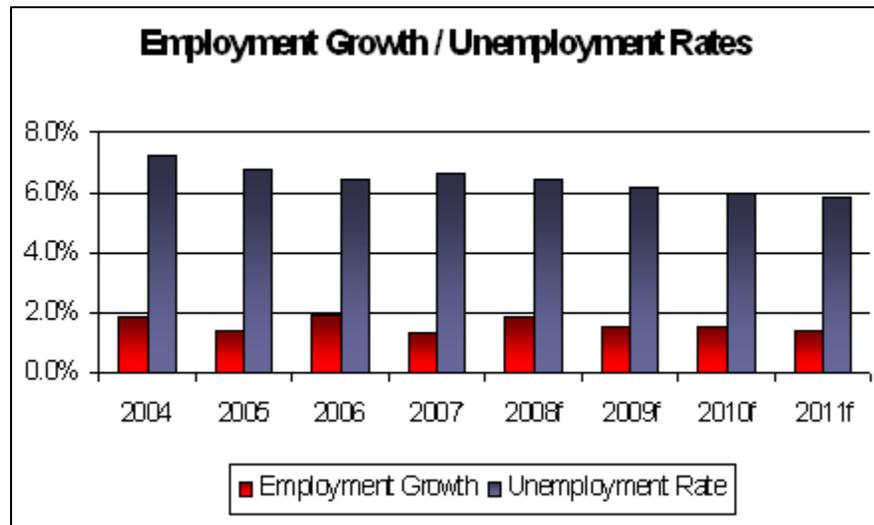


FIGURE 3-2
CANADA

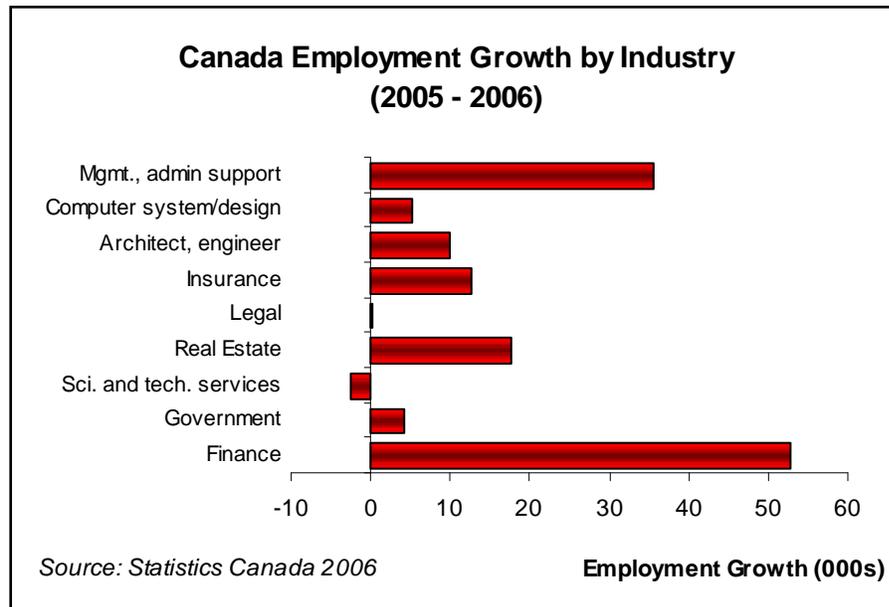


The Canadian economy is essentially operating at two speeds – the West – and everyone else. These regional divisions are unlikely to fade anytime soon - and may widen further. High energy and commodity prices are dividing the country in terms of economic outlook. Alberta, British Columbia and Saskatchewan are reaping the benefits while Ontario and Quebec continue to struggle with the compounding effects of the rising dollar and energy prices on their energy intensive manufacturing base. Domestic demand, not export growth, continues to carry the Canadian economy.

Canadian exporters continue to contend with the strong Canadian dollar, rising production costs and competition from lower cost offshore markets. As 85.0% of Canadian exports are destined for the US, weaker demand from south of the border will exacerbate the problem by further dampening the Canadian GDP growth forecast over the short term. Canada's unemployment rate hit a 30-year low of 6.1% in May 2006, fluctuating between 6.1% and 6.3% for the balance of the year before hitting 6.1% again in December 2006.

Currently, the unemployment rate stands at 6.4%. Employment growth continues to surge ahead in Alberta, at nearly three times the national average, accounting for 40.0% of the job creation in 2006. Skilled labour shortages, particularly in the western provinces, are putting significant pressure on output as well as wage and salary growth.

FIGURE 3-3



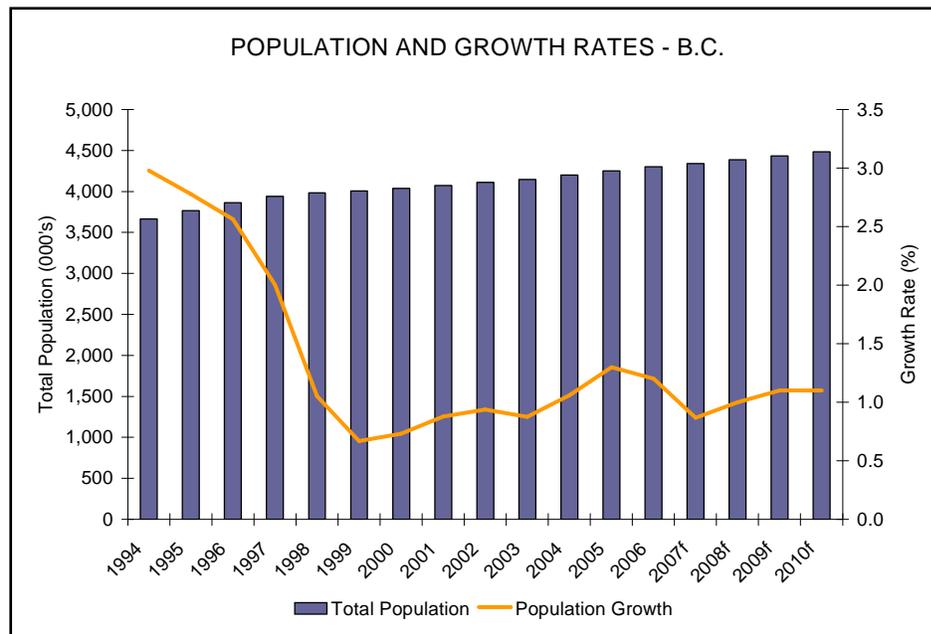
In sharp contrast to the jobs lost in the manufacturing sector, the other sectors of the economy have gained over 1.2 million jobs in the same time frame. These gains have been broadly based; however, one of the strongest sectors has been construction. Employment in construction continues to grow due in part to the country's hot residential construction market, the booming oil sands developments in Alberta and the spin-off activity derived from the oil sector. Over 200,000 new construction jobs have been added since the start of 2003. Increased demand for commodities has resulted in significant job gains in the primary sector. Public sector employment has also registered strong gains, particularly in education and health care.

The largest concern facing Canadians in the coming years will be a labour shortage, particularly in the west. As world demand for oil remains robust, the Canadian economy will continue to benefit as a whole. Despite current uncertainty over whether the US economy will fall into recession, the outlook for the Canadian economy by and large remains positive for the long term.

3.1.2 BRITISH COLUMBIA

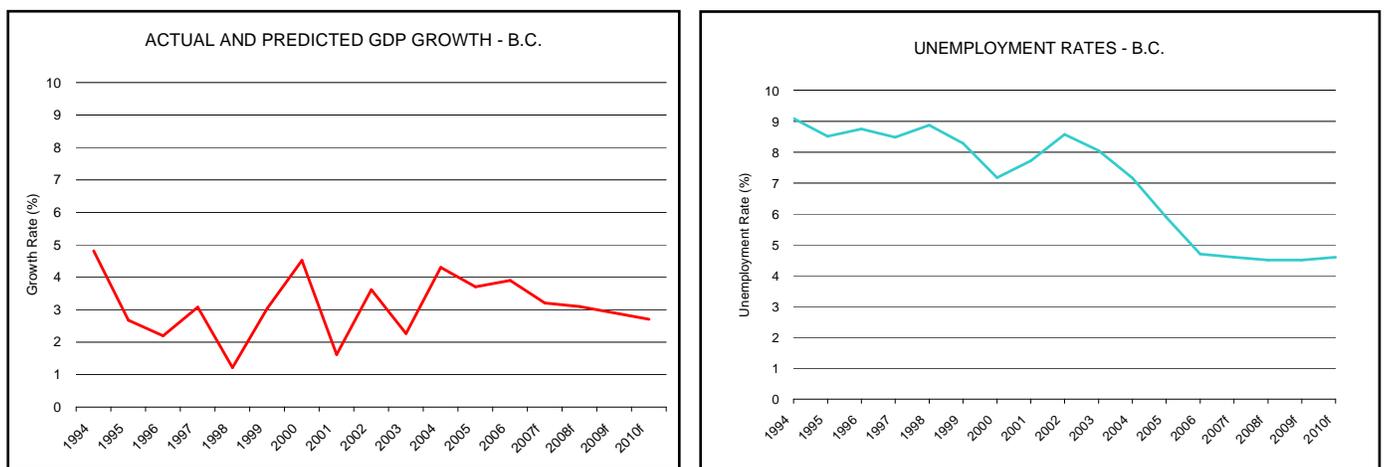
With an estimated population of 4.4 million people, British Columbia is the third largest province behind Ontario and Quebec. The population has been due to the attractive natural climate and a strong economy.

FIGURE 3-4



The province’s single greatest source of income is generated through its wealth of natural resources. The primary industries in British Columbia include forestry, mineral and oil & gas extraction and fishing. Like most commodities, the forestry industry in B.C. has suffered significant periods of decline over the past decade because of the increased value of the Canadian dollar, fuel costs, and competition from other countries.

FIGURE 3-5

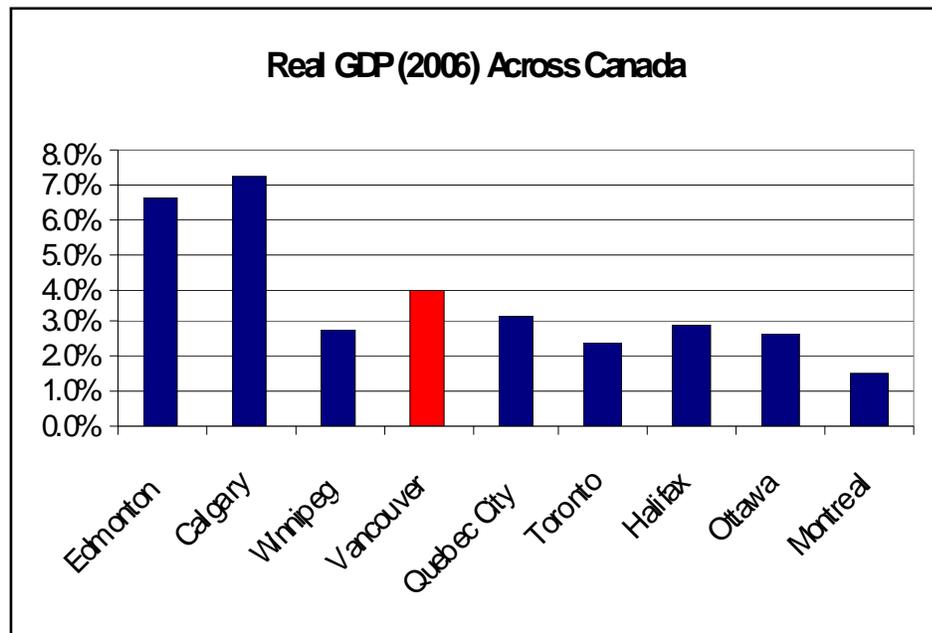


The strong demand for commodities, particularly from China, along with the strong real estate market and construction industry has lowered the unemployment rate. The 2006 unemployment rate for the province was 4.7% and expected to continue falling over the next three years. The Conference Board of Canada is forecasting economic growth to remain strong within the province, with the unemployment rate falling into the range of 4.5% by 2010.

3.1.3 METROPOLITAN VANCOUVER

The Vancouver Census Metropolitan Area (Metro Vancouver) is the third largest metropolitan region in Canada and is home to over 2.2 million people. The regional economy has been growing strongly as shown in the following chart of change in GDP in 2006.

FIGURE 3-6



In addition to its vast resources, the province of British Columbia is also Canada's gateway province to the Pacific Rim. The transportation and goods handling sectors are the largest economic drivers in the region. The Port activities generate an estimated \$4 billion in total Gross Domestic Product (GDP) and \$8.9 billion in total economic output. The value of the cargo moving through the Port totals \$43 billion.

- This is important to note as the region has a larger than average industrial employment base and smaller than average office employment base relative to most other cities in North America. As Surrey seeks to expand local employment industrial oriented businesses will clearly be much easier to secure than office oriented businesses.
- As shown in the following chart the economy of the region will continue to grow but slower than the national average. Also shown is that some office oriented employment such as finance and computer services are growing quickly.

FIGURE 3-7

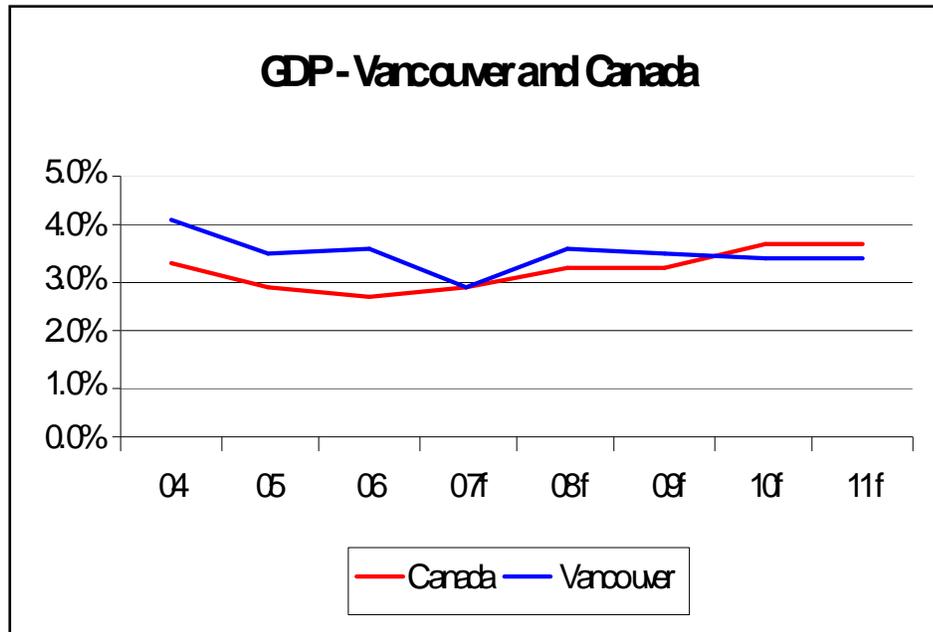
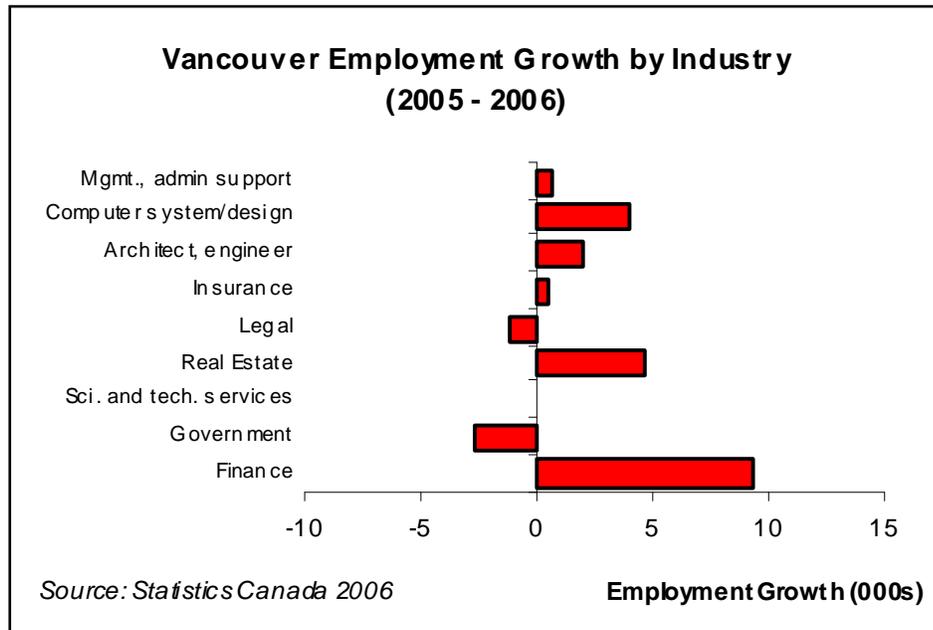


FIGURE 3-8
METRO VANCOUVER EMPLOYMENT GROWTH BY INDUSTRY



3.2 SURREY ECONOMIC CONTEXT

Surrey represents one of 21 municipalities within the Metropolitan Vancouver economy. It has the largest land base and will eventually be the largest municipality in British Columbia in terms of population. As a major suburb and the gateway to the Fraser Valley and the US., the City has several significant commercial and institutional employment nodes, in addition to important concentrations of developed and vacant industrial land. To this point the City has seen little focus on office space; a trend that is expected to change with improved infrastructure and the redevelopment of the City Centre and other commercial nodes throughout the City. The following text provides more detail on the economic context of Surrey with the Lower Mainland.

3.2.1 TRANSPORTATION INFRASTRUCTURE CAPACITY

The existing and future capacity, location and alignment of transportation infrastructure within Surrey and throughout Metro Vancouver are critical factors which will influence the demand for employment lands and land zoning considerations. Accordingly, an understanding of transportation infrastructure is fundamental to financial and economic development decisions in both the private and the public sectors.

In the past Surrey has been relatively remote from the central areas of economic and employment activity. Its location is no longer remote as the centre of the entire urban region has steadily moved east and is now positioned near Surrey City Centre.

Population growth and development and the ever larger scale of the region have made Surrey a central and not peripheral location. This ever growing importance and integration within the region is strongly enhanced by transportation infrastructure.

The City has two major bridges across the river each serving a Town Centre. The smaller and less busy Pattullo Bridge serves the City Centre while the far busier and more important crossing, the Port Mann and Hwy 1 serves the local town centre, Guildford. The Alex Fraser Bridge in nearby Delta acts as a third link across the river for west and south Surrey residents. These three bridges are critical drivers of economic growth as are the highways and grid roads networks they serve. Surrey is also home to two of Canada's busiest Canada/US border crossings.

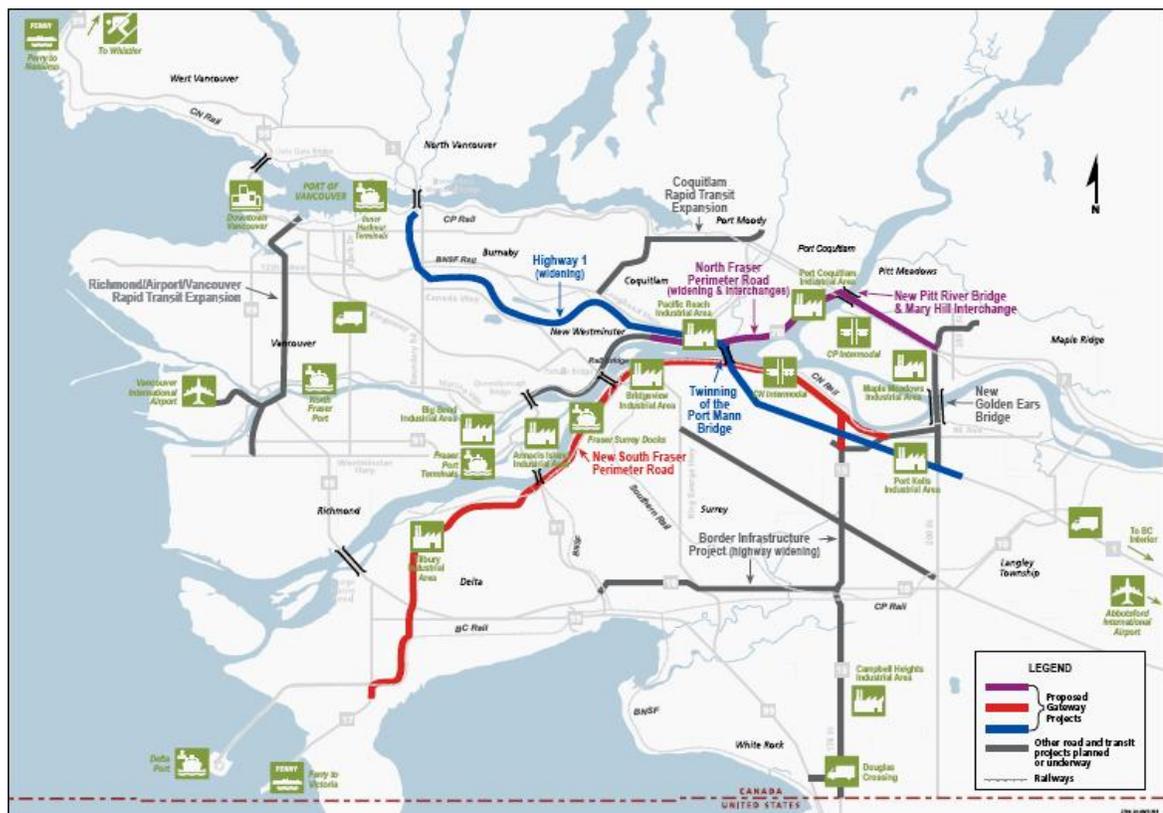
Any major change in infrastructure is of great importance to Surrey as each improvement makes the city that much more desirable as a location for employment generating businesses. Proposed infrastructure development is extensive across the region and Surrey is expected to receive a very large share of these improvements.

A map illustrating major planned improvements is provided below. Surrey is impacted by:

- **the huge Gateway project which entails the widening of Highway 1 and twinning of the Port Mann Bridge,**
- **the Golden Ears Bridge in the northeast,**
- **the rapid transit line extension (possible routing along King George Highway, 104th Avenue, Highway No. 1 and 200th Street),**
- **the widening of selective arterial connections such as Hwy 10 and Hwy 15 which bisect the city.**

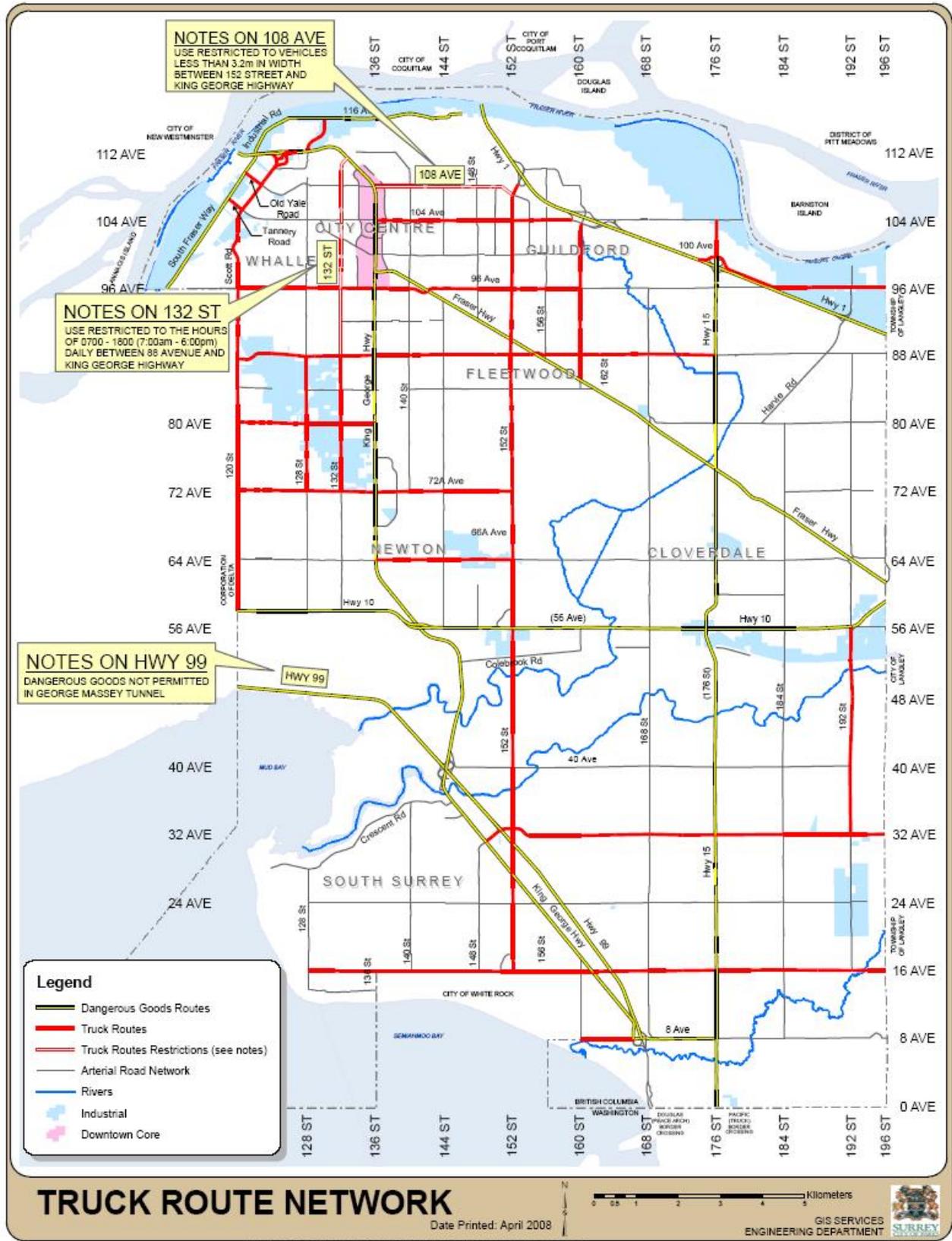
- **the new South Fraser Perimeter Road**
- expansion and improvement to the Douglas/Peace Arch and Pacific Highway border crossings.
- It is important to note that the community most impacted by these improvements is the northeast quadrant of Surrey – Guildford/Port Kells. The new transit service, both new bridges and the expanded highway all focus on Guildford/Port Kells. While there will be a positive impact throughout Surrey, the main impact will be on Guildford/Port Kells placing it at the centre of a huge wave of new demand expected to cross the Fraser River.
- Through the context of transportation services and the attraction this has for business, Guildford/Port Kells will be poised to become the most important location for employment in the City. This is because it will have direct access to the main highway, the main bridge to the urban core and rapid public transit. Surrey City Centre and all of north Surrey will also benefit strongly.

**FIGURE 3-9
PROPOSED INFRASTRUCTURE DEVELOPMENT**

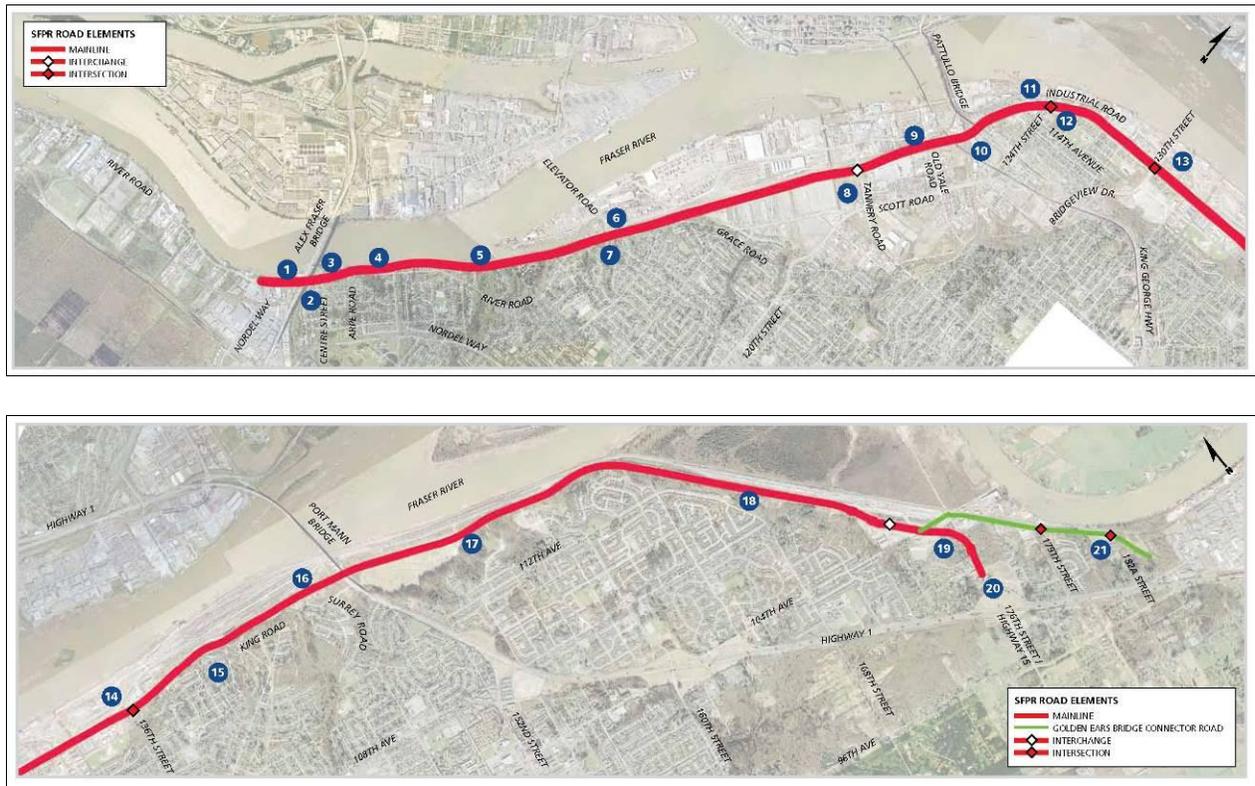


In general, Surrey has good regional transportation links but not ideal local accessibility. The key problem is the relatively limited grid road network, as shown below. There are no six lane arterial roads in the City (except Hwy 1 in 2015) and it is difficult to reach areas that are remote from the main highways, such as the south east. **Thus locations close to the highways are of critical importance to employment generating land uses. These lands should be preserved for predominately employment related uses, where possible.**

**FIGURE 3-10
SURREY'S ARTERIAL ROAD NETWORK**



**FIGURE 3-11
SOUTH FRASER PERIMETER ROAD WITHIN SURREY**

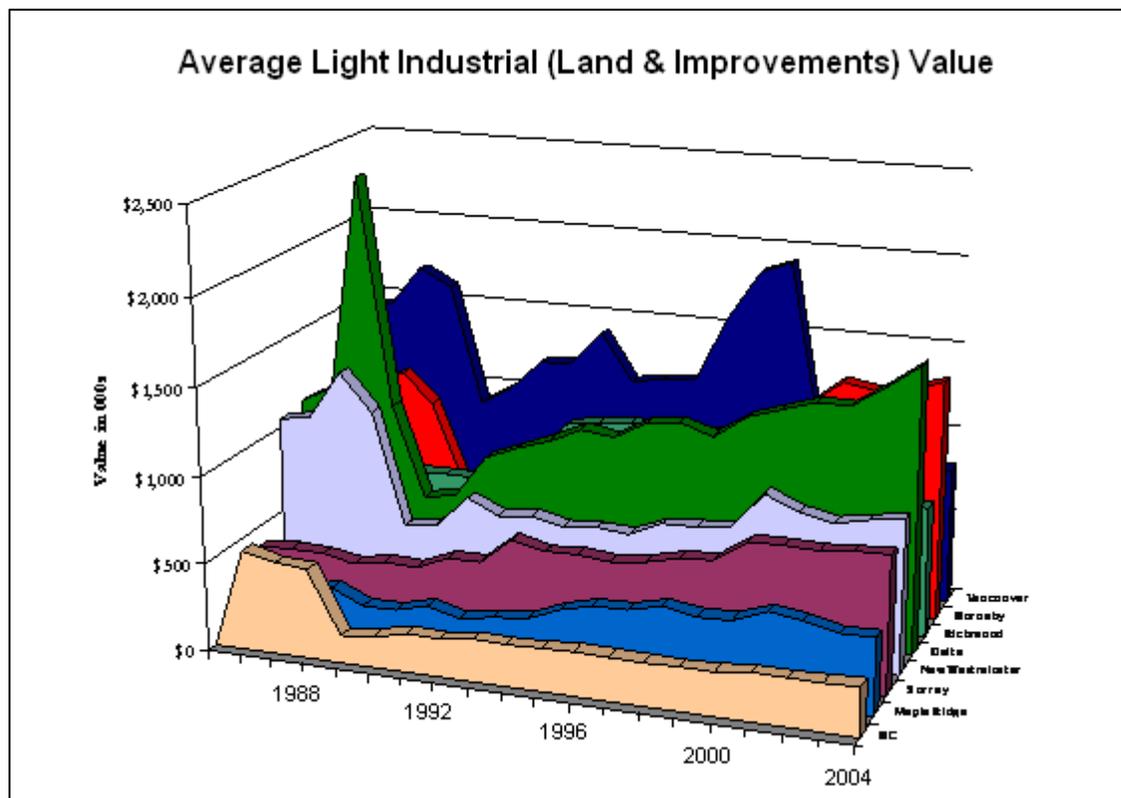


The new highway along the river will improve access east and west through the City. It will become an excellent truck route connecting to the ports and inter-modal yards and also allow residents of the Fraser Valley better access through Surrey to the Airport and B.C. Ferries.

The strong link between transportation infrastructure and the value of employment-related land is seen with the example in the following chart. This illustrates the average value of light industrial real estate in selected municipalities impacted by the Alex Fraser Bridge. Surrey is in the foreground and the bridge clearly had a major impact on industrial development and land values. Delta is in green and it surged in value in direct correspondence with the completion of the new bridge. Vancouver in blue also had some change, which was an indirect impact. The logistics and goods handling firms and others who were located in Vancouver moved to Delta and Surrey and Vancouver re-developed those sites to higher and better uses.

This chart clearly indicates the impact of new infrastructure on employment lands. Surrey has the potential to experience a similar impact.

FIGURE 3-12



3.2.2 ECONOMIC DIVERSIFICATION AND GROWTH OF LARGE SCALE EMPLOYERS

It is very important to stress that Surrey is only one of 21 municipalities that make up Greater Vancouver. As such, it has only moderate control over the mostly macro economic forces that shape the employment market, in terms of direct jobs and the development which serves those jobs.

B.C. and most of Canada is profoundly different than the US in part because of the large role government plays in the economy, the huge scale of the US and the generally higher tax rates in Canada. Just as western Canada has not been able to create a secondary manufacturing base so too it lags in high finance and high technology. The economic profile of the region is very different from nearby Seattle for example which has many times more knowledge (office) workers and far fewer industrial workers.

Within this background context the primary control Surrey has over its employment base is demonstrated by

- **Infrastructure and**
- **Land base, the size and the permitted uses.**

Given the limitations of context, these levers of influence over the Surrey employment market have not created too much diversity.

Table #3-1 outlines the largest and most important employers in the City of Surrey. The most important and obvious issue is that:

- **The largest employers are government and/or institutions followed by lower wages paying retail chains and telephone call centres. This chart does not distinguish between full and part time employees.**

There are very few major private industries paying relatively high wages, typically wood mills, manufacturers, or construction firms. The wood processing industry is in very sharp decline and wood mills all along the Fraser River have been closing over the past twenty years. In nearby New Westminster there were once over ten mills and now there are only a few small ones remaining.

- **It is very reasonable to expect that the wood mills in Surrey will soon start to close their doors freeing up their lands for higher and better employment uses. Most of the mills are on the water with excellent locations, ideal for redevelopment.**
- **Most mill sites are surrounded by existing industrial lands and are not likely candidates for their owners to try to target for rezoning from employment uses, as is being done on the north side of the Fraser River, where rezoning from forest industry industrial to multi-family residential is normal and expected.**

Currently many of the larger scale businesses which are seeking industrial space are either in goods handling or construction. Some of the smaller firms are also in the same business but they consist of smaller support groups.

According to a series of major studies conducted to assess the economic impact of the Port on the regional economy, approximately one half of all industrial development is related to transportation and goods handlings. This use would be a likely potential use for some of the soon to be available mill sites, if other more dense forms of industrial development are not available.

**TABLE 3-1
LARGEST EMPLOYERS IN SURREY (2007)**

Employer	Number	Institutional	Commercial	Industrial	office
Surrey School District #36	7900	X			X
Surrey Memorial Hospital	3650	X			
City of Surrey	2500	X			
NCO Customer Management Ltd.	1450		X		
McDonald's Restaurants	1233		X		
Canada Safeway	1098		X		
Canada Revenue Agency (Tax Data)	1081	X			
Save On Foods	1210		X	X	
Coast Mountain Bus Co.	800				X
Coast Capital Savings Credit Union	799		X		X
ICBC	769	X			
Terasen Gas	725	X			X
JP MorganChase	700				X
Kwantlen University College	689	X			
Canada Revenue Agency Burnaby	650	X			
Walmart Canada Inc.	610		X		
PriceSmart Foods	600		X		
Teal Jones Group	600				
R.C.M.P. (Surrey Detachment)	590	X			
The Real Canadian Superstore	500		X		
S & R Sawmills Ltd.	500			X	
Home Depot	490		X		
Canada Post	472	X			
Telus	422			X	X
BC Hydro	400	X		X	
Pacific Newspaper Group	400			X	
Finning Canada	380			X	
Tim Hortons	379		X		
Sunrise Poultry Processors Ltd.	371			X	
South Fraser Home Support Society	350	X			
BC Biomedical Laboratories Ltd.	330			X	
Rona	330		X		
OPTIONS: Services to Communities	330	X			
Beachcomber Hot Tub Group	285			X	
Costco Wholesale	278		X		
Canadian Tire	274		X		
Fraser Downs	268		X		
Buy Low Foods Ltd	254		X		
NavCanada	250	X			X
Burnaby Lake Greenhouses Ltd.	250			X	
B & B Contracting Ltd.	250			X	
Earl's Restaurants	240		X		
Bank of Nova Scotia	229		X		
A B C Customs Brokers Ltd.	225			X	
T & T Supermarket	220		X		
A B C Country Restaurants	212		X		
Best Buy Canada Ltd.	205			X	
Maple Leaf Consumer Foods Inc.	200			X	
White Spot	200		X		
Simon Fraser University Surrey	200	X			X
Shoppers Drug Mart	198		X		
Starbucks	198		X		
Zellers	197		X		
BC Hot House Foods Inc.	195			X	
Cullen Diesel Power Ltd.	190			X	
CWS Industries Ltd.	185			X	
A & W Restaurants	184		X		
Sheraton Vancouver Guildford	180		X		
London Drugs	180		X		
Sears Canada	175		X		
Garaventa (Canada) Ltd.	170			X	
Subway	165		X		
Fraser Surrey Docks Ltd.	165			X	
Service Canada Centre of Surrey	140		X		
Cummins Western Canada	139			X	
Titan Steel & Wire Co. Ltd.	135			X	
The Centre for Child Development	130	X			
Freightliner of Vancouver Ltd.	125			X	
Highland Foundry Ltd.	125			X	
Royal Bank of Canada	123		X		
Future Shop	123		X		
Cloverdale Paint	120		X	X	
Morgan Creek Golf Course	120		X		
Restwell Mattress Co. Ltd	120			X	
The Pantry Hospitality Corp.	119		X		
Vancouver City Savings Credit Union	114		X		
Ricky's Family Restaurants	113		X		
Canadian Imperial Bank of Commerce	111		X		
Eagle Picher Energy Products Corp.	100			X	
Vitran	100			X	

The role of Surrey within Metro Vancouver has been one of provider of low cost lands for residential, retail, institutional and industrial uses. In this context it has been difficult for Surrey to establish a strong office market. Improvements to infrastructure can change that market dynamic.

The major office deals across the region for the last half of 2007 were inventoried by the North American Industrial and Office Property (NAIOP) Association. There were no major office lease deals in Surrey during that time period. The implication is that Surrey must be proactive in enhancing its office market. The industrial market will come to Surrey because of the vacant land base and lack of alternatives. Office development on the other hand must be attracted by creating convenient, well designed and attractive locations for office based business.

3.2.3 GROWTH AND DIVERSIFICATION OF RESIDENT WORKFORCE

With a population that has grown more rapidly than the region as a whole in the recent past, the City has a large pool of resident workers. Over the most recent Census period (2001 and 2006) the City of Surrey added more than 47,000 new residents, growing by 13.6 percent. This was more than double the growth seen for the Metro Vancouver region (6.5 percent) over the same period. With a significant portion of this growth being due to new families seeking traditional family housing, the City also has a younger population than the rest of the region, with a median age of 37.1 versus 39.1 years for the Metro region.

Relative to Metro Vancouver, Surrey's resident workforce shows two other strong competitive advantages: Surrey residents had a higher labour force participation rate (67.4 percent versus 66.8 percent regionally) and a higher employment rate (63.6 percent versus 63 percent) in 2006 than seen in the region. Rapid growth along with above average employment rates saw Surrey's share of the region's employed labour force increase from 16.9 percent in 2001 to just over 18 percent in 2006.

3.2.4 OVERALL ECONOMIC CHALLENGES AND OPPORTUNITIES

Within the national and regional economic context, the City exhibits both key competitive advantages and several challenges.

Economic development opportunities in Surrey will be impacted by the following:

- Large land base including the greatest amount of vacant industrial land in the region;
- A growing employment pool that is younger than the regional average;
- Ethnically diverse population with a global reach;
- Good regional transportation access, west to the Port of Vancouver and east to the Fraser Valley;
- Good access to the US (e.g. proximity to the Canada/US border);
- Good access to the main rail services for CN and BN;
- Strong interest in residential in the City Centre is improving the area's image.
- The expansion of SFU and the hospital/outpatient facilities are acting to improve the image of the City Centre and they are creating an anchor for ever more employment.
- Adjacent to the Fraser River.
- The chance to eventually have some office projects on existing and new highways.
- Existing and planned rapid transit.
- The chance to create well planned and attractively designed new employment centres.

Opportunities for economic development will be challenged by:

- Office space has ample alternative locations in the inner municipalities.
- Congestion on local arterials;
- Image challenges in some areas including the City Centre (though improving);
- An unsuitable business mix in some employment centres which would discourage high profile businesses. Quality businesses typically require premises in a new business park where they are grouped with similar businesses.
- Low density urban plan with industrial and office nodes in less than ideal locations (e.g. Newton, Campbell Heights);
- Poor transit accessibility for most areas other than the City centre.

As with many other parts of the region Surrey also faces a general dilemma: while its land resources are considerable relative to other municipalities, increasing land demand consistently drives all land towards higher valued zoning. However, often lower valued industrial and commercial uses are essential to generate the employment and economic demand that drives the local economy.

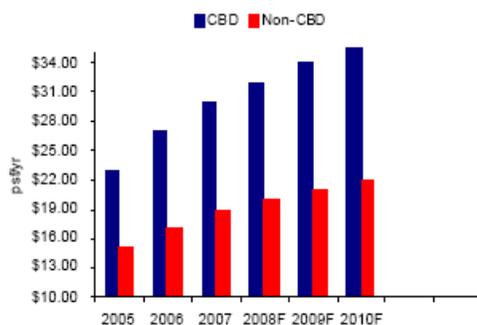
- **There is no logical way to keep the value of lands low in a market with a shortage, however restrictive zoning excluding residential and demanding very high design guidelines in the business areas will play a role.**

3.3 OFFICE MARKET AND EMPLOYMENT OVERVIEW

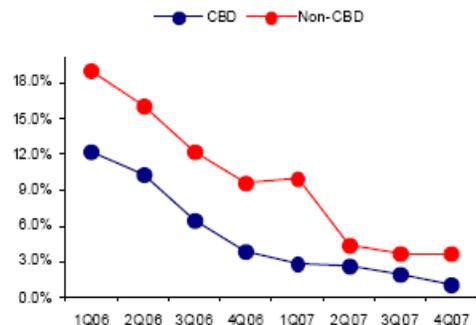
The office market is an important future direction for Surrey’s local employment base and it should be encouraged to grow. This is a challenge however as Metro Vancouver has a very small office market compared to many other North American cities. This subsection provides an overview of the current market and concludes that development trends are favourable and Surrey is well-positioned to capture a large share of new office space.

Greater Vancouver’s office inventory is geographically segmented into two major markets containing 44.5 million square feet of space. The Central Area (or CBD, the Central Business District), which includes Vancouver’s Downtown Core, contains 29.5 million square feet of office space, roughly 66% of which is located in the downtown core. The Suburban Area contains 15.1 million square feet of office space and represents 34% of Vancouver’s overall office space.

Direct Rental Rates CBD vs Non-CBD



Overall Vacancy Rates CBD vs Non-CBD



Source: Cushman & Wakefield LePage Inc.

3.3.1 ASKING RENTS FOR OFFICE SPACE

Generally, overall average asking rents in the Vancouver market have been increasing sharply in 2008. The most notable increase in asking net rental rates has been for Class A office space in Vancouver's Central area where asking rents have increased from \$23.50 per square foot to \$35.00 per square foot in the last two years. Asking rents in business parks in Surrey varies from \$16 per sq.ft. to \$22 per sq.ft.

Market/Submarket	Inventory	No. of Bldgs	Overall Vacancy Rate	Direct Vacancy Rate	YTD Leasing Activity	Under Construction	YTD Construction Completions	YTD Overall Absorption	Direct Wtd. Avg. Class A Net Rental Rate*
Downtown Vancouver	23,800,187	184	3.01%	2.32%	N/A	192,000	238,000	424,559	\$35.00
Broadway Corridor	5,899,549	97	1.98%	1.64%	N/A	80,000	0	116,053	\$27.00
Burnaby	6,517,033	83	5.82%	3.54%	N/A	581,020	119,880	80,992	\$22.00
Richmond	3,112,189	51	12.66%	10.22%	N/A	146,000	90,647	108,709	\$17.00
North Shore	1,411,825	31	2.91%	2.58%	N/A	30,000	0	67,093	\$20.00
New Westminster	1,238,871	27	15.51%	14.73%	N/A	54,000	0	9,108	\$16.00
Surrey	3,110,638	42	16.63%	16.52%	N/A	204,375	132,844	8,215	\$20.00
VANCOUVER TOTAL	45,090,292	515	5.23%	4.28%	N/A	1,287,395	581,371	814,729	\$18.00

* Rental rates reflect \$psf/year

3.3.2 OFFICE DEVELOPMENT

Metro Vancouver is currently facing a significant shortage of office space resulting from high levels of leasing activity and substantial positive absorption. As net rental rates have significantly increased, especially in the downtown core, new office developments are under construction, with more expected to come.

SIGNIFICANT 2007 CONSTRUCTION COMPLETIONS				
BUILDING	SUBMARKET	MAJOR TENANT	SQ FT	COMPLETION DATE
BCIT Aerospace Technology Campus (3700 Cessna Drive SW)	Richmond	BCIT & Sport BC	90,647	November 1, 2007
Benchmark Business Centre (5455 152nd Street)	Surrey	Westland Consulting Ltd	112,000	December 1, 2007

SIGNIFICANT PROJECTS UNDER CONSTRUCTION				
BUILDING	SUBMARKET	MAJOR TENANT	SQ FT	COMPLETION DATE
Discovery Green Building (4200 Canada Way)	Burnaby	SPEC	155,248	March 1, 2009
Commerce Court International Phase V (13900 Wireless Way)	Richmond	Sage Software (ACCPAC)	116,000	March 1, 2008
Broadway Tech Centre Bldg 1 (2925 Virtual Way)	Burnaby	BC Assessment	113,000	April 1, 2008
Commerce @ Citi	Burnaby	SPEC	109,000	June 2009

Development is expected to increase in the suburban markets in the coming years as the downtown core runs out of developable space as sites that were previously zoned for commercial use have been rezoned for residential developments. One of the most important office buildings is the Benchmark Business Centre in the Newton area of Surrey.

Office Market Shares

Refer to Section 4.0 for further information on office space in Surrey. In addition, the Appendix has extensive office market information.

3.3.3 OFFICE SPACE DEVELOPMENT TRENDS

Metro Vancouver's Regional Growth Strategy, the *Liveable Region Strategic Plan*, includes four main strategies, one of which is 'build complete communities'. This strategy supports complete communities where jobs are located closer to where people live and are accessible by transit. Metro Vancouver's plan calls for complete communities through a focus on regional and municipal town centres. A multi-centric region, or in the case of Surrey, a multi-centric city, has been successful for retail and residential which both like to group together, but it has been less successful for office. Municipalities in Metro Vancouver have waited for Regional Town Centre office development, which does not come, and do not properly plan for their main source of new employment - business parks. Since their inception the regional town centres have failed to attract a significant share of market oriented office development.

Downtown Vancouver and Business Parks completely dominate all new office development across Metro Vancouver. The financial parameters for office development strongly favour low-rise, low cost, and flexible business park office space over high-rise, high cost, inflexible, multi-tenant concrete tower office space.

Metro Vancouver is dominated by industrial employment and has relatively few employees in office space. Seattle for example, has 50% more office space per capita. Our region thus lacks critical large-scale office anchor tenants and strong demand. Some of the factors which impact office development and location are:

- Businesses do not need town centre density or proximity in order to conduct their businesses.
- Town centre office lands are expensive to develop or rent as they have other uses - residential.
- Residential competes with office for sites in town centres and is three times more valuable.
- Office in town centres needs strong demand, large anchors, and high rents.
- Office towers add large volumes of space all at once and entail high risk.
- There are large sites for master planning and phasing.
- Office employees do not use transit enough – yet.
- Town centres do not have ample free parking.
- Town centres tend to have more traffic congestion.
- Town centres cannot do build to suit / single tenant/ user-owner.
- Town centres have higher property taxes.
- Regional businesses do not need to be close to customers or suppliers.

Town Centres' Strengths

- Office tenants and developers can see several positive characteristics:
 - Transit services;
 - Residential nearby;
 - Convenient services and retail;
 - A town centre location tends to be more suitable for local area serving businesses such as accountants and lawyers. The town centres have service areas, which are very similar to the retail trade areas of the regional shopping centres, which anchor the commercial district.

- The longer-term potential to offer a more attractive and unique urban environment with an ambiance that employees will enjoy and request of the office employer. This already exists in the central area, where locational factors can outweigh the additional costs for some tenants.
- Eventually design guidelines and ongoing redevelopment may make the town centre appear more like a downtown.

In general, town centres attract a selection of businesses and business parks attract a different, more regional type of business. They are complementary and different.

Recommended Action Plan

The following measures could be explored by provincial, regional and local levels of governments, in order to make existing regional town centre locations more attractive. Many of these measures come at a cost (in some cases significant) that would have to be assessed in terms of the benefits that would accrue.

- Provide larger development sites by encouraging site assembly and high-density zoning. In some instances government owned sites are available or for some areas selective road closures could be facilitated, creating large new sites.
- Reduce red tape and speed approvals, in order to reduce developer costs and uncertainty. This would be a critical step in attracting developers as enthusiastic partners in new projects.
- Lower land costs by creating office and employment zoning. Control zoning, whereby some sites can only be used for office (rather than high-rise residential). Restricting residential uses would depress land values and make low-rise, build to suit, single tenant, and owner occupied buildings possible.
- Reduce the cost of parking by providing municipal parkades, which can be shared by surrounding projects.
- Take actions to lower property taxes in town centres. The most direct course would be to stabilize land values.
- Ensure that the town centre has multiple fibre-optic cable providers. This is an important locational issue for many high tech firms.
- Major electrical service for high-energy consumption is also important. Some high tech businesses require many times the industry average of 10 watts of electrical power per sq.ft.
- Emphasize town centre's traffic links with major highways. This can be done via marketing and by lobbying to ensure that links to the highway network are improved at every opportunity.
- Encourage greater diversity in terms of retail service, recreational opportunities and cultural amenities.
- A high-rise, multi-tenant building, typical of town centres, can cost 40% more per square foot to build than a low-rise business park building. Any actions which reduce the need for large scale, concrete construction would make development more flexible and cost effective.
- The development of large new facilities, such as a hospital, university, library, art or sports complex has been and should continue to be focused in the town centre. This encourages other office users to locate nearby and makes the town centre more attractive for business.
- Maintain high standards for infrastructure and cleanliness, orderliness, etc. in the town centre.
- Large business tends to locate in areas which are safe and clean and have a pleasant and consistent appearance. They cannot afford to have their business hurt by social problems.
- Improve urban design to reflect a more attractive, pedestrian-oriented, environment. This is critical to efforts which model the town centre as smaller scale versions of the central business district.

- Co-ordinate lobbying efforts by developers, municipalities and various levels of government. This would be focussed on infrastructure issues such as transit and road improvements and also on the location decision for major institutions. If government incentives are being provided to attract certain businesses into the region then perhaps the leverage of this benefit can extend to requesting that the business locate in a town centre.
- Any increase to the cost of automobile travel makes transit more attractive, which in turn makes office development in some of the town centres more attractive. Over the longer term traffic congestion will decrease the advantages of business parks and make the town centres a more attractive location option for office users.
- Encourage rapid town centre growth, so that they can be large enough to have some of the attractions of the central business district and thus become self-sustaining.
- As the supply of vacant business park lands diminishes and costs go up, the virtues of the centrally located town centre development sites will become more apparent. The same will apply to employment lands on corridors.

Planning focus should be on both town centres and business parks, particularly those in corridor locations. Corridors have all the planning benefits of town centres but have the added advantage of being viable. Clearly the ideal for the future would be to encourage higher density, mixed use, office oriented development on the main transportation corridors throughout the region.

In summary, the City should focus on encouraging all forms of office development in a variety of locations, particularly in areas that have very good transportation (i.e. transit and corridors).

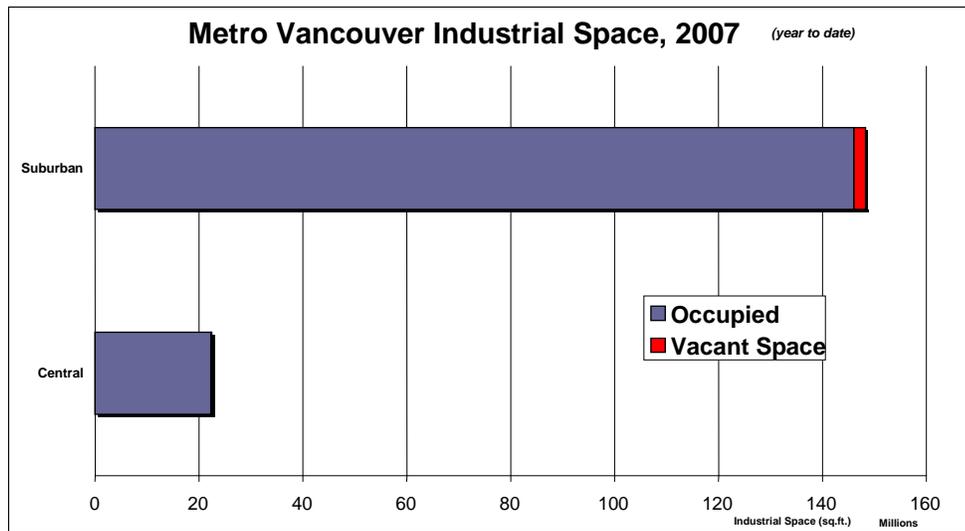
3.4 INDUSTRIAL MARKET AND EMPLOYMENT OVERVIEW

The Metro Vancouver industrial market, with approximately 174.5 million square feet of inventory, currently has a vacancy rate of only 1.8%. In total Metro Vancouver's market accounts for 12.5% of the country's industrial inventory ranking it as Canada's third largest industrial market behind Toronto and Montreal.

Metro Vancouver's industrial inventory is divided among its central and suburban sub-markets:

- Central sub-market: 22.8 million square feet;
- Suburban sub-market: 151.7 million square feet.
- Surrey: 34.3 million square feet

FIGURE 3-13



3.4.1 ASKING RENTS FOR INDUSTRIAL SPACE

Average net rental rates have increased substantially to over \$8.00 per square foot pushing average gross rents to the \$11.00 per square foot range when considering average taxes and operating costs of approximately \$3.00 per square foot. The region has the highest industrial rents on the west coast of North America. This is a very significant market issue which will lead to more development in the short term.

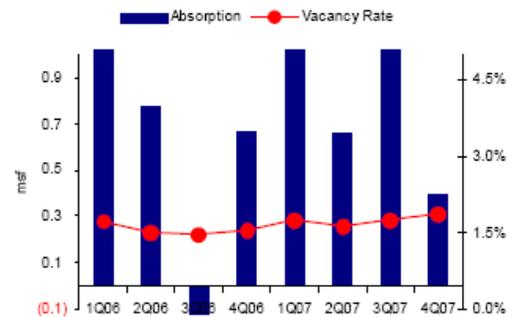
3.4.2 INDUSTRIAL SECTOR VACANCY

The region continues to have the lowest vacancy rate for industrial space among Canada’s industrial markets along with Calgary. The overall vacancy rate for the Metro Vancouver industrial market has continued to remain low as a result of increasing demand from both the leasing and investment markets.

Overall Rental vs. Vacancy Rates



Overall Absorption vs. Vacancy Rates



Source: Cushman & Wakefield LePage Inc.

3.4.3 INDUSTRIAL DEVELOPMENT

- Given that industrial vacancy rates are at historic lows and there is a limited supply of industrial product, the market has responded with construction of new supply over the last few years. This has benefited existing landlords, who are also benefiting from high rents.

Employment Floor Space and Land

4.0 EMPLOYMENT FLOOR SPACE AND LAND

This chapter provides an overview of the supply of employment in Surrey across all of the employment types (i.e. office, industrial, commercial and institutional). Information is provided in terms of historical and current building supply (square feet) relative to absorption rates, as well as total land supply (acres) relative to the composition that is vacant and underutilized.

- All charts on real estate are from Cushman & Wakefield LePage Inc. All charts and tables with existing land, floor space and population are from the City of Surrey.

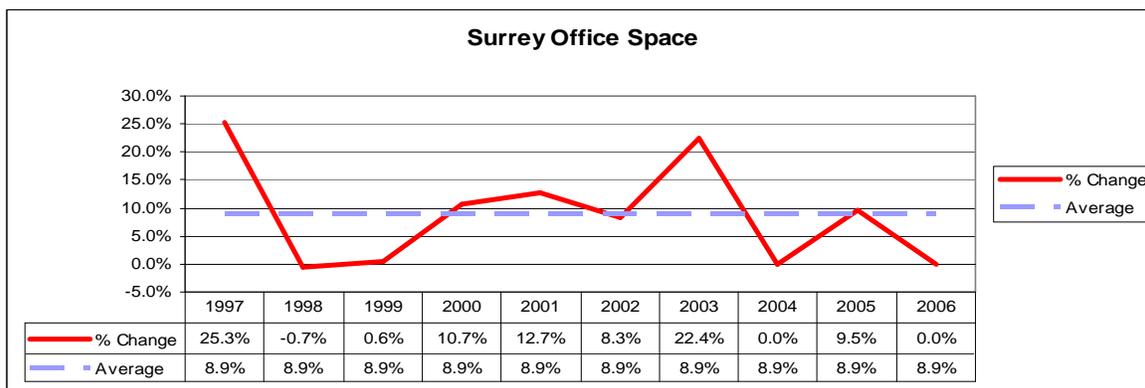
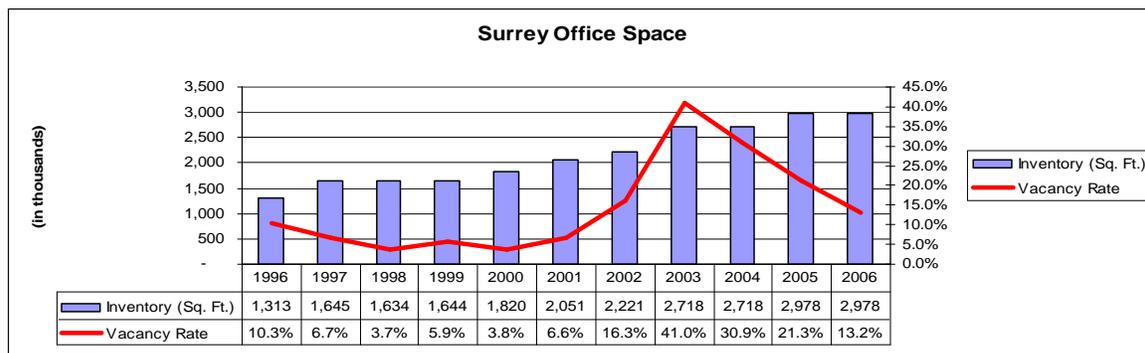
4.1 OFFICE

4.1.1 OFFICE FLOOR SPACE SUPPLY AND ABSORPTION RATES

As illustrated below Surrey’s office supply in 1996 was 1,313,000 square feet – a modest figure relative to the other municipalities and roughly equal to that of New Westminster, a comparatively small municipality. In contrast to New Westminster and other land-constrained municipalities, Surrey has been able to add significant supply: by 2006, an additional 1,665,000 square feet was added to total 2,978,000 square feet. This marks a notable increase of 227% in supply over ten years.

Vacancy rates from 1996 to 2001 varied between 3.8% and 10.3%. Vacancy rates in 2002 and 2003 climbed significantly to 16.3% and 41% respectively in those years. This trend quickly reversed in 2004 as the vacancy rate in concert with overall market tightening trends, falling to 13.2% by 2006.

FIGURE 4-1



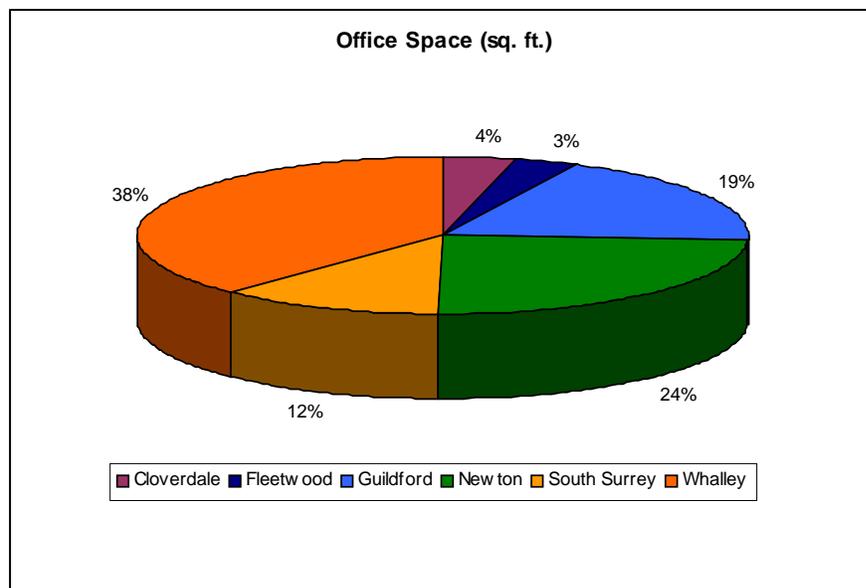
The average annual growth over this ten-year period was 8.9% - the highest such number among the region's sub-markets. Growth was sporadic and pronounced in certain years, namely in 1997 (25.3% growth) and 2003 (22.4% growth); some years experienced near zero growth, namely 1998, 1999, 2004 and 2006. However, from 2000 to 2003 there was a sustained level of growth. Into the third quarter of 2007, an additional 20,000 square feet of supply has been added to bring total supply to just under three million square feet, with vacancy rates remaining stable at 13.9%. Total supply is comprised of 2,266,000 square feet of Class A inventory with a 17.4% vacancy rate, 573,000 square feet of Class B inventory (2.3% vacancy rate), and 160,000 square feet of Class C inventory (5.9% vacancy rate).

According to the City's land database, there is 4,665,014 square feet of office space across Surrey. The greatest concentrations occur in Northwest Surrey (38%) and Newton (24%)². The typical new low rise office building is two levels with a main access point and a floor area of perhaps 100,000 square feet. This can be a very efficient and low cost form of development and a series of such buildings have been very successful near the intersection of 152nd Ave. and Highway 10.

**TABLE 4-1
SURREY OFFICE PROFILE**

Community	Floor Area (square feet) of Office
Northwest Surrey/City Centre	1,765,626
Newton	1,120,689
Guildford/Port Kells	891,378
South Surrey	554,846
Cloverdale	184,944
Fleetwood	147,531
TOTAL	4,665,014

FIGURE 4-2



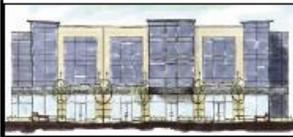
² Note that the City's database will differ from the CWL database as the former is derived from a survey of the BC Assessment Database and the latter a survey of office buildings of 20,000 square feet or greater.

RECENT OFFICE SPACE IN SURREY

Phase I of Surrey’s Benchmark Business Centre is being completed. Benchmark Business Centre at 5455 – 152 Street is Surrey’s newest business park located in the fast growing Panorama area. The development is comprised of two high profile Class “A” office buildings totalling approximately 225,000 sq. ft. Westland Consulting Ltd. has leased approximately 13,000 sq. ft. in Phase I. There were no inducements with the negotiated lease rate of \$14.50-\$15.00 per sq. ft. per annum for essentially shell space.

Also completed construction is a new development at 5610 152nd Street where asking rental rates are estimated to be \$19.00 net (per sq. ft. per annum) with little or no inducement and rising quickly.

These types of suburban business parks are cost efficient and attractive to both tenants and developers.

	Municipality	Class	Address	Sector	Building Size
	Surrey	A	5610 152nd Street	Office	30,000
	Surrey	A	5455 152nd Street - Phase I	Office	112,000
	Surrey	A	5455 152nd Street - Phase II	Office	112,000

Source: Cushman & Wakefield LePage Research Dept.

The following picture is of Central City, the premier office building in Surrey. This building is the only AAA class building in the City. The project was built by a government crown corporation and it had difficulty during initial leasing period. The current market is very strong and there may eventually be a potential for another tower. As noted previously, high rise concrete multi-tenant office buildings in a town centre where they compete for land with residential are very expensive compared to business park office space. For example, the rents in this building must be at least \$30.00 net in order to break even.

With improved infrastructure and expansion of the University, the Hospital, City Hall and other institutions it is expected that office demand in the City Centre will become stronger and warrant another office tower.

**CENTRAL CITY
PREMIER OFFICE SPACE IN SURREY, BC**



4.1.2 OFFICE LAND SUPPLY

Land supply for office use is provided through Commercial and Town Centre designated lands as well as Industrial designated lands. According to the City's land database, Surrey has 1,514 acres of Commercial and Town Centre designated lands of which 89 acres (6%) are occupied with office as a primary use. The greatest concentration of office land supply is located in Guildford/Port Kells (24 acres), followed by South Surrey (19 acres) and Newton (18 acres).

Of the 7,375 acres of Industrial designated lands, 38 acres (0.05%) have office as a primary use. The greatest concentration of office supply in Industrial designated lands is located in Newton (16 acres), followed by Fleetwood (14 acres). Within the total supply of Commercial and Town Centre designated lands

and Industrial designated lands that have office as a primary use, 20 acres are classified as underutilized (16%)³.

4.1.3 FUTURE DIRECTIONS FOR OFFICE

City Centre in particular is well positioned for redevelopment and intensification for office given its central location in the context of Metro Vancouver and transit access provided through the rapid transit connection. Guildford Town Centre is also well poised to accommodate more office through redevelopment and intensification given its central location in the region, its location near Highway 1 and its relative proximity to transit in City Centre. The Highway 1 lands at 160th St/104th Avenue could become a major new business park office node as they offer a very strong location with access and visibility.

It is clear that Surrey has the potential to also grow its suburban business park office space component. The town centre office component will also grow but at a slow rate. There is at least one and potentially two office towers planned for Surrey City Centre and this is an excellent indication of future potential.

4.2 INDUSTRIAL

4.2.1 INDUSTRIAL SPACE SUPPLY AND ABSORPTION RATES

Surrey's supply of industrial space in 1996 was 16,568,000 square feet. Supply in 1997 and 1998 exhibited marginal growth at levels of 3.9% and 2.6% respectively. Shortly thereafter growth sharply increased to 13.6% in 1999 and subsequently to 12% in 2000. This growth spurt was short-lived and average growth suddenly subsided to 0% in 2001 and recovered to levels between 0.8% and 4.4% since 2002. Inventory in 2006 had grown by 51% to a total of 25,079,000 square feet. Average annual growth over the entire period was 4.3%.

Vacancy rates peaked in 1998 at 5.1% and steadily descended to a ten year low of 0.8% in 2003. The rate remained steady at 0.9% in 2004, eased somewhat into 2005 at 2.4%, and subsequently remained steady at 2.2% in 2006. Into the third quarter of 2007, the vacancy rate has narrowed to 1.4% in line with the Metro Vancouver average of 1.5%. This is despite an increase of 1,735,000 square feet of supply, which brings total inventory to 26,814,000 square feet according to Cushman & Wakefield LePage Inc.

^{3 3} The term underutilized lands refers to:

properties that are not developed to their full potential according to the OCP Land Use Designation and possible commercial/industrial zoning when floor area ratio (FAR) is not fully utilized (i.e. where buildings account for less than 60% of allowable FAR according to existing zoning that conforms with existing OCP Land Use Designation)

properties contain low density development such as residential, institutional and other nonconforming uses

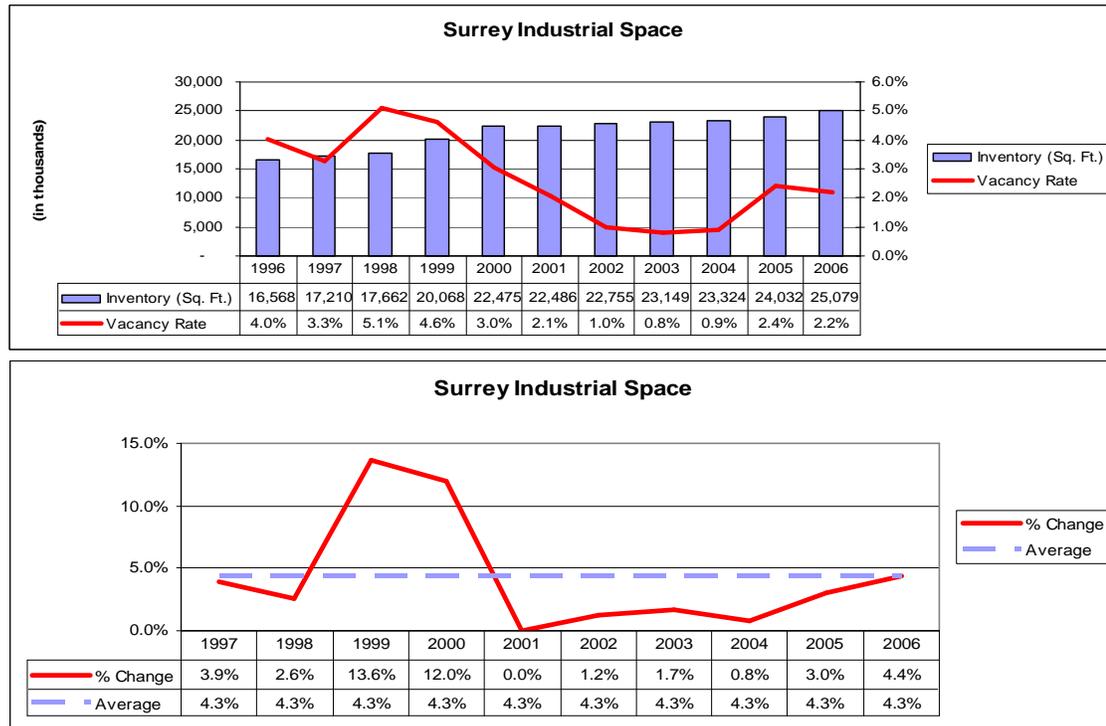
vacant properties that are open and undeveloped

vacant properties within Industrial/Commercial OCP Land Use Designated areas that are protected or designated park areas

vacant properties within Industrial/Commercial OCP Land Use Designated areas that are located on severe slope or other hazardous areas

vacant properties within Industrial/Commercial OCP Land Use Designated areas that cannot be developed due to riparian protection

FIGURE 4-3

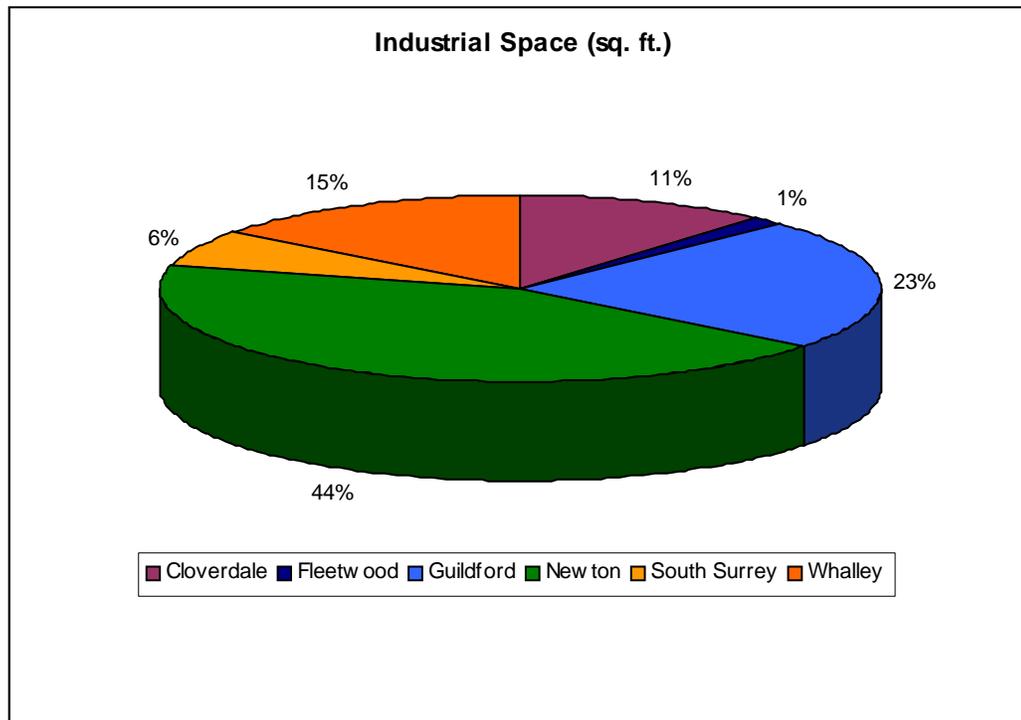


According to the City’s land database, which is entirely different than the Cushman & Wakefield LePage Inc. database, there is 34,316,660 square feet of industrial space across Surrey. The greatest concentrations occur in Newton (44%) and Guildford (23%). The City database includes all land uses on all industrial areas whereas private data sources include only larger and dedicated use buildings.

TABLE 4-2

Community	Floor Area (square feet) of Industrial
Newton	14,913,178
Guildford/Port Kells	7,851,743
Northwest Surrey/City Centre)	5,067,458
Cloverdale	3,908,680
South Surrey	2,134,133
Fleetwood	441,468
TOTAL	34,316,660

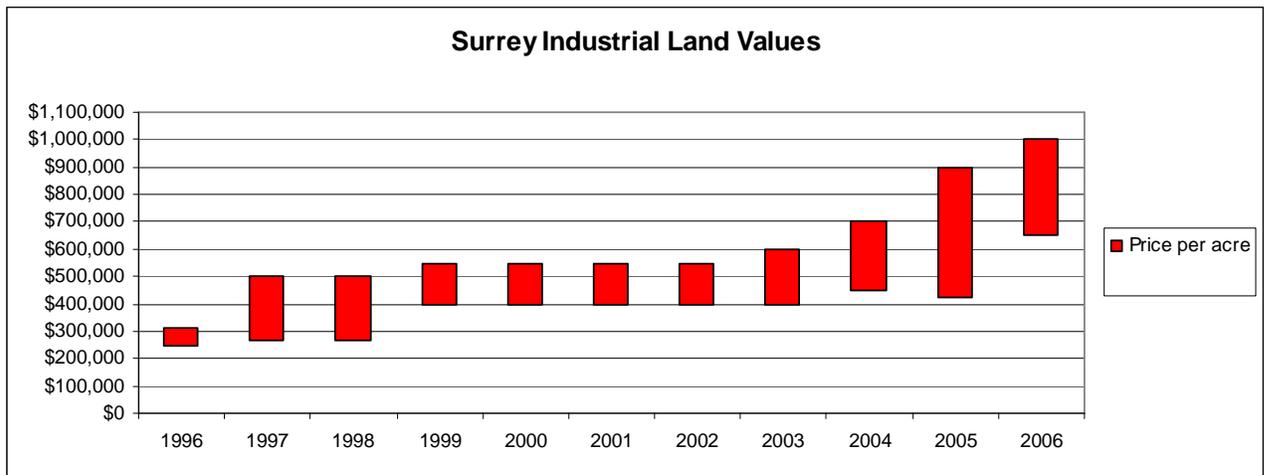
FIGURE 4-4



4.2.2 INDUSTRIAL LAND SUPPLY

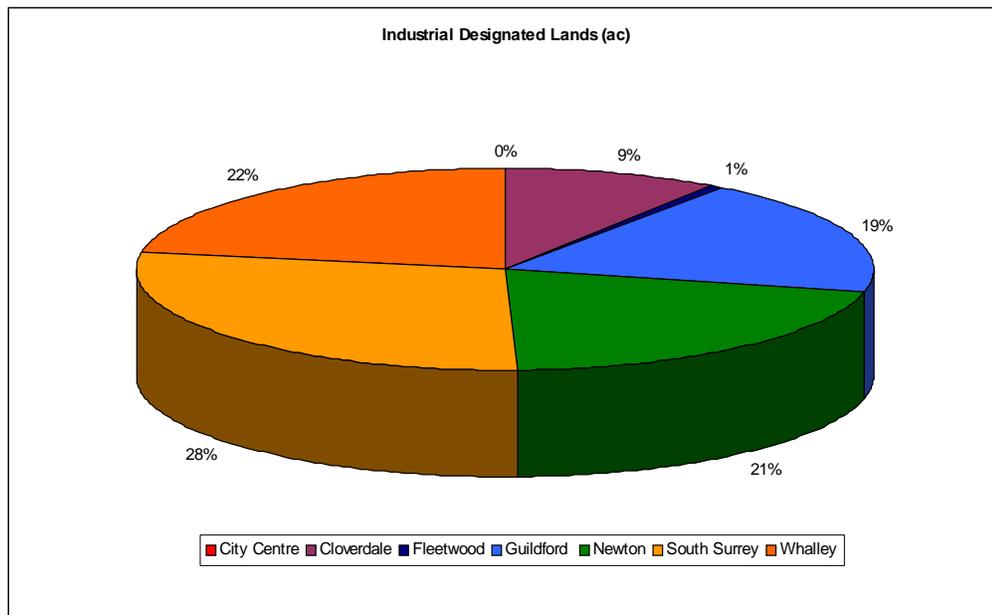
The chart below shows the range in per acre price of industrial land from 1996 to 2006. Land values are indicative of the available supply of industrial land but are also contingent on demand factors. Note the gradual trend that increases over time. In 1996, the price per acre ranged from \$250,000 to \$315,000. These numbers started trending upwards in 1997, and by 1999 the price per acre had approached close to double 1996 levels: \$400,000 to \$550,000 per acre. These land values remained steady until 2003. In 2004, land values trended up further such that by 1996 the price per acre ranged from \$650,000 to \$1,000,000. Industrial land values had approximately tripled over ten years. Into the third quarter of 2007 the price per acre of industrial land in Surrey moved further upwards into the range of \$850,000 to \$1,200,000 – approximately quadruple 1996 values and double 2003 values. Industrial lands in Vancouver, which have some retail or auto dealer potential, have reached \$3 million an acre.

FIGURE 4-5



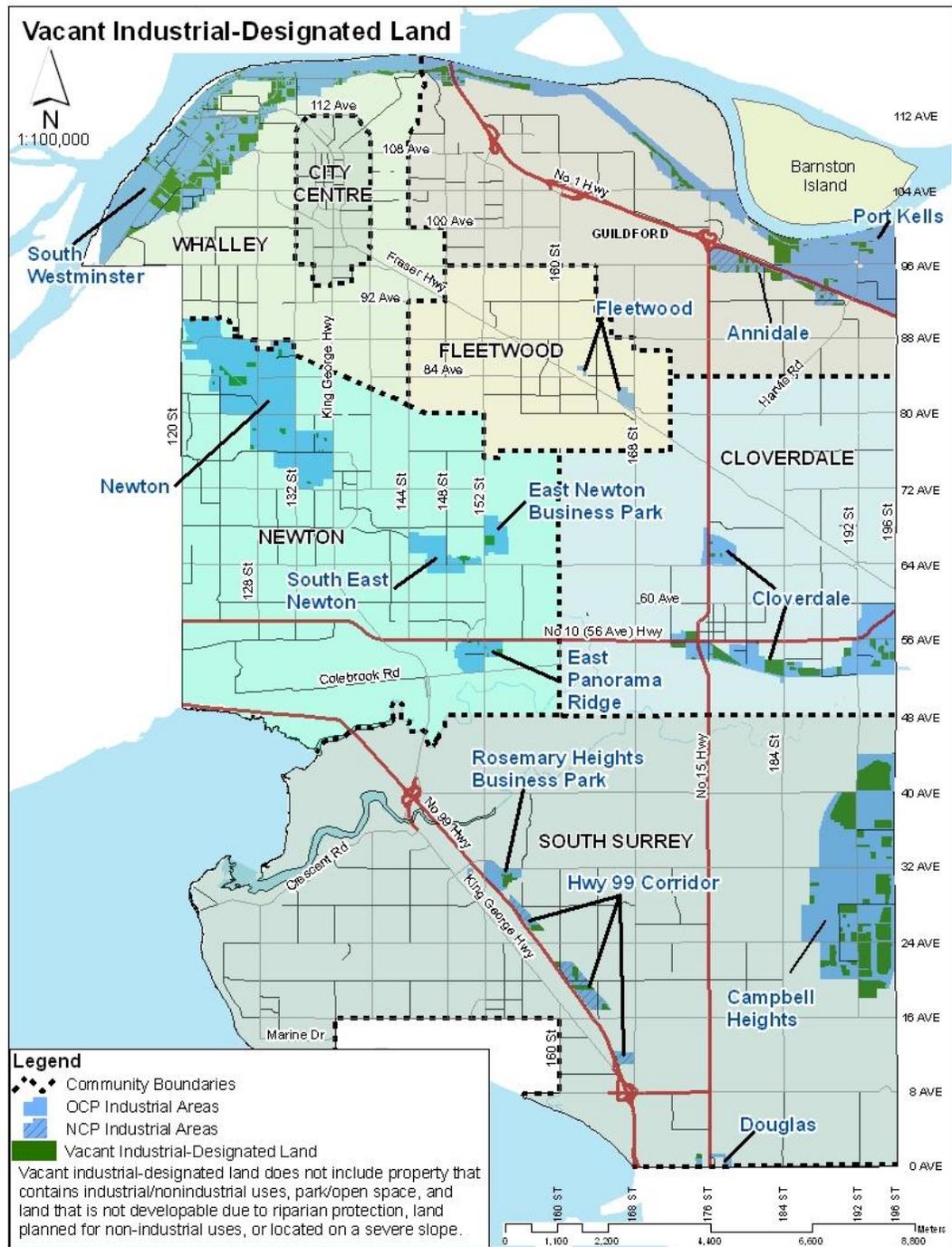
According to the City’s land database, Surrey has 7,375 acres of Industrial designated lands. As illustrated in the chart below, the greatest concentrations of supply are located in South Surrey (2,085 acres), followed by Northwest Surrey/City Centre (1,635 acres) and Newton (1,537 acres).

FIGURE 4-6



There are 1,416 acres of vacant Industrial designated lands, representing 19% of the total supply. As identified in the following map, the greatest concentrations of vacant lands are located in South Surrey (616 acres), and more specifically within Campbell Heights. The amount of vacant Industrial designated lands in South Surrey represents 44% of the total vacant supply. Northwest Surrey/City Centre also has a large concentration of vacant Industrial designated lands (24%).

FIGURE 4-7



There are 5,888 acres of underutilized Industrial designated lands in Surrey, representing 80% of the total supply. The underutilized lands are largely concentrated in South Surrey (2,017 acres). The underutilized lands in South Surrey represent 34% of the total supply of underutilized Industrial designated lands. NW Surrey and Guildford also have concentrations of underutilized Industrial designated lands, representing 24% and 18% respectively.

In many cases these lands are not readily available for development and are not of a sufficient size to support heavier industrial uses which requires larger parcel sizes, as identified below.

Parcel Size (acres)	Market Ready		Medium -term		Long-term	
	#	% of total	#	% of total	#	% of total
Less than 1.00	117	63	103	62	56	48
1.00 – 1.99	35	19	14	8	11	9
2.00 – 4.99	28	15	32	19	29	25
5.00 – 9.99	7	4	9	5	5	4
10.00+	0	0	7	4	16	14

Market Ready - vacant industrial lands that could be ready within one year. These lands may require a Development Permit or Building Permit to proceed to the development stage.

Medium-Term - vacant industrial lands that are anticipated to be available after one year but within a 10-year horizon. These lands may or may not be presently serviced but are expected to be serviced within the next 10 years under the municipality's capital services plan.

4.2.3 FUTURE DIRECTIONS FOR INDUSTRIAL

Future industrial will flow where there is available and serviced land. South Surrey (i.e. Campbell Heights) and North Surrey are the key locales. Goods handling and construction would take most of the lands if zoning permitted but it does not, in many instances. New industrial projects will be denser and make better use of its lands. In some instances, mixed use may be possible with office above grade level.

4.3 COMMERCIAL

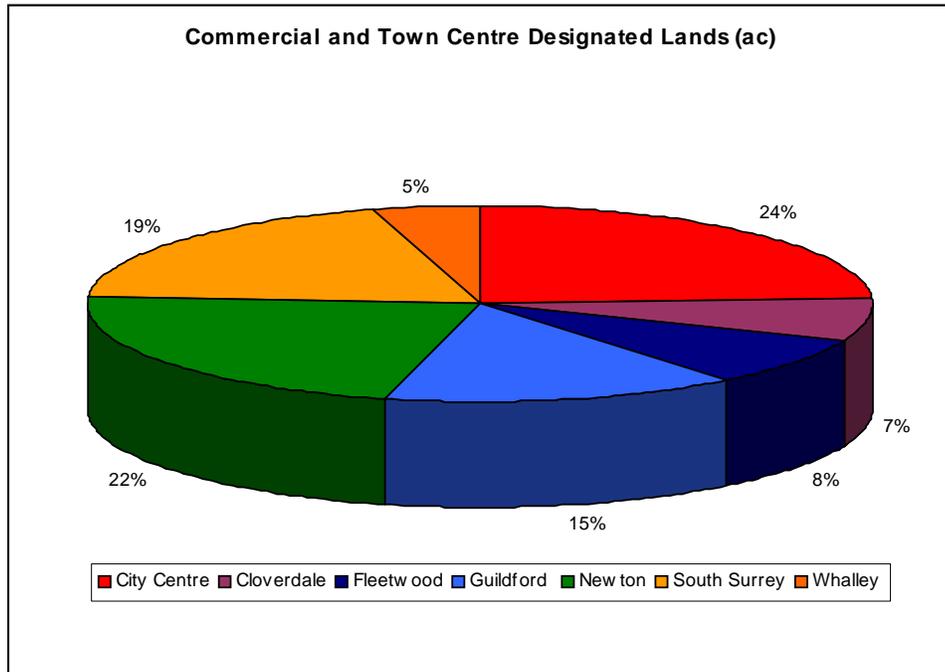
4.3.1 COMMERCIAL SPACE SUPPLY AND ABSORPTION RATES

The inventory of commercial space is very difficult to calculate. This category includes all manner of commercial enterprise from retail to hotel to auto dealers. Surrey clearly has an ample share of this use but there is still some leakage to Vancouver, Langley, Richmond and Burnaby. The supply of commercial lands typically increases by less than 50 acres a year. Over the longer term it is expected that a proportionately larger share of new space will go to the two most northerly communities in Surrey as they comprise the regional focus of new development in the city. The Golden Ears Bridge will create commercial leakage from the northeast to Surrey, particularly Guildford.

4.3.2 COMMERCIAL LAND SUPPLY

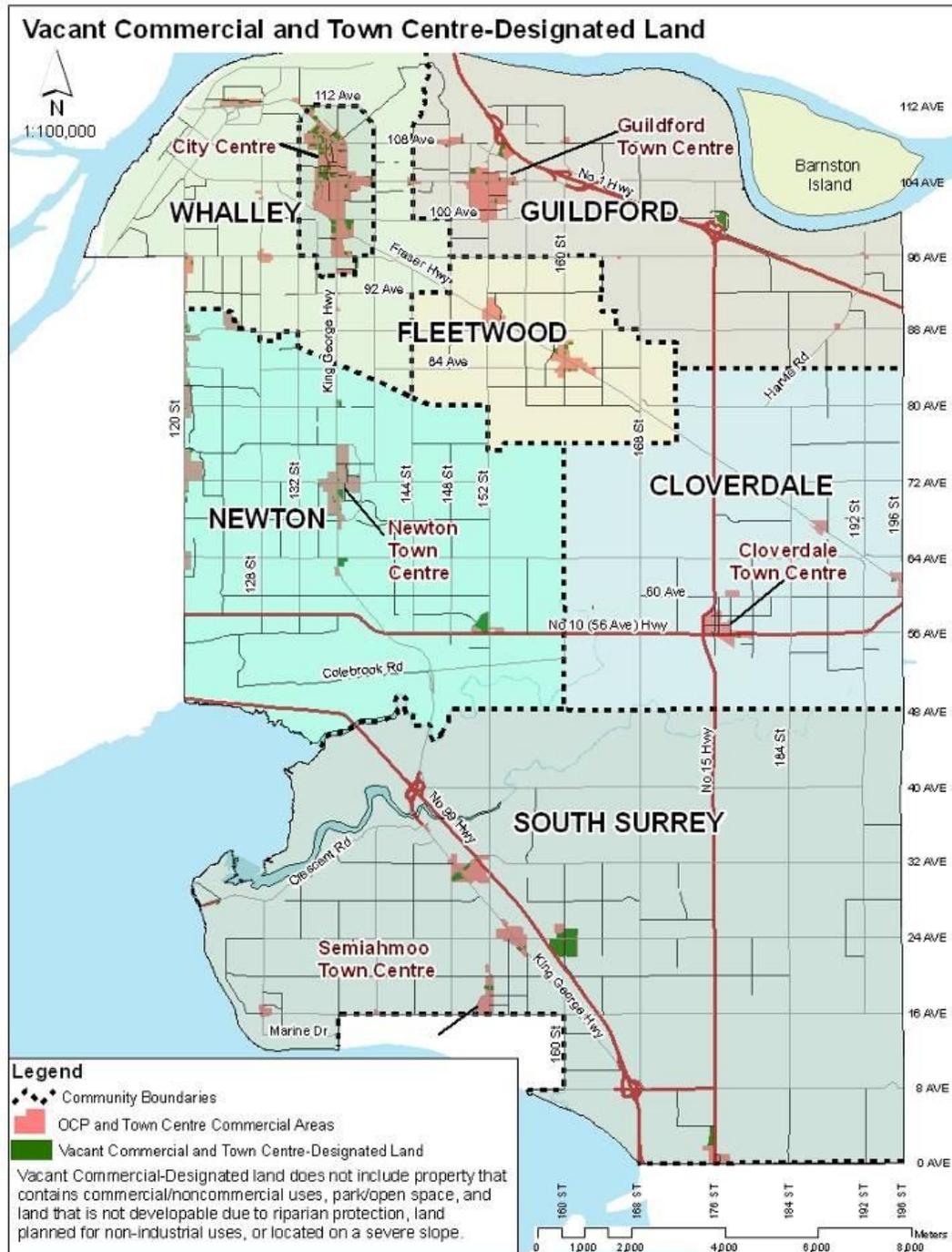
According to the City’s land database, Surrey has 1,514 acres of Commercial and Town Centre designated lands. As illustrated in the chart below, the greatest concentrations of supply are located in City Centre (364 acres), followed by Newton (334 acres) and South Surrey (294 acres).

FIGURE 4-8



There are 260 acres of vacant Commercial and Town Centre designated lands, representing 17% of the total supply. As identified in the following map, the greatest concentrations of vacant lands are located in South Surrey along the Highway 99 Corridor. The amount of vacant Commercial and Town Centre designated lands in South Surrey represent 35% of the total supply of vacant lands in Surrey. The City Centre also has a large concentration of vacant Commercial and Town Centre designated lands (28%). The following map illustrates the locations of vacant Commercial and Town Centre lands.

FIGURE 4-9



There are 522 acres of underutilized Commercial and Town Centre designated lands in Surrey, representing 34% of the total supply. The underutilized lands are largely concentrated in Surrey’s urban centres, signaling a significant opportunity for redevelopment and intensification in City Centre and Town Centre locations.

4.3.3 FUTURE DIRECTIONS FOR COMMERCIAL

Commercial uses are population serving and will therefore generally follow the pattern of population growth. As such, a significant share of future commercial development is expected to locate close to new population growth in Metro Vancouver locations such as Surrey. Retailing can be seen as an access sensitive business (versus manufacturing which can be seen as land sensitive), which will benefit greatly from increased population levels and densities.

It is clear that street front retail should be encouraged as much as possible in town centres. Neo-traditional planning is an excellent model and single owner shopping malls cannot replace the appeal of a commercial district oriented towards the street. If street front retail is not readily possible then lifestyle shopping centres, with street like facades should also be encouraged over traditional mall layouts. Shopping centres will continue to be developed but more of them should be mixed use with residential and office above grade level.

4.4 INSTITUTIONAL

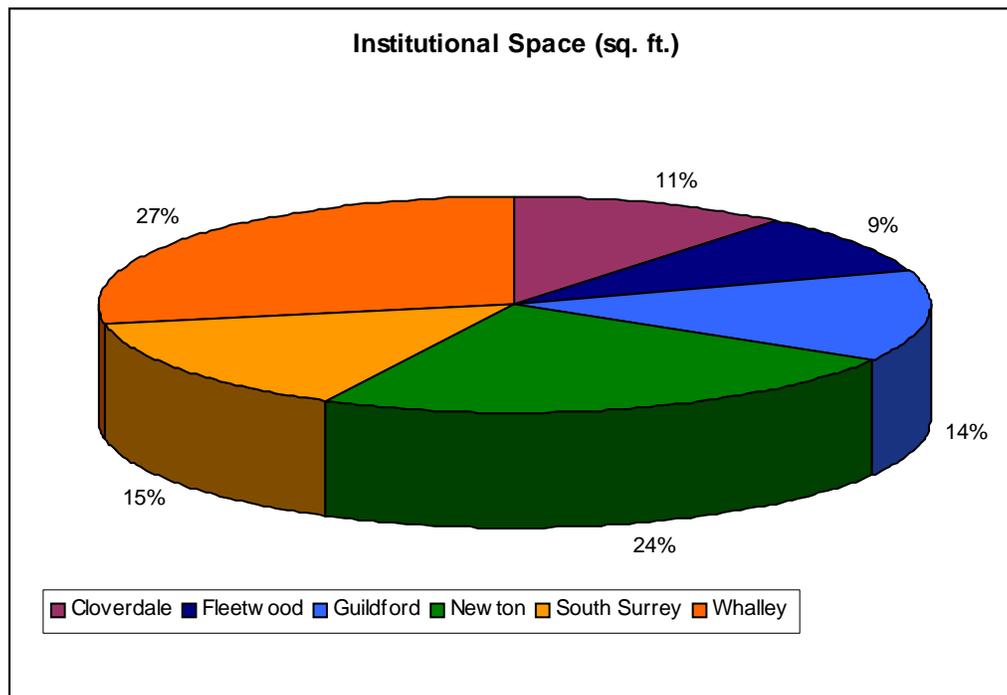
4.4.1 INSTITUTIONAL SPACE

Institutional space is comprised of education (e.g. schools, colleges, universities), government related (e.g. municipal buildings) and health related buildings (e.g. hospitals). According to the City's land database, there is a total of 11,276,072 square feet of institutional space in Surrey, with the greatest concentrations occurring in NW Surrey (27%) and Newton (24%).

TABLE 4-3

Community	Floor Area (square feet) of Institutional
NW Surrey/City Centre	3,124,493
Newton	2,677,569
South Surrey	1,677,220
Guildford/Port Kells	1,540,738
Cloverdale	1,220,925
Fleetwood	1,035,127
TOTAL	11,276,072

FIGURE 4-10



4.4.2 INSTITUTIONAL LAND SUPPLY

As with the distribution of floor space, the supply of Institutional land is spread across the City relatively evenly. Given that schools play such a large component within this type of land use, it is to be expected that it would be relatively evenly distributed throughout the communities. Other large institutional uses in the City include the Federal Government's Revenue and Taxation Centre, Surrey Memorial Hospital and the City of Surrey, each of which is associated with a relatively large land holding in a specific community.

4.4.3 FUTURE DIRECTIONS FOR INSTITUTIONAL

Much like commercial activity, institutional employment tends to locate near the population base and also focus on the urban centres situated to the north (i.e. City Centre and Guildford Town Centre). In the future, community serving institutional (e.g. schools) should locate and develop at a rate adequate to support population growth across all communities. Institutional development that is city and region serving should locate in City Centre. Provided the link is established to create a unified City Centre/Guildford Town Centre, city and region serving institutional could be directed to both of these urban centres.

New institutional uses should be encouraged to locate in the town centres. The City Hall and perhaps the School Board offices would be ideal anchors for Surrey City Centre and have an excellent economic impact. The expanding hospital and outpatient care facility have the potential to become the medical precinct for the Fraser Valley and also impact even more office demand.

4.5 AGRICULTURAL

4.5.1 AGRICULTURAL LAND SUPPLY

Approximately one third of Surrey's land base is located within the ALR. This land accounts for approximately 18% of Metro Vancouver's ALR lands, signalling its importance on a regional scale. Relative to other employment types, agriculture provides fewer jobs. However, agriculture remains an important and valued contributor to Surrey's economy.

4.5.2 FUTURE DIRECTIONS FOR AGRICULTURAL

Agricultural activity will continue to locate within the ALR. In the interests of sustainability and food security, agriculture will gradually be introduced into the urban area through for example, garden plots, green roofs and other local initiatives. The diversifying scale of farming (growth in both large intensive and small-scale niche food products) may also lead to emerging job opportunities in the production of local agricultural products. Recognizing the urban context for the City, opportunities may exist to accommodate these types of processing jobs on a variety of land uses within the City, from the farms where they are grown to some of the City's serviced industrial areas.

Occupation Based Projections of Employment

5.0 OCCUPATION BASED PROJECTION OF EMPLOYMENT

This section documents the projections of employment and employment land requirements in the City of Surrey over the next twenty-five years. There were a number of steps required to produce these projections, starting with region-wide considerations of demographic and economic change and then focusing on the specific characteristics of employment and land use change in the City of Surrey. The focus of the employment projections was occupational groups, thereby providing a projection of the future occupational structure of the City's economy. This projection of employment by occupation provided the basis for projecting employment lands demand.

This approach represents an enhancement in the approach to projecting employment land demand as such projections have traditionally focused on **industry sector** rather than **occupation classification**. In the context of projecting land use, the drawback of the industry sector approach is that industry sectors are defined by the goods and services a firm produces, regardless of what part of the production occurs at a specific site. The occupational classification, in contrast, focuses on what employees of the firm do at the site, and hence on what activities occurs there. As an example, consider a firm involved in logging, sawmilling, or pulp and paper production. On an industry basis, the firm is classified as part of the manufacturing industry sector. However, within a metropolitan region, few employees of the forest industry are loggers or on the green chain; most will be found in head office and administrative functions, including the accountants, financial officers and lawyers, and increasingly the marketing, information technology and human resources departments. These latter occupations will determine the land use implications of changes in forest industry employment in an urban area. With the continued diversification and fragmentation of economic activity, it has become increasingly important to consider employment activity by what workers do at a site (occupation) than the industry sector of the firm that they work for.

The specifics of the approach and region-wide context have been included in Appendix IV along with a flow chart to graphically illustrate the steps associated with each of the demographic and economic components of the projection. The Surrey specific projections have been included below. All historical demographic and employment data used in the projections are based on Statistics Canada data, with the three main sources being the Census, Annual Demographic Statistics and the Labour Force Survey. Historical and current land use data was provided by the City of Surrey, while all population, employment and land use projections were developed with Urban Futures in-house projection models.

5.1 EMPLOYMENT AND LAND DEMAND IN THE CITY OF SURREY

To move from the regional projections of change to the specific implications for the City of Surrey, Metro Vancouver was divided into eight broad sub-areas (one of which was the City of Surrey) following aggregations of municipal boundaries. The Fraser Valley and Squamish Lillooet Regional Districts represented two additional spatial areas to complete the functional Lower Mainland region. In addition to providing the current population, housing and employment data as a projection base, each of these sub-regions provided future contexts for these variables as reflected in the aggregation of their specific Official Community Plans and development policies.

As some employment in every occupational sector is oriented to providing goods and services to a local population, it is necessary to have a sub-area projection of population growth as an input to the spatial projection of employment. The spatial projection of population must acknowledge that as a precondition for population growth in a sub-area, there must be housing added to accommodate additional residents and

demographic change of the existing population. Thus, an approach that considered both the lifecycle of occupants in the existing housing stock in a sub-area and the sub-area's potential to accommodate additional housing was used to directly allocate housing growth, and hence indirectly to allocate population growth. This landscape of population growth within the region in turn influenced the location of population serving employment.

5.1.1 HOUSING AND POPULATION

The approach to projecting the City's future population begins with accounting for the demographic change of Surrey's current (2006) residents and their future housing requirements (by structure type) as they age through the various lifecycle stages of housing maintainership between 2006 and 2031. This initial step identifies the capacity of the existing dwelling stock to accommodate growth and change in Surrey's existing residents over the coming 25 years. The next step allocates future growth in housing to the City (and other sub-regions) based on growth in housing occupancy demand by structure type at the regional level, the historical pattern of development exhibited in housing starts over the past two decades and the aggregation of municipal policy as reflected in the Official Community Plans.

Once new dwelling stock was allocated to Surrey (and the rest of the region) each year, the new units were populated ("filled up") with new residents using structure type specific occupancy factors by age and sex derived from the Census. The implications of mobility of existing households out of their dwellings (and their replacement with new members to the community) is also accounted for in this process, being based on the age and structure type specific pattern of mobility seen between 1996 and 2001. Combining the survivors of the existing population and the new residents established the total population of the municipality each year in the future.

The output of this approach to projecting the City's future population is outlined in Table 5-1, and shows the population in the City of Surrey growing by 62% over the next 25 years. Growing from 414,002* residents in 2006 to almost 670,300 by 2031 would see the City add over 256,000 more residents over this 25 year period. As this is faster than the regional average growth of 45%, Surrey will increase its share of the regional population from 16% today (2006) to 18% by 2031. This would see the City accommodate just over one fifth (22%) of regional population growth over the coming 25 years. Note that population growth both locally and regionally is expected to slow over the coming decades, falling significantly below the highs seen during the late 1980's and early 1990's. In the context of the City of Surrey, the projected population growth rate of 62% (1.9% per annum) over the next quarter century is below the 173% (4.1% per annum) growth it experienced over the past 25; note however that the absolute growth of 256,000 persons is close to the 262,000 recorded in the past twenty five.

TABLE 5-1

Projected Population, Metro Vancouver and City of Surrey								Growth 2006-2031	
	2001	2006	2011	2016	2021	2026	2031	abs.	rel.
Metro Vancouver	2,358,422	2,537,964	2,772,316	3,009,906	3,241,199	3,470,618	3,691,585	1,153,621	45%
5-year growth abs		179,542	234,352	237,590	231,293	229,419	220,968		
rel.		8%	9%	9%	8%	7%	6%		
City of Surrey	361,571	414,002	465,393	522,074	574,930	623,932	670,296	256,294	62%
5-year growth abs		52,431	51,391	56,681	52,856	49,001	46,364		
rel.		15%	12%	12%	10%	9%	7%		
Surrey Share of Metro Van.	15%	16%	17%	17%	18%	18%	18%		

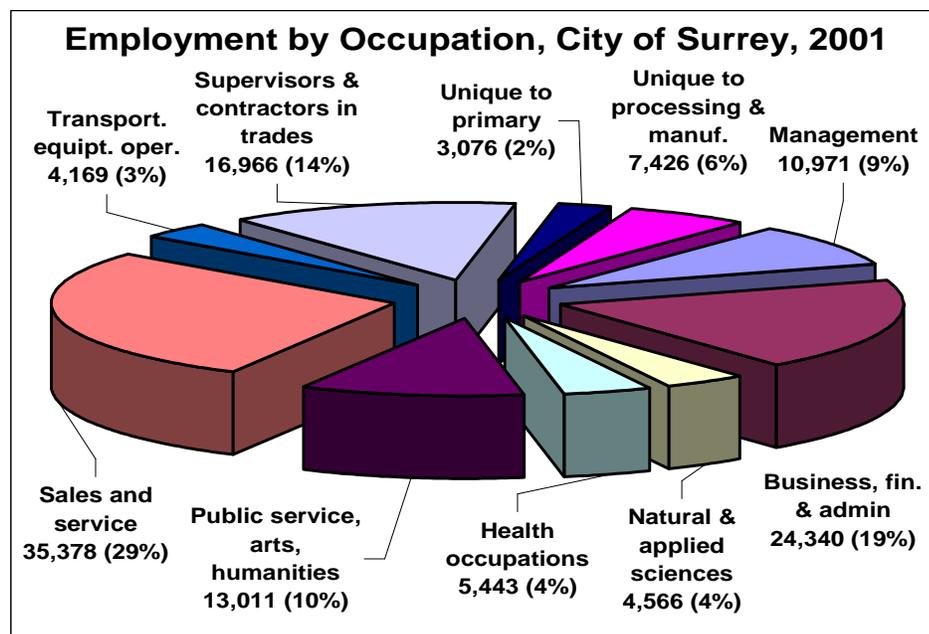
Source: Urban Futures Projection Models

*Note: Based on building permits and BC Assessment data, the City's most recent assessment of Surrey's 2006 resident population was in the range of 462,000 residents, nine percent greater than the Urban Futures models⁴. Relative to the 395,000 residents enumerated in the City for the 2006 Census, the Urban Futures population assessment implies a net Census undercount of five percent, with the City's assessment of the undercount falling in the range of 14 percent.

5.1.2 EMPLOYMENT BY OCCUPATION

With an allocation of population growth by sub-area, it is possible to allocate the portion of annual growth in each employment occupation group that is associated with serving the local population (the population serving component) using the sub-area's annual share of regional growth in population. From this point it was then necessary to allocate the growth in the non-population serving component of employment to each of the sub-areas. This allocation considered two factors: the current structure of employment; and the availability and suitability of land within each sub-region to accommodate future employment. Considering the current structure of employment recognizes any specific employment concentrations that may be found within the City. Considering the distribution of available lands in the region recognizes that the availability of land will in part determine where growth in employment will be seen, just as the availability of new housing will largely determine where population growth will be seen.

FIGURE 5-1



Source: 2001 Census, Undercount Adjusted

Figures 5-2 outline the structure of employment in the City of Surrey in terms of employment with places of work in the City (total employment including those who had usual places of work outside the home in the City, those who worked at home in the City and an allocation of those who had no fixed place of work to the City's employment base). It shows the largest single occupational sector in the City was in Sales and Services, accounting for just under 30% of total employment in 2001. While primarily comprised of traditional retailing occupations, this category includes many other services providers, ranging from child care and home support workers to occupations in protective services such as fire and police.

⁴ for more details on the City of Surrey's current and projected demographics please see: <http://www.surrey.ca/Doing+Business/Population+and+Demographics/Population+Estimates+and+Projections.htm>

Other large sectors in Surrey included Business, Finance and Administration (19%), Supervisors and Contractors in Trades (14%) and those employed in Public Services, the Arts and Humanities (ten percent). The smallest sectors were occupations Unique to Primary (such as farmers, two percent) and Transportation Equipment Operators (three percent).

When compared to the rest of Metro Vancouver, Surrey is seen to have an above average share of employment in five sectors (Table 5-2). The greatest difference is seen in occupations related to Primary sector activity: 2.5% of jobs in Surrey were related to primary sector occupations in agriculture, forestry or mining while the rest of the region had only 1.8% of jobs associated with occupations in this sector. Note that while this is the greatest percentage difference in shares (35%), the absolute difference of 0.6 percentage points is modest. Similarly, Trades and Construction occupations (14% in Surrey and ten percent in the rest of the region) and occupations Unique to Manufacturing (5.9% versus 4.5%) represented greater shares of employment in Surrey than throughout the rest of the region. The 2006 census information was not available.

TABLE 5-2

Employment by Occupation, 2001						
	City of Surrey		Rest of Metro Van.		Difference From Region	
	Share of Total	Share of Total	Share of Total	Share of Total	Absolute	Relative
Total Employment	125,347	100%	1,064,812	100%		
By Occupation:						
Mgmt. Occs.	10,971	9%	102,308	10%	-0.9%	-9%
Bus., Fin. & Admin	24,340	19%	205,666	19%	0.1%	1%
Nat. & Appl. Science	4,566	3.6%	75,241	7.1%	-3.4%	-48%
Health	5,443	4.3%	52,600	4.9%	-0.6%	-12%
Public Svcs.	13,011	10%	116,585	11%	-0.6%	-5%
Sales & Service	35,378	28%	301,572	28%	-0.1%	-0%
Transport. & Equipt. Oper.	4,169	3.3%	33,916	3.2%	0.1%	4%
Const. & Trades	16,966	14%	109,195	10%	3.3%	32%
Unique to Primary	3,076	2.5%	19,365	1.8%	0.6%	35%
Unique to Manufact.	7,426	5.9%	48,364	4.5%	1.4%	30%

Source: 2001 Census, Undercount Adjusted

These differences are reflective of the particular land use and development context for Surrey relative to the rest of the region, with its historical agricultural base associated with primary sector activity, and significant residential and commercial development associated with construction and trades employment. By 2006 the City of Surrey accounted for more than 20% of the value of all building permits in Metro Vancouver (\$1.33 billion out of \$6.62), only slightly lower than the City of Vancouver (\$1.97 billion, 30% of the total).

Table 5-2 also shows that the City is under represented in several occupational groups. The largest difference is seen in occupations related to Natural and Applied Sciences where the City's 3.6% share falls well below (48%) the 7.1% share seen throughout the rest of the region. More recent developments in the City which include office or post-secondary components may have begun to change this situation, details which may be reflected in the upcoming releases of the 2006 Census data. Occupations in Health, Management and Public Services are also under represented in the City, albeit less dramatically than in the Sciences.

Given this base of employment and the allocation of population serving and non-population serving employment to the City over the coming 25 years, the City is also expected to see its share of total regional

employment increase in the coming years. Total employment is projected to grow from an estimated 170,300 jobs today (2006) to 290,890 by 2031. Adding 120,560 new jobs would see total employment in the City grow by 71% over the next 25 years. This compares to a 28% growth in total employment expected for Metro Vancouver as a whole over the same period. Employment in the City is also expected to grow more rapidly than population (71% versus 62%) implying a better balance between residents (and implicitly resident labour force) and jobs in the City in the coming years. That said, over the projection period the rate of growth in employment would not be sufficient enough to achieve the City's objective of a one to one balance between jobs and resident labour force. At today's total labour force participation rate, the City would move towards a 0.85 ratio of jobs to labour force participants by the end of the projection period. More rapid employment growth, slower population growth or increasing participation of the City's residents would each result in pushing this ratio closer towards the one to one level currently sought after by the City.

In order to consider this picture of changing employment in the City relative to the historical context, historical data limitations make it necessary to use a slightly different measure of employment. In this case, the historical data apply only to employment with a usual place of work outside of the home; these are here compared to projected employment with a usual place of work outside the home and an allocation of employment with no fixed workplace. In spite of this slight data limitation, the projected pattern is consistent with the historical one. Table 4-3 shows over the past 30 years the City of Surrey's share of employment (with a usual place of work) increased from five (1971) to eleven percent (2001). Over this period while regional employment grew by 2.5 times, Surrey saw a six fold increase in the number of jobs with a usual place of work. In looking forward, Surrey is expected see its share of regional employment continue to increase, from the 11% in 2001 to 13% in 2006 and further to 16% by 2031 (again as measured by employment with a usual place of work in the City outside the home and an allocation of employment with no fixed workplace).

TABLE 5-3

City of Surrey and Metro Vancouver Employment with a Usual Place of Work*								
	1971	1981	1991	2001	2006	2011	2021	2031
City of Surrey	18,420	48,370	65,070	111,850	151,385	181,752	225,589	258,031
Metro Vancouver	391,765	622,964	720,125	986,940	1,136,441	1,263,472	1,434,506	1,566,917
Surrey Share	5%	8%	9%	11%	13%	14%	16%	16%

**note that 2001 to 2031 values include an allocation to the City for jobs with "no fixed workplace"*

Source: Historical Census, Urban Futures Projection Models

Returning to the discussion of total employment in the City, the occupational sectors expected to see the greatest relative and absolute growth over the coming 25 years would be the Sales and Service sector as it adds over 43,000 jobs (117% growth, Table 5-4). With Surrey's population expected to grow significantly in the coming years, it is to be expected that employment in this sector would grow considerably as a large share of activity in this sector serves local population. The next largest growth would be seen in Business, Finance and Administration occupations (over 21,000 new jobs, 67% growth), followed by Public Services (19,000, 75% growth) and Management occupations (almost 15,000, 83% growth).

Occupations expected to add a smaller share of the City's employment would be those in Construction and Trades, Primary, Transportation and Equipment Operators, and Manufacturing sectors. With respect to the Construction and Transportation sectors, as at the regional level, recent infrastructure projects have seen employment in these sectors increase significantly beyond where the historical pattern of economic growth would have projected. To the degree to which employment in these sectors is able to transition from

existing to proposed infrastructure and development projects, employment in this sector will not grow significantly in the coming years. They will however continue to comprise a significant share to total employment in the City, collectively representing roughly 12% of total employment in the City by 2031.

Those occupations unique to the Primary and Manufacturing sectors are projected to grow more slowly than total employment in Surrey over the projection period, collectively adding just over 5,800 new jobs, accounting for just under five percent of future employment growth in the City. While projected to continue to comprise a relatively small share of future employment growth in the City, these jobs will still have a significant impact on land, as they are typically the jobs associated with larger industrial land uses. Additionally, in considering the various aspects of regional economic growth and change and the local land use contexts within the region, the City of Surrey's share of these later two types of employment is expected to grow over the coming years. For example, occupations unique to the Manufacturing sector are projected to grow by 43% in the City and only 29% in the Metro Vancouver region. The City's share of these Manufacturing jobs would therefore increase from 16% to almost 20% over the coming 25 years. Similarly, Primary sector jobs in the City would increase from 20% of Metro Vancouver's jobs today (2006) to 24% by 2031.

TABLE 5-4

Total Employment by Occupation, City of Surrey, 2001 to 2031									
	2001	2006	2011	2016	2021	2026	2031	Growth 2006-2031	
								absolute	relative
Total Employment	125,347	170,328	204,519	234,681	254,079	272,221	290,890	120,562	71%
By Occupation:									
Mgmt. Occs.	10,971	17,959	22,521	26,109	28,468	30,672	32,936	14,977	83%
Bus., Fin. & Admin	24,340	30,082	37,010	41,814	44,711	47,415	50,199	20,118	67%
Nat. & Appl. Science	4,566	7,724	8,465	9,891	10,940	11,965	13,046	5,322	69%
Health	5,443	10,145	11,861	13,602	14,739	15,798	16,890	6,744	66%
Public Svcs.	13,011	25,268	30,149	35,019	38,279	41,269	44,319	19,051	75%
Sales & Service	35,378	37,307	53,262	63,155	69,303	75,010	80,879	43,572	117%
Transport. & Equipmt. Oper.	4,169	5,133	6,244	7,121	7,677	8,206	8,751	3,618	70%
Const. & Trades	16,966	23,932	21,538	22,886	23,715	24,493	25,285	1,352	6%
Unique to Primary	3,076	3,901	4,089	4,613	5,031	5,460	5,911	2,010	52%
Unique to Manufact.	7,426	8,878	9,380	10,472	11,215	11,934	12,676	3,798	43%

Source: Urban Futures Projection Models

Under this projection, other sectors where the City is expected to strengthen its position with respect to regional employment can again be segmented into the population serving versus non-population serving impacts. Surrey will see an increase in its regional share of jobs in Sales and Services (12% to 17% of regional jobs), Health (15% to 18%), Management (14% to 18%) and Business (13% to 16%) occupations; growth that will stem in part from significant population growth expected for the City in the coming years.

The City increasing its regional position within the Primary sector occupations from 20% to 24%, Manufacturing from 16% to 19% and Transportation from 13% to 17% would largely result from non-population serving aspects of economic change. Increasing prominence of these occupations within the City will be driven by the availability of suitable lands upon which these types of uses can situate. The following section outlines the approach used in moving from this discussion of total employment by occupation to the potential land using implications of accommodating it in the City.

5.1.3 EMPLOYMENT LANDS DEMAND

The first step in estimating future employment lands demand is to remove employment growth that will not directly impact employment lands. As indicated in the previous section, this involves differentiating between employment in the City that had a usual place of work outside the home (i.e. on employment lands) from those that either occur at (or from) home or which had no fixed workplace and hence may not involve fixed location land use (such as someone working as a truck or taxi driver or in the trades).

While the vast majority of employment in each occupation sector occurs at a usual place of work, consideration of occupations Unique to Primary sector activity provides an example of the degree to which this place of work distinction will impact land requirements. Of the 26,045 people working in this occupation in 2001 in the Lower Mainland, roughly one quarter (23%, 5,955 people) worked at/from home, and another 25% (6,605) reported that they had no fixed workplace. This meant that just under half of all employment in this sector did not occur at a usual place of work outside the home and would not be directly associated with demand for employment land. Many of the jobs in this sector with no usual place of work outside the home would be those associated with the agricultural sector where employment occurs either on the family farm (work at home) or represents the contract nature of agricultural work (no single fixed usual place of work). A detailed tabulation of occupation by place of work status for the 2001 Census was used to determine how much of the projected employment in each sector would be likely to occur at a usual place of work.

The next step in determining the land required to accommodate employment growth in the City was to match the employment with a usual place of work in these occupational groups to the type of land use typically required by these activities. Four specific land use categories were considered: office, industrial, commercial and institutional. A tabulation from the 2001 Census of detailed employment by industry was cross tabulated with occupation sector was used as the basis upon which each occupation's share of employment fell within each land use sector. As an example of this allocation, consider the land use requirements of occupations in the health sector: many of the activities of this occupational group would typically be said to occur on institutional land uses, specifically in hospitals. However, in looking at the sector in more detail, many jobs are also found to occur in offices (such as the family doctor or dentist), and some even in commercial locations (such as a medical walk in clinic or a diagnostic laboratory).

Distributing Surrey's growth in employment occupations with a usual place of work between the four land use categories provided the base for the projection of demand for employment lands. Out of a total increase of 106,646 jobs (70%), the largest absolute (and relative) increase would be the 43,813 job (87%) increase in those using commercial land, followed by the 24,305 (78%) increase in employment using institutional land, then essentially a tie between the 19,308 additional jobs (but only a 44% increase) in employment using industrial land and the 19,220 (74%) in office land using activities.

The next step in the analysis was to determine the amount of floor space that would be required to accommodate the additional employment activity. Changes in employment within each land use type were first converted to the amount of total built space (floor space) that would be required to accommodate the changing number of workers. Based on lot, building and employment data from the City of Surrey Planning Department and floor space data from Cushman & Wakefield LePage, it was concluded that square foot per employee ratios in Surrey ranged between the 265 square feet per employee using office space through 460 square feet for each institutional

TABLE 5-5

Employment Lands Projection Variables			
Employee Space Ratios		2006	2031
<i>Sq. Ft. per Empl</i>	<i>Office</i>	265	239
	<i>Industrial</i>	650	585
	<i>Commercial</i>	500	450
	<i>Institutional</i>	460	414
Site Coverage Ratios			
<i>Site Coverage</i>	<i>Office</i>	1.25	1.25
	<i>Industrial</i>	0.25	0.25
	<i>Commercial</i>	0.36	0.36
	<i>Institutional</i>	0.75	0.75

employee, to the 500 square feet for each commercial employee, and the 650 square feet for those on industrial lands (Table 4-5). Following historical trends towards intensification of use that has characterized most employment sectors, these ratios were anticipated to fall over the coming decades as economics (and potentially the environment) will see most sectors attempt to use workspaces more efficiently.

Combining these floor space ratios with the annual additions expected for each land use category results in a projection of annual additional floor space required to accommodate projected employment: the addition of 106,646 jobs with a usual place of work would require an additional 47.51 million square feet of building space to be added to the City (65% growth) over the coming 25 years (Table 5-6). The largest increment would be the 20.58 million additional square feet of commercial space followed by the 11.67 million square feet of industrial space. While significant growth of employment will drive the growth in demand for commercial floor space, it will be the relatively large floor space needs of the industrial sector which will drive growth of industrial floor space.

Having determined the amount of floor space required to accommodate future additions to employment in the City, the next step was to determine the density at which the additional floor space would be built at. Again using the City of Surrey's database and industry data from Cushman & Wakefield LePage, floor space to land ratios (FSRs) were developed for each of the four land use categories (Table 5-5). The FSRs ranged from the relatively high degree of building per unit of land for office employment of 1.25 square feet of building per square foot of land to the relatively low building density of 0.25 square feet of building per square foot of land for industrial uses.

These ratios were held constant over the projection period rather than being trended as with the floor space ratios. Unlike the amount of floor space per employee which will largely be a market driven factor, the density of built form that occurs in the future will in part be a function of what will be permitted, or encouraged, as part of planning policy. As such, this policy variable was held constant over the projection period to focus this baseline analysis on the impact that changes in employment would have on employment lands over the next 25 years, rather than on changes in land use policy.

TABLE 5-6

Employment Land Demand, City of Surrey - Baseline Scenario								
	2006	2011	2016	2021	2026	2031	Growth 2006-2031	
							absolute	relative
Empl. with a usual place of work:	151,385	181,752	208,469	225,589	241,581	258,031	106,646	70%
<i>using office land</i>	25,909	31,571	36,289	39,333	42,186	45,130	19,220	74%
<i>using industrial land</i>	43,527	46,913	52,422	55,988	59,361	62,835	19,308	44%
<i>using commercial land</i>	50,599	64,804	75,288	81,913	88,076	94,412	43,813	87%
<i>using institutional land</i>	31,350	38,464	44,470	48,355	51,957	55,655	24,305	78%
Floor space (millions of sq.ft.)	73.14	86.93	99.10	106.62	113.54	120.65	47.51	65%
<i>office</i>	6.09	7.56	8.75	9.48	10.16	10.87	4.78	78%
<i>industrial</i>	27.94	30.09	33.48	35.60	37.58	39.61	11.67	42%
<i>commercial</i>	25.02	31.98	36.95	39.98	42.75	45.60	20.59	82%
<i>institutional</i>	14.10	17.30	19.92	21.55	23.05	24.58	10.48	74%
Total employment lands - (acres)	4,961	5,744	6,495	6,955	7,376	7,806	2,845	57%
<i>office</i>	112	139	161	174	187	200	88	78%
<i>industrial</i>	2,822	3,036	3,369	3,572	3,758	3,946	1,124	40%
<i>commercial</i>	1,595	2,039	2,356	2,549	2,726	2,908	1,313	82%
<i>institutional</i>	431	530	610	660	705	752	321	74%

Source: Urban Futures Projection Models

Combining the site coverage ratios with the projections of additional floor space required for each sector results in a projection of 2,845 additional acres of land required to accommodate new employment in the City of Surrey over the next 25 years. This represents a 57% increase over the estimated 4,961 acres that are already in use today. The largest increase in land requirement under this baseline scenario would be the 1,313 acres of additional commercial land required over the period. That said, the 1,124 additional acres of land for industrial employment falls close to the commercial land requirements. As with the additional floor space, while employment in activities using industrial land are projected to grow much more slowly than the other sectors, the high additional land demand for industrial uses will be driven by both the high square footage requirements for each employee in this sector and the relatively low site coverage ratios required by many industrial related activities. Conversely the demand for an additional 88 acres of land to accommodate office type occupations is not the result of slow employment growth projected for this sector (employment in this sector expected to grow by 74%), but due to smaller floor space requirements (only 265 square feet per employee versus 65 for industrial) and much higher densities at which they are typically accommodated.

Changes in employment lands in the City will be an expression of the changing dimensions of the local, regional and provincial economies. While economic change will determine the scale of demand for new employment lands, land use and infrastructure policy will determine the how and the where. Within this context, the supply of land needed to meet the changing pattern of employment demand implied within these projections may come from a number of sources. While history has seen traditional Greenfield development provide the bulk of new employment lands, the future will increasingly incorporate aspects of conversion and mixing of uses on already developed land. Additionally, with a relatively constrained land base, the redevelopment and intensification of uses on existing employment sites will be increasingly important in meeting the demand for new employment lands. The following sections explore more fully these aspects and some of the policy frameworks within which the City may achieve them.

Municipal Response To Accommodate Demand

6.0 MUNICIPAL RESPONSE TO ACCOMMODATE DEMAND

The City of Surrey will continue to face growing demand for land use and development in all categories of employment. It is strategically and economically necessary to direct and encourage future development in such a way as to ensure the City's employment and economic goals are achieved.

This chapter of the report presents a number of alternatives and development trends which should be considered to accommodate future land demand in Surrey in a manner that takes advantage of market trends, capitalizes on the City's position and resources and optimizes economic growth and stability over the long term. The sections of this chapter describe planning and development direction, policy, and opportunities which are market supported and which reflect current industry trends.

6.1 ACCOMMODATING FUTURE DEMAND THROUGH INNOVATIVE PLANNING AND DEVELOPMENT

The City needs to remain abreast and current with planning and development trends as they evolve based on marketplace demands. By effectively accommodating and managing employment related land use demand in the future, the City can best achieve its economic and sustainability objectives and become a regional leader with its strategic and innovative accommodation of selected market opportunities.

Specific planning and development opportunities that can be applied within the overall ELS for the City are summarized in the following sections.

6.1.1 TRANSIT ORIENTED DEVELOPMENT

Transit-oriented development creates a higher density, walkable, environment within transit station areas to optimize use of existing transit infrastructure, create mobility options, and benefit local communities and city-wide transit riders. Components of TOD include the following:

- Walkable design with pedestrian as the highest priority
- Train station as prominent feature of the town centre
- A regional node containing a mixture of uses in close proximity including office, residential, retail, and civic uses
- High density, high-quality development within a 10-minute walk circle surrounding train station
- Collector support transit systems including trolleys, streetcars, light rail, and buses, etc.
- Designed to include the easy use of bicycles, scooters, and roller blades as daily support transportation systems
- Reduced and managed parking inside a 10-minute walk circle around the town centre / train station

The benefits of TOD are multi-fold and include, but are not limited to the following:

- Better places to live and work

- Greater mobility
- Increased transit ridership
- Reduced traffic congestion
- Healthier lifestyle with more walking, and less stress
- Increased foot traffic and customers for area businesses
- Reduced environmental impacts
- Increased incentives for compact development

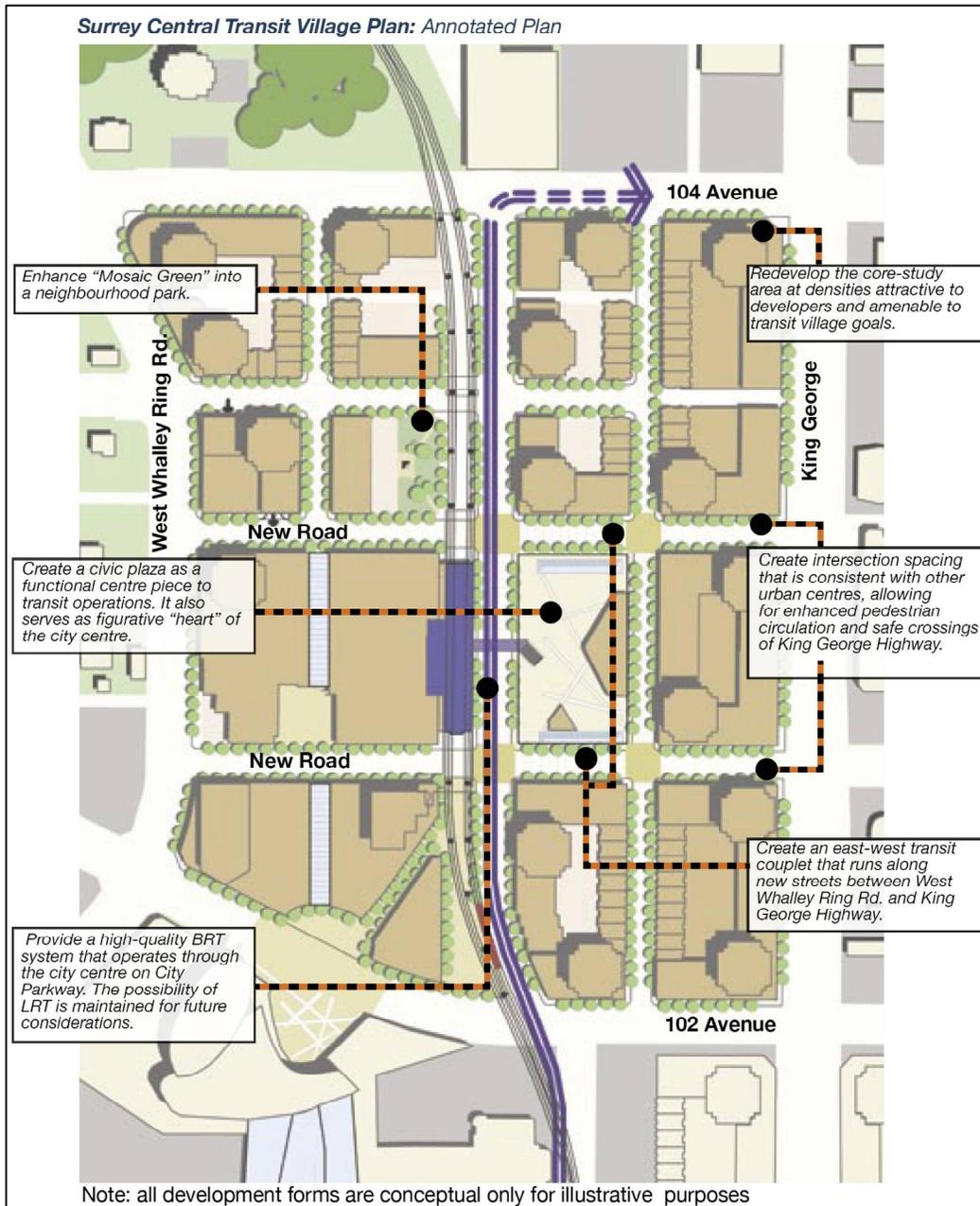
Proximity to transit tends to be particularly important for employment types including commercial (i.e. retail), office and institutional (e.g. educational facilities). It follows that the City's support for TOD will encourage employment growth in Surrey. Another benefit of supporting TOD in Surrey is that through land use optimization around transit stations, the principles of Smart Growth will be followed and a "Triple Bottom Line" approach implemented. This is consistent with the City's commitment to sustainability. It is also expected that increasing density around transit stations and coupling this with well-designed stations and efficient transit service will increase transit usage. Lastly, there is a correlation between TOD, increased land values and in turn, increased property tax revenues.

Based on a review of applicable studies relating to transit infrastructure induced land value impacts, in the case of Surrey, significant increases in land values around rapid transit stations can be expected. This is particularly the case at rapid transit stations that are located in largely residential areas and have opportunity for re-development and increased density. Assuming only the benefit of improved transit access and no re-development, land values could be expected to increase possibly 10%-20% in areas within approximately half a kilometre from rapid transit stations. If such lands are permitted to re-develop at higher densities, land value increases could be substantially higher. This magnitude in land value increases would be along the lines of a single detached house lot value compared to a mid or high rise apartment building land value. The change in allowable density would have a great impact on this change in value.

In November 2004 Council approved the Transit-Oriented Development Program which is focused on the development of a Transit Village around the Surrey Central SkyTrain Station in City Centre. Coming out of this program was the Surrey Central Transit Village Plan (SCTVP) which was approved by Surrey City Council in March 2007. The SCTVP proposes an integrated plan that fuses a distinctive public space strategy of high quality streets and a major civic square, with an efficient transit strategy and appropriate land uses. This integration of land use and transportation strategies has been identified as being unique in the Lower Mainland.

Some of the elements proposed in SCTVP include a high-density, livable urban centre that enhances public security; a finer-grained urban street grid that supports a more walkable, pedestrian-oriented Centre; a retail and commercial strategy that serves regional, citywide and local needs, and creates a unique 'downtown' destination; and a major civic space that serves as the transit interchange and creates a new downtown centre, a unique public icon and a source of community pride. The annotated plan below illustrates some of the elements of the SCTVP.

FIGURE 6-1
SURREY CENTRAL TRANSIT VILLAGE PLAN – ANNOTATED PLAN



Source: Surrey Central Transit Village Plan, 2007

Opportunities For Transit Oriented Development

Surrey has the potential to become a leader in TOD given its existing rapid transit access and its planned extension. The location of existing/planned rapid transit services suggests that the TOD opportunities lie in NW Surrey and Guildford specifically. Other TOD opportunities exist such as Newton and Semiahmoo Town Centre. Transit improvements (e.g. the SkyTrain extension, bus connections) will strengthen the case for future TOD development.

6.1.2 LIVE/WORK

The focus of residential development in the proposed 'mixed use' alternative is to provide accommodation for area workers and, in particular, to offer live/work opportunities which will attract businesses, entrepreneurs, and residents to the area, thus satisfying the City's employment generation objectives.

A live/work unit has a dual-purpose, acting as both a dwelling and as a workspace. Each component is allocated a proportion of the unit's total floor area. The local planning authority will normally specify what this percentage allocation will be in addition to other criteria.

The obvious factor driving the live/work phenomenon is that it is cheaper to run one property rather than two. At a time of high housing prices and office/premises costs, live/work property has an inevitable appeal. Another factor is convenience and the associated costs of commuting to and from work – eliminating potentially lengthy commutes saves time and money and also makes sense from a sustainability perspective. The third major factor driving live/work is technology. Advances in information technology and broadband telecommunications have made the need for a separate office or studio less important.

In built-up urban areas, space is at a premium. Offering both residential and work uses, live/work requires floor space that is comparably larger than ordinary residential dwellings. This translates to added advantage for the occupant by giving them a greater and more spacious living area in the same location.

Live/work can help grow start-up businesses by cutting their costs and reducing their time wastage. At its best, it can also mean linking people to a wider community or network of businesses, to enable them to share skills, knowledge, contacts, and contracts.

Live/Work Space Impact on Communities

There are a variety of positive community impacts associated with the development of live/work space, as described below.

- *Reduction in individual car borne movements* - Combining a living and working environment removes the necessity to travel to work. This reduces traffic congestion on the road and fuel emissions. Travelling to and from work is generally the most frequent trip undertaken during peak hours.
- *Sustainable building development* - Live/work developments have the benefit of creating a single unit for both living and working. Consequently, fewer resources are used to build the property and more importantly, energy savings can be achieved by only needing to heat and light a single property.
- *Urban regeneration* - Live/work developments can provide valuable new employment opportunities in a sustainable manner. Land that previously accommodated traditional employment uses can still maintain employment on site. Development of this kind can create communities of economically active residents in areas requiring regeneration and reinvestment.
- *Business incubation* - Live/work's cost saving appeals to those whose work or business is at a stage where separate premises are not possible. By lowering initial overhead costs, it offers a start-up business a greater chance at longevity and growth.

- *Business clusters* - Live/work developments can create the opportunity to create business clusters of associated businesses in one area - gaining knowledge and skills from one another and creating a business environment in one location without the necessity to travel.
- The live/work concept is mixed use in its purest sense. Where live/work occurs, there is an opportunity to create a shared community approach to the environment in a way that places confined to only work or residential uses cannot. Live/work can also contribute to high density by removing the need for two separate premises - though the single live/work unit will often need to be bigger than an equivalent residential unit to fulfil its dual use.
- *Affordability* - Live/work makes housing more affordable by removing the need for the self-employed to find and pay for separate workspace premises. Once housed, a live/worker no longer needs to find a residential property. In this sense, live/work offers a double benefit - reducing the demand for housing and for work premises. In addition, live/work developments of sufficient scale can reasonably be required to contribute an element of affordable live/work units, potentially managed by housing associations for rent or shared ownership.
- *Flexibility* - Live/work offers a realistic and flexible alternative to City Centre office space.
- *Helping to sustain growth areas* - Live/work developments provide an opportunity to help new residents work from home but remain close enough to clients and markets for business meetings. They also provide an opportunity for the creation of business hubs serving other home workers.

Live/Work Opportunities in Surrey

There are several opportunities for live/work in Surrey. City Centre and Town Centres would be a natural fit given the objective of densifying and increasing employment in these urban centres. Live/work could be incorporated into future transit-oriented development (TOD) development in these urban centres. Key corridor areas in NW Surrey and South Surrey would also be suitable (i.e. 104 Avenue, King George Highway). The City could consider developing criteria to assist in determining the most appropriate locations for future live/work.

6.1.3 INDUSTRIAL AND OFFICE SPACE INTEGRATION

The City is positioned to integrate a variety of land uses in the future. This is particularly true for some types of industrial land uses that lend themselves to adjacent office development or, indeed, office space, which is structurally integrated (above) into industrial buildings.

Many evolving industrial land uses require integrated office space and, in addition, many can effectively accommodate supplementary office space within the same structure. Some of the region's industrial demand in the future will be technical in nature, generate higher employment per acre than some existing types of demand, and lend itself well to combined high-tech industrial and office park development.

The integration of select industrial uses with office space in Surrey will provide advantages through both increased marketing flexibility and higher land use density. The result will be higher employment generation per acre.

Examples of industrial and office space integration can be found throughout North America as land use borders soften amongst high-tech industrial, research and office space as well as amongst distribution, container and logistics industry land and office requirements. Many smaller technically based companies are searching for reasonably priced research, production, and office space with convenient access for its suppliers and employees. Surrey has industrial and commercially zoned land that is ideally suited to accommodate this demand in the future.



Through the existing Business Park (IB) zone (including IB-1 and IB-2 zones) the intent is to accommodate uses including industrial and office, as well as general service and accessory uses. These uses are permitted either as a sole use or as a combination of uses. It is suggested that better integration of these uses could be encouraged in select areas through a requirement for a combined office and industrial use. A more focused approach to responding to office and industrial demand could be achieved by identifying general service and accessory uses as non permitted uses in these select areas. A further consideration would be to improve land use efficiencies through greater permitted densities (e.g. a maximum 3.0 FAR under prescribed market and development conditions) and building heights. The impact in some cases could be concentrations of higher end industrial and office space within an “industrial/corporate” park. In all cases, this could provide developers the opportunity to increase densities, allow greater appeal to a more selective market segment over time and contribute to the optimization of employment potential.

The City should investigate and research the market and development opportunities for 4-storey and 5-storey combined industrial-office use projects in comparative examples, as should the ownership structure applied elsewhere (e.g. strata-titling versus other alternatives).

When this alternative is evaluated and implemented it will accomplish the following:

- Encourage light industrial and office space integration in selected areas;
- Enhance municipal economic opportunities and employment density within specific industrial zones;
- Provide opportunities for heavier industrial, distribution and logistics development elsewhere (with the corresponding lower employment densities being mitigated by the higher densities in the special zones);
- Enhance development in response to current and changing market demand;
- Attract new investment;
- Ensure that the City’s light industrial focus is strengthened;
- Optimize the selective area 3.0 FSR zoning (by encouraging 5-storey industrial and office building development);



- Maintain and extend an effective buffer between heavier industrial and adjacent residential areas.

Our research indicates that integrated industrial and office developments are becoming increasingly common due to the scarcity of land. This type of development tends to be most popular where industrial land is scarce and valuable, as is occurring throughout the Lower Mainland. Many industrial uses in large urban economies are not intrusive in terms of noise vibration or smells and comfortably work in tandem with office uses.

INDUSTRIAL AND OFFICE INTEGRATION OPPORTUNITIES IN SURREY

In Surrey, office has been limited in industrial areas through zoning. The City should consider the integration of industrial and office with a view to increasing employment densities in select areas.

The Campbell Heights Land Use Plan identifies an area to the south as possible future residential. It also includes an area designated as Business Park or Live/Work. Given that there is ample supply of residential in Surrey, and that the vision is employment growth (recognizing all types of employment), it is recommended that the City consider allowing integrated industrial and office in these select areas.

6.1.4 INTEGRATED SUBURBAN BUSINESS DISTRICTS

The following is a summary with copied excerpts from the document: “Ten Principles for Reinventing America’s Suburban Business Districts.”

The suburban business district, located outside of the downtown core in a low-density mono-use suburb, is a common form of office development throughout many North American cities. However, increasingly communities, citizens, and businesses are looking for alternative forms for providing office accommodations, and developers are responding accordingly.

Changes in population, demographics, community profiles, consumer markets, and business practices, are leading to different trends in office development in the suburbs. This includes providing for more vibrant and interesting pedestrian-friendly places where people can live, work and shop. A multi-use business park provides a contrast to the many existing business parks that are homogeneous, sterile, boring, and automobile dependent.

The transformation of suburban business districts from the stereotypical business parks of recent decades into interesting multi-use developments requires a new form of community building that relies on both the vertical and horizontal integration of office, retail, and community uses.

BUSINESS DISTRICT ATTRIBUTES BY TYPE

Attributes of Existing Business District Types				
Attributes	Central Business District	Compact Suburban Business District	Fragmented Suburban Business District	Dispersed Suburban Business District
Development density	High	Medium	Low	Very low
Floor/area ratio	5.0 and above	2.5 and above	0.5 to 2.5	Up to 0.5
Building coverage	75 percent or more of lot area	50 percent or more of lot area	25 to 50 percent of lot area	Up to 25 percent of lot area
Lot area	Less than one acre	Less than one acre	Greater than one acre	Generally exceeds ten acres
Street layout	Grid	Grid	Superblock	Superblock
Land value	Very High	High	Medium	Low
Spatial separation between buildings	Very low	Low	High	Very high
Buildings dominate space?	Yes, buildings built to street alignment	Yes, buildings built to street alignment	No, buildings set back from road and separated by surface parking lots	No, buildings set back from road; often one to two stories in height in campus/park setting
Parking cost	Subject to charge	Subject to charge	Free	Free
Dominant parking type	Garages (restricted access)	Garages (restricted access)	Surface parking (restricted access)	Surface parking (unrestricted access)
Quality of transit service	Citywide, frequent	District-centric, less frequent	Local, infrequent	Local, very infrequent
Pedestrian orientation and quality of public domain	Very strong, encourages pedestrian activity	Strong, encourages pedestrian activity	Weak, often no pedestrian linkages; encourages patrons to drive to adjoining developments	Very weak, developments far apart and not within walking distance
Dependence on cars for access	Low	Moderate	High	Very high
Choice in mode of transit	Very good	Good	Poor	Very poor
Examples	Downtown, Washington, D.C.	Rosslyn, Arlington County, Virginia	Tysons Corner, Fairfax County, Virginia	College Boulevard-Overland Park, Kansas City, Kansas

Source: Geoffrey Booth, Urban Land Institute, 2001.

If suburban business districts are to realize their potential, they must be reinvented as more functional, more diverse, more interconnected, and more pedestrian-friendly places than they are today. This can only happen effectively when a strong partnership among the community and the public and private sectors is developed, focusing on the implementation of a new vision to achieve a sense of place.

OPPORTUNITIES FOR INTEGRATED SUBURBAN BUSINESS DISTRICTS

The Scott Road Commercial district in the South Westminster NCP area is recommended as a good opportunity to integrate in business parks. These integrated uses will complement the highway commercial outlets along the Scott Road corridor and be within close proximity to the Scott Road SkyTrain station. Another recommended opportunity is the Highway 99 corridor in South Surrey.

6.1.5 A PARADIGM SHIFT TOWARD GREEN

This section of the report provides an outline of the potential green and eco-friendly aspects of industrial development trends and how they could impact Surrey. It is recommended that the City enact green strategies across all employment land categories. This approach would be in line with the City’s Sustainability Charter (in draft form at the time of writing this ELS) which signals a paradigm shift toward green through for example, a commitment to supporting green infrastructure, promoting more sustainable development practices, addressing energy security issues, promoting ‘green’ businesses and promoting more sustainable economic development.

Because Surrey is a relatively young yet large community, it has the potential to move entire new employment areas directly to the new “Green” paradigm. This can become a vitally important marketing and branding feature for the city.

Eco-Industrial Development

Older industrial parks encompass numerous challenges and opportunities, many of which are representative of urban conditions existing throughout the larger city. Some of these challenges include economic stagnation, industrial zoning, safety, and health concerns, small increments of ownership, sloping sites, and segmented roadways. Many of these challenges are viewed as barriers to conventional methods of redevelopment. When viewed as opportunities, however, these challenges suggest an alternative approach to redevelopment - one that is community-based, industrial-focused, environmentally sensitive, and future-oriented.

A solution to existing challenges may be an incremental development strategy with the larger aim of Eco-Industrial Development (EID). It emphasizes the fostering of networks among businesses and communities to optimize resource use and reduce economic and environmental costs. The eco-industrial concept encompasses a range of approaches, including pollution prevention, by-product exchange, green design, life cycle analysis, joint training programs and public participation.

Similar to how new development has revitalized former brownfields, supporting EID could revitalize industrial development in Surrey. Of all the employment types, industrial is typically viewed as the least desirable. EID could be a way to:

- Make industrial development more palatable to members of the community who may be supportive of green solutions;
- Provide Surrey with a competitive edge that allows them to be more marketable;
- Reduce the environmental footprint of employment-related development.

Eco-Industrial Networking

Within the realm of EID lies EIN. Eco-industrial networking builds relationships among businesses, governments, and the community to share and more efficiently use resources, such as energy, material, water, land, capital, infrastructure, and people. In this way, one company's waste has the opportunity to become another company's resource. EIN also supports better linkages between companies and the communities in which they operate.

Green Buildings

As noted previously, EID encompasses high performance 'green' buildings that save energy and water while providing healthier environments in which to live and work. Initially, most green buildings were institutional projects that focused primarily on the environmental benefits of going green. More recently, however, there has been a tremendous upswing in green building within the for-profit sector as businesses begin to realize the energy, productivity, and branding benefits associated with green buildings and sustainable development strategies.

In the regional context, numerous businesses are greening their image, their products and their buildings. Many of these are seeking to capture the market for the rapidly expanding LOHAS (lifestyles of health and sustainability) demographic, while others are expanding upon their longstanding commitment to a healthy community and environment.

Some of the most obvious benefits of green buildings arise from reduced operating costs and reduced



vulnerability to fluctuating energy prices. What has been discovered, however, is that the biggest benefits have little to do with energy or the environment. They are, instead, the positive economic impacts of creating a healthy and productive environment for employees. In addition the financial payback for buildings “going green” has now been proven, increasing their attractions for developers.

Catalyst To Support EID - District Energy

One type of catalyst that would support EID is the creation of district energy systems. For the purposes of this report, district energy is defined as providing thermal energy (heat and/or cooling) and/or electricity (through the process of cogeneration) from a central plant or network of plants to customers, including commercial and industrial. The benefit of district energy systems is that they significantly reduce the demand for electricity, while greatly increasing the efficiency of energy supply.

The City of North Vancouver serves as a local municipal example where district energy has been applied successfully as part of an ongoing commitment to sustainability. The City of North Vancouver has established a district energy service, delivered through the award winning, City-owned Lonsdale Energy Corporation (LEC). The LEC provides space and domestic hot water heating services to mid to high density residential and commercial development.

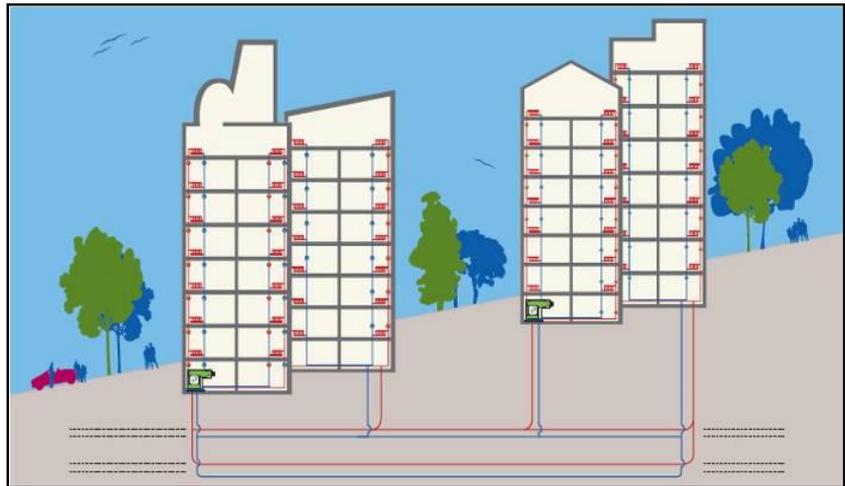


Image: Lonsdale Energy Corporation.

The first mini-plant is now operational and provides district heating to two residential towers, commercial space, and the John Braithwaite Community Centre in Lower Lonsdale. Within two years, the system is expected to provide energy services for eight to ten buildings in Lower Lonsdale. Within ten years, three million square feet of building area is expected to be connected to the system.

Surrey is in the early stages of developing a District Energy Plan for Semiahmoo Town Centre. Other urban centres and employment areas could be considered for the implementation of district energy. In determining appropriate sites for district energy, the following should be considered:

- The best sites for district energy are those that have either existing or a high density of heating/cooling energy demand, and that have a mix of land uses to provide stability in energy demand.
- Higher-density intensities of demand for energy reduce the per unit costs of district energy infrastructure and result in reduced energy losses, increased efficiency and improved emissions reductions compared with conventional energy supply systems.

Opportunities To Go Green

There are ample opportunities for Surrey to 'go green', as identified above and in the Sustainability Charter. Some key opportunities include, but are not limited to the following:

- Campbell Heights could be well suited to support EIN given that it is largely undeveloped and could be marketed to attract development to support this.
- Urban centres present an opportunity to implement district energy. The District Energy Plan for Semiahmoo Town Centre will serve as a good test case for moving forward more broadly.
- Of the various industries seeking to green their buildings and operations, the greatest opportunities appear to be in the clean-tech industry (office and light manufacturing) and food industry. The clean-tech industry is actively pursuing a "sustainable competitive advantage" in the growing market for clean and green technologies. Organizations like the BC Power Technology Alliance and the BC Hub are working to support their members, many of which are start-ups and small businesses, and are actively pursuing the formation of industry clusters. There is also opportunity for the food industry to expand around the existing network of food-related businesses in the area. Many of these companies are 'green' – producing, processing, and distributing organic and local food – while others are seeking to improve the community in which their business is located. Among these local businesses, several have already started pursuing the formation of an EIN. There is an opportunity for the City to encourage new development within Surrey's agro-industrial zone to pursue a greener path. Light manufacturing operations are also noted to be receptive to greening their operations and should also be encouraged to do so.

6.2 ACCOMMODATING FUTURE DEMAND THROUGH ENHANCED LAND SUPPLY

Surrey is uniquely positioned with its extensive land base, undeveloped parcels of land and rapidly growing population, and municipal tax base. The opportunity exists for Surrey to balance and blend its land use in a way that responds to current and future trends while addressing its employment vision and objectives.

6.2.1 ISSUES AND OPPORTUNITIES

Employment generating land uses (i.e. office, industrial, commercial and institutional) need to be balanced so that the City can achieve its objectives through a managed, blended mix of employment, economic activity and services.

As identified in Chapter 5 of this document, the commercial sector will see the greatest growth in employment over the long-term. Future demand for commercial employment will be met through the existing supply of Commercial and Town Centre designated lands. There is significant opportunity to develop, redevelop, and intensify in urban centres. Evidence of this is seen in that 20% of lands in City Centre are vacant and 48% are underutilized.

Chapter 4 identifies that, while industrial employment growth will not be the highest among the employment types, it will have the greatest land demand. While this demand for land could be offset through changes in zoning to permit greater land use efficiency, the reality is that industrial uses are, generally, low density in nature. Transportation, distribution, logistics, and warehousing are the fastest growing sub-sectors of industrial land use. Basic transportation and warehousing land uses area particularly low density in nature.

A review of case studies in North American cities/metropolitan areas indicates that Surrey is not alone in facing pressure to convert its industrial land. While there are many conversion drivers (e.g. long-term holding costs, unsuitability of land for designated industrial use), rising land values are a key factor leading to

the conversion of industrial lands. With the objective of achieving the highest financial return, the focus is on short-term financial gains without consideration of the long-term community and economic implications. To ensure that Surrey has enough supply to meet its long-term demand, it will be imperative to adopt policies that prevent industrial land conversion, ensure that these policies are implemented, and pursue the innovative and market-supported initiatives described in this chapter.

Not only is it difficult to preserve industrial land, it is also difficult to secure new supply. The City should focus on the densification and efficient use of these lands in order to meet its demand for industrial land through the existing supply. This will allow the City to remain committed to protecting Surrey's agricultural land base for agricultural and agro-industrial activity, as per the existing City policy. Enhancing or expanding land supply, such as through the recently signed MOU between the Province and the City of Surrey which sets the stage for the City to purchase a 300 acre gravel pit from the Province to be used primarily for future industrial development, should be considered as a longer-term objective as required.

Employment Land By Community

7.0 EMPLOYMENT LAND BY COMMUNITY

This chapter of the ELS outlines and defines the supply and demand for employment lands at a community scale. It begins with a population trends analysis (historic and projected), followed by an assessment of the existing and projected shares of net new floor space and land demand across each of Surrey's communities. This discussion is followed by community snapshots that succinctly identify the 'on the ground' reality, future issues and opportunities, and planning directions.

- The source of all charts is the City of Surrey land base. The projection in Section 4 and further analyses are by Cushman & Wakefield LePage Inc.

7.1 COMMUNITY POPULATION TRENDS

Understanding population trends (historical and projected) are important given that three of the employment types (i.e. office, commercial and institutional) are population serving and are therefore directly impacted by population growth or decline.

All of Surrey's communities have recorded significant historical population growth. Between 1981 and 2006, most of Surrey's member communities at least doubled in size. Notably, Cloverdale's population had tripled, Newton's population had quadrupled, and Fleetwood had grown by five times.

As each community matures between 2006 and 2031, the rate of growth will slow relative to the rates seen between 1981 and 2006. That said, future population growth is still forecasted to be significant up to 2031. The future share for each community with respect to the Surrey total is expected to mirror the current population share within a range of 1%: NW Surrey/City Centre (20%); Guildford/Port Kells (12%); Fleetwood (11%); Newton (27%); and South Surrey (15%). The exception is Cloverdale, which will experience a near 40% growth of its population base. Cloverdale is expected to comprise 15% of future Surrey growth up from the present level of 11%.

Note again that based on building permits and BC Assessment data, the City's most recent assessment of Surrey's 2006 resident population was in the range of 437,700 residents, six percent greater than the 414,002 residents from the Urban Futures models⁵. This total higher total population is also reflected in the community assessments of future population presented below. While the City's community projections differ from those presented in Table 7-1, the future distribution of population is similar between the two projections as the City's community based projections were used along with the Urban Futures City-wide and regional projections to develop community based assessments to 2031.

⁵ for more details on the City of Surrey's current and projected demographics please see:
<http://www.surrey.ca/Doing+Business/Population+and+Demographics/Population+Estimates+and+Projections.htm>

**TABLE 7-1
HISTORICAL POPULATION AND PROJECTIONS**

	Population Estimates										
	1981	1986	1991	1996	2001	2006	2011	2016	2021	2026	2031
NW Surrey/CC	46,400	53,610	64,000	72,600	81,277	85,112	92,044	104,256	116,468	125,759	135,050
Guildford/PK	18,000	24,630	33,000	44,100	50,838	53,589	56,881	64,440	71,999	77,453	82,908
Fleetwood	10,100	14,610	25,600	36,800	43,651	48,335	52,745	58,136	63,528	68,030	72,532
Newton	31,600	39,170	57,300	71,500	95,651	116,635	131,344	143,494	155,644	167,202	178,761
Cloverdale	14,650	15,300	21,200	26,800	32,659	45,183	61,018	70,214	79,410	89,552	99,693
South Surrey	26,350	33,820	44,100	52,500	57,496	65,147	71,360	79,620	87,881	94,617	101,352
Total	147,100	181,140	245,200	304,300	361,571	414,002	465,393	520,162	574,930	622,613	670,296

	Population Shares										
	1981	1986	1991	1996	2001	2006	2011	2016	2021	2026	2031
NW Surrey/CC	32%	30%	26%	24%	22%	21%	20%	20%	20%	20%	20%
Guildford/PK	12%	14%	13%	14%	14%	13%	12%	13%	13%	12%	12%
Fleetwood	7%	8%	10%	12%	12%	12%	11%	11%	11%	11%	11%
Newton	21%	22%	23%	23%	26%	28%	28%	27%	27%	27%	27%
Cloverdale	10%	8%	9%	9%	9%	11%	13%	14%	14%	15%	15%
South Surrey	18%	19%	18%	17%	16%	16%	15%	15%	15%	15%	15%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

	Population Growth Rates									
	1986	1991	1996	2001	2006	2011	2016	2021	2026	2031
NW Surrey/CC	16%	19%	13%	12%	5%	8%	13%	12%	8%	7%
Guildford/PK	37%	34%	34%	15%	5%	6%	13%	12%	8%	7%
Fleetwood	45%	75%	44%	19%	11%	9%	10%	9%	7%	7%
Newton	24%	46%	25%	34%	22%	13%	9%	8%	7%	7%
Cloverdale	4%	39%	26%	22%	38%	35%	15%	13%	13%	11%
South Surrey	28%	30%	19%	10%	13%	10%	12%	10%	8%	7%
Total	23%	35%	24%	19%	15%	12%	12%	11%	8%	8%

7.2 FUTURE EMPLOYMENT (LAND DEMAND) ACROSS COMMUNITIES

The following methodology was used to evaluate and determine future employment land demand by community:

- Using the City's database, the baseline 2006 floor space shares were allocated by community. This profiles the current situation and is supplemented by community level employment figures.
- The future growth of floor space (and hence land used and future land required) was distributed from the Surrey-wide forecast based on location-dependent assumptions and population trends specific to each community.
- The land base was analyzed and defined for each community.

The table below identifies the total floor space for the four employment types across Surrey's six communities. In effect, this acts as a baseline from which to project shares of net new floor space by type of employment land. Newton has the largest share followed by NW Surrey/City Centre, in almost all categories. This profile of employment lands per community will change in the coming years as some areas build out such as Newton and some get better infrastructure such as Guildford/Port Kells.

TABLE 7-2
SHARE OF EMPLOYMENT LANDS FLOORSPACE BY COMMUNITY 2006

	Share of Total Floor Space - 2006				
	Office	Industrial	Commercial	Institutional	Total
NW Surrey/CC	38%	15%	27%	28%	24%
Guildford/PK	19%	23%	14%	14%	18%
Fleetwood	3%	1%	7%	9%	5%
Newton	24%	43%	23%	24%	31%
Cloverdale	4%	11%	11%	11%	11%
South Surrey	12%	6%	17%	15%	12%
Total	100%	100%	100%	100%	100%

The following table describes the ratios used in assigning net new floor space in the future. For example, if 10,000 square feet of office space is added to the City then 30% is allocated to NW Surrey/City Centre, 35% to Guildford/Port Kells, 5% to Fleetwood, 15% to Newton, 5% to Cloverdale, and 10% to South Surrey.

These ratios are based on a careful analysis of:

- The existing employment oriented square feet within each community and their current market share;
- The current and future population of each community plan designation, the land base, vacant and underdeveloped, in each community;
- The existing and planned infrastructure which will improve some locations such as Guildford;
- Major past and anticipated development trends and issues such as office space location theory;
- The vacant and developed land base and potentially permitted uses.

It is expected that NW Surrey/City Centre and Guildford/Port Kells will capture the majority of all employment land uses except industrial. In that instance, South Surrey will dominate given its vacant land base. NW Surrey/City Centre and Guildford/Port Kells together will easily secure two thirds of all new office space in Surrey. These communities have the land base, the location and the infrastructure. The City Centre will serve town centre tenants and Guildford/Port Kells will serve business park tenants.

TABLE 7-3
PROJECTED SHARE OF NET NEW FLOORSPACE

	Office	Assigned Share of Net New Floor Space			
		Industrial 2006-2016	Industrial 2021-2031	Commercial	Institutional
NW Surrey/CC	30%	25%	15%	20%	25%
Guildford/PK	35%	15%	15%	30%	25%
Fleetwood	5%	5%	0%	6%	6%
Newton	15%	10%	5%	19%	19%
Cloverdale	5%	5%	5%	15%	15%
South Surrey	10%	40%	60%	10%	10%
Total	100%	100%	100%	100%	100%

Table 7-4 outlines overall space and land demand from 2006 to 2031 for each community. Total land demand averages 116 acres a year over this period and the cumulative new land required by 2031 totals almost 2,900 acres. The commercial land requirement is flexible and shown as a maximum. Demand in this category could be reduced through more sales at existing stores. All other categories require completely new additional space for new employees.

TABLE 7-4

	Average Annual Net New Floor Space Added 2006-2031 (Sq.Ft.)				
	Office	Industrial	Commercial	Institutional	Total
NW Surrey/CC	57,305	92,169	164,686	104,817	418,977
Guildford/PK	66,856	69,998	247,029	104,817	488,700
Fleetwood	9,551	11,086	53,268	27,123	101,027
Newton	28,652	34,418	153,379	78,096	294,546
Cloverdale	9,551	23,333	124,246	63,263	220,392
South Surrey	19,102	235,649	80,823	41,153	376,726
Total	191,017	466,652	823,431	419,269	1,900,368

	Average Annual New Land Required 2006-2031 (Acres)				
	Office	Industrial	Commercial	Institutional	Total
NW Surrey/CC	1.1	9.3	10.5	3.2	24.0
Guildford/PK	1.2	7.0	15.8	3.2	27.2
Fleetwood	0.2	1.1	3.4	0.8	5.5
Newton	0.5	3.5	9.8	2.4	16.2
Cloverdale	0.2	2.3	7.9	1.9	12.4
South Surrey	0.4	23.6	5.2	1.3	30.4
Total	3.5	46.8	52.5	12.8	115.7

	Cumulative New Land Required by 2031 (Acres)				
	Office	Industrial	Commercial	Institutional	Total
NW Surrey/CC	26.3	231.4	262.5	80.2	600.5
Guildford/PK	30.7	175.6	393.8	80.2	680.3
Fleetwood	4.4	27.9	84.9	20.8	138.0
Newton	13.2	86.4	244.5	59.8	403.9
Cloverdale	4.4	58.5	198.1	48.4	309.4
South Surrey	8.8	590.7	128.9	31.5	759.8
Total	87.7	1,170.6	1,312.7	320.8	2,891.9

The greatest demand for new land use in Surrey is expected to be in the commercial and industrial sector. Office and institutional space demand between 2006 and 2031, together, is expected to account for only 14% of the total cumulative new land required over the period. However higher densities and investment associated with office and institutional sector development indicate that this component of demand will considerably exceed 14% of total new economic value in the future.

Geographically, new floor space and land demand is expected to be reasonably distributed over the 2006 to 2031 period. This distribution reflects a variety of factors including existing development, zoning, land availability, population distribution, access routes and linkages and land values amongst many others.

As can be seen in Table 7-4, South Surrey is expected to account for the highest proportion of new land demand amongst the communities at 26% followed closely by Guildford/Port Kells (23%), NW Surrey/City Centre (21%), Newton (14%) and Cloverdale (11%). Fleetwood is expected to account for the lowest total new land demand in Surrey with about 5% of the total requirement.

The current availability of land in Surrey is summarized in Table 7-5 by community. Included are total developed and vacant lands which are designated as 'Commercial' and 'Town Centres' as well as lands which are designated as 'Industrial'. The scale of "under-utilized" lands is not available however it is clear that some demand will lead to a better or more intensive use of the land base. Over the years Surrey will emulate older communities like Vancouver. It is noteworthy that Vancouver's wave of development is relatively recent and has only occurred during a period of very strong growth.

TABLE 7-5

Commercial and Town Centre Designated Lands (Acres)			
	Total	Vacant	% Vacant of Total
NW Surrey/CC	433.6	81.3	31%
Guildford/PK	225.4	30.8	12%
Fleetwood	121.9	8.5	3%
Newton	333.6	43.8	17%
Cloverdale	105.0	4.7	2%
South Surrey	294.2	91.2	35%
Total	1513.6	260.3	
Industrial Designated Lands (Acres)			
	Total	Vacant	% Vacant of Total
NW Surrey/CC	1635.2	339.6	24%
Guildford/PK	1379.1	247.0	17%
Fleetwood	37.6	0.0	0%
Newton	1537.4	69.2	5%
Cloverdale	700.0	143.8	10%
South Surrey	2085.2	616.0	44%
Total	7374.7	1415.6	

South Surrey contains the largest proportion of vacant Commercial and Town Centre lands at 35% of the City total. This is followed closely by NW Surrey/City Centre at 31% and more remotely by Newton (17%) and Guildford/Port Kells (12%). Both Cloverdale and Fleetwood currently have very little land available for the commercial, office and institutional demand that comprises this category. The Guildford vacant lands do not include the vacant Ministry of Transportation and Highways site on Highway 1 at 160th Street (future office).

Most vacant Industrial designated lands in Surrey are situated in South Surrey (44%) and NW Surrey/City Centre (24%). Guildford/Port Kells contains some 247 acres of industrial land (or 17% of the City total) while Cloverdale has 144 acres (or 10%). No vacant industrial land is currently located in Fleetwood while Newton has a limited supply available (i.e. 69 acres).

Estimates indicate that office, commercial and institutional land demand in Surrey will average 69 acres annually to 2031. If all of this demand is accommodated on currently vacant land, the City will be in a vacant land supply deficit position within a few years. This is particularly true in the commercial sector which accounts for 76% of the total demand within the commercial-office-institutional grouping. Clearly, there is far too little vacant commercial land available in all communities and the City of Surrey will need to address this shortfall in the near future. Encouraging mixed use, redevelopment and better use of existing communal business (more sales from same stores) will all help manage demand. There is still projected to be a shortfall in terms of supply and demand for commercial lands.

Industrial land supply and demand in the City of Surrey appears to be more in balance than that in the other sectors. This is somewhat of an anomaly, however, since some industrial designated lands are suited only for some specific types of industrial use. The principal industrial demand segments of key economic importance to Surrey were described earlier and have key location requirements. While currently vacant industrial land totals 1,416 acres, and new industrial land demand to 2031 total 1,171 acres, the excess of supply over demand infer that attention is not required. Well located industrial land continues to be required in all communities and the City should focus on providing substantial areas of key industrial land close or adjacent to highway, railway and river access routes.

It is important to note that the region as a whole is experiencing a severe industrial land shortage. The requirement is primarily due to the transportation sector and thus the lands must be close to Highway 1 or the Fraser River. Warehouse and goods distribution tends to have low property taxes and low employment per acre and thus it is not attractive to municipalities who are experiencing industrial land shortage. Surrey cannot be expected to take the majority of this type of business, such as truck parking and container storage, as this would impose an undue burden on the City. A regional agreement should be put in place to ensure that lower value industrial development is spread evenly across the majority of municipalities.

7.3 COMMUNITY SNAPSHOTS/RECOMMENDATIONS

7.3.1 NORTHWEST SURREY/CITY CENTRE

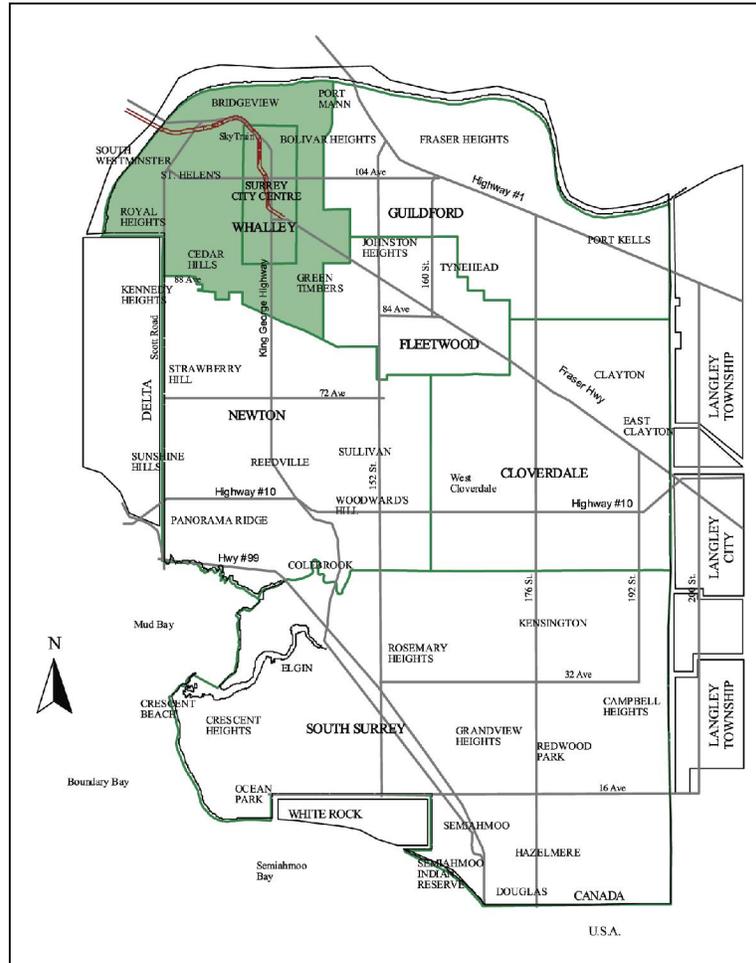
Context

As identified below, Northwest Surrey/City Centre is bounded to the north by the Fraser River and to the south by the community of Newton. To the east of NW Surrey/City Centre lies the communities of Guildford and Fleetwood, and the municipality of Delta is located to the west. The Fraser Highway, the King George Highway and the South Fraser Perimeter Road serve as major transportation routes.

Surrey's City Centre, is located within NW Surrey. City Centre has the servicing infrastructure in place to support growth, transit and a central location within the region. Despite these advantages, City Centre has yet to fully thrive as the vibrant urban centre it is now poised to become.

The residential market has been strong, attracted by SkyTrain rapid transit and competitive pricing.

**FIGURE 7-1
NORTHWEST SURREY/CITY CENTRE**



Source: Modified map from Official Community Plan, 1996

Employment Land Projections

The following table identifies the floor space and employment land demand projection for NW Surrey/City Centre. It shows net new space, the share of the City total, cumulative space including existing and new, the total share in the future and the required new lands. This projection allows the City to understand the scale and type of employment land demand in this community.

TABLE 7-6

NW Surrey/City Centre						
	Cumulative Net New Floor Space Added (Sq.Ft.)					
	2011	2016	2021	2026	2031	Annual Ave.
Office	441,034	796,669	1,017,863	1,222,010	1,432,625	57,305
Industrial	536,694	1,385,694	1,703,428	1,999,391	2,304,222	92,169
Commercial	1,392,563	2,386,774	2,992,224	3,546,975	4,117,156	164,686
Institutional	801,748	1,456,501	1,864,926	2,237,737	2,620,429	104,817
Total	3,172,039	6,025,639	7,578,441	9,006,112	10,474,432	418,977
	Share of Total Cumulative Net New Floor Space					
	2011	2016	2021	2026	2031	Annual Ave.
Office	30%	30%	30%	30%	30%	30%
Industrial	25%	25%	22%	21%	20%	23%
Commercial	20%	20%	20%	20%	20%	20%
Institutional	25%	25%	25%	25%	25%	25%
Total	23%	23%	23%	22%	22%	23%
	Cumulative Floor Space (Sq.Ft.)					
	2006	2011	2016	2021	2026	2031
Office	2,305,229	2,746,263	3,101,899	3,323,092	3,527,239	3,737,854
Industrial	4,126,027	4,662,721	5,511,721	5,829,455	6,125,418	6,430,249
Commercial	6,856,858	8,249,422	9,243,632	9,849,082	10,403,834	10,974,015
Institutional	3,905,616	4,707,364	5,362,117	5,770,543	6,143,353	6,526,046
Total	17,193,731	20,365,769	23,219,370	24,772,172	26,199,843	27,668,163
	Share of Total Floor Space					
	2006	2011	2016	2021	2026	2031
Office	38%	36%	35%	35%	35%	34%
Industrial	15%	15%	16%	16%	16%	16%
Commercial	27%	26%	25%	25%	24%	24%
Institutional	28%	27%	27%	27%	27%	27%
Total	24%	23%	23%	23%	23%	23%
	Cumulative Land Use (Acres)					
	2006	2011	2016	2021	2026	2031
Office	42.3	50.4	57.0	61.0	64.8	68.6
Industrial	416.8	470.9	556.3	588.2	617.8	648.2
Commercial	437.3	526.1	589.5	628.1	663.4	699.8
Institutional	119.5	144.1	164.1	176.6	188.0	199.8
Total	1,015.9	1,191.5	1,366.9	1,453.9	1,534.1	1,616.4
	Cumulative New Land Required (Acres)					
	2011	2016	2021	2026	2031	Annual Ave.
Office	8.1	14.6	18.7	22.4	26.3	1.1
Industrial	54.2	139.6	171.4	201.0	231.4	9.3
Commercial	88.8	152.2	190.8	226.2	262.5	10.5
Institutional	24.5	44.6	57.1	68.5	80.2	3.2
Total	175.6	351.0	438.0	518.2	600.5	24.0

OFFICE

Current Reality

- Surrey's largest amount of office space is located in City Centre in NW Surrey.
- Most office space in NW Surrey/City Centre has some form of attached retail or services. Some buildings have structured parking.
- Two large, multi-tenant, concrete high-rise buildings dominate the office market, Central City and Gateway. Both were built by government related entities, not the private market.
- The high land and building cost environment hampers office development as it has to compete with residential land uses.

Looking Ahead

- The demand for office space will be moderate but steady and the market will grow. Office space in NW Surrey/City Centre is expected to require an additional acre of land per year and there is no land shortage.
- NW Surrey/City Centre's share of Surrey's office-use floor space is expected to decline from 38% now to 36% in 2011 and down to 34% by 2031. The town centre will capture the town centre types of tenants.
- In the five years between 2011 and 2016, approximately 350,000 square feet of office space will be added. This could be in a City Centre concrete tower or in low rise projects outside City Centre, perhaps near the Scott Road Station. An ambitious proposed Gateway office tower may account for the entire amount.

Opportunities

- Growth of region serving office space in the City Centre to capitalize on transit access and its central location within the region. Government (e.g. municipal offices) is a good example of the type of large tenant that would be required to support office development in City Centre.
- Strong potential for high or low-rise office near the 108th Avenue transit station. The financial viability will be challenging but some of the local developers already have land and are ready to proceed.
- Potential for a mix of employment uses, including office, along 104th Ave (between 140 St and City Centre) that is currently fairly low density (e.g. one- and two-storey) with some office use.
- Transit connections between City Centre and Guildford Town Centre (e.g. along 104th Avenue) to establish a link between these urban centres and improve overall competitiveness in capturing office growth across the region.
- Office space along the King George Highway corridor should be encouraged (e.g. between 104th Ave and 96 Ave). This could be of any type including medical to reflect the medical and educational theme of the area.
- New office near the Scott Road Station is possible. The area now supports a mix of highway commercial (e.g. large format retail) and unattractive, low order uses such as scrap yards. The new South Fraser Perimeter Road will improve this area.

INDUSTRIAL

Current Reality

- NW Surrey/City Centre has the second greatest concentration of vacant Industrial designated lands in Surrey (340 acres).
- While the industrial land base is already well established, a total of 1,432 acres (88%) of NW Surrey/City Centre's Industrial designated lands are considered to be underutilized.
- The Port Authority and associated lands are located in NW Surrey/City Centre (i.e. South Westminster). This has resulted in industrial activity that has a focus on transportation and warehousing.

Future Issues/Opportunities

- The availability of some industrial lands puts this region in a position to grow rapidly in the short and medium term.
- Since industrial land use in NW Surrey/City Centre is expected to rise sharply, almost tripling from 536,000 sq.ft. to 1,385,000 sq.ft. between 2011 and 2016, this area is key to employment growth.
- Industrial land use in NW Surrey/city Centre is expected to benefit from improved utilization of currently underutilized lands. This transformation will occur over time as ownership changes occur, etc.
- Compared with other regions in Surrey, NW Surrey/City Centre's industrial land use will grow rapidly but will not keep pace with regional growth. By 2011, 54 new acres will be required, and 139 acres by 2016, but thereafter, the rate of increase will slow. An average increase of 9.3 acres annually will be required until 2031.
- The SFPR upgrade will improve access to major trade gateways and industrial areas in Surrey and more broadly, within the region. It is expected that this will spur interest in future industrial development (e.g. transportation and warehousing).
- Dedication of the Fraser Surrey Docks area to logistics and port related uses as this is clearly the dominant land use for the area.
- Allow light industrial activity to occur without competition from business park use in select areas.
- Public access to the Fraser River Waterfront district in an area currently identified in the NCP as Special Study Area. This area could be used for recreation (e.g. active and passive green space) and commercial purposes (e.g. restaurant).

COMMERCIAL

Current Reality

- 434 acres (81%) of NW Surrey/City Centre's Commercial and Town Centre designated lands are vacant.
- 198 acres (46%) of Commercial and Town Centre designated lands in NW Surrey/City Centre are underutilized.

- King George Highway, around City Centre, supports commercial uses ranging from fast food restaurants to gas stations. The pattern of built form is automobile-focused (e.g. surface parking lots, drive-thru's).
- 104th Ave. (between 140 St and City Centre) is fairly low density (e.g. one and two-storey) with some mixed use (street level retail with one level of commercial above).

Future Issues/Opportunities

- Commercial land space in NW Surrey/City Centre is expected to mirror industrial predictions. Since there are complementary relationships between the growths in each area, this pattern is expected to become evident in the short term.
- Compared with other regions in Surrey, NW Surrey/City Centre's commercial land use will surge rapidly but will not keep pace with regional growth after this spike. By 2011, 89 new acres will be required, 153 acres by 2016, but thereafter, the rate of increase will slow.
- Only 50 acres separates the commercial and industrial land demands across the predicted timeframe. Only one acre separates the average increase of land demand for both categories.
- Regional mall expansion - contingent on continued pursuit of higher density residential that will create the market demand for local serving commercial (e.g. retail).
- Transit oriented development in City Centre will provide support for new commercial development.
- Corridor transformation along 104th Ave is expected and warranted by ever greater demand.

INSTITUTIONAL

Current Reality

- Region serving uses such as the hospital signal NW Surrey/City Centre's importance as a region-serving institutional provider. The recent development of the SFU Surrey Campus in City Centre solidifies this position.
- The Surrey Memorial Hospital is a major employer in the area. It is anticipated that future major employers in the area will include an Outpatient Facility and RCMP E-Division operation.

Future Issues/Opportunities

- Institutional use of land in NW Surrey/City Centre is expected to require new floor space additions totalling 100,000 sq ft per year. City Hall and perhaps the School Board should relocate here.
- Compared with other regions in Surrey, NW Surrey/City Centre (and Guildford/Port Kells) will show the strongest increases in the demand for institutional land use requirements.
- Growth in region-serving institutional uses in City Centre (e.g. Health Care and Higher Education).

PLANNING DIRECTIONS FOR EMPLOYMENT IN NW SURREY/CITY CENTRE

- Conversion from an employment use to a non-employment use is only supported where development will align with the City's objectives to create thriving, transit oriented, mixed-use centres and corridors or is required by a more complete community vision such as waterfront access.
- Continue to support (commercial, office, residential) and TOD in City Centre.

- Undertake area revitalization in City Centre along key corridors (e.g. King George Highway, 104th Ave) and public space. The SCTVP will provide direction to support these efforts.
- Continue to cultivate positive, ongoing relationships with SFU and the School District so that the City is aware of any pending significant changes related to capital and operating funding, changes in programs, or changes in enrolment that could impact City Centre. Continue to cultivate a relationship with other stakeholders (e.g. Kwantlen Polytechnic University – currently located in Newton) to encourage relocation to City Centre.
- Build strong relationships with the Provincial and Federal governments, and lobby them as necessary, to retain the major government agencies that are currently located in City Centre.
- Encourage senior governments to locate region-serving agencies in City Centre. The City should also consider relocating City Hall to City Centre. Government office tenants act as anchors that draw other employers, and in effect, stimulate office growth.
- Encourage region serving office space in City Centre, with a focus on attracting anchor tenants. Incentives will need to be provided (e.g. reductions in parking requirements; support for (residential, commercial, office); financial and economic development support).
- Transform the 104th Avenue corridor to support a mix of uses including office and commercial. Corridor transformation will be facilitated through transit improvements, zoning allowances, etc. Corridor transformation and transit enhancement will allow for the creation of a regional employment hub that will assist Surrey in being regionally competitive in attracting employment (i.e. office and commercial).
- Work with other orders of government to focus transit expansion east toward Guildford. This will better connect NW Surrey/City Centre to major transportation corridors (e.g. Highway 1) and create opportunities for TOD along 104th Ave.
- Following the implementation of an efficient transit network (e.g. light rail transit expansion, frequent rapid bus service along 104 Ave, improved bus connections), allow for parking relaxations in City Centre to encourage dense and mixed-use development.
- Transform the King George Highway (between 108 Ave and 104 Ave) corridor to support a mix of uses including population serving office and commercial. Facilitate corridor transformation through site consolidation bonusing.
- Develop the Scott Road Station as a unique environment so that it evolves into a community gateway that supports a higher density, vibrant employment mix (e.g. commercial, office) in addition to the existing highway commercial type uses (e.g. large format retail). Future development will be contingent on efforts to make the Scott Road Station area (identified as Transit Oriented Urban Village in the South Westminster NCP) more attractive. While incentives can be provided, time will be required for change of landowners (and in turn, land uses) to occur.
- Allow limited business park development in the Scott Road Corridor district of the South Westminster NCP area. Prior to this occurring, amend the boundaries of this district such that it does not abut the SFPR.

- Amend the South Westminster NCP so that the Light Industrial/Business Park Area's intended use is solely for light industrial. Limit outdoor storage in areas adjacent to residential to reduce land use conflicts without having to permit business park development.
- Recognizing that the South Westminster Secondary Plan area is a Development Permit Area, make provisions within the Development Permit guidelines to demonstrate a commitment to sustainability.
- Develop and implement a Development Permit sustainability checklist to ensure that development proceeds in accordance with the City's sustainability objectives.
- Develop an incentive strategy for site revitalization in South Westminster.
- Expedite approvals for office and commercial development applications in City Centre, the corridor transformation areas (i.e. 104th Avenue and King George Highway) and the 108th Ave and Scott Road transit stations to encourage investment.
- Protect the industrial land base by limiting commercial to local serving, ancillary retail or commercial uses needed to support industrial activity. Retail floor area should be limited.
- Relax limits on lot coverages in industrial areas (i.e. no maximums identified) and setbacks to encourage more efficient use of land in this key industrial area.
- Limit uses in the IL and IL-1 zones (e.g. recreation facilities, assembly halls) to protect the integrity of the industrial use.
- Limit the amount of transportation industry by capping the number of transportation industry developments permitted in the Industrial Light Impact (IL) and High Impact (IH) zones, or by capping the square footage to limit future transportation industry development.
- In Industrial designated areas with CD zoning, limit permitted uses to the uses permitted in the following zones: C-4, C-5, CH-1, CG-1, CG-2, CPR, IB, IB-1, IB-2, IL, IL-1, IH and IA.
- Allow density bonusing for green buildings.
- Allow some density bonusing for site consolidation and larger scale buildings to encourage redevelopment.
- Where lands with potential for more intensive redevelopment are already subdivided into small parcels and/or occupied, coordinate discussions between landowners to determine future plans for the site and investigate possibilities for consolidation and joint marketing to make the parcels large enough to be appealing to future industrial users.
- Advise owners and users of industrial lands identified as having possible future potential for redevelopment that the City supports the ongoing industrial use of the sites. If any of these users leave, provide clear direction to the landowner, agents, and potential future owners/users that the City expects industrial redevelopment for the site, and provide assistance with approvals.

7.3.2 GUILDFORD/PORT KELLS

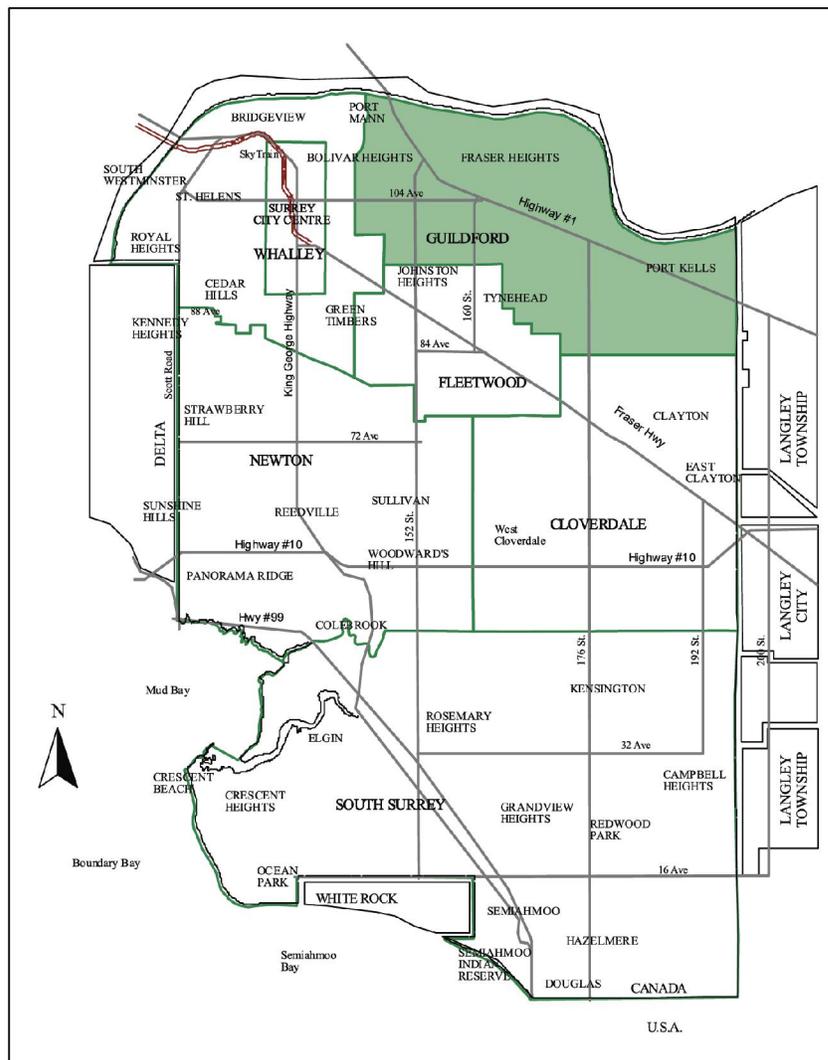
Context

Guildford/Port Kells is located in north Surrey. It is bounded to the north by the Fraser River and to the south by the communities of Fleetwood and Cloverdale. To the east is the Township of Langley and to the west is the community of NW Surrey/City Centre. Highway 1 transects Guildford/Port Kells, serving as a major access route.

Guildford/Port Kells is a municipal Town Centre with a very good regional location (i.e. central location within Metro Vancouver, close to Highway 1, and close to the Port Mann Bridge which provides access to the north shore of the Fraser River).

Once rapid transit is extended to Guildford/Port Kells and the Gateway project is complete, this area will become very strong. Transportation infrastructure development will trigger the location of many new commercial and high value employment uses to Guildford/Port Kells.

**FIGURE 7-2
GUILDFORD/PORT KELLS**



Source: Modified map from Official Community Plan, 1996

Employment Land Projections

The following chart identifies the floor space and employment land demand projection for Guildford/Port Kells. It shows net new space, the share of the City total, cumulative space including existing and new, the total share in the future and the required new lands. This projection allows the City to understand the scale and type of employment land demand in this community.

TABLE 7-7

Guildford/Port Kells						
Cumulative Net New Floor Space Added (Sq.Ft.)						
	2011	2016	2021	2026	2031	Annual Ave.
Office	514,539	929,448	1,187,507	1,425,678	1,671,396	66,856
Industrial	322,016	831,417	1,149,150	1,445,113	1,749,944	69,998
Commercial	2,088,845	3,580,161	4,488,336	5,320,463	6,175,734	247,029
Institutional	801,748	1,456,501	1,864,926	2,237,737	2,620,429	104,817
Total	3,727,148	6,797,526	8,689,919	10,428,991	12,217,503	488,700
Share of Total Cumulative Net New Floor Space						
	2011	2016	2021	2026	2031	Annual Ave.
Office	35%	35%	35%	35%	35%	35%
Industrial	15%	15%	15%	15%	15%	15%
Commercial	30%	30%	30%	30%	30%	30%
Institutional	25%	25%	25%	25%	25%	25%
Total	27%	26%	26%	26%	26%	26%
Cumulative Floor Space (Sq.Ft.)						
	2006	2011	2016	2021	2026	2031
Office	1,163,797	1,678,336	2,093,245	2,351,304	2,589,475	2,835,193
Industrial	6,393,048	6,715,064	7,224,465	7,542,198	7,838,161	8,142,992
Commercial	3,618,343	5,707,188	7,198,504	8,106,679	8,938,806	9,794,078
Institutional	1,925,923	2,727,670	3,382,423	3,790,849	4,163,659	4,546,352
Total	13,101,111	16,828,259	19,898,637	21,791,030	23,530,102	25,318,614
Share of Total Floor Space						
	2006	2011	2016	2021	2026	2031
Office	19%	22%	24%	25%	25%	26%
Industrial	23%	22%	22%	21%	21%	21%
Commercial	14%	18%	19%	20%	21%	21%
Institutional	14%	16%	17%	18%	18%	18%
Total	18%	19%	20%	20%	21%	21%
Cumulative Land Use (Acres)						
	2006	2011	2016	2021	2026	2031
Office	21.4	30.8	38.4	43.2	47.6	52.1
Industrial	645.8	678.3	729.5	761.4	791.0	821.4
Commercial	230.7	363.9	459.0	517.0	570.0	624.6
Institutional	59.0	83.5	103.5	116.0	127.4	139.2
Total	956.8	1,156.5	1,330.5	1,437.6	1,536.0	1,637.1
Cumulative New Land Required (Acres)						
	2011	2016	2021	2026	2031	Annual Ave.
Office	9.4	17.1	21.8	26.2	30.7	1.2
Industrial	32.5	83.7	115.6	145.2	175.6	7.0
Commercial	133.2	228.3	286.2	339.3	393.8	15.8
Institutional	24.5	44.6	57.1	68.5	80.2	3.2
Total	199.7	373.7	480.7	579.2	680.3	27.2

OFFICE

Current Reality

- Guildford/Port Kells has the strongest office market in Surrey and the Fraser Valley in large measure due to excellent regional access.
- Most office space in Guildford/Port Kells has some form of attached retail or services.
- The South Port Kells General Land Use Plan identifies the area south of, and adjacent to, Highway 1 as Future Business Centre which will include some business park type office.
- It will be expensive to provide services to South Port Kells.
- Compared with other regions in Surrey, and even the entire Fraser valley, Guildford/Port Kells office market is the most attractive and it has the highest rents.
- Office users like the proximity of the high quality regional mall.

Looking Ahead

- The demand for office space will be steady and strong. Office land use in Guildford/Port Kells is expected to increase by approximately 70,000 square feet per year.
- In the five years between 2011 and 2016, approximately 400,000 square feet of office space will be added to the region.
- Office space in Guildford/Port Kells is expected to require approximately one additional acre of land per year. This is not a significant area and it should be easily accommodated on the existing land base.

Opportunities/Recommendations

- The demand for office space will be very strong over the long-term in Guildford/Port Kells.
- The 104th Ave corridor to Highway 1 could accommodate extensive new office campuses; particularly on the highway.

INDUSTRIAL

Current Reality

- Port Kells is largely built out with minimal vacant land.
- Some pockets of vacant Industrial designated lands are available in Annidale.
- 1,073 acres of Industrial designated lands in Guildford/Port Kells are underutilized.
- The waterfront saw mill sites will redevelop and likely become denser forms of industrial development.

Looking Ahead

- The predicted sharp spike in growth, up to fifty new acres of new land between 2011 and 2016, and an average annual growth in new land requirements of seven acres, Guildford/Port Kells is key to Surrey's regional expansion as an ever more dominant municipality.

- Since industrial land use in Guildford/Port Kells is expected to surge, rising sharply from 322,000 square feet to 831,000 square feet between 2011 and 2016; this area is an important part of the region's rapid growth.
- Industrial land use in Guildford/Port Kells is expected to benefit from denser forms of industrial use.
- Compared with other regions in Surrey, Guildford/Port Kells' industrial land use will have very high demand.

Opportunities/Recommendations

- The City could meet its demand for industrial land by using its existing supply as efficiently as possible over the short- to mid-term.

COMMERCIAL

Current Reality

- There is limited opportunity for commercial development on vacant lands. The largest area of vacant land is located at Highway 15 and Highway 1.
- 90 acres of Commercial and Town Centre designated lands in Guildford/Port Kells are underutilized.
- The regional mall is the dominant retail facility south of the Fraser River. It is losing its huge regional trade area to new competition in the Fraser Valley.

Looking Ahead

- Commercial land space in Guildford/Port Kells is expected to require new land at a rate of 16 acres a year. The large shopping centre will expand and the area will once again become the dominant centre for much of the Fraser valley.
- Guildford/Port Kells is predicted to add a quarter of a million square feet of commercial floor space annually.
- Compared with other regions in Surrey, Guildford/Port Kells' commercial land use demands and projections lead the way in large part due to its gateway locations.

Opportunities/Recommendations

- Guildford/Port Kells will have explosive growth in regional and local commercial buildings, from the regional mall to new hotels.
- Some of the commercial growth will need to occur in the form of redevelopment and intensification given the limited availability of vacant Commercial designated lands.
- Capitalize on the supply of vacant Commercial designated lands around Highway 1 and develop (commercial/office) where possible.
- Demand for highway commercial will create an opportunity to extend the Town Centre area to Highway 1 all the way from Surrey City Centre.

INSTITUTIONAL

Current Reality

- No major regional institutional uses are located in Guildford/Port Kells. Institutional is focused more on population serving uses (e.g. schools).

Looking Ahead

- Institutional use of land in Guildford/Port Kells will increase sharply from 800,000 to 1,456,000 square feet between 2011 and 2016.
- Approximately three acres per year will be the annual rate of new land required.
- Compared with other regions in Surrey, Guildford/Port Kells (and NW Surrey) will show the strongest increases in the demand for institutional land as it is a regional destination with highway access and the largest mall.

Opportunities/Recommendations

- The location of Guildford/Port Kells relative to other communities in the region suggests there is opportunity to use this location for all forms of government and public sector buildings that serve Metro Vancouver. As NW Surrey and City Centre already serve that role Guildford/Port Kells share may be relatively modest.

PLANNING DIRECTIONS FOR EMPLOYMENT IN GUILDFORD/PORT KELLS

- Conversion from an employment use to a non-employment use is only supported where development will align with the city's objectives to create thriving, transit oriented, mixed-use centres and corridors.
- Work with other orders of government to focus the rapid transit extension east toward Guildford/Port Kells. Over the long-term, this will better connect City Centre and Guildford Town Centre to their mutual advantage. In effect, this will allow both urban centres to become a regional employment hub in Surrey.
- Following the implementation of an efficient transit network (e.g. rapid transit extension, frequent rapid bus service along 104 Ave, improved bus connections), allow for parking relaxations in Guildford Town Centre to encourage development.
- Recognizing that future office, commercial and institutional job growth will be influenced by population growth, continue to support higher density residential development in the Town Centre area.
- Develop Development Permit guidelines to demonstrate a commitment to sustainability. Develop and implement a Development Permit sustainability checklist to ensure that development proceeds in accordance with the City's sustainability objectives.
- Allow density bonusing for green buildings.
- Expedite approvals for office/business park development applications in Guildford Town Centre to encourage investment and allow a more even playing field to compete with suburban office locations.

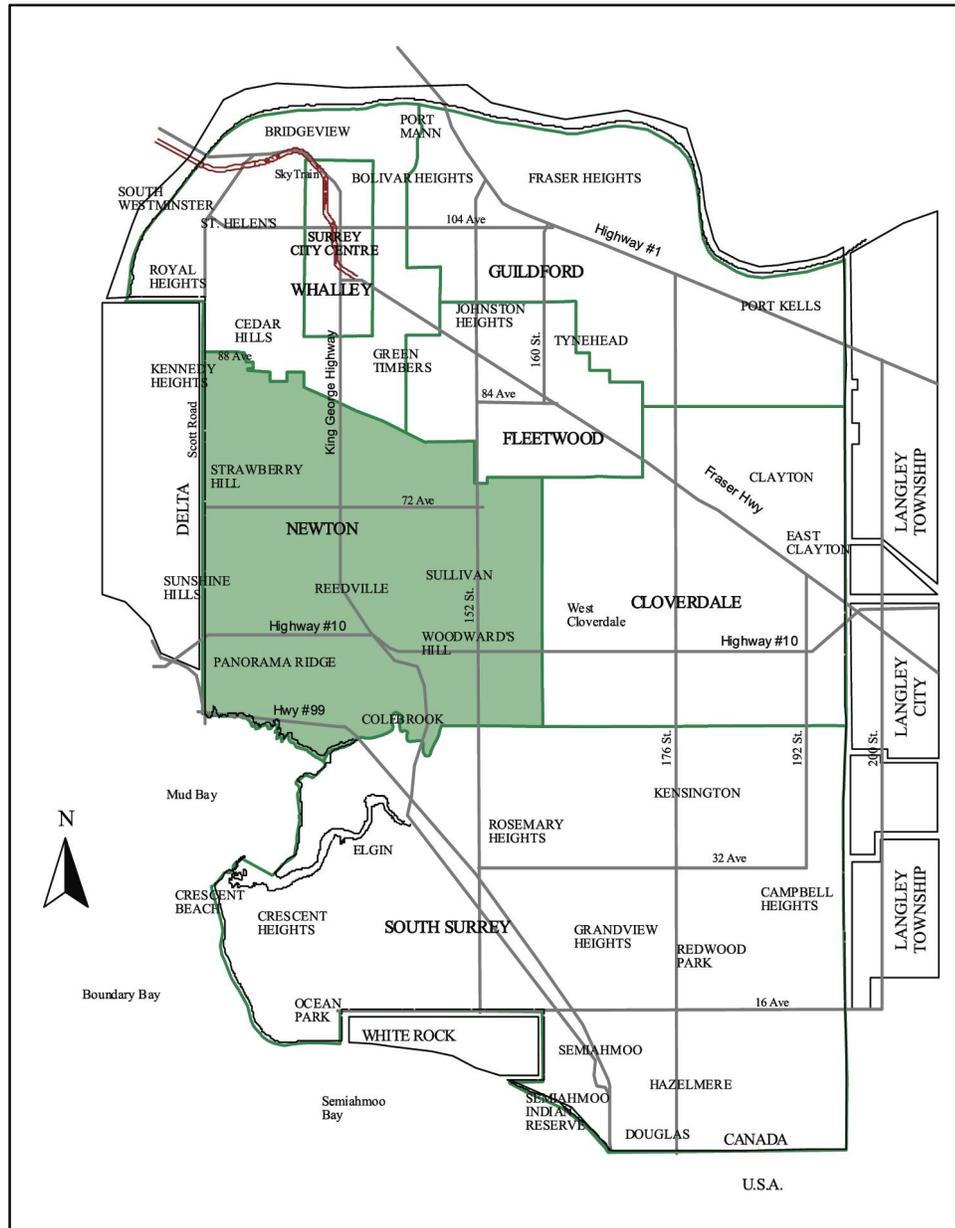
- Continue to provide policy direction in support of future business park development along Highway 1.
- Address the local road network to improve access to future employment around Highway 1.
- Protect the industrial land base by limiting commercial to local serving, ancillary retail or commercial uses needed to support industrial activity. Retail floor area should be limited.
- Relax limits on lot coverages in industrial areas (i.e. no maximums identified) and setbacks to encourage more efficient use of land.
- Limit uses in the IL and IL-1 zones (e.g. office) to protect the integrity of the industrial use.
- In Industrial designated areas with CD zoning, limit permitted uses to uses permitted in the following zones: C-4, C-5, CH-I, CG-1, CG-2, CPR, IB, IB-1, IB-2, IL, IL-1, IH and IA.

7.3.3 NEWTON CONTEXT

Newton is located in west-central Surrey. It is bounded to the north by the communities of NW Surrey/City Centre and Fleetwood, and to the south by South Surrey. To the east, it is bounded by the community of Cloverdale, and to the west by the District of Delta. Transportation routes in Newton include the King George Highway, the No. 10 Highway, and the No. 99 Highway

This is a very large community with a mix of uses, including employment and non-employment. King George Highway bisects Newton, serving as the main transportation corridor. Newton Town Centre, Newton, and South East Newton are the key employment areas.

**FIGURE 7-3
NEWTON**



Source: Modified map from Official Community Plan, 1996

EMPLOYMENT LAND PROJECTIONS

The following table identifies the floor space and employment land demand projection for Newton. It shows net new space, the share of the City total, cumulative space including existing and new, the total share in the future and the required new lands. This projection allows the City to understand the scale and type of employment land demand in this community.

TABLE 7-8

Newton						
Cumulative Net New Floor Space Added (Sq.Ft.)						
	2011	2016	2021	2026	2031	Annual Ave.
Office	220,517	398,335	508,931	611,005	716,312	28,652
Industrial	214,678	554,278	660,189	758,843	860,454	34,418
Commercial	1,296,948	2,222,896	2,786,775	3,303,436	3,834,468	153,379
Institutional	597,359	1,085,197	1,389,503	1,667,273	1,952,406	78,096
Total	2,329,502	4,260,705	5,345,398	6,340,558	7,363,640	294,546
Share of Total Cumulative Net New Floor Space						
	2011	2016	2021	2026	2031	Annual Ave.
Office	15%	15%	15%	15%	15%	15%
Industrial	10%	10%	9%	8%	7%	9%
Commercial	19%	19%	19%	19%	19%	19%
Institutional	19%	19%	19%	19%	19%	19%
Total	17%	16%	16%	16%	15%	16%
Cumulative Floor Space (Sq.Ft.)						
	2006	2011	2016	2021	2026	2031
Office	1,463,189	1,683,706	1,861,524	1,972,121	2,074,194	2,179,502
Industrial	12,142,611	12,357,289	12,696,889	12,802,801	12,901,455	13,003,065
Commercial	5,653,728	6,950,676	7,876,623	8,440,503	8,957,164	9,488,196
Institutional	3,346,961	3,944,321	4,432,158	4,736,464	5,014,234	5,299,368
Total	22,606,490	24,935,992	26,867,195	27,951,888	28,947,047	29,970,130
Share of Total Floor Space						
	2006	2011	2016	2021	2026	2031
Office	24%	22%	21%	21%	20%	20%
Industrial	43%	41%	38%	36%	34%	33%
Commercial	23%	22%	21%	21%	21%	21%
Institutional	24%	23%	22%	22%	22%	22%
Total	31%	29%	27%	26%	25%	25%
Cumulative Land Use (Acres)						
	2006	2011	2016	2021	2026	2031
Office	26.9	30.9	34.2	36.2	38.1	40.0
Industrial	1,226.5	1,248.2	1,282.4	1,293.0	1,302.8	1,313.0
Commercial	360.5	443.2	502.3	538.2	571.2	605.1
Institutional	102.4	120.7	135.7	145.0	153.5	162.2
Total	1,716.4	1,843.1	1,954.5	2,012.4	2,065.6	2,120.3
Cumulative New Land Required (Acres)						
	2011	2016	2021	2026	2031	Annual Ave.
Office	4.0	7.3	9.3	11.2	13.2	0.5
Industrial	21.7	55.8	66.5	76.3	86.4	3.5
Commercial	82.7	141.8	177.7	210.7	244.5	9.8
Institutional	18.3	33.2	42.5	51.0	59.8	2.4
Total	126.7	238.1	296.0	349.2	403.9	16.2

OFFICE

Current Reality

- There is limited suitable land available for office use.
- Most office space in Newton has some form of attached retail or services.
- Panorama has been a strong success at 152nd and Highway 10.

Looking Ahead

- The demand for office space will be moderate. Office land use in Newton is expected to rise by only 28,000 square feet per year,
- In the five years between 2011 and 2016, 180,000 square feet of office space will be added. In five-year periods until 2031, about 100,000 square feet of additional space is expected.
- Office space in Newton is expected to require an additional half-acre per year and it should locate on major transportation corridors such as Scott Road or King George Highway.
- Compared with other regions in Surrey, Newton's office market is likely to move slowly.

Opportunities/Recommendations

- The office market will remain moderate with a focus on corridor sites (e.g. King George Highway, Highway 10).

INDUSTRIAL

Current Reality

- The industrial base is largely developed except for some infill areas.
- The current form of development is small scale and disjointed with no master plan.

Looking Ahead

- The predicted growth, up to thirty new acres of new land between 2011 and 2016, and an average annual growth in new land requirements of three and a half acres, means that Newton will benefit from Surrey's regional expansion as an ever more dominant force in the regional economy.
- Since industrial land use in Newton is expected to steadily grow, rising from 214,000 to 554,000 between 2011 and 2016; this will benefit from the region's rapid growth.
- Industrial land use in Newton is expected to primarily increase through denser forms of industrial use.
- Compared with other regions in Surrey, Newton's industrial land use will have very high demand.

Opportunities/Recommendations

- Newton would be an ideal opportunity to seek creative re-development solutions.

COMMERCIAL

Current Reality

- Newton has a good distribution of commercial uses (e.g. Town Centre, community, neighbourhood) across the community. It has no regional enclosed mall.

Looking Ahead

- Commercial space in Newton is expected to require new land at a rate of almost ten acres a year.
- Newton is predicted to add about 153,000 sq.ft. of commercial floor space annually.
- Compared with other regions in Surrey, Newton's commercial land use demands and projections show slow but steady increases.

Opportunities/Recommendations

- More commercial activity should be encouraged along all of the major corridors (i.e. King George Highway, 120th St and No. 10 Highway).
- Commercial development should be encouraged at Newton Town Centre and smaller commercial areas.

INSTITUTIONAL

Current Reality

- Newton's institutional uses are limited to population serving types (e.g. schools, churches).

Looking Ahead

- Institutional use of land in Newton will increase sharply from 597,000 to 1,085,000 square feet between 2011 and 2016. This demand will develop in line with the rate of residential growth.
- Institutional use of land in Newton is focused more on population-serving uses (e.g. schools). Approximately two and a half acres per year will be the annual rate of new land required.
- Compared with other regions in Surrey, Newton will show moderate increases in the demand for institutional use land.

Opportunities/Recommendations

- Newton should continue to focus on local institutional only.

PLANNING DIRECTIONS FOR EMPLOYMENT IN NEWTON

- Conversion from an employment use to a non-employment use is only supported where development will align with the City's objectives to create thriving, transit oriented, mixed-use centres and corridors.
- Protect the industrial land base by limiting commercial to local serving, ancillary retail or commercial uses needed to support industrial activity. Retail floor area should be limited.
- Amend the East Newton Business Park Land Use Plan to include policy for business park development instead of live/work in order to maximize the employment generating potential of the area.

7.3.4 CLOVERDALE

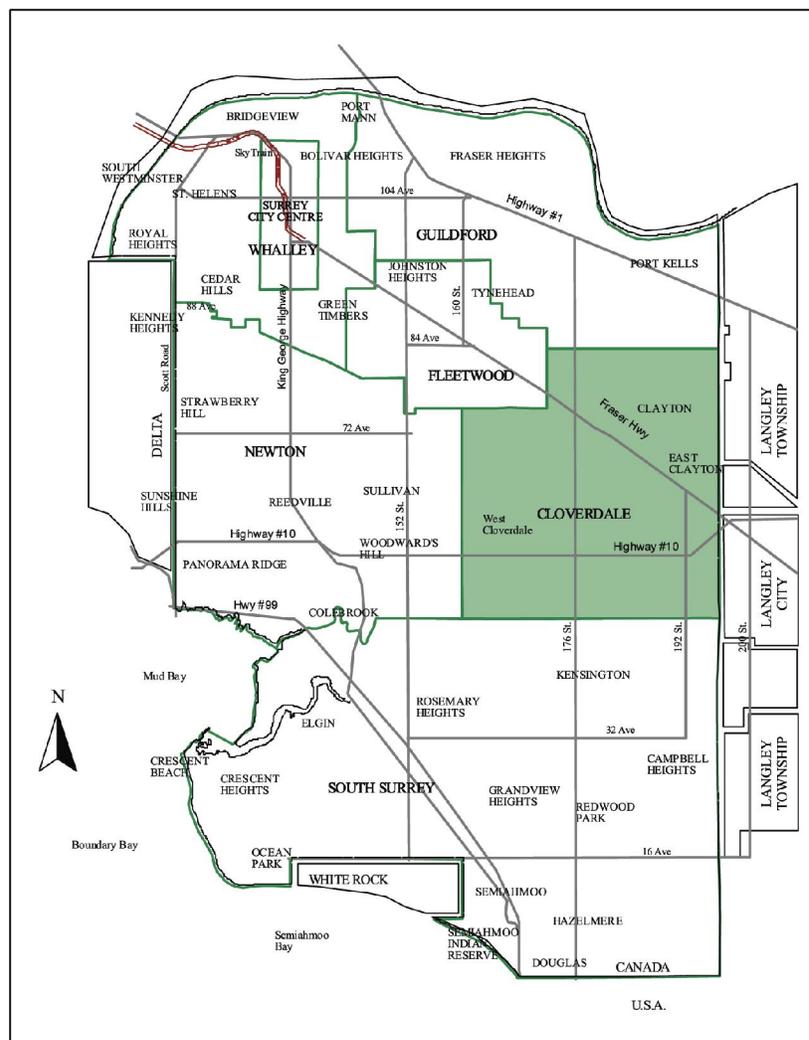
Context

Cloverdale is located in east-central Surrey. It is bounded to the north by the communities of Fleetwood and Guildford/Port Kells, and to the south by the community of South Surrey. To the east lies the Township of Langley and to the west lies the community of Newton. Transportation routes within Cloverdale include the Fraser Highway, Highway 10, and the Pacific Highway

Cloverdale is a small suburb that will have the lowest ratios of jobs to residents. It has major population growth but a very limited employment land base.

The Cloverdale Town Centre is strategically located at the cross-section of two major highways – Highway 10 and Highway 15.

**FIGURE 7-4
CLOVERDALE**



Source: Modified map from Official Community Plan, 1996

Employment Land Projections

The following table identifies the floor space and employment land demand projection for Cloverdale. It shows net new space, the share of the City total, cumulative space including existing and new, the total share in the future and the required new lands. This projection allows the City to understand the scale and type of employment land demand in this community.

TABLE 7-9

Cloverdale						
	Cumulative Net New Floor Space Added (Sq.Ft.)					Annual Ave.
	2011	2016	2021	2026	2031	
Office	73,506	132,778	169,644	203,668	238,771	9,551
Industrial	107,339	277,139	383,050	481,704	583,315	23,333
Commercial	1,050,606	1,800,679	2,257,455	2,675,982	3,106,150	124,246
Institutional	483,897	879,075	1,125,581	1,350,592	1,581,567	63,263
Total	1,715,348	3,089,671	3,935,730	4,711,946	5,509,802	220,392
	Share of Total Cumulative Net New Floor Space					Annual Ave.
	2011	2016	2021	2026	2031	
Office	5%	5%	5%	5%	5%	5%
Industrial	5%	5%	5%	5%	5%	5%
Commercial	15%	15%	15%	15%	15%	15%
Institutional	15%	15%	15%	15%	15%	15%
Total	12%	12%	12%	12%	12%	12%
	Cumulative Floor Space (Sq.Ft.)					
	2006	2011	2016	2021	2026	2031
Office	241,466	314,971	374,244	411,110	445,134	480,237
Industrial	3,182,526	3,289,865	3,459,665	3,565,577	3,664,231	3,765,841
Commercial	2,821,420	3,872,027	4,622,100	5,078,876	5,497,403	5,927,570
Institutional	1,526,156	2,010,053	2,405,231	2,651,737	2,876,748	3,107,723
Total	7,771,569	9,486,916	10,861,240	11,707,299	12,483,515	13,281,371
	Share of Total Floor Space					
	2006	2011	2016	2021	2026	2031
Office	4%	4%	4%	4%	4%	4%
Industrial	11%	11%	10%	10%	10%	10%
Commercial	11%	12%	13%	13%	13%	13%
Institutional	11%	12%	12%	12%	12%	13%
Total	11%	11%	11%	11%	11%	11%
	Cumulative Land Use (Acres)					
	2006	2011	2016	2021	2026	2031
Office	4.4	5.8	6.9	7.6	8.2	8.8
Industrial	321.5	332.3	349.4	360.0	369.9	380.0
Commercial	179.9	246.9	294.7	323.9	350.6	378.0
Institutional	46.7	61.5	73.6	81.2	88.1	95.1
Total	552.5	646.5	724.6	772.6	816.7	861.9
	Cumulative New Land Required (Acres)					
	2011	2016	2021	2026	2031	Annual Ave.
Office	1.3	2.4	3.1	3.7	4.4	0.2
Industrial	10.8	27.9	38.5	48.4	58.5	2.3
Commercial	67.0	114.8	144.0	170.6	198.1	7.9
Institutional	14.8	26.9	34.5	41.3	48.4	1.9
Total	94.0	172.1	220.1	264.1	309.4	12.4

OFFICE*Current Reality*

- The market is very limited for office space.
- All office space in Cloverdale has some form of attached retail or services.

Looking Ahead

- The demand for office space will be moderate. Office land use in Cloverdale is expected to rise by 9,551 square feet per year,
- In the five years between 2011 and 2016, 60,000 square feet of office space will be added. In five-year periods until 2031, about 100,000 square feet of additional space is expected.
- Office space in Cloverdale is expected to require an additional 0.2 acre per year, which is minimal.

Opportunities/Recommendations

- Cloverdale should remain focused on providing local serving office space.
- There is an opportunity to add some regional office along Highway 1 near the 176th interchange.

INDUSTRIAL*Current Reality*

- The industrial market is small and almost built out.

Looking Ahead

- The predicted growth, up to thirty new acres of new land between 2011 and 2016, and an average annual growth in new land requirements of three and a half acres, means that Cloverdale will benefit from Surrey's regional expansion as an ever more dominant force within the economy.
- Industrial land use in Cloverdale is expected to grow from 107,000 to 277,000 square feet between 2011 and 2016. This increase reflects Surrey's rapid growth.

Opportunities/Recommendations

- Large parcels in North Clayton provide a potential opportunity for future light industrial/business park use. This land area would require servicing.

COMMERCIAL*Current Reality*

- Commercial growth has not kept pace with residential growth.
- The commercial market is subject to massive outflow to Willowbrook Regional Shopping Centre and nearby centres such as Guildford.

Looking Ahead

- Commercial land space in Cloverdale is expected to require new land at a rate of almost eight acres a year.
- Cloverdale is predicted to add about 124,000 square feet of commercial floor space annually.

- Commercial development has not kept pace with other regions in Surrey; Cloverdale's commercial land use demands and projections show comparatively strong increases.

Opportunities/Recommendations

- Focus on retaining commercial activity (e.g. retail).
- There is future opportunity for commercial growth and it should be accommodated in the town centre and in each neighbourhood.

INSTITUTIONAL

Current Reality

- The area is suitable for local serving institutional only.

Looking Ahead

- Institutional use of land in Cloverdale will increase sharply from 483,000 to 879,000 square feet between 2011 and 2016. This demand will develop in line with the rate of residential growth.
- Institutional use of land in Cloverdale is focused more on population-serving uses (e.g. schools). Approximately two acres per year will be the annual rate of new land required.

Opportunities/Recommendations

- Continue to provide institutional (e.g. schools, churches) to support population growth in the Cloverdale area.

PLANNING DIRECTIONS FOR EMPLOYMENT LANDS IN CLOVERDALE

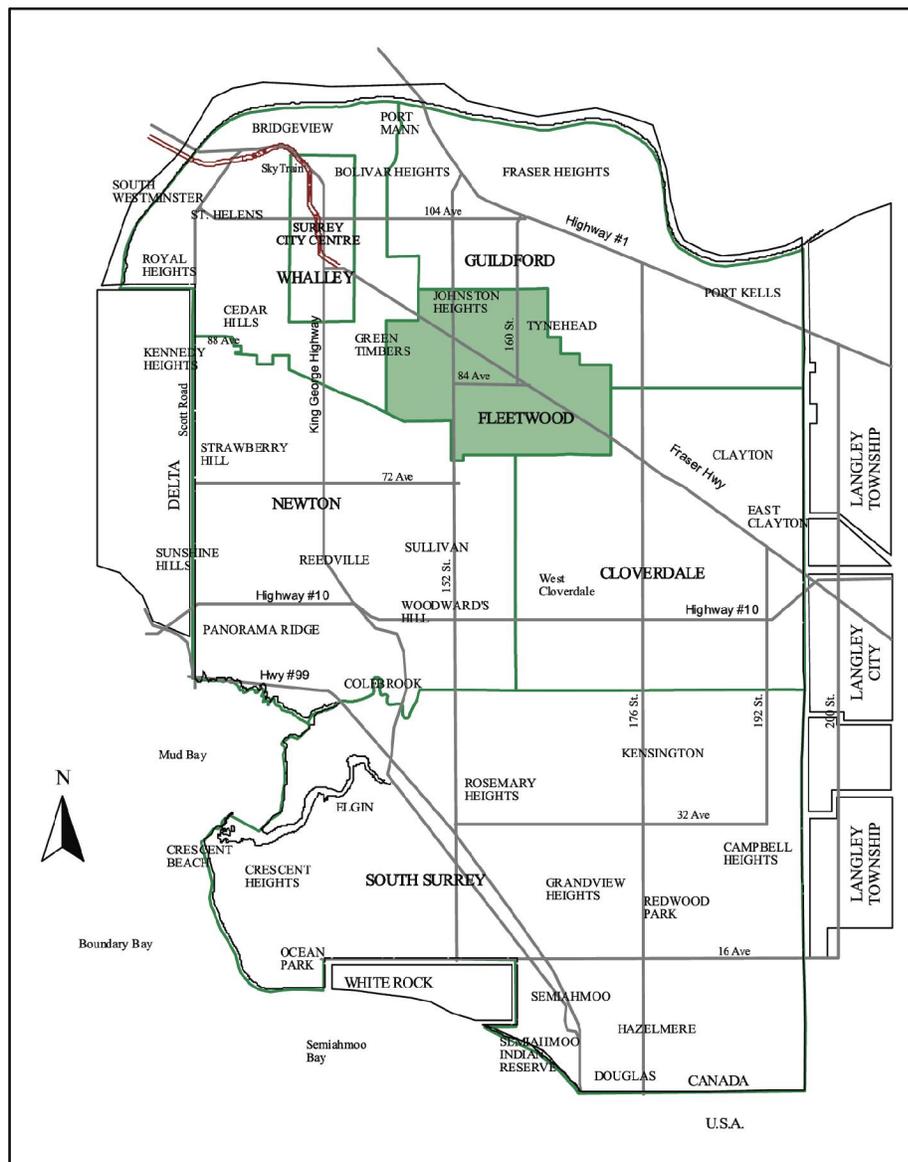
- Conversion from an employment use to a non-employment use is only supported where development will align with the City's objectives to create thriving, transit oriented, mixed-use centres and corridors
- Protect the industrial land base by limiting commercial to local serving, ancillary retail or commercial uses needed to support industrial activity. Retail floor area should be limited.
- Policy support should be provided to encourage mixed use (residential with office/commercial) on lands around the Cloverdale Town Centre (e.g. lands designated for multiple residential to the north of the Town Centre).
- Cloverdale's small town character should be enhanced to attract employment activity (e.g. new commercial, shopping activity). This can be achieved through e.g. urban design guidelines, development permit guidelines.
- Support higher density residential in areas in and adjacent to the Town Centre to provide the population base to support commercial activity.
- Undertake branding and marketing, including focused outreach and engagement of the business community (e.g. local BIA), to encourage commercial retention and reduction of commercial outflow.

7.3.5 FLEETWOOD CONTEXT

Fleetwood is located in north-central Surrey. It is surrounded by the communities of Guildford/Port Kells, NW Surrey/City Centre, Cloverdale, and Newton. The Fraser Highway bisects the community.

Fleetwood Town Centre has good transportation access as it is bisected by the Fraser Highway, which connects to Highway 15 and the King George Highway. Its relative proximity to City Centre and Guildford Town Centre means that Fleetwood residents do not need to work and shop locally.

**FIGURE 7-5
FLEETWOOD**



Source: Modified map from Official Community Plan, 1996

Employment Land Projections

The following table identifies the floor space and employment land demand projection for Fleetwood. It shows net new space, the share of the City total, cumulative space including existing and new, the total share in the future and the required new lands. This projection allows the City to understand the scale and type of employment land demand in this community.

TABLE 7-10

Fleetwood						
Cumulative Net New Floor Space Added (Sq.Ft.)						
	2011	2016	2021	2026	2031	Annual Ave.
Office	73,506	132,778	169,644	203,668	238,771	9,551
Industrial	107,339	277,139	277,139	277,139	277,139	11,086
Commercial	450,425	772,003	967,836	1,147,271	1,331,696	53,268
Institutional	207,461	376,885	482,569	579,038	678,063	27,123
Total	838,730	1,558,805	1,897,188	2,207,116	2,525,669	101,027
Share of Total Cumulative Net New Floor Space						
	2011	2016	2021	2026	2031	Annual Ave.
Office	5%	5%	5%	5%	5%	5%
Industrial	5%	5%	4%	3%	2%	4%
Commercial	6%	6%	6%	6%	6%	6%
Institutional	6%	6%	6%	6%	6%	6%
Total	6%	6%	6%	5%	5%	6%
Cumulative Floor Space (Sq.Ft.)						
	2006	2011	2016	2021	2026	2031
Office	192,619	266,124	325,397	362,263	396,287	431,390
Industrial	359,452	466,791	636,591	636,591	636,591	636,591
Commercial	1,785,563	2,235,988	2,557,566	2,753,399	2,932,834	3,117,259
Institutional	1,293,909	1,501,369	1,670,794	1,776,478	1,872,946	1,971,972
Total	3,631,543	4,470,273	5,190,348	5,528,731	5,838,658	6,157,212
Share of Total Floor Space						
	2006	2011	2016	2021	2026	2031
Office	3%	4%	4%	4%	4%	4%
Industrial	1%	2%	2%	2%	2%	2%
Commercial	7%	7%	7%	7%	7%	7%
Institutional	9%	9%	8%	8%	8%	8%
Total	5%	5%	5%	5%	5%	5%
Cumulative Land Use (Acres)						
	2006	2011	2016	2021	2026	2031
Office	3.5	4.9	6.0	6.7	7.3	7.9
Industrial	36.3	47.1	64.2	64.2	64.2	64.2
Commercial	113.9	142.6	163.1	175.6	187.0	198.8
Institutional	39.6	46.0	51.1	54.4	57.3	60.4
Total	193.3	240.6	284.4	300.8	315.9	331.3
Cumulative New Land Required (Acres)						
	2011	2016	2021	2026	2031	Annual Ave.
Office	1.3	2.4	3.1	3.7	4.4	0.2
Industrial	10.8	27.9	27.9	27.9	27.9	1.1
Commercial	28.7	49.2	61.7	73.2	84.9	3.4
Institutional	6.4	11.5	14.8	17.7	20.8	0.8
Total	47.3	91.1	107.5	122.5	138.0	5.5

OFFICE*Current Reality*

- This market is very limited and suitable primarily for local office servicing only.
- All office space in Fleetwood has some form of attached retail or services.

Looking Ahead

- The demand for office space will be moderate. Office land use in Fleetwood is expected to rise by only 9,551 square feet per year,
- In the five years between 2011 and 2016, 60,000 square feet of office space will be added to the region. In five-year periods until 2031, about 100,000 square feet of additional space is expected.
- Office space in Fleetwood is expected to require an additional 0.2 acre per year which is minimal.

Opportunities/Recommendations

- There is the potential to add some regional office on Highway 1 near the 176th interchange.

INDUSTRIAL*Current Reality*

- The industrial market is small and almost built out.

Looking Ahead

- The predicted growth, up to seventeen new acres of new land between 2011 and 2016, and an average annual growth in new land requirements of just over one acre, means that Fleetwood will benefit from Surrey's regional expansion.
- Industrial land use in Fleetwood is expected to grow, rising from 107,000 to 277,000 square feet between 2011 and 2016. This increase reflects Surrey's rapid growth.

Opportunities/Recommendations

- Maintain the status quo.

COMMERCIAL*Current Reality*

- The commercial market is subject to outflow to Guildford Regional Shopping Centre.

Looking Ahead

- Commercial land space in Fleetwood is expected to require new land at a rate of almost three and a half acres a year.
- Fleetwood is predicted to add about 53,000 square feet of commercial floor space annually.
- Fleetwood's commercial land use demands are unmet and subject to considerable outflow.

Opportunities/Recommendations

- There will be an opportunity to grow commercial employment slowly overtime. New lands and developments should be focussed as much in the core area as possible.

INSTITUTIONAL

Current Reality

- The area is suitable for local institutional facilities only.

Looking Ahead

- Institutional use of land in Fleetwood will increase from 207,000 to 376,000 square feet between 2011 and 2016. This demand will develop in line with the rate of residential growth.
- Institutional use of land in Fleetwood is focused more on population-serving uses (e.g. schools). Approximately 0.8 acres per year will be the annual rate of new land required.
- Compared with other regions in Surrey, Fleetwood will show less than average increases in the demand for institutional use land.

Opportunities/Recommendations

- Continue to provide institutional (e.g. schools, churches) to support population growth in Fleetwood.

PLANNING DIRECTIONS FOR EMPLOYMENT IN FLEETWOOD

- Conversion from an employment use to a non-employment use is only supported where development will align with the City's objectives to create thriving, transit oriented, mixed-use centres and corridors
- Protect the industrial land base by limiting commercial to local serving, ancillary retail or commercial uses needed to support industrial activity.
- The Fleetwood Centre Land Use Plan should be amended to provide direction in support of mixed use (residential with office/commercial) along the Fraser Highway. The plan currently is to allow mid to high density residential (e.g. townhouses and apartments). While this is important to provide the population to support commercial employment, the corridor location should be used to its best advantage by allowing office and commercial to generate employment. This would be supportive of potential rapid transit to this area.
- Following the implementation of an efficient transit network (e.g. bus rapid transit) through Fleetwood, allow for parking relaxations in Fleetwood Town Centre to encourage development.
- Undertake branding and marketing, including focused outreach and engagement of the business community to encourage commercial retention and reduction of commercial outflow.

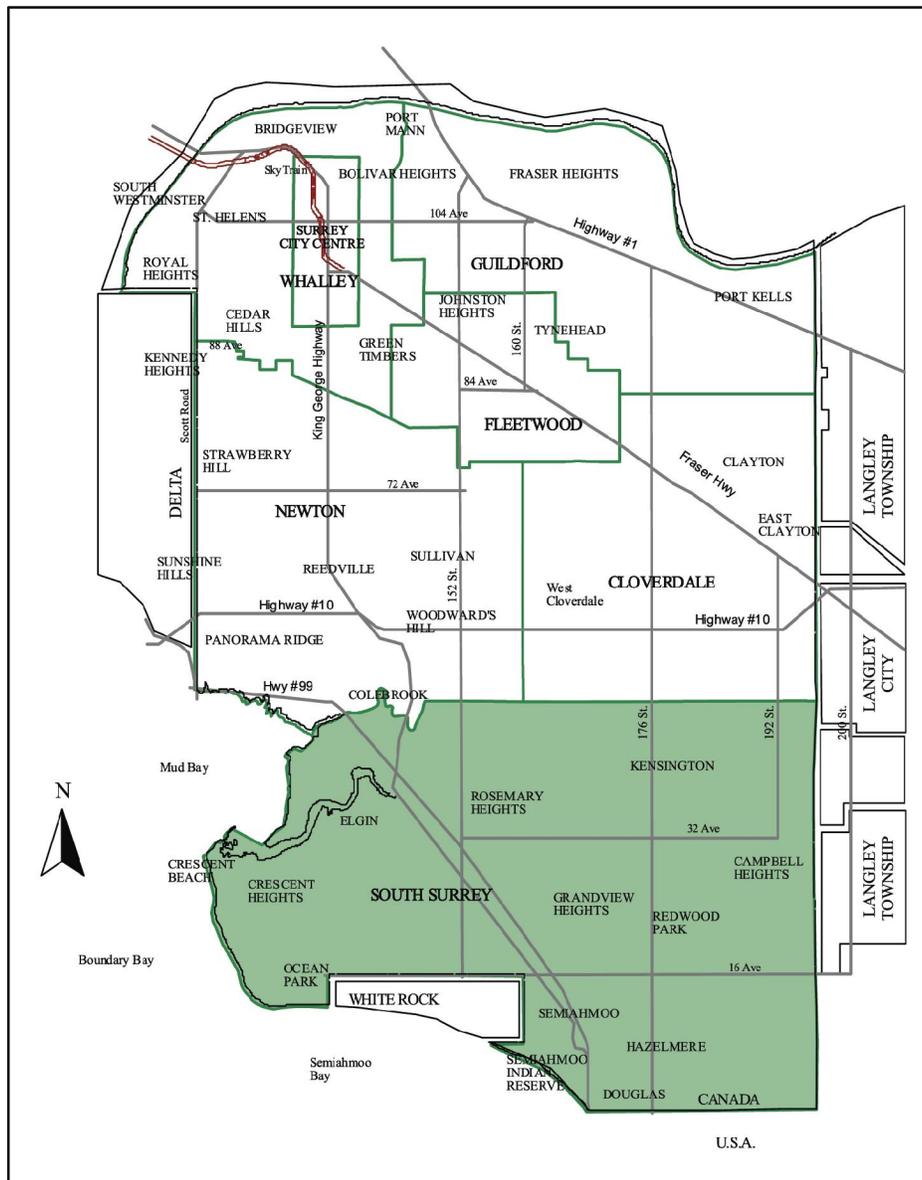
7.3.6 SOUTH SURREY

Context

South Surrey comprises the southern portion of the City to the U.S. border. It lies directly south of the communities of Newton and Cloverdale. Transportation access includes the Highway 99 and the Pacific Highway

South Surrey is generally isolated from the balance of the City of Surrey. It has the most favorable image of any community and is well known across the metro region as an excellent place to work and live. South Surrey has the largest concentration of vacant industrial lands in the City, Campbell Heights. While this area is designated Industrial, some of the lands are still zoned for agricultural use. Land abutting Campbell Heights is in the ALR.

**FIGURE 7-6
SOUTH SURREY**



Source: Modified map from Official Community Plan, 1996

Employment Land Projections

The following chart identifies the floor space and employment land demand projection for South Surrey. It shows net new space, the share of the City total, cumulative space including existing and new, the total share in the future and the required new lands. This projection allows the City to understand the scale and type of employment land demand in this community.

TABLE 7-11

South Surrey						
Cumulative Net New Floor Space Added (Sq.Ft.)						
	2011	2016	2021	2026	2031	Annual Ave.
Office	147,011	265,556	339,288	407,337	477,542	19,102
Industrial	858,710	2,217,111	3,488,046	4,671,896	5,891,220	235,649
Commercial	683,428	1,171,357	1,468,494	1,740,749	2,020,576	80,823
Institutional	314,779	571,846	732,200	878,571	1,028,822	41,153
Total	2,003,929	4,225,870	6,028,027	7,698,552	9,418,161	376,726
Share of Total Cumulative Net New Floor Space						
	2011	2016	2021	2026	2031	Annual Ave.
Office	10%	10%	10%	10%	10%	10%
Industrial	40%	40%	46%	48%	50%	45%
Commercial	10%	10%	10%	10%	10%	10%
Institutional	10%	10%	10%	10%	10%	10%
Total	15%	16%	18%	19%	20%	18%
Cumulative Floor Space (Sq.Ft.)						
	2006	2011	2016	2021	2026	2031
Office	724,416	871,427	989,972	1,063,703	1,131,752	1,201,957
Industrial	1,737,654	2,596,364	3,954,765	5,225,700	6,409,550	7,628,875
Commercial	4,280,921	4,964,349	5,452,278	5,749,415	6,021,670	6,301,498
Institutional	2,096,525	2,411,304	2,668,371	2,828,725	2,975,096	3,125,347
Total	8,839,516	10,843,445	13,065,386	14,867,543	16,538,068	18,257,677
Share of Total Floor Space						
	2006	2011	2016	2021	2026	2031
Office	12%	12%	11%	11%	11%	11%
Industrial	6%	9%	12%	15%	17%	19%
Commercial	17%	16%	15%	14%	14%	14%
Institutional	15%	14%	13%	13%	13%	13%
Total	12%	12%	13%	14%	15%	15%
Cumulative Land Use (Acres)						
	2006	2011	2016	2021	2026	2031
Office	13.3	16.0	18.2	19.5	20.8	22.1
Industrial	175.5	262.2	398.8	526.3	644.7	766.2
Commercial	273.0	316.6	347.7	366.6	384.0	401.8
Institutional	64.2	73.8	81.7	86.6	91.1	95.7
Total	526.0	668.6	846.4	999.1	1,140.6	1,285.8
Cumulative New Land Required (Acres)						
	2011	2016	2021	2026	2031	Annual Ave.
Office	2.7	4.9	6.2	7.5	8.8	0.4
Industrial	86.6	223.3	350.8	469.2	590.7	23.6
Commercial	43.6	74.7	93.6	111.0	128.9	5.2
Institutional	9.6	17.5	22.4	26.9	31.5	1.3
Total	142.6	320.4	473.1	614.6	759.8	30.4

OFFICE

Current Reality

- South Surrey has comparatively less office space than Newton, NW Surrey/City Centre and Guildford/Port Kells.
- Most office space in South Surrey has some form of attached retail or services.

Looking Ahead

- The demand for office space will be steady and strong: 147,000 in 2011 to 265,000 in 2016. Office land use in South Surrey is expected to rise by 19,000 square feet per year.
- Office space in South Surrey is expected to require an additional half-acre of land per year.
- Compared with other regions in Surrey, South Surrey's office market is strong.

Opportunities/Recommendations

- The Grandview Heights/Highway 99 Corridor lands are suitable for higher value office development. Because these lands are on the Highway 99 corridor, they have good access, are in a highly visible location and are in proximity to the population base which will allow people to work close to where they live.

INDUSTRIAL

Current Reality

- There are 616 acres of vacant Industrial designated land in South Surrey, representing 30% of the total supply in this area.
- 2,017 acres (97%) of Industrial designated lands in South Surrey are considered to be underutilized.
- Campbell Heights was recently serviced and is therefore ready for development. Large tracts of single-ownership land mean that land assembly is not an impediment to development.
- Selling prices for land in Campbell Heights increased 300% within the past four years. Demand appears very strong to absorb the remaining lands.
- The Highway 99 corridor has good access with the King George Highway, Highway 99, and the 152nd St truck route. Its location close to the U.S./Canada border is also advantageous.

Looking Ahead

- The predicted sharp spike in growth, 858,000 square feet in 2011 to 2,217,000 square feet in 2016, and an average annual growth in new land requirements of over twenty-three acres, South Surrey is key to Surrey's regional expansion.
- Since industrial space use in South Surrey is expected to surge, rising from 858,000 sq.ft. in 2011 to 5,891,000 sq.ft. in 2031, this area is key to the City's employment growth.
- Compared with other regions in Surrey, South Surrey's industrial land demand is the strongest. Cumulative land demand by 2031 is expected to be 590 acres.

Opportunities/Recommendations

- This market is poised to become the largest industrial area in Surrey and one of the largest industrial districts in Metro Vancouver.
- Campbell Heights should be focused on providing industrial employment with some supporting amenities.
- There is opportunity to capture cross-border business given Campbell Heights' strategic location relative the U.S./Canada border.
- ALR and environmentally sensitive features in Campbell Heights must be considered in future development to ensure appropriate interfacing and environmental protection.
- There is an opportunity to develop the Highway 99/Grandview Heights corridor lands for higher value industrial as they have good access (e.g. on the Highway 99 corridor), have good visibility and proximity to the population base.

COMMERCIAL

Current Reality

- This sector has perhaps the best balance of commercial in Surrey. That said there is no regional shopping mall.
- South Surrey has an attractive and functional Town Centre (Semiahmoo Town Centre).
- There are 91 acres of vacant Commercial designated lands in South Surrey. This amount equates to 31% of the total supply in the community.
- There are 116 acres of underutilized Commercial designated lands. This represents 39% of the total supply in South Surrey.

Looking Ahead

- Commercial space in South Surrey is expected to require new land at a rate of over five acres a year.
- South Surrey is predicted to add about 80,000 square feet of commercial floor space annually.
- Compared with other regions in Surrey, South Surrey's commercial land use demands and projections are strong yet nonetheless below the regional norm.

Opportunities/Recommendations

- The population base of South Surrey provides an opportunity to grow local serving commercial.
- The proximity to the U.S. provides for ser shopping opportunities. Large format retail would be well suited along the Highway 99. A similar finding would apply to an outlet mall.

INSTITUTIONAL

Current Reality

- Region serving institutional uses are concentrated in north Surrey, with local serving institutional in South Surrey.

Looking Ahead

- Institutional use of new land in South Surrey will increase sharply from 314,000 to 571,000 square feet between 2011 and 2016.
- Institutional use of land in South Surrey is focused more on population-serving uses (e.g. schools). Approximately 1.3 acres per year will be the annual rate of new land required.
- Compared with other regions in Surrey, South Surrey will show moderate increases in the demand for institutional use land.

Opportunities/Recommendations

- Local serving institutional should be provided as a priority in South Surrey.
- Some institutional uses could be accommodated in South Surrey around the Town Centre to support the Peace Arch Hospital in White Rock.

PLANNING DIRECTIONS FOR EMPLOYMENT IN SOUTH SURREY

- Conversion from an employment use to a non-employment use is only supported where development will align with the City's objectives to create thriving, transit oriented, mixed-use centres and corridors
- Protect the industrial land base by limiting commercial to local serving, ancillary retail or commercial uses needed to support industrial activity. Retail floor area should be limited.
- The Campbell Heights Land Use Plan includes policy direction to support residential, including Commercial/Residential and Live/Work through cluster housing form. The plan should be amended to focus future development on employment use without a residential component. There is ample opportunity for people working in Campbell Heights to live close by (e.g. Cloverdale, Rosemary Heights, Semiahmoo Peninsula) without having to reside in Campbell Heights itself. In areas currently planned to support residential, it is recommended that the City pursue integrated office and industrial uses. Future office development should be a long-term plan that is contingent on the provision of transit to the area. Ideally office should be located in the north end of Campbell Heights, in which case the City could re-examine where land uses are planned in the context of this employment area (i.e. office relative to industrial).
- The Campbell Heights Land Use Plan should be amended to support EIN and other green friendly approaches to employment.
- The City should consider rezoning lands for industrial use to increase the supply of zoned industrial land available for development. This will have the added benefit of reducing the time allocated to the development approval process and encouraging the uptake of industrial land for development purposes.

- Policy should continue to support an appropriate interface between agricultural and residential uses adjacent to Campbell Heights i.e. through buffer requirements.
- Encourage research and development-based employment growth in Campbell Heights through the cultivation of relationships with knowledge-based institutions.
- Focus on an integrated development in the Grandview Heights/Highway 99 Corridor to encourage a mix of employment uses, including office and industrial and business park development.