



**City of Surrey**  
**Development Advisory Committee**  
**Meeting Notes for February 26, 2009**

File: 360-20 (DAC)  
Date: February 26, 2009  
Time: 2:30 PM  
Location: Planning Room #1,  
Surrey City Hall

**Attendees:**

**Councillors:**

**Members:**

Amy Spencer-Chubey  
Andy Aadmi  
Aubrey Kelly  
Avtar Johl  
Bill Kruger  
Deana Grinnell  
Gopal Sahota  
Greg Sewell  
Jake Friesen  
Jeff Fisher  
Kevin Shoemaker  
Michael Mortensen  
Ron Marr  
Steve Forrest  
Ted Dawson  
Tom Miller

**City Staff:**

Jean Lamontagne  
Judy McLeod  
Ted Urich  
Bob Paterson  
Sam Lau  
Theresa Kidd

1. The minutes of the meeting of January 22<sup>nd</sup>, 2009, were amended with regard to Ted Dawson's and Tom Miller's comments on the market to read:
  - Ted Dawson asked about Assessment for live/work units, noting that the current system negatively impacts the marketability of these units. It was noted that this has been discussed at DAC and Jake Friesen advised that the sub-committee is still fighting these Assessments and it is further compounded with the 2007/2008 assessment if there have been any improvements on the property. Councillor Hunt advised that he would bring up the matter at the next meeting of the Intergovernmental Affairs Committee.
  - Tom Miller advised that in the South Surrey multi-family market there is more traffic in the sales centres, but not any more deals. Their market evaluation shows that if prices drop, on average it seems to be in about \$15,000 increments.

The minutes were accepted as amended.

**2. Park Construction by the Development Sector Proposal-Ted Urich and Bob Paterson**

A Power Point presentation was made by Ted Urich, Parks Planner with the Parks Planning, Research and Design Section of Surrey's Parks, Recreation and Culture department. As well, a draft policy entitled "Private Sector Development of Parks" was distributed to the committee. The draft policy sets out proposed guidelines and procedures for staff to administer the process of private sector development of parkland.

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Three challenges have been identified in the consideration of this policy: 1) sub-standard workmanship, 2) Differences between the developer needs, community needs and available maintenance funding, and 3) Builders damaging developer installed landscaping which is installed in parks during the building construction process. It was noted that this procedure is intended for small, neighbourhood parks intended primarily for use by residents that would live within walking distance of these facilities, and sets out guidelines for the administration of developers constructing parkland, the components of park construction permitted under the policy, components not permitted under the policy and proposed procedures. The benefit of this process is that it will allow park development to proceed in conjunction with the timing of the surrounding development, making it more attractive for developers to be able to market their projects with these amenities in place. The process would be similar to a parks amenity agreement or a park front-ender agreement.

Ted asked for feedback from the DAC on the draft policy.

- Ron Marr asked if this was something that a developer could opt out of if they wanted- Ted confirmed that this process is only followed if the developer instigates it. The developer would have to apply. Ron noted issues in other municipalities with getting parks accepted and asked if this would be time consuming. Ted advised that Surrey would make its parks construction documents on city standards available to the developers to follow.
- Tom Miller wanted to know who stands behind the specs. Ted advised that any deviation from the plan would need prior approval as the city will be taking over the ownership and maintenance.
- Kevin Shoemaker asked whether the projects will be tendered, a price agreed to and how cost over-run would be handled. Ted explained that the price needs to be agreed upon at the time of the servicing agreement. Sam Lau advised that it would not be unlike the 10 year servicing plan, or how the NCPs fees are calculated.
- Jake Friesen advised that Qualico had previously developed 400 lots in Newton and the park remained undeveloped. He felt that it was a detriment to the project. Jake questioned why the City did not want the play structures put in by the developer? Ted Uhrich advised that he would ask Risk Management about the implications, and noted that both the city and the developer would have the same supplier install the equipment. Bob Paterson advised that they would check on operational issues and risk management issues as well.
- Avtar Johl wanted to know if this would include soft costs as well as bonding costs. Ted advised that he will find out and report back to the DAC.
- Kevin Shoemaker questioned developers paying the market value for land in the neighbourhood for environmental compensation planting, and explained that they could use that money towards the park in a more effective way. Ted advised that the habitat licence fees do go back to the parks funds. Kevin stated it s to go to that park not into a general fund. Jean Lamontagne noted that in NCPs all amenity funds collected in a neighbourhood must be spent in that neighbourhood.
- Gopal Sahota asked if there were any environmental impacts anticipated as a result of this process. Ted confirmed that there would not be any environmental impact, as the development would have to be to city specifications.
- Tom Miller wanted to know why irrigation systems would not be permitted under this process. Ted advised underground sprinklers and irrigation systems were generally not installed in neighbourhood parks.

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- Avtar Johl asked the developer would have the 1 year of maintenance requirement. Bob Paterson advised they would have to look into this. Jake advised that these costs would need to be put into the contract and then could be covered. The city's preference has always been that they don't want parks built while houses are still being built as there is a greater risk of the park being damaged. Jake advised that developers want the park first and then the houses built around it so that people will know what amenities are close to them when they buy.
  - Michael Mortensen asked if there were examples of any outstanding pocket parks. Ted advised there is a new one in East Clayton and they would like to put more into other areas.
  - Avtar Johl wanted to know if the City was encouraging pocket parks, as this did not used to be the case. Ted advised the City would like to see more of them, but not the one lot size that had been promoted in the past. Jean Lamontagne advised that ideally, the size of the pocket park in East Clayton is the smallest size that they would like to see is about one acre. Bob Paterson advised that this is also good for crime reduction as well, as the adjacent houses face on to the park.

Bob and Ted thanked the committee members for their input.

### **3. Items for Future Meetings**

Ron Marr suggested that at the next meeting we may wish to discuss the Metro Vancouver Regional Growth Strategy. Jean Lamontagne advised that Judy McLeod has participated in the meetings at Metro for the past year or so. There was a shirt sleeve session with Council about 4-5 months ago with a number of concerns brought forward. Judy advised that each Municipality has been asked for a list of high level concerns on the most recent draft document by the end of March, and the timing would be right for a discussion of the key issues at the next DAC meeting. There will be the opportunity input over the next several months

Other items for future meeting will be:

- Sustainability Development Checklist
- Policy on Conflict of Interest

### **4. Comments on the market:**

- Jake Friesen felt the market is moving along, and is better than it was. A lot of people came out to a grand opening in Coquitlam with Westbuild. Morningstar and Polygon seem to have good sales right now.
- Michael Mortensen advised that he recently received a rate of 1.99% on his variable rate mortgage so he is very happy. There is alot of traffic through the presentation centre.
- Tom Miller feels that there is more traffic and some sales.
- Kevin Shoemaker stated that mortgage rates for a 20 year are around 6%. They are seeing changes in trade pricing in areas like framing a d drywall. Civil contracts have not dropped. Consultants and trades seem more service oriented now. The market is out there it's just finding the right price point.
- Greg Sewell stated that there has been a 12% price reduction on single family lots in Morgan Heights after no new lot sales since last July. They are look at RF12s in the low-mid \$300's and RF9s in the \$400,000's. There are approximately 155 single family lots still available in Morgan Heights.

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- Gopal Sahota advised that a lot of offers are being written but a good portion of the entry level buyers are having difficulty with their financing. People upgrading to higher properties still have to sell their properties. Lending institutions have changed how they look at borrowers, especially self employed people and those with uncertainty around their jobs. CMHC also sometimes puts the hammer down.
  - Ron Marr advised that the appraisals keep coming in so much lower than the house is worth so this seems to be an issue as well. -Gopal Sahota advised that the assessments he's seen have been 10-15% below selling price.
  - Bill Kruger on the development side, things are slowing down, but on the capital side of things, it has been picking up.
  - Aubrey Kelly advised that in their South Surrey project traffic has picked up and they only have 2 properties left. The last two appraisals that have come in were low. In North Surrey they have a few coming on the market in the next few months and the appraisals there are coming in right on target.
  - Avtar Johl noted that on the single and multi-family sales, there does seem to be some movement, and that we just need to find the bottom. It might be a while until the US market starts to turn around. On the single family side of things, sales are just dead. There have been a few sales but perhaps they are close to the bottom.
  - Andy Aadmi feels that the only people buying are not watching the news or reading the newspaper-they do not know what's happening in the market. The banks are making alot of money but they aren't giving it out.
  - Ron Marr expressed concern about activity. There is some movement but it is usually around the publicity based sales strategies. There is very limited movement on MLS and there are only 2-3 sales each week in Surrey. Ron feels that there will be another drop in the market and until small developers start to see some sales, we will not see a change in the market.
  - Kevin Shoemaker has observed that there is a lot of traffic out there, people looking around.
  - Jeff Fisher stated that at the last Board meeting, there was an uptake in traffic and sales-they are uncertain if that is the trend and it's hard to tell.
  - Deana Grinnell is seeing a lot of activity and writing a few deals. Deana feels that people that are buying have been watching the market and they are getting good deals. Some construction costs are coming down. Deana is trying to cut back wherever they can-they don't know where the bottom is. Financing is still a challenge.
  - Steve Forrest feels that the traffic is good and there are price shoppers out there. They have not had anyone walk away from their contract so that is good. Most offers are coming in below list and they negotiate.
  - Michael Mortensen advised that they are getting deals but they're not giving deals to get deals. Traffic has been up for a while now. They feel that things are going to get more difficult before they get better.
  - Amy Spencer-Chubey mentioned that the Federal government put out an incentive for first time home buyers but they did not get any phone calls on it.

The meeting adjourned: 4:03pm