



City of Surrey
Development Advisory Committee
Meeting Notes for October 25, 2007

File: 360-20 (DAC)
Date: October 25, 2007
Time: 2:30 PM
Location: Planning Room #1,
Surrey City Hall

Attendees:

Council Liaison:

Councillor Marvin Hunt

Other Councillors:

Members:

Norm Couttie

Jake Friesen

Tony Kaleel

Steve Kurrein

Matt Nugent

Jas Sandhu

Ben Taddei

City Staff:

Jean Lamontagne (Chair), Planning & Development

Vincent Lalonde, Engineering

Sam Lau, Engineering

Jeff Arason, Engineering

A. Kopystynski, Planning & Development

Preet Heer, Planning & Development

Aileen Murphy, Planning & Development

1. Minutes (Jean Lamontagne)

The minutes from this month's and the September meeting will be considered together at the November meeting.

Action: The September and October meeting minutes will be forwarded to all members as soon as possible.

2. DAC Mandate (Jean Lamontagne)

This item was deferred to the next meeting. A copy of the 1994 Terms of Reference and the 1998 Paper on Issues for Discussion are attached to the September agenda package or may be downloaded from the Surrey FTP site.

3. Density Bonuses (Jean Lamontagne and Preet Heer)

Jean Lamontagne introduced Preet Heer to present and to obtain feedback on the Interim Bonus Density Policy recently considered and approved for a one-year trial period by Council.

Preet Heer reviewed the purpose and application of the interim policy, how bonusing was presently used, the use of the interim policy to allow densities greater than allowed by the OCP in selected areas of Surrey, why the "land value lift" approach was selected for determining the increase in land value, granting bonus density by way of CD by-laws, and outlining the types of amenities to be included as part of bonus density developments.

The following is a summary of some of the points discussed:

- A discussion of the practices related to the "land value lift" approach in other communities in comparison to the Surrey interim policy;
- It was clarified that the lift was based on land value not profit margin.

- The process of determining the lift would be similar to parkland value calculations, involving City Realty and the developer agreeing on a value. The option of an impartial third party was discussed.
- There was discussion about which types of amenities would be accommodated. At present, the greatest need is for affordable housing. Various options for managing affordable housing were discussed (e.g. non-profit societies, covenants, etc.).
- There was a comment that caution be exercised in imposing amenity requirements to avoid impacting the positive momentum for development in Surrey City Centre.

There were the following concerns expressed with the interim policy:

- Will the bonus density approach be extended to other zones to obtain amenities?
- If an amenity is desirable, why not just ask for it?
- Consultation needs to be undertaken before making the policy permanent. DAC members would like to make suggestions based on experiences with the uplift value approach in other communities.
- Owners selling the raw land will want a portion of the lift value.
- In a speculative market, land values will go up and eventually there may be no uplift available to achieve the bonus density.
- Use of this concept may be a challenge in a declining market.

UDI expressed disappointment that the interim policy is being considered by DAC after being to Council. It was noted that this was an interim policy responding to specific circumstances and is basically a one-year pilot project. It was agreed that a subcommittee would be formed to further study bonus density.

Matt Nugent and Ben Taddei volunteered. An e-mail will be sent asking other committee members to volunteer.

A copy of the Powerpoint presentation is available on the Surrey FTP site. Please call Adrian Kopystynski (604 591 4485) to access the site.

***Action:** Committee members are to contact Preet Heer (604 591 4250) if interested in being on this subcommittee.*

4. Development Cost Charges (Vince Lalonde)

Vince Lalonde made a presentation to follow-up about details concerning the DCC program as requested by the committee at its September meeting. The matters requested included: outlining some of the major DCC components on the 10 year Plan, comparing the estimated and actual construction costs for individual projects, and considering some cost indices.

The following is a summary of some of the points discussed:

- The actual costs were about 10% higher than the estimates. This is roughly equal to the annual construction cost increase.
- If anticipated costs are more than the estimated cost, items could be deleted from the 10 year works program, the rates could be increased to have enough money or a combination of the two.

- Is there the ability to make small annual changes automatically without the full referral process to Victoria?
- In addition to the charts shown, one for Parks DCC was requested.
- There was general discussion about: the caps set on floor space when calculating DCC's; how coach houses and secondary suites are considered; the analysis presented was clear and sensible; and the School Board be encouraged to do a similar analysis to achieve more efficient utilization of land for schools.
- Presented a proposed DCC rate increase and rationale for it

Action: There will be followed up on this issue at future DAC meetings.

5. ALR Buffering (Avtar Johl)

Avtar Johl sent his regrets and this item was deferred to the November meeting.

6. Other Business

Vince Lalonde updated the committee on application by the City to the Oil and Gas Commission concerning the insistence by Terasen Gas to have its major gas transmission lines in a lot when crossing road right of ways.

Follow-up: The committee will be kept posted.

7. Review of Market Conditions

The following is a summary of some of the matters discussed:

- Ben Taddei commented that the high-end market is slowing down, however there are no price adjustments. There are more incentives to entice buyers. With layoffs in the manufacturing sector in the east, there is a migration westward, but most are settling in Alberta rather than BC. Ben Taddei is still confident about the next 18 – 24 months, but expects a down cycle afterwards.
- Jas Sandhu indicated that the retail market is busy, vacancy is up; the industrial sector is active but cautious.
- Norm Couttie considers that the market is still good, although it has slightly slowed down.
- Tony Kaleel advised Intracorp is aggressively buying land and price projections are good.
- Jake Friesen has observed a big drop in sales. Increasingly, deals are made and then are cancelled. People are deciding to continue renting, to wait and see what happens with prices. Other markets, notably in Edmonton, are having dropping sales, as well.
- Ben Taddei commented that single-family housing is becoming least affordable. The market for single-family housing is “evaporating.”
- Steve Kurrein concluded that there is no more room for price increases and remaining lots are being sold off as quickly as possible.
- Jake Friesen added that the trade availability situation has eased, particularly in the Fraser Valley & Surrey.

- There was discussion about “Scalpers” which Norm Couttie considers are investors that have cash to buy units and then sell them later when there are buyers in need of housing.
- Jean Lamontagne referred to the monthly lot and building statistics distributed earlier during the meeting.

8. Future Agenda Items

Suggestions for future agenda items can be directed to the Adrian Kopystynski at the Planning and Development Department.

9. Next Meeting and Adjournment

The next Committee meeting is scheduled on Thursday, November 22, 2007.

The meeting was adjourned at 4:30 pm.

Minutes Revised November 23, 2007