



City of Surrey

Development Advisory Committee

Meeting Notes for July 24, 2008

File: 360-20 (DAC)
Date: July 24, 2008
Time: 2:30 PM
Location: Planning Room #1,
Surrey City Hall

Attendees:

Councillors:

Councillor Hunt

Members:

Aubrey Kelly
Tom Miller
Steve Forrest
Michael Mortensen
Harrison Han
Amy Spenser-
Chubey
Andy Aadmi
Herb Locke
Charan Sethi
Jaz Sandhu

City Staff:

Judy McLeod, Planning & Development
Don Luymes, Planning & Development
Sam Lau, Engineering
Jeff Arason, Engineering
Stuart Jones, Planning & Development
Raul Allueva, Planning & Development

1. Minutes of Previous Meeting

It was moved by Steve Forrest and seconded by Andy Aadmi that the minutes of the meeting of June 26, 2008 be received as circulated.

CARRIED

2. Update on next Development Cost Charges (DCC) By-law and Target Milestones

Jeff Arason provided an update on the timing and process for the next review of the DCC By-law, including:

- The City is moving to an annual review of the DCC By-law, with the next By-law scheduled to be in effect on March 15, 2009.
- First Reading of the next DCC By-law will need to occur in December 2008 or January 2009 in order to meet the March 15, 2009 targeted effective date.
- Staff is currently reviewing the City's 10-year servicing plan, and a draft of this plan along with draft DCC rates for inclusion in the 2009 by-law will be brought to the DAC for review in October 2008.
- For projects that pay DCCs at the Building Permit stage, for which there is no "grace period", the suggested target dates for submitting complete applications to allow projects to qualify for the existing DCC rates is October 15, 2008. This target date is a guideline only, and does not guarantee that a building permit will be issued in time to qualify for the existing DCC rates.
- For projects that pay DCCs at the Subdivision stage, which are in-stream before the new DCC by-law is passed and for which there is a 12-month "grace period," the following target dates are suggested in order to allow projects to qualify for existing DCC rates:

- November 1, 2008 – project scoping and/or project detailing package submitted
- January 1, 2009 – drawings accepted and legal documents completed
- February 15, 2009 – servicing agreement issued to developer.
- March 1, 2009 – servicing agreement concluded with all payment received
- March 14, 2009 – final Council approval

Jeff Arason also presented information regarding:

- Clarification of the process of assessing DCCs on projects with either an issued Building Permit, or Building Permit applications under review that undergo a “substantial change.” A “substantial change” has been defined as an increase of more than 5% in the number of residential units, the total floor area of the project, or the developed area of the site, or to changes in the project’s zoning or land uses. For projects with issued Building Permits, DCCs will be recalculated for the substantial change at the DCC in effect at the time of recalculation. For applications (Building Permit not yet issued) that go through substantial changes, DCCs will be recalculated and due on the entire project at the rates in effect at the time of recalculation.
- New Provincial legislation (Bill 27) has introduced changes related to DCCs:
 - Residential units less than 29m² in floor area are exempt from paying DCCs.
 - An annual accounting of DCC revenues, expenditures and reserves must be submitted to the Province by June 30 each year; This information will be shared with the DAC in advance of being submitted to the Province.
- Raul Allueva indicated that a letter will go out soon to developers and consultants reminding them of the March 15, 2009 target date for the next DCC review and application milestone dates to meet the deadline.

3. Development Statistics and Population / Demographic Information on the City Website

Stuart Jones provided a presentation and website demonstration on the land development and building information available on the City website, and on the population and demographic information available. Most of this information is updated regularly: building and development statistics are updated monthly, and population statistics are updated annually. Federal Census information is added as it becomes available.

Tom Miller commended the City for supplying and updating this information so regularly, and indicated that this data is very useful to the development industry.

4. Update on Development Directional Signage in South Surrey

Raul Allueva provided an update on the issue of directional project sales signage for developments in the Grandview area of South Surrey.

- A small working group, including Tom Miller and Rick Bell and City staff, has developed a proposal for amalgamating directional signs into several signboards, to be placed in the City right-of-way at key locations such as major intersections or gateways into the Grandview area. The design of these signs will be attractive, and will allow various projects to be included in a flexible manner (that is, projects could be added or removed from the sign as marketing progresses).
- It is not yet determined whether the City will build the signs and lease space to developers, or whether a group of developers will build “communal” signs.
- It was recommended that the proposal brought to Council for endorsement on the July 30, 2008 agenda, so that construction can be completed in time for the Fall 2008 sales season.

In response to a question, Raul reminded the Committee that individual market signs are permitted under the Sign Bylaw on the development property, or on “off-site” private properties with the consent of the property owner.

Action Item: Raul to prepare a **report** seeking Council endorsement of the new signage as a pilot project to the July 30 Council meeting.

5. Market Conditions Update

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

- Harrison Han of Parklane Homes noted that absorption has slowed, but the amount of traffic through the sales centre remains positive; projects are continuing to meet expected marketing timing targets.
- Steve Forrest of Adera Development also noted steady traffic and some movement of product; he is hopeful for the Fall.
- Aubrey Kelly of Weststone Group noted positive sales of their South Surrey project (44/53 homes sold) and is hopeful of selling the project out in the Fall. On Weststone’s City Centre project, pre-sales have reached the threshold required for financing and construction will commence.
- Amy Spenser-Chubey of the GVHBA noted that the end of 40-year mortgages might create a bump in the first-time buyers’ market.
- Charan Sethi of Tien Sher Construction has closed the sales centre at the firm’s Quattro project, since there are 3 buildings under construction and they wish to complete those units before resuming active marketing of future phases. He notes the mixed messages in the media around general economic conditions creating uncertainty in the market.
- Jaz Sandhu noted slower but steady sales in the Commercial sector. Properties with good cash flow and solid leases are still in demand.
- Michael Mortensen of Grosvenor is hopeful for the Fall, but sees uncertainty in the market, with longer sales cycles and more cautious buyers.
- Andy Aadmi of A & A Construction is concerned that the effects of the US real estate crash and the prospect of higher inflation may seriously affect the BC market. He expects a further slowdown.

- Tom Miller of Intracorp noted a different supply/demand dynamic in the market at present, some areas have excess product, while others remain tight. The speculative investor has disappeared from the highrise condo market.
- Steve Forrest sees motivated sellers accepting lower prices, and suggests that rising inflation rates are a concern.

6. Other Items

In response to a question, Judy McLeod indicated that the Sustainability Charter will likely be launched in September 2008, with the first draft of a Sustainable Development Checklist circulated to the DAC for comment in the Fall.

7. Next Meeting and Adjournment

The next Committee meeting is scheduled on Thursday, September 25, 2008 at 2:30 pm.

The meeting was adjourned at 4:05 p.m.