



**City of Surrey**  
**Development Advisory Committee**  
**Meeting Notes for January 22, 2009**

File: 360-20 (DAC)  
Date: January 22, 2009  
Time: 2:30 PM  
Location: Planning Room #1,  
Surrey City Hall

**Attendees:**

**Councillors:**  
Marvin Hunt

**Members:**  
Amy Spencer-Chubey  
Andy Aadmi  
Avtar Johl  
Bill Kruger  
Deana Grinnell  
Greg Sewell  
Jake Friesen  
Jas Sandhu  
Michael Mortensen  
Raghib Gurm  
Steve Kurrein  
Ted Dawson  
Tom Miller

**City Staff:**  
Jean Lamontagne  
Judy McLeod  
Sam Lau  
Vince Lalonde  
Theresa Kidd

1. The minutes of the meeting of December 4, 2008 were received as circulated.

**CARRIED**

**2. DCC and 10 Year Servicing Plan Update-Vince Lalonde**

- Vince advised the Committee on January 19 Council supported the recommendations of Corporate Report R004 that the City will make no adjustments to the 10 Year Servicing Plan or DCC rates at this time. Staff will monitor the economy and construction pricing in the coming months, and provide a further report to Council in 2009.
- Raghib Gurm suggested that the City and the industry should look at how costs could come down with sustainable solutions, being creative in these slow times. Vince agreed that this was a good suggestion and something the field needs to look at. Vince will review the suggestion and report back to a future DAC meeting.
- Clarence Arychuck suggested that we look at whether the model of DCC is still appropriate (ie. a property that currently has 900sq feet is redevelop and at 3,500 sq feet, with more people likely living in the house and no DCC's charged).
- Vince asked the Committee if they wanted DCC's about support for the option of DCCs charged on a square footage rather than a per unit basis. On average there are 3.2 people in a house across the city. Vince is uncertain how big a problem this is but will investigate it further. Square footage information may not be available where DCCs are collected at subdivision. This process would be administratively more complex.
- Jake Friesen noted that the 1/3, 1/3, 1/3 DCC rate presents a challenge in how it is collected. While the City says it is not charging interest on the deferred rate, interest is built into the cost. He suggested a discount for those who pay upfront. Vince felt this was a good suggestion for the City and the developer and will research it further.
- Andy Aadmi felt that DCC rates should be related to lot and house. Vince agreed that it would be good to look at it in tiers. The average persons per unit are based on Stats Canada figures incorporated into a Surrey model.

- Steve Kurrein observed that the Committee seems less analytical of Parks DCCs than of infrastructure. He felt that we should be more critical of the Parks 10 year plan, noting that \$321 million is a lot of money and the DAC should consider having a meeting in the future about this. Developers are giving up a lot of green spaces, riparian areas, etc. and should be looking closer at this.
- Avtar Johl noted that DCCs coming in are reduced and asked if the City's work plan had been reduced to reflect this. Vince advised that in 2005 when the Olympics were announced, the City decided to advance some projects early and then in the last couple of the years when construction rates were high, the City was able to benefit. He noted that it is important to have a continuous cash, and the City needs to be strategic to make sure that we have monies in reserve still to make sure that necessary infrastructure works can be implemented. There are various plans dependant on slowdowns. Tendering, prices have gone down-the last tender bid for Campbell Heights for sewer, came in quite a bit lower and there were 12 bidders. Although prices are dropping, competition is still there. The 10 year plan is a revolving plan, and the City can only spend what we have collected.
- Vince advised the City has several "shovel ready" lists in anticipation of the federal budget, and some would be DCC eligible from sewer works, to community centres and ice rinks. If they are completed, they will be crossed off the 10 year plan.
- Steve Kurrein asked if the City received a 20 million grant and got some of those projects done, would the City consider reducing the DCC rates. Vince responded that 80% of the DCC projects actually cost more than anticipated. As well, many developers have benefitted from the "grandfathering" under the new DCC rates. If we had a grant, the project would be crossed off the 10yr plan and could reduce the DCC rate on the next anniversary.

### **3. "Fuel Cell" Combined Heating and Power appliance – Raghbir Gurm**

- A Handout provided by Raghbir Gurm.
- 2years ago a project was funded and a few houses in Ottawa had this system in it. By installing the system, it was not reliable and it initially failed. With today's technology, it operates at 600dc and it is very successful-in a hybrid setup with geo-setup, it can generate heat and cooling. It is not ready for commercialization at this time but he would like to do a field demonstration.
- This is an integrated system. There has been a lack of confidence with geo-thermal, and this new system is not solely geo-thermal, but solar seasonal storage. It's not new technology, as it is used in Europe, but it's new for here. A relatively small wall mounted unit would be backed up with gas, and could operate either as either an air forced or hydronic system.. The by-product is heat and some carbon dioxide. The box is wall mounted and it is just under 2meters-it can be water to air pump or water to water pump.
- Raghbir invited anyone interested to email him with an expression of interest. The next cut-off for the Tech fund is February 28<sup>th</sup>. The City also has the opportunity to participate.

### **4. Request for representatives from DAC for the Sustainability Check List and for the Eco-Management Strategy**

- Judy McLeod asked for two representatives from DAC to be part of developing a Sustainability checklist, and action item under the Surrey Sustainability Charter. The representatives would be being part of a focus group to bring the various committees

together (Development Advisory Committee, Heritage Advisory Commission, Agricultural Advisory Committee, Parks Recreation & Culture as well as the Environmental Committee) and have them act as a sub-committee. Jake Friesen, Raghbir Gurm and Deana Grinnell volunteered.

- Judy advised that the City is also working on an Eco-Systems Management Strategy to update mapping and systems of management for Surrey's environmentally significant area. A stakeholders' focus group would likely meet 3-4 times with the first meeting in March. Each meeting would be in advance of the public Open Houses to provide your comments. Clarence Arychuk, Ted Dawson and Avtar Johl volunteered.

## 5. Comments on the market (all members)

- 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.
- Steve Kurrein advised that Townline in December had 8 houses at \$130,000 under their previous asking price and sold out right away. These three developers may have found a bottom to the market and achieved good results.
- Raghbir Gurm noted that we have gone back to realistic pricing rather than speculative pricing.
- Andy Aadmi advised that he has been studying the economy, no one seems to know how long the recession will last. He noticed that prime is 3% but the banks are being overly cautious and won't lend the money. The government should issue a letter to the banks to tell them they have to lend the money.
- Clarence Arychuk stated that it is very slow and only one of his clients is proceeding to design. Owners are wondering if it is worthwhile to proceed any further.
- Tom Miller advised that in the South Surrey single 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.
- Bill Kruger observed that things are slowing down and the phones aren't ringing. The land costs are too high and it looks like a pretty slow year coming.
- Greg Sewell concurred that there have not been any lot sales in recent months.
- Raghbir Gurm stated that it is brutal out there. While the bank rate may be low, the real cost of commercial lending available to business is not the bank rate, but about 6 ¼%
- Jas Sandhu noted a real lack of sales. People aren't adjusting their selling prices because they just can't buy with what they get so they are just holding out.
- Avtar Johl predicted that 2009 will be a very challenging year. On the commercial side of things, there are not a lot of trades going on. We still need to find a bottom to the market so that buyers will be interested. One builder discounted quite drastically and was successful selling the units. The only buyers at this time are end users. Discounted product has to be priced right, possibly at a reduction of 20%. Tom Miller responded that they are already seeing an adjustment of 20% from the peak, and anticipate a further drop of up to 9 or 10%. There is a lot of high rise supply.

- Deana Grinnell had 3 news articles that she felt were interesting-Polygon is offering a \$70,000 Mercedes in Richmond if you buy one of their units. ParkLane has dropped their prices about 15% and are watching as people are starting to look again. She feels that we are still not at the bottom. TD bank advises that people are feeling they are getting a real deal now. The third article was on the condo deposit lawsuits.
- Amy Spencer-Chubey advised that VHB is presenting a 1<sup>st</sup> time buyers seminar in March and usually about 800 people attend. People have been registering for this seminar already which is good news. Peter Simpson has been working very hard to provide good news to the public, and moderate the negative tone in the media.
- Ted Dawson stated that rates for home buyers are good, if they are able to get financing. December and the beginning of January were slow but last weekend they were tabling some deals.
- Jake Friesen advised that the Fraser Valley Real Estate Board reported that December was busier than November. The bottom of the stock market was November and it appears that this is relevant to the housing market. They are not proceeding with new sub-divisions today, due to the difficulty in getting financing. Qualico is getting sales across Western Canada and everyone is optimistic.
- Raghbir Gurm noticed that RF9 has less interest now than RF12. He predicted RF9 lots are going to be the ones that drop the most.
- Jake Friesen noted he has felt that the RF9 product has been overpriced and agrees that it is accurate to say that it will stay there for a long time.
- Michael Mortensen advised that they have seen an uptake in traffic as well, so they are now looking at the big picture as well (ie. stats, jobs, etc). The buyers now are end users and people that are looking at the interest rates. While optimistic, he did not think this is the end either.
- Councillor Hunt advised that Mayor Watts has formed a new Mayor's committee on the Economy to focus on Surrey's Economic Health. They are waiting for the January 27<sup>th</sup> budget, and in ensuring that federal money makes its way across the mountains. He noted that in times of slow down it is time to fix things, to focus on how we can do things better. If the DAC has any suggestions on how to improve or re-engineer things, this is the time to speak up.

## **6. Suggested agenda items for future DAC meetings**

- Tree issues (Introduction of new Tree Manager – Steve Whitton)
- Consultant Report on applications processing

## **6. Next Meeting and Adjournment**

The next Committee meeting is scheduled on Thursday, February 26, 2009 at 2:30 pm.

The meeting was adjourned at 4:15pm