

NOTES

Development Advisory Committee

File: **360-20 (DAC)**
Date: **May 24, 2012**
Time: **2:30 p.m.**
Location: **Planning Room 1,
Surrey City Hall**

Members:

Jake Friesen
Patrick Santoro
Curranne Labercane
Steve Forrest
Maginnis Cocivera
Amy Spencer
Tim Bontkes
Ron Marr

City Staff:

Councillor Hunt
Jean Lamontagne
Jason Owen
Jaime Boan
Sam Lau
Phillip Bellefontaine
Vince Lalonde
Judith Robertson
Don Luymes
Nicolas Lai
Debbie Gallichen

Regrets:

Jas Sandhu
Bill Kruger

Guest

Deb Jack
Roger Jawanda

1. Acceptance of Previous Minutes

The notes of the March 29, 2012 meeting were accepted as distributed.

2. Update - City Centre District Energy Service Area By-law (Jason Owen, Community Energy Manager)

- As a follow up to the March DAC presentation on district energy (DE), Jason Owen gave a brief update based on recent progress.
- The DAC was informed that, since the last DAC meeting, staff has met with Council twice to discuss the proposed DE service area by-law and financial assistance policy for new buildings in City Centre.
- Comments from the DAC were relayed to Council.
- The direction from Council was to bring forward the formal by-law and financial assistance policy for their review.
- Staff will introduce a by-law with the associated financial assistance policy to Council in June.
- The by-law will include two distinct service areas within the City Centre planning boundary:
 1. **Service Area A** includes the "core DE service area" where new buildings will be immediately connected to the DE network;
 2. **Service Area B** consists of the lower planned density areas, generally around the outer areas of City Centre that may not be able to be immediately connected to the DE network but will be required to have some components of their mechanical systems designed to be connectable to the DE system in the future.
- More details will be available once the June Corporate Report has been finalized.

Comments

- A question was put forward as to what happens if the system goes down. Jason responded that the reliability is extremely high but there will be back-up generators in case of a power failure.

- It was asked how this will apply to in stream applications. Jason replied that the by-law will incorporate some flexibility as to how it is applied to in stream applicants.
- Vince that that the need for the by-law was primarily driven by the reluctance of developers to utilize hydronic systems in residential rather than commercial buildings.
- A questions was put forward as to whether the City's estimate of the cost premium of DE ready hydronic heating over a business-as-usual design for heating and hot water systems in multi-unit residential buildings could be reconciled with the estimate provided by Rize? Jason responded that the costs that were used to develop the financial assistance policy were based on estimates provided by Rize, while correcting for some cost savings that weren't acknowledged by the developer on the DE-connected system, such as natural gas boilers that would no longer be necessary. Also, the developers cost estimate included utility grade sub-metering in each of the units which will not be required for connecting to the City's DE system.

3. Arterial DCC's, Road Allowance & Construction Practice (Jaime Boan, Transportation Manager)

- Jaime Boan came to the DAC to discuss:
 1. Equity for additional dedication on major roads; and
 2. Current issues with unfinished road frontages on arterials

Equity for Additional Dedication on Major Roads

- Jaime discussed the needs, costs and impacts and trade-offs for the additional dedication requirements and the impact on the DCC's
- There would be a need for an estimated \$9m more in DCC's annually (based on 2010 arterial construction)(25% increase in the Roads rate) which could discourage development in Surrey
- Municipalities do not typically compensate for the dedication
- Increased staff time/costs in reaching agreements on the land value
- Land values can go up and down fairly regularly which would make it difficult to match with DCC rate changes
- Developer does not directly pay for Arterial construction and cost is similar to extra dedication required
- The City considers the current practice as the best approach

Comments:

- Jake Friesen –it feels that the land owner is being penalized with the requirements.
- Tim Bontkes –would like extra compensation for the additional requirements. He also commented that he would prefer not to see RF lots on arterial roads as he doesn't believe they look good. He also commented that he doesn't want to see the DCC's increase.
- Ron Marr – tends to agree with Jaime's approach;
- Vince Lalonde – when making adjustments, we are thoughtful – increased standards took one to two years to assess and implement; need for more and larger street trees due to small lots inability to grow larger trees; wider bike lanes to meet national standards and encourage cycling; considered standards for mobility on sidewalks – hard decisions; City tried narrower widths on local roads, they became problems for emergency services and the general public, thus we have had to widen them back to original standards;

- Jake Friesen – wondered how the City could take all this land. Jaime replied it is legitimate need/requirement through re-zoning in return for the right to change the land use, which developers benefit from.
- Ron Marr – feels using re-zoning to obtain extra dedication is against spirit of the Act;
- Jake Friesen – we build it and then the City doesn't maintain it; Jaime replied that the City is taking steps to improve pavement maintenance

Development Frontage Improvements Considerations

- Jaime commented that transit services usually follow development; an opportunity to provide parking lanes initially (when transit service is more limited) and then convert the space to travel lanes in future when capacity is needed;
- Aesthetics – finished boulevards can improve saleability of lots/units; would eliminate complaints from residents once moved into new homes;
- Jaime then showed slides of some examples of development frontage issues throughout City;
- Jaime discussed possible interim cross-section options (Collector Standard Pavement Width) where the costs could be lower initially, but higher ultimate cost due to temporary works/reconstruction;
- He then commented on possible ultimate cross section options (Arterial Standard) where the costs could be higher initially, but with more efficient and cost-effective construction; and with no future disruption/damage – approach taken by Township of Langley;
- He said there are many challenges; it can be difficult to justify parking/aesthetic improvements; we would need dedicated funding;
- Jaime said this is becoming high profile issue and may have to be addressed in new NCP's; maybe need levy/area specific DCC's;
- There is a need to review 10 Year Plan and create a program for improving these frontages;
- The current 10 Year Plan does not fully fund arterial frontages in NCP areas;
- The cost to build ultimate arterial frontages with development would be an estimated additional \$5.5 M in DCC's annually or 8% increase in overall DCC rate ;
- So Jaime is wondering where do we go from here? Need to achieve construction of ultimate arterial cross-section with development, but how should it be funded and what about fully funding the arterial program needs? He invited comments from the members.

Comments

- Ron Marr said this appears to be mostly about aesthetics and Jaime agreed, but noted that parking is a big issue too. Jaime said these concerns are primarily coming from home owners, not the developers.
- Tim Bontkes noted that he considers the delay in completing the frontages an issue.
- Ron Marr suggested that perhaps the City needs to look at gravelling or paving some of these problem areas and defer the expense. Jaime noted that the City had evaluated a wide array of options including gravelling but that each option had issues associated with it, such that constructing the ultimate ended up as the preferred approach.
- Vince Lalonde stated that residents who just move into an area complain the most.
- Maginnis Cocivera replied that the aesthetics are not a big issue for sales as everything is under construction thus purchasers do not put any thought to a completed or incomplete road frontage; Ron Marr said in a hot market, it's okay.
- Amy Spencer commented that Surrey has the highest infrastructure costs in Canada.
- General comments were made about upgrading after the fact or try a different compromise.

- Ron Marr noted that a compromise may be appropriate – maybe a 1% increase in DCC's and only do where you have longer stretches of frontage (more efficient construction)
- Jaime thanked the committee and said they will review this issue further and return to the DAC at a future meeting

4. Comments on the Market (all members)

- Bob Marr – the market is slow in his opinion, but is hopeful things will pick up after the summer;
- Roger Jawanda – smaller projects are keeping them busy; lots of townhouse projects;
- Patrick Santoro – they have a project in City Centre, high-rise sales are difficult; held their AGM last week with Bob Rennie as a speaker, who stressed the importance of transit; metro Vancouver is looking at parking strategy;
- Jake Friesen – sales are slow; qualifications are an issue for buyers;
- Amy Spencer – first time home buyers seminar was held in Surrey with 600 attending and affordability was the #1 issue
- Ron Marr – migration to Canada is down; some areas doing well (Coquitlam); agents want building lots in Surrey; existing market is relatively balanced; inventory of new housing is down, demand is falling; Asian buyers are main buyers;
- Tim Bontkes – projects are selling slowly; some deals are being lost due to banking issues;
- Maginnis Cocivera – slowly grinding along; hard to ignore what's happening in Europe; we can have a good opening, but sales can get lost later on down the road; federal government making noise on restrictions of mortgages and credit; doesn't feel super optimistic; lots of uncertainty.

5. Other Business

6. Next Scheduled Meeting – June 28, 2012

The meeting adjourned at 4:00 p.m.