

MINUTES

Development Advisory Committee

File: **360-20 (DAC)**
Date: **November 22, 2012**
Time: **2:30 p.m.**
Location: **Planning Room 1,
Surrey City Hall**

Members:

Tim Bontkes
Maginnis Cocivera
Jeff Fisher
Jake Friesen
Deana Grinnell
Roger Jawanda
Brad Jones
Chris Kay
Curranne Labercane
Ron Marr
Greg Sewell
Gopal Sahota
Jas Sandhu
Jeff Skinner

City Staff:

Jeff Arason
Owen Croy
George Fujii
Nicholas Lai
Sam Lau
Jean Lamontagne
Ted Uhrich
Fay Keng Wong

Regrets:

Don Luymes

1. Acceptance of Previous Minutes

The notes of the June 28, 2012 meeting were accepted as distributed.

2. Parkland Development Cost Charges (Ted Uhrich, Manager, Planning, Research & Design)

- Ted Uhrich presented on parkland acquisition and development cost charges. A copy of his presentation is attached.
- Anticipated growth over the next 10 years.
- Parks Planning is looking for input from the DAC on the proposed parkland acquisition and development cost charges, and a public information meeting will be held on November 29th at 6:00 pm. After receiving input from the DAC and the public, a report will go to Council introducing a new DCC By-law. The new by-law will then be forwarded to the Province for approval, updated, and brought to Council for final adoption.
- In-stream applications will be grandfathered. Only new applications after the by-law adopted will be affected.

Comments:

- Jeff Fisher asked for clarification on what type of building applications will be grandfathered. Ted Uhrich responded that applications that are in-stream before the By-law adoption date will be grandfathered.
- A DAC Member commented that the dedication for parkland acquisition should be 15% for all categories (single family developments and gross density developments). If the different allocations for the different land uses have not been looked at, it may be worth seeing whether single family is doing a lot of dedication right now. Owen Croy responded that we know usage has changed (e.g. before it was not common for families to live in apartments) but it is something that we could look at. Jeff Fisher added that single family houses have

traditionally housed a lot more people than apartments. Those in multi-family units have households according to the unit type.

- Jeff Fisher commented that the value of parkland will double. New Westminster could not meet their 2 acres of park per person to meet their DCC's. We have to really consider the amount of park per person for Surrey or else parkland may end up in the ALR. Developers cannot afford them. Jean Lamontagne responded that at some point as the population increases, density has to increase and parks are going to intensify. There will always be people who say that too much green space is required but we are not in a panic mode at all because most of the development is in the urban containment boundary. Owen Croy added that the 4.2 ha mentioned in the OCP is an aspirational goal and there will be a shift over time. Earlier this year, there was a group that wanted affirmation that there will be 10,000 acres of parkland.
- Jake Friesen commented that he likes parks, but where we are running into a problem is the wildlife corridors. What kind of wildlife are we expecting will use the corridors? It is obvious that we do not want residential near bears, coyotes, etc. so that just leaves wildlife like squirrels which do not need a corridor. In Grandview Heights NCP #4, there is a parks issue, transitional areas, etc. so the non-developable area is too big and makes it less affordable. Owen Croy responded that NCP #4 will be dealt with separately. Jeff Arason added that staff will be going to the Environmental Advisory Committee (EAC) to see what hubs/nodes will be affected. That process is underway and staff will be looking at that.
- Tim Bontkes commented that the ratio of land and population and how Surrey compares with other cities have to be looked at. Owen Croy responded that, in terms of parks, we are behind North Vancouver, West Vancouver, and Burnaby, but we are way ahead of Vancouver if you do not consider the UBC Endowment Lands.
- Tim Bontkes asked if Parks can build up the funds even before the NCP. Jean Lamontagne responded that we have economies of scale that were shown to Council.
- Tim Bontkes also asked if it is possible to buy land nearby and swap it for the preferred land parcel for park. Ted responded that that has been done.
- Greg Sewell commented that one of the problems one of his clients had was that the 5% came back so late. There are often discrepancies between the appraiser's assessment and the developer's assessment. What is the current practice? Is the City going to resolve these values early on because they fluctuate a lot? Nicholas Lai responded that usually the value is given at third reading. Greg Sewell further commented that there should be the ability to establish a date to ensure there is fairness. With complex engineering issues, it is not uncommon to get third reading after final adoption.
- Greg Sewell commented that he was quite surprised by the percentage that was charged to develop small development in Grandview Heights, representing close to 50% of the cost. It was and still seems disproportional. Owen Croy responded that right now the City is paying a lot for lots.
- Greg Sewell commented that there is a lot of land under power lines that could be used for park. Owen Croy responded that the City has lots for dog parks, greenways, BMX areas, etc. Jean Lamontagne asked what about community gardens? Ted Uhrich responded that Parks Planning had brought that idea to the owners, but the owners did not want that.
- Deana Grinnell asked if the DAC could be kept apprised. Owen Croy responded that there will be a public meeting next week and Council's decision on the new DCC By-law will likely occur in early to mid-February 2013.
- Jeff Fisher commented that the ALR should be kept aware of the proposals because it is an issue that every city will face – whether or not to include the ALR in park land. What does

the Regional Growth Strategy mean in terms of the urban containment boundary? Owen Croy responded that the City has done a good job in purchasing some parks.

- Deana Grinnell commented that the connectivity of dykes provide a lot of opportunities and is a fabulous asset. Owen Croy responded that we might see more of that in the future, but farmers have concerns regarding interface issues. The City is also working with Metro Vancouver. Jean Lamontagne commented that the City has achieved a few connections such as Colebrook Rd. Some people who use the dykes for recreational purposes are disrespectful to neighbouring agricultural land (e.g. litter, vandalism, etc.).
- Owen Croy summarized the DAC's comments: the City needs to look at the impact of the ratio of single family as opposed to multi-family, and also needs to look at the trends.

3. New Building By-law Discussion (George Fujii, Acting Manager, Building Division)

- George Fujii provided an update on the new Building By-law. A copy of the By-law had been e-mailed to DAC members.
- The major items that came out of the last discussion George had with the DAC, at the June DAC meeting, included the following:
 - Clarity is important in the new By-law.
 - Reduce red tape but still be cautious of how building permits are done.
 - Provide assurance of professional roles.
 - Continue with the peer reviews rather than field reviews.
 - Consider design.
 - Introduce occupancy permits which eliminate provisional occupancy. There is still opportunity for the owner to sell the unit without the purchaser moving in without life-safety issues, which lenders will like. But there are a few outstanding items (landscaping, etc.). Have cash security to ensure that those items are addressed.
 - Require damage deposit for new homes. From \$5,000 to 10,000.
 - Expand the definition of "building construction"

Comments:

- Jake Friesen commented that the damage deposit for new homes is actually \$2500. The big challenge his company always has is the mechanics to get that money back. It is very time consuming and frustrating. When trying to get letter of credits and deposits back, what will the City do to return the money to the developer? The mechanics have to be put in place to deal with the inspection, etc. It takes about 6 months and by that time the tree dies and a new one has to be put in. Deana Grinnell agreed. Trees, curbs, landscaped boulevards. The inspector often comes unannounced and will make another list. Jean Lamontagne responded that inspectors now have a new tool that provides them with the information. Jake Friesen added that there should be a stamp that says that it is okay.
- Chris Kay commented that it is crucial that the developer is there during the walkthrough.
- Ron Marr commented that part of the problem is that we know that curbs and trees get damaged all the time, but it is annoying how something was approved, is built, and then gets damaged, and that inspectors have different standards. It is time consuming and inefficient to get crews to come out again. Developers fear that another dump truck will hit, for example, their brand new curb. George Fujii responded that we have better

technology now. Before the City did not have enough information. Now it has about 50% more information/programming now.

- Maginnis Cocivera asked about the Certified Professional (CP) Program. Jean responded that it is being updated on a regular basis. The City works with the professionals to work out some of the issues. George Fujii added that the City is reviewing the program. Two professional associations will oversee the program. The City has had the CP Program since 1991.
- Deana Grinnell commented that having a lot more certainty of moving time would help out a lot. Jean responded that not all CP's are equal. The goal was to try to have a bit of a ranking system to deal with the volume. This will make the process faster.
- Jeff Fisher commented that we are a month away from the new BC Building Code. George Fujii responded that it is anticipated that the new Building By-law will go to Council for adoption on January 14th. In-stream applications will be reviewed at the drawing/plan stage. Anything that comes in after January 15th will fall under the new Building By-law requirements, should it go forward.

4. Comments on the Market (All Members)

- Jas Sandhu. From the investment side, things are still quite active. Industrial vacancy rate in Surrey is quite low. A lot of new office construction and the trend is to have them closer to transit stations, which has been an issue in East Richmond. For the last four quarters, retail has outperformed the last 10 years, so it has been very active. Residential is not very active – investors from China have been dropping deals.
- Jeff Fisher. Sales are really slow, with the exception of a few “bright lights” such as MC2 development in Vancouver. The press says that the down market has had effect. What do the conditions in the U.S. mean for our economy?
- Deana. Agree. It is a good time for buyers. The interest rate staying flat is not helping. There is no room to make a mistake right now.
- Gopal Sahota. At a recent conference, noticed a lot of builders/contractors there, which is unusual. Atlanta is currently experiencing a residential boom, prices are going up there, and cheap properties are no longer there. Housing inventory in the U.S. has gone down because there are a lot of non-local investors, so housing starts have increased a bit. There are a lot of rentals. It is predicted that the U.S. markets will be stable for the next year. In Canada, people are saying it should be a slow and steady market. The interior and northern realty boards have noticed blips in the housing market there because of new industry starts (mining, etc.).
- Tim Bontkes. There is variation within Metro Vancouver. Langley and Clayton have been stable, South Surrey not so much. Coquitlam was inflated a bit, but is now back down. It is tough to get financing and do not expect 2013 to be that much different. Has projects in Prince George, which is doing okay and better than here.
- Greg Sewell. No current projects. Land is overpriced. Property in Peachland on hold.
- Ron Marr. The market is 55% below of what is normal. Existing single family volume was lower. Changes in immigration rules have decimated the markets in Vancouver's West Side and Richmond. Prices for single family houses peaked in about June and then dropped a bit, but that is the usual seasonal pattern. Sales on the West Side have gone down a lot compared to last year. There is a lot of new housing in the North Shore. Coquitlam is doing fine. Not going to see a lot of volume in the next little while due to the changes in mortgage rules.

- Maginnis Cocivera. Sales in the first half of the year were good, but the second half really slowed down due to the change in mortgage rules and economics. Looking forward, trying to guess when things are going to pick up. Right now, interest rates are at a record low. Prices have not actually gone down but anticipating that it will. As a result buyers are possibly holding off their purchases until the cheaper rates. Immigration and migration. A lot of young people are moving to Alberta. To address this, policy solutions at different levels of government may be needed.
- Jake Friesen. Inter-provincial migration is as much a factor as immigration. The value of recently purchased condominiums has not gone up significantly so there is a lack of equity built up in them.
- Deana Grinnell. The recently sold-out developments in the region are anomalies.
- Brad Jones. There is no incentive to sell. Slowed down this year. The media is a huge influence. In North Vancouver, the product is the same in six neighbouring developments.
- Roger Jawanda. First half of the year was pretty good. Lots of inquiries. Being optimistic. Lots of smaller projects.
- Chris Kay. Definitely much slower market but far better than 2008. MC2 did well, but in a strong market that does not happen. If prices are relaxed, the product is moving. The problem is land values.
- Jeff Skinner. Had more success than others (Hillcrest did really well). There was downward trending in the summer, higher in the fall. Was pretty successful and not seeing significant decrease in value if the product is decent.

5. Other Business

- Gopal Sahota informed the DAC that his association is lobbying the government that the GST/PST is an outdated tax.
- A DAC Member commented that his company has had letters of credit rejected. They come right at the end of the building permit. To have a letter of credit rejected because it says "landscaped bond" rather than "landscape security" is inefficient, resulting in week-long delays and they have crew there. If applicants could just have a template. Banks at head offices in Toronto have their own template, which contributes to the problem. Jean Lamontagne will have to discuss this with the Finance Department. The DAC Member commented that a template would help.
- Greg Sewell asked if there has been a change in tree preservation. Are developers now paying, for example \$3000/tree, and then what happens? Jean Lamontagne responded that there are trees that are cut without permits, so the City has started keeping track of how many trees. Greg Sewell added that significant trees should be considered. Jean responded that some neighbourhoods want to preserve more trees.
- This is Jake Friesen's last DAC meeting. Jean Lamontagne acknowledged Jake Friesen's contribution to the committee. Guy Young will be taking Jake Friesen's position as Vice Chair of Qualico.

6. Next Scheduled Meeting – January 24, 2013

- Deana Grinnell would like the DFO adjustments to be presented to the DAC.
- Jeff Fisher suggested an update on the OCP be presented to the DAC.

- The meeting adjourned at 4:19 p.m.