

MINUTES

Development Advisory Committee

File: **360-20 (DAC)**
Date: **February 27, 2014**
Time: **2:30 p.m.**
Location: **Planning Room 1,
Surrey City Hall**

Members:

Andy Aadmi
Clarence Arychuk
Tim Bontkes
Deana Grinnell
Nathan Hildebrand
Roger Jawanda
David Porte
Gopal Sahota
Mark Sakai
Kevin Shoemaker

City Staff:

Gagandeep Atwal
Jaime Boan
George Fujii
Nicholas Lai
Jean Lamontagne
Sam Lau
Don Luymes
Karandeep Pandher
Judith Robertson
Fay Keng Wong

Regrets:

Councillor Bruce Hayne

1. Previous Minutes

Amendments were made to the January 23, 2014 minutes, under Item #3. At the end of the sixth bullet, the following sentence was added: "Parking will be free during Council Public Hearings for members of the public attending the Council Public Hearing." Also, under "Comments:", the first bullet was deleted. The minutes were then accepted.

2. Traffic Obstruction Permits (Jaime Boan, Manager, Transportation; Richie Sidhu, Traffic Management Coordinator)

- Jaime Boan and Richie Sidhu provided an update on Traffic Obstruction Permits. A copy of their presentation is attached.
- Changes to date include the following:
 - The City has two traffic management coordinators who review traffic plans and monitor compliance.
 - The Traffic Obstruction Permit has been successfully migrated to a new database which provides integration with the City's workflow/permitting software and mapping system (COSMOS and AMANDA).
 - Traffic obstruction procedures and traffic plan standards have been established.
- Upcoming changes include the following:
 - Request/Authorization to Proceed. After permit is issued, the road will be booked via web application.
 - Bylaw Amendments regarding Permit Fee, Fines and Permit Conditions.
 - Designation of a Traffic Manager by the permit holder. The Traffic Manager will be responsible for all aspects of traffic control related to the permit.
- The City is in the process of developing a web application to facilitate roadway bookings. The web application will have a responsive design as it will be accessible in the field via smartphone or tablet. After the permit has been issued, the Permit Holder will be required to submit a "Request to Proceed" and provide actual dates the roadway will be obstructed. Staff will also review to ensure there are no conflicts with other approvals and provide an "Authorization to Proceed". This will assist in avoiding conflicts or overly impactive projects in an area, City/public awareness of works affecting traffic, and monitoring/site inspections.

- Richie Sidhu provided a brief demonstration of the web application, which has 5 simplified steps:
 - 1) Enter your Permit Number and PIN printed on the permit
 - 2) Select an Approved Traffic Control Drawing you will be using
 - 3) Select a Request Action (add/remove dates or cancel request)
 - 4) Pick your dates and submit the Request to Proceed
 - 5) Receive an Approval Email and print your Authorization to Proceed
- Fee Structure Changes. The Traffic Obstruction Permit fee will become the responsibility of the contractor rather than the developer/owner. The processing fee will cover staff time for reviewing traffic plans (typically 1 hour per drawing) and the performing of inspections to ensure accepted traffic plans are implemented. There will be a lower fee for local roads when a site specific traffic plan is not required. An additional plan review fee will be applied when a traffic drawing requires extensive revisions or multiple iterations (above and beyond the 1 hour review time per drawing allocated as part of the processing fee).
- For general permits, the Traffic Obstruction Permit base fee is \$174 for on arterial, collector, and local (significant impact) roads or \$74 for minor impact on local roads. Additional fees, if required, are \$40 per additional 30 minute plan review for significant impact on arterial, collector, and local roads. Refer to presentation slides.
- For permits related to Servicing Agreement, the Traffic Obstruction Permit base fee is \$381 for arterial, collector, and local (significant impact) roads or \$131 for minor impact on local roads. Additional fees, if required, are \$40 per additional 30 minute plan review for significant impact on arterial, collector, and local roads. Refer to presentation slides.
- The permit holder must designate an individual as the Traffic Manager as part of the permit issuing process. The Traffic Manager is responsible for all aspects of traffic control, must be present at the site or be able to meet at the site whenever requested to do so by the City, and is the liaison to the City to submit the traffic plans and ensure the traffic plans are accurate and current.
- Next steps include a Corporate Report to Council, advising/educating contractors of the new process and fees, and implementing the new fees and "Request to Proceed" process mid-2014.

Comments:

- Clarence Arychuk and Roger Jawanda commented that clarification is needed if there will be a delay in the processing of Traffic Management Plans. Sam Lau confirmed there have been no delays to date and they do not expect any delays in the future as a result of the changes.
- Clarence Arychuk asked why the Traffic Obstruction Permit Fee is not rolled into the Engineering processing fee, which seems to have increased significantly over the past decade. Jaime Boan responded that the Engineering Department has been incurring the costs so far and cost recovery is necessary for the City.
- Clarence Arychuk asked who will be inspecting. Jaime responded that the two Traffic Management Coordinators will be doing the inspecting.

3. Letters of Credit (Karandeep Pandher, Finance Cash Manager; Gagandeep Atwal, Letters of Credit Coordinator)

- Karandeep Pandher and Gagandeep Atwal from the Finance Department's Cash Management section were present to discuss issues and answer questions regarding the Letters of Credit process.

Comments:

- Kevin Shoemaker commented that in the last couple of years, it has been increasingly difficult to get approval for Letters of Credit. When his company has had the bank submit Letters of Credit to the City, they would be rejected for unknown reasons. They do not know what changed and why it is more difficult or if there is more scrutiny. The City has been a stickler on details. It costs time and money for each trip to the bank. Gagandeep Atwal responded that, on the City website, there is a sheet that outlines what information needs to be included in Letters of Credit (at <http://www.surrey.ca/city-services/1410.aspx>, under the heading "Development Fees"). City staff goes by the information on this information sheet, so before you go to the bank, bring the information sheet. Letters of Credit are usually rejected because of an error made by the applicant, developer, and/or bank. An error could result from someone's version not having been updated or a change that the City was not made aware of, such as a change in the company's name, address, etc. Letter of Credits are done electronically.
- Roger Jawanda commented that often projects have multiple addresses.
- Kevin Shoemaker commented that there should not be so many drafts. He read aloud an example of a rejected Letter of Credit his company received and commented that trustees cannot be tied with the parent company. Tim Bontkes agreed, commenting that where Letters of Credits are rejected are where there are various names or partners involved. Gagandeep Atwal responded that if the developer is a child company, the parent company can submit the Letter of Credit. All the applicant has to write is that it is the parent company on behalf of the child company. Sam Lau responded that the City definitely knows there are multiple players involved. Whoever the applicant is, it has to be consistently named on all the agreements (e.g. servicing).
- Kevin Shoemaker further commented that although a company's name may change, there is a document that says that it is the same company legally. Is there a way on AMANDA to identify that it is the same company? Sam Lau responded that the City asks for a title search before the applicant submits the Letter of Credit (the 2-3 week period). If the applicant has a name change, it must inform the City.
- Andy Aadmi commented that it is important to make it easier for a developer in terms of sediment control. He also asked how long it should take to cash a Letter of Credit. Karandeep Pandher responded that once a Letter of Credit gets authorization to be released, the City releases the Letter of Credit right away. In case of cash deposit releases, a cheque will be issued and released on the Friday of that same week for all the releases received Monday to Thursday.
- Roger Jawanda commented that it is easier to get the Letter of Credit reduction than cash back.
- David Porte suggested a performance based program. If a developer is consistently building in Surrey and they perform well (e.g. has never not received their cash back), they could

have their letters of credit reduced from 120% to, say, 100%. The better a developer performs on the criteria, the more benefits they will receive.

- Deana Grinnell commented that Langley has reduced its Letter of Credit to 100% across the board. Letters of Credit add up, doubling the money that is put in. It can be an incredibly long process to achieve the inspections and get the approvals and cash back. David Porte agreed, commenting that sometimes the work has been done for a long time and developers have to wait awhile before they get their money back. Kevin Shoemaker commented that money is tied up when Letters of Credit are not released and developers cannot use it to borrow money. At Polygon, one person is employed to create Letters of Credit and another person is employed to pursue Letters of Credit. On the template, it might be helpful to highlight certain sections asking the applicant to make sure that they have filled out the section correctly (such as including arrows and text that ask if the applicant has entered the right company name or if any information has changed). Karandeep Pandher and Gagandeep Atwal responded that every bank has a different template, it is not standardized, so sometimes these issues arise. It is those details that make a difference. If there are errors on a Letter of Credit, the City tries to make clear the required changes by highlighting and inserting arrows on a copy of the Letter of Credit.
- Jean Lamontagne asked Gagandeep Atwal if the City sometimes gets calls from the bank. Gagandeep Atwal responded that the bank sometimes asked for clarification on what project number they should use.
- David Porte commented that the withholding of Letters of Credit tie up the developer's capital, money that would have been used to invest back into the city.
- Jean Lamontagne commented that after a Letter of Credit is approved, if you want the cheque right of way, you can make the request to be advised when the cheque is ready so it can be picked up directly from Accounts Payable.
- Andy Aadmi and Kevin Shoemaker asked if it is possible, for those companies that have performed well, to give them a break and simply require them to be insured, so no money is exchanged?
- Kevin Shoemaker asked if a fee exists that developers usually do not chase and never get back. Something to do with a prepaid utility. Sam Lau will look into it.
- Andy Aadmi asked how final occupancy can be given if landscaping was not done.
- Clarence Arychuk commented that developers should have the correct file number (pre-fix number 78##-####-## is for Engineering and 79##-####-## is for Planning) because it can confuse the bank.
- Deana Grinnell had asked the Province to work on a best practices guide for Letters of Credit, bond amounts, which might help, because they vary across the board.
- If there are any other questions regarding Letters of Credit, contact Karandeep Pandher or Gagandeep Atwal.

4. Comments on the Market (All Members)

- Gopal Sahota. Sales are strong on the resale market. It has become more of a balanced market rather than a buyer's market. Predicts that the resale market will have more inventory.

- Mark Sakai. The Greater Vancouver Home Builders' Association's survey has been sent out to the municipalities and surveys are being returned. The survey regarding townhouse developments will probably be going out tomorrow. Anyone who has had experience in choosing townhouse locations and wants to participate in that study should contact Mark Sakai.
- David Porte. January was slow. February was slower than January. Porte has two projects in Surrey – one in Panorama and another in City Centre. It seems like concrete units are selling better than wood frame units.
- Andy Aadmi. Cost of housing is making it difficult for young professionals to purchase a home.
- Deana Grinnell. ParkLane Homes has just sold out one of its residential projects. In some places, it seems like a balanced market, but in other places it seems like a buyer's market. People seem settled but cautiously optimistic. Land prices are still high. More and more consumers are demanding more (better neighbourhoods, transit, schools, etc.), so that you cannot offer solely residential areas. Would like to see more employment here. There is a bit too much supply of residential further from transit. Gopal Sahota commented that he agrees with this as he noticed that proximity to transit is important.
- Roger Jawanda. Workload is consistent from the engineering perspective. Construction is pretty slow. In the last month, there have been more enquiries about projects. Last year was pretty tough. Market and sales have been pretty slow.
- Kevin Shoemaker. Polygon is discontented with its sales in South Surrey, but maybe it is just because of what they are offering, such as the development's proximity to power lines. They are getting their share but it has been a struggle. Their townhouse site in Langley is doing pretty well. Polygon had a site in NCP #4, but ultimately dropped it. Where the land price is just right, it is really expensive to put in the infrastructure, and, conversely, where the price to put in the infrastructure is just right, the land price is really expensive. It is hard to find a site in Surrey. Land pricing has been a challenge. Don Luymes asked Kevin Shoemaker what he thought about townhouse/wood frame in South Surrey? Kevin Shoemaker responded that he thought their project would attract people from Richmond, but although it attracted some, it has been slow. It is not like how it was a few years ago. David Porte commented that a townhouse's proximity to transit plays a role. Kevin Shoemaker commented that the transit plan seems like it is orienting all transit within Surrey towards Surrey City Centre when people in South Surrey commute west. Jean Lamontagne responded that 80% of people actually commute within the city.
- Clarence Arychuk. No really big projects due to the costs associated with development.
- Tim Bontkes. It has been really busy on the construction side. Doing well in the market is all based on supply. If Infinity has sites where there is a lot of supply, they put these sites on hold. Paying too much for land and infrastructure.
- Nathan Hildebrand. Canadian Horizons has one project in Surrey and sold some of the smaller units. Now they are marketing their larger lots. They are also looking at the NCP areas.
- Andy Aadmi. No comments on the market.

5. Other Business

- Clarence Arychuk commented that some layers of COSMOS, such as the location of archaeological sites, are not available to the public. This data is expensive to retrieve. Would it be possible to have this available to the public because developers do not want to unexpectedly come across a site with archaeological sensitivity? Sam Lau responded no, because that data is from the Province and the City is not permitted to distribute the data for external use.
- Update: Archaeological site data can be requested from the Ministry of Forests, Lands and Natural Resource Operations using the form on the following link:
<http://www.archdatarequest.nrs.gov.bc.ca/>.

6. Next Scheduled Meeting – April 24, 2014

- The meeting adjourned at 4:20 p.m.