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**Planning & Development Department  
Development Advisory Committee  
Meeting Notes for May 28, 2009**

**Councillors:**

Marvin Hunt

**Members:**Andy Aadmi  
Clarence Arychuk  
Ted Dawson  
Jeff Fisher  
Steve Forrest  
Jake Friesen  
Bill Kruger  
Steve Kurrein  
Tom Miller  
Gopal Sahota  
Kevin Shoemaker**City Staff:**Rémi Dubé  
Jean Lamontagne  
Robert Lee  
Judy McLeod  
Fay Keng Wong**Guests:**

Jim Cox

**Regrets:**Ragbir Gurm  
Amy Spencer-Chubey

## **1. An Overview of the Surrey City Development Corporation – Jim Cox**

Jim Cox presented an overview of the Surrey City Development Corporation (SCDC). Established in 2007, the SCDC is owned by, but is not part of, the City of Surrey. The SCDC follows the same project approval process as the private sector, but may pursue projects that the private sector may not normally be able to do on its own. The SCDC provides a long term revenue source for the City while also helping manage its land assets (investments), and makes things happen that are in the City's interest but would not likely be initiated by the development community.

The SCDC Board includes the Mayor, Councillor Linda Hepner, the City Manager and five independent directors: Ken Nixon (Senior Real Estate, Sears), Allan Davies (former CEO of EPCOR), Michael Geller, Hugh Matthews (Downtown Vancouver real estate lawyer), and Milton Wong. The majority of the Board members are not from Surrey to provide a broader perspective and avoid a conflict of interest. The SCDC is developing a strategic plan and will bring it to Council in the summer. The SCDC received start-up funding and supplies from the City of Surrey, but it should be self-sufficient in one to two years.

### Questions and Comments from the DAC:

- Clarence Arychuk asked if the SCDC only deals with real estate. Jim said yes, but in the long term, the SCDC may go into other areas.
- Jim advised that the SCDC Board was appointed by Council in 2007. A list of candidates were submitted and then approved by Council. Every year, one or two Board members may be replaced.

- Kevin Shoemaker asked if there is a way for residents to find out about the SCDC. Jim commented that although the SCDC has gone out to the Surrey Board of Trade and BIA, it is not yet widely known. The intent this year is to make it widely known.
- Jeff Fisher asked about opportunities for private developers to work with the SCDC. Jim commented that the City's land portfolio is a priority for the SCDC. The SCDC is aware of the land that the City has and opportunities for it and brings a development expertise. It currently has two joint development venture projects where historically that land would have been sold. City lands that are currently being examined by the SCDC:
  - Cloverdale Mall site – Jim asked if anyone has any expertise for this area.
  - Central City North (108 Ave area)
  - Bridgeview is also being looked at.
  - Campbell Heights (industrial uses)
  - Central City Plan – SCDC has released an expression of interest for an expansion of SFU Surrey and future City Hall site.

The SCDC is interested in doing green projects, which may be more experimental, looking at opportunities to build rental housing.

- Steve Kurrein asked about the funding sources of the joint ventures. Jim advised that joint ventures are between the SCDC and private developers are at market value, and they will pay the City back.
- Andy Aadmi asked what the SCDC has done and noted that more people should be aware of this corporation. Jim commented that the SCDC was created only two years ago and has not produced the results it had anticipated, mainly due to the current market. Councillor Marvin Hunt added that the City does not want to have a conflict of interest.
- Gopal Sahara asked what else is the SCDC looking at investing? Councillor Hunt mentioned the possibility of a parking corporation. The idea of a city development corporation is not the traditional route that cities have taken, but it has started being used by such cities as Vancouver, Toronto, and San Diego. Jim added that the city development corporations enable parking and land assembly by bringing in the private sector. The SCDC does not want to get in the private sector's way.
- Tom Miller asked if the SCDC would build. Jim advised that the SCDC may build or approach private developers to build on the SCDC sites.
- Kevin commented that he would like to see the report on the SCDC. Judy McLeod advised that it is currently on the City website and staff will send the link.
- Kevin asked if the SCDC would set up a different company for each project. Jim did not think that is something that the City would do.
- Andy asked if the SCDC is assembling land. Jim advised that lands may be assembled or the SCDC could take over the development of City owned lands, but the SCDC plays by the same rules as private developers and receives no special treatment. Expressions of interest may be made where there is not an obvious adjacent owner. The SCDC has to be transparent.
- Ted Dawson asked what sort of margins the SCDC is looking at. Jim replied that the SCDC will sometimes do the kind of deals that the market developer would not do, but is generally trying to get market returns.
- Kevin commented that transparency and following your mandate is very important. For example, the reason why Polygon has done so well is that it has focused only on

residential and only in the Lower Mainland. Does the SCDC focus on a mandate or a particular area? Potential problems may occur when a mandate is not focused on. Jim gave an example of the area where a developer and the City both had some real estate, and which is an area that has some social issues. The developer approached the City and asked if the City would be interested in a joint venture. The SCDC may invest in this area where private developers would not to advance the City's mandate to revitalize areas. Although it is unlikely that developing in this area will provide a normal market return, the SCDC will do true triple bottom line reporting. Councillor Hunt added that, as an example, the ICBC tower was publicized as a white elephant but it actually made money. It is more a matter of the City acting as a catalyst to help development rather than a matter of the City wanting to make money. The SCDC will not compete with private developers who are already advancing the City's interests in, for example, competing for office tenants.

- Andy asked if anything is being done to find office uses for the Asian Centre. Jim commented that the private owner of the site has left it vacant as he prefers one large tenant rather than multiple smaller ones.
- Ted Dawson commented that joint ventures are complex and advised that one should be careful before entering into one, even if the property is next door. Councillor Hunt commented that the SCDC was established to increase the expertise available to the City.

Jim Cox advised that he can be reached at [jimcox@surreycitydevelopment.com](mailto:jimcox@surreycitydevelopment.com). The SCDC website address is [www.surreycitydevelopment.com](http://www.surreycitydevelopment.com).

## **2. Acceptance of Previous Minutes**

It was moved by Jean Lamontagne that the minutes of the meeting of April 23, 2009 be received as circulated.

CARRIED

## **3. Green Infrastructure Presentation – Rémi Dubé, Judy McLeod, Robert Lee**

Rémi Dubé, Drainage Planning Manager in the City of Surrey Engineering Department, provided a PowerPoint presentation regarding the City's green infrastructure. There are two definitions for "green infrastructure" – integrating and protecting natural systems in the infrastructure network, and building sustainable infrastructure. The City has done quite a bit in terms of drainage and has worked with homeowners. Surrey takes a proactive approach, determining whether to use individual ponds (for infrequent events) or infiltration systems (for more frequent events).

Examples of sustainable development demonstration projects in Surrey include a pervious asphalt parking lot at 146 St and 64 Ave, pervious dog park concrete parking lot at 188 St, and pervious pavement at MEC. A DAC member asked if there is a freezing and thawing problem with these types of pavement. Remi advised that this has not been a problem.

The City's Engineering Department has a Salmon Habitat Restoration Program (SHaRP), which does outreach to schools. Drainage checklists make things go more smoothly by simplifying the design and approval process at all levels.

A green initiative being studied is sewer heat recovery. The heat within sewage can be captured and provided to end users for space heating and/or domestic water heating. The heat is also transferred to heat pumps where the temperature is raised for end use. The City is currently reviewing the feasibility of heat recovery in four identified sites in Surrey City Centre. District heating has been studied in the Semiahmoo Town Centre.

Onsite sewage treatment is another green initiative option, but it has challenges such as a high initial capital cost with a very long payback period and ongoing maintenance cost for running the system. The City is receptive to innovative proposals from developers and reviews them on a case by case basis, but ultimately it is up to the Ministry of Environment for approval.

Tom Miller commented that Richmond is proposing water meters for individual units. Remi noted the City will not be moving in that direction, but has a water wise gardening program and plans to do more outreach.

Judy advised that with the adoption of the City's Sustainability Charter, sustainability policies and practices are being incorporated in the updated OCP and in Terms of Reference for all new NCP's. HB Lanark is working with the city on the Ecosystem Management Study, which involves new mapping and management strategies for ecological significance throughout the city. As well, the Sustainable Development Checklist is being finalized with input from DAC.

The City is working on several Community Energy Studies:

- The City Centre Community Energy Plan is a high level study of policy directions that could be implemented in the City Centre Plan Update (CCPU). A Geo-exchange Study has been completed for Grandview Heights. The City has a report.
- The City partnered BC Hydro in the first phase of a district energy study for the Semiahmoo Town Centre.

Robert Lee advised that the City received a \$60,000 grant from BC Hydro and will be looking at the ability of City Centre for sewer heat recovery.

Judy advised that the City will be working with TransLink to develop options for rapid transit corridors and technologies. Jean Lamontagne added that there will be a rapid transit down King George Hwy to Newton, Guildford, and Semiahmoo. Councillor Hunt mentioned that Fraser Hwy was another potential location for rapid transit.

Questions and Comments from the DAC:

- Jeff asked if all buildings must use a heat recovery system. Rémi replied that if these systems are implemented, the City would have to determine whether to make it a requirement to hook up to the system. It may be necessary to use new powers of the Local Government Act to require hook up and make the systems viable.

- Tom Miller noted that the City of North Vancouver has this type of system.
- Jeff suggested looking into what Southeast False Creek (Olympic Village) is doing.
- Clarence noted that the city should be careful not to price people out of the market in requiring sustainability features. Look carefully at how the by-laws are being used.
- Kevin agreed that homeowners will not pay an extra few thousand for a heat recovery system. We can all be partners, but we have to get utilities involved.
- Jake Friesen commented that Terasen wants to create a division among its entities and have incentives only for single family developments.
- Kevin asked about incentives to get permeable pavers. It was noted Vancouver has permeable pavers in some of their condo developments. Remi advised that there is an added up front and maintenance cost for permeable pavers. Clarence commented that the problem is that for developers/builders, a lot of this infrastructure becomes a last item to deal with and it is the homeowner who is left with maintaining it. Builders and homeowners often have not been involved in the process of getting the pavers. Remi commented that there is a point when drainage does not work, and he is concerned with the amount of the impermeable area in the RF9 and RF9C zones.
- Jeff commented that there was a discussion in Vancouver about electric cars, but it was up to the developer to pay for the infrastructure, so it is essential to understand the infrastructure implications before mandating something.
- Ted mentioned that in one of their projects in Clayton, a road had to be 20 m to service the residential area and that the road could have easily been 18 m and added to the attractiveness of the units.

#### **4. Comments on the Market – All DAC Members**

- Andy commented that the retail market is slow. The low interest rate is the only benefit.
- Jeff commented that traffic and sales have picked up. Whether or not it's a blip, no one knows. In mid June, the Mayor will be speaking to the UDI membership.
- Steve F. commented that Adera has sold out their Brownstones project. A lot of special deals were made in order to sell the units. Traffic was consistent. Getting financing has been tough but one has to be creative and look at new avenues of financing.
- Tom commented that it has been a fantastic spring, which started to materialize in February. Sales were better this month than in previous months. Prices are good for buyers who have low interest rates. He is wondering if they will have a full market in the summer. Some of the promotions have produced sales.
- Bill commented that things are still slow, but have picked up in last month or so.
- Gopal commented that in January/February, credit was a problem. It was okay for people with secure jobs. The only concern in the next while is inflation, factories closing in China, etc. The Bank of Canada will not increase the rates immediately. Compared to sales same time last year, they are only off by 80 units. Sales are hot. The only thing that deters is where the vendors try to increase prices.
- Clarence commented that it is still relatively slow for them, land prices are not workable, maybe a third over value. Construction costs have not gone up much. Fees went up 25% for multiple family developments and went up only slightly for, e.g. 3 lot

subdivisions. There are not enough single family lots. Unless the land values decrease dramatically, there will not be many applications.

- Ted commented that Mosaic has had a lot of success with their new project in Coquitlam. Buyers who do not buy immediately think it is a buyers market, and when they return they come back and see that the unit they had wanted has already gone.
- Kevin commented that immigration is still going strong. Trade costs are down significantly. Quality is better and companies are returning to using their former key trades people. The wood that is being used is better (less pre-fabricated wood is being used because there is not such a rush to meet the demand). Land prices have not gone down that much.
- Jake Friesen commented that sales are good.
- Steve F. asked what is going on with building permits. Jean commented single family building starts are catching up with 2007 numbers.

## **6. Next Meeting (June 25, 2009)**

Potential items to discuss at the next meeting include:

- An update on the City's NCPs
- An update on what has happened to the money received from DCC's. Where is it going? Annual reporting by neighbourhood (NCP). For example, did the money generate the facilities that it was intended for? What was the accounting?

The meeting adjourned at 4:47 pm.