

City of Surrey  
**PLANNING & DEVELOPMENT REPORT**

File: 7908-0052-00

Planning Report Date: December 15, 2008

**PROPOSAL:**

- **OCP Amendment** of a portion from Commercial to Multiple Residential
- **Rezoning** from CD (By-law No. 14876) and CG-2 to CD (based on C-8 and RM-45)
- **Development Permit**

in order to permit the development of a mixed-use commercial and multi-family residential development.

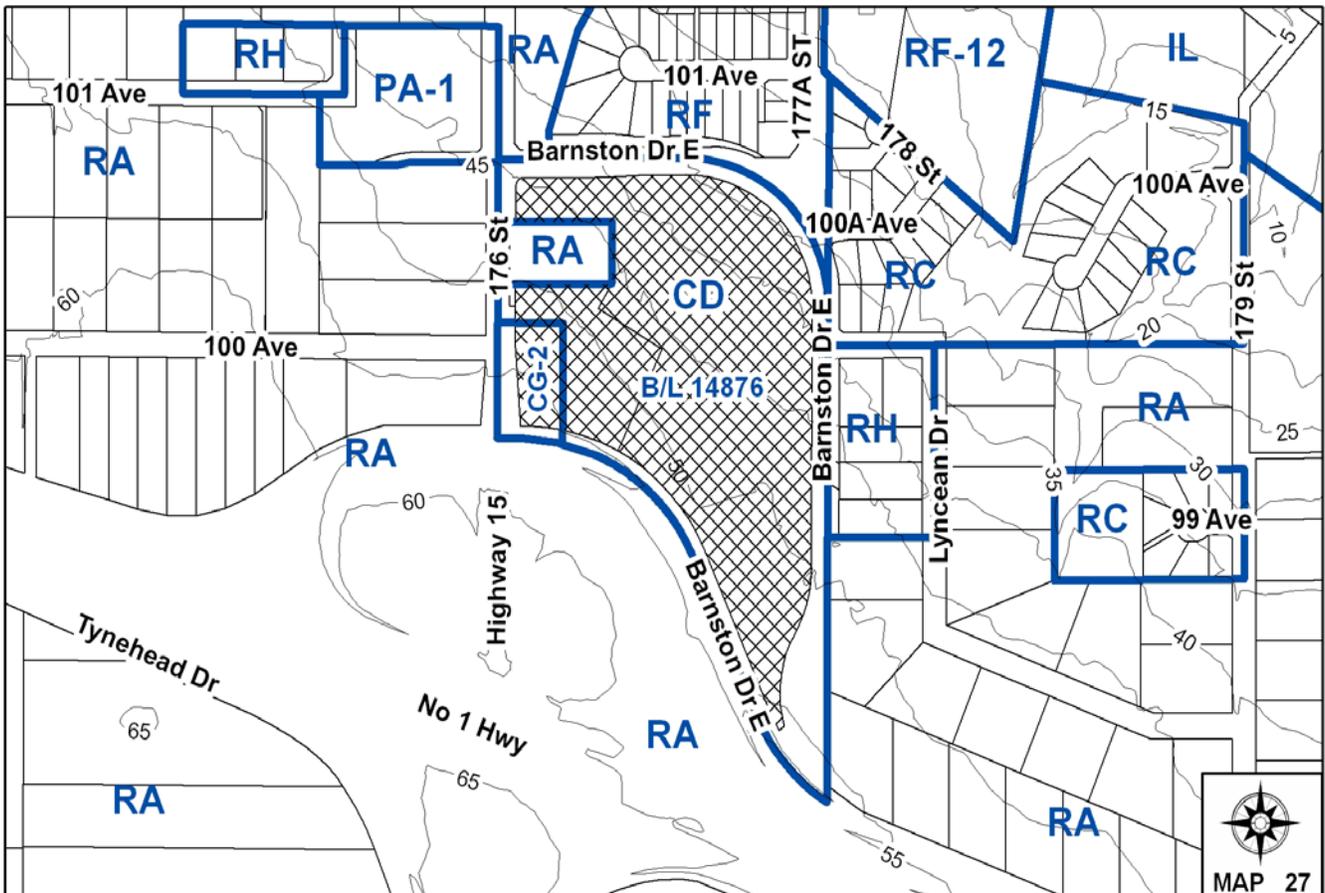
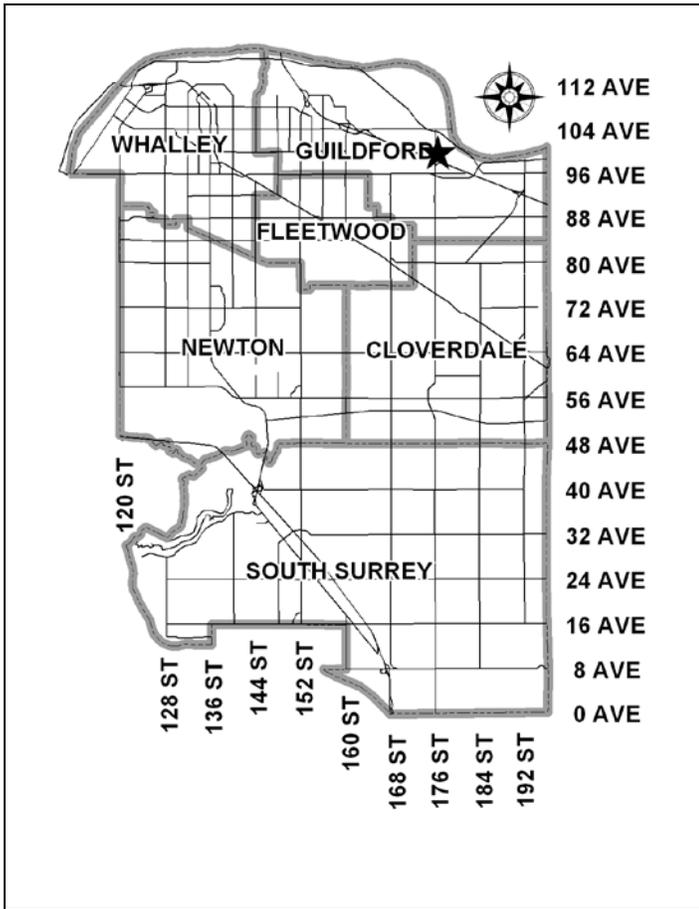
**LOCATION:** 9998 and 10020 - 176 Street;  
 17626 Barnston Drive East

**OWNER:** 0794043 BC Ltd.

**ZONING:** CD (By-law No. 14876) and CG-2

**OCP DESIGNATION:** Commercial

**LAP DESIGNATION:** Commercial



### RECOMMENDATION SUMMARY

- Refer the application back to staff to work with the applicant to bring forward conditions to proceed to Public Hearing.

### DEVIATION FROM PLANS, POLICIES OR REGULATIONS

- Contrary to the Employment Lands Strategy.
- Contrary to OCP policies supportive of business development.
- Requires an OCP amendment of a portion from Commercial to Multiple Residential.
- Requires an LAP amendment of a portion from Commercial to Multiple Residential.

### RATIONALE OF RECOMMENDATION

- While the proposal, if approved, would result in the loss of some employment lands, it has the potential to trigger the development of a neighbourhood village centre with up to 100,000 square feet of commercial space to serve the nearby emerging urban and established suburban neighbourhoods.

RECOMMENDATION

The Planning & Development Department recommends that Council refer the application back to staff to work with the applicant towards developing conditions of approval to allow the OCP amendment and rezoning by-laws to proceed to a Public Hearing.

This report is being forwarded to Council in advance of a full application review process since the application involves a significant policy-related decision and it was not considered practical to undertake all of the work associated with refining and detailing the proposal until it is determined if Council is prepared to consider the related OCP amendment.

REFERRALS

Engineering: No comments provided at this time.

Parks, Recreation & Culture: No comments provided at this time.

Ministry of Transportation & Infrastructure (MOTI): MOTI has indicated that conceptually, the proposed access appears to address major road safety and traffic operational issues but will require submission of a Traffic Impact Study and Road Safety Audit to the satisfaction of the Ministry and the City of Surrey.

SITE CHARACTERISTICS

Existing Land Use: Vacant lands designated Commercial in the OCP.

Adjacent Area:

<b>Direction</b>	<b>Existing Use</b>	<b>OCP Designation</b>	<b>Existing Zone</b>
North (Across Barnston Drive East):	Recently developed single family lots (Application No. 7905-0086-00).	Urban	RF
East (Across Barnston Drive East):	Suburban single family lots.	Suburban	RC, RH and RA
South (Across Highway No. 1):	Anniedale Traditional School	Suburban	RA
West (Across 176 Street):	Suburban single family lots.	Suburban	RA

## JUSTIFICATION FOR PLAN AMENDMENT

The applicant has provided the following rationale to support the proposed OCP amendment:

- The proposed mixed-use project with approximately 9,290 square metres (100,000 sq. ft.) of retail and office space, and approximately 600 residential units in a combination of apartments and townhouses will create a complete community with a range of housing choices and retail/commercial services in close proximity to the Port Kells industrial area and the emerging Fraser Heights urban neighbourhood.

## Staff's Comments

- During pre-application meetings with the applicant, staff expressed a number of concerns over the suitability of the subject lands for this proposal. Concerns were expressed over the loss of employment lands that would result from this proposal, the lack of parks, schools and other amenities in this existing low density suburban community, and the interface of the proposed apartment built form to the existing suburban residential properties on the east side of Barnston Drive East. Concerns were also raised over the impact of the future upgrading of 176 Street to connect Highway No. 1 with the South Fraser Perimeter Road and the Highway No. 1/176 Street interchange upgrades on the subject site.
- The Official Community Plan includes strategic directions and policies which support the creation of neighbourhoods with a mix of land uses that have a variety of housing choices, a mix of residential and business uses which are conveniently located within a short drive or easy walking distance
- The Port Kells industrial area on the north side of Highway No 1 is located within a short commute of the subject site. In addition, the South Port Kells General Land Use Plan proposes a major employment centre on the south side of Highway No. 1. Higher residential densities on the subject site can support both the existing and planned employment centres.
- Located across Barnston Drive East to the north of the subject site is an emerging urban neighbourhood of approximately 59 single family lots as well as the existing suburban community. With the exception of a small commercial node at 160 Street and 104 Avenue, there are no neighbourhood commercial areas to serve the residents in the vicinity of the subject site. The proposal has the potential to create a neighbourhood village centre to serve the local population.

## The Loss of Employment Land

- On November 24, 2008, Council approved the Employment Lands Strategy. This strategy adopts an employment policy that supports the protection of employment lands and creative solutions to generate employment growth. This application proposes the conversion of approximately 4.8 hectares (12 acres) of land designated Commercial in the OCP to a non-employment, Multiple Residential designation. Of specific relevance to the current application are the following policies:

- Conversion from employment use to a non-employment use is only supported where the development will align with the City's objectives to create thriving, transit-oriented, mixed-use centres and corridors.

*While there may be an opportunity to create a mixed-use centre, the subject site is in a relatively isolated suburban location with no current transit service and limited community amenities such as parks, schools, community centres, and other urban amenities. This proposal, if approved, will place further pressure on the City to provide these services to this suburban area.*

- Rezoning commercial land in corridor areas outside City Centre and Town Centres is permitted if 1.5 times more jobs are provided than under the employment typically permitted through present zoning.

*While requested on a number of occasions, the applicant has not submitted any information on the anticipated number of jobs based on the current proposal. It should be noted that the application that rezoned the majority of the site to CD (By-law No. 14876) (Application No. 7902-0105-00) also included a development permit to allow a 16,850-sq.m. (181,377 sq.ft.) shopping centre with 359 parking spaces. The proposed commercial component consists of 9,290 sq.m. (100,000 sq.ft.) of commercial space.*

- Recognizing the need for intensification and redevelopment, City Centre and Town Centres shall support, commercial, institutional, service and residential uses that respect the hierarchy of urban centres within Surrey.

*The subject site is well outside of any established Town Centre, where higher residential densities are encouraged and the supporting amenities and infrastructure are located or planned.*

## DEVELOPMENT CONSIDERATIONS

### Background

- The subject site was the subject of a previous development application (No. 7902-0105-00) which involved an OCP amendment from Suburban to Commercial, a rezoning from Tourist Commercial Zone One (C-T(1)) (By-law No. 5942) to CD, and a Development Permit in order to permit the development of a 16,850-square metre (181,377 sq.ft.) multi-tenant shopping centre development.
- OCP Amendment By-law No. 14875 and Rezoning By-law No. 14876 received final adoption on July 24, 2003 together with approval of Development Permit No. 7902-105-00. This Development Permit regulated the form and character of the first three buildings on the site. Subsequent buildings would have required the issuance of a new Development Permit prior to the issuance of a building permit.
- After receiving final adoption, the applicant marketed the project to a variety of tenants. Due to the overall size of the proposal, the applicant advised that he was not able to secure financing for

the project. As such, the applicant requested a new Development Permit under application No. 7903-0414-00 to allow for the construction of an 8,273-square metre (89,052 sq. ft.) shopping centre.

- In conjunction with application No. 7903-0414-00, the applicant proposed to rezone the service station zoned site located at 9998 - 176 Street under a separate application (No. 7903-0406-00) and consolidate the two properties once rezoning of the gas station site received final adoption. With the adjacent development proposal (No. 7903-0406-00), the total square footage for this initial stage of the development was anticipated to be 8,932 square metres (96,142 sq. ft.).
- The outstanding requirements to complete the rezoning and development permits associated with these land development applications for the subject site were not completed, and the files were subsequently closed in April 2008.
- More recently, the current owner purchased these lands earlier this year through a court-ordered foreclosure of the subject lands.

### Site Description

- The subject site consists of 2 properties with a gross site area of 6.36 hectares (15.73 acres). The subject site is designated Commercial in the Official Community Plan and currently zoned Gasoline Service Station 2 Zone (CG-2) and CD By-law No. 14876.
- The subject site is bordered by four roads: Barnston Drive East to the north and east, the future west-bound Highway No. 1 off-ramp to the south and 176 Street to the west. In conjunction with the upgrades to 176 Street, Barnston Drive will be lowered to create an underpass at 176 Street, which will connect the communities on the west and east sides of 176 Street, but will no longer provide a direct access between 176 Street and Barnston Drive East.
- The land slopes significantly from the southwest to the northeast, and is bisected by the Trans Mountain Oil pipeline right-of-way.

### Current Proposal

- The applicant proposes to amend the OCP designation of a portion of the subject site from Commercial to Multiple Residential and to rezone the entire site from CG-2 and CD (By-law No. 14876) to a new Comprehensive Development Zone (CD) to permit a mixed use residential/commercial development on the site.
- Based on preliminary plans of the proposed commercial/residential land uses, the commercial site is approximately 1.1 hectares, (2.7 acres), and the residential area, with some ground floor retail uses is approximately 4.89 hectares (12.08 acres)(Appendix II).

- The development concept submitted in support of the application shows two (2) stand-alone commercial buildings with approximately 3,670 square metres (39,513 sq. ft.) of ground level retail space with approximately 2,021 square metres (21,765 sq. ft.) of second level office space for a total floor area of approximately 5,962 square metres (61,270 sq. ft.). In addition, the development concept shows approximately 40,383 sq. ft. of ground level retail space in three mixed-use buildings with 3 levels of residential above the ground floor retail space.
- The residential component including the mixed-use buildings proposes a total of approximately 601 dwelling units in eleven (11) 4-storey apartment buildings and 30 townhouse units. The proposed density of the residential component is approximately 122 units per hectare (50 units per acre) with a floor area ratio (FAR) of approximately 1.2.
- The applicant has proposed 297 commercial surface parking spaces, and 950 residential parking spaces located in underground parking garages. The proposed on-site parking satisfies the minimum requirements of Surrey Zoning By-law No. 12000.

### Site Access

- The future upgrading of 176 Street to connect Highway No. 1 with the South Fraser Perimeter Road has posed considerable access limitations to the site. As a result, the main access to the commercial portion of the site is proposed to be provided by a new driveway along the south side of the site. Connection to this driveway would be via a single north-bound right turn lane from 176 Street at the Highway No. 1 westbound off-ramp left turn intersection, and a single right turn lane from the Highway No. 1 westbound off-ramp at 176 Street. Secondary access to the site includes three driveways from Barnston Drive East, one of which will facilitate the movement of commercial customers, and the other two driveways provide access to the underground parking for the proposed multiple unit residential buildings. The development concept also proposes a right-out egress on 176 Street north of the existing Fire Hall site.
- The Ministry of Transportation and Infrastructure (MOTI), Gateway Program, has indicated that conceptually, the proposed access appears to address the major road safety and traffic operational issues in this area.
- MOTI is currently in the process of awarding the Port Mann Highway No. 1 widening contract which includes works at the 176 Street interchange. The applicant will need to work with the successful proponent and demonstrate to MOTI that the proposed access concept will not negatively affect safety or operation of this interchange.
- These site access issues will need to be resolved prior to final adoption of a rezoning by-law.

### Fire Hall

- Surrey has an existing fire hall located at 10042 – 176 Street. City staff have been in discussions with Gateway Program staff with respect to the potential relocation of the fire hall to a site located on the west side of 176 Street.
- If the fire hall is relocated, the subject site should be sold and incorporated into the proposed development. If the fire hall is not relocated, additional access to the fire hall is required through the development site.

- Currently, the applicant is indicating a shared driveway through the fire hall site. No discussions have taken place with the Fire Department. Resolution of any shared driveway access would be required.

### PRE-NOTIFICATION/PUBLIC INFORMATION MEETING

Pre-notification letters were not sent with respect to this current proposal as this application involves a significant policy-related decision and it was not considered practical for the applicant to undertake all of the work associated with refining and detailing the proposal. However, the applicant presented the proposed commercial – multi-family development concept at a Public Information Meeting held on June 25, 2008. Planning staff provided the applicant with mailing labels advertising this meeting, with the boundaries of the notification area being 172 Street to the west, 181 Street to the east, 104 Avenue/Daly Road to the north and Highway No. 1 to the south. Approximately 48 residents attended the open house.

From the attendees, 24 comment sheets were submitted which are summarized as follows:

- 16 respondents supported the mixed-use development, but there were concerns about how the children could safely get to school.
- 23 respondents strongly supported the commercial development, two that supported the inclusion of a service station on the site.
- 4 respondents were concerned that the project was too dense;
- 2 respondents were concerned that the future residents would park on the surrounding streets, as is the case in most multiple residential developments and there is inadequate parking for the commercial customers;
- 1 respondent was concerned about the impact on the existing suburban neighbourhood, the lack of public transportation, the lack of amenities and parks, potential school impacts, and this development being an island in isolation from the remainder of the community; and
- 1 respondent was unsure as to how they felt about the development.

### PROJECT EVALUATION

The following is a summary of the benefits and concerns of supporting the proposed mixed-use development.

#### *Pros*

- The site has been vacant for a number of years with the previously approved commercial developments never proceeding. With the construction of the new interchange and the upgrading of 176 Street to handle the future traffic volumes from the South Fraser Perimeter Road, the access to the site has been compromised, jeopardizing the commercial viability of the site. The additional residential units proposed in this relatively Suburban area could provide the critical

mass required to attract tenants to make the commercial development economically viable.

- The proposed multi-family residential component of this proposal can help support the nearby Port Kells industrial area and the planned employment centre in the South Port Kells General Land Use Plan.
- With the exception of a small commercial node at 160 Street and 104 Avenue, there are no neighbourhood commercial areas to serve the residents in the vicinity of the subject site. The proposal has the potential to create a neighbourhood village centre to serve the local population.
- The site is separated from the surrounding suburban and emerging urban neighbourhood by two major highways, and Barnston Drive East, creating a somewhat self-contained development which will not impact the existing character of the neighbourhood.
- The proposal represents a major departure from the current Commercial designation of the subject site in the OCP and presents an opportunity to achieve significant community benefits. As defined in the OCP, significant community benefit means immediate, tangible community benefits such as affordable housing, community amenities, significant additional parkland, significant land dedication, or any other proposed development that Council deems to be a significant community benefit.

#### *Cons*

- This application, if approved, will result in the loss of approximately 4.8 hectares (12 acres) of lands designated for employment uses. This would be at odds with the recently approved Employment Lands Strategy and the longstanding objectives and policies in the OCP intended to support business development.
- The OCP designates the subject lands as Commercial and includes policies to support employment uses. One of the key policies in this regard is to ensure that there is sufficient supply of developable land available in appropriate locations to facilitate accelerated business growth.
- The Employment Lands Strategy notes that there is limited opportunity for commercial development on vacant lands in the Guildford – Port Kells area and identifies the subject site as the largest area of vacant land suitable for business development. The Strategy recommends that the City capitalize on the supply of vacant designated commercial lands around Highway No. 1 and develop commercial/office where possible.
- The proposed residential development will create additional traffic impacts on the surrounding road network. Transit is not available in this area, and therefore, there could be an additional 1,200 vehicles generated by the 597 residential units proposed.
- The subject site is not served by public transit and lacks schools, parks and other urban amenities.

## OPTIONAL COURSES OF ACTION FOR COUNCIL

### Option A: Deny the application

#### *Pros*

- Supports the current land use policies and Council approved plans to ensure adequate land supply to facilitate long-term economic growth and to preserve the Commercial designated land for business uses.
- Supports the recommendations of the recently approved Employment Lands Strategy.
- Maintains the tax and employment base opportunities for the City.

#### *Cons*

- With the recent down turn in the economy, it may be some time before the site is developed into a regional retail centre.
- An opportunity to create a compact mixed-use neighbourhood centre that can support both the existing and planned employment centres in North and South Port Kells will be lost.

### Option B: Refer the application back to staff to work with the applicant in developing and bringing forward conditions of approval that will allow the application to proceed to Public Hearing

- Under this option, Council would refer the application back to staff to work with the applicant toward developing conditions of approval to allow the related OCP amendment and rezoning by-laws to proceed to a Public Hearing. This process would include additional public consultation, refining and detailing the site development plan, and determining engineering servicing conditions, amongst other things that are part of the normal application review process.

## CONCLUSION

- The current proposal, if approved, would result in the loss of approximately 4.8 hectares (12 acres) of employment lands. On the other hand, this proposal presents an opportunity to create a neighbourhood commercial village centre with up to 9,290 square metres (100,000 sq. ft.) of commercial space to serve the nearby emerging urban and established suburban neighbourhoods. The subject site has remained undeveloped for sometime and with the recent downturn in the economy, it may be some time in the future before any development takes place.
- If Council is of the view that the relative merits of the application are sufficient to allow the application to proceed, staff should be directed to work with the applicant to complete and refine the application and bring forward a subsequent Planning Report with conditions for consideration of approval to proceed to Public Hearing, addressing the following:

- Ensure that all Engineering Department and Parks, Recreation & Culture Department requirements and issues are addressed to the satisfaction of the General Managers of Engineering and Parks, Recreation & Culture, respectively;
- Final resolution of the fire hall location and any potential access connections through the site required to maintain service response time and safe access for the Fire Department in the response to an emergency, to the satisfaction of the Fire Chief;
- Submission of a Traffic Impact Study and Road Safety Audit and implementation plan of the recommendations in those reports to the satisfaction of the Ministry of Transportation, the Gateway Program and the Transportation Division of the Engineering Department;
- Finalization of the road dedication requirements for the highway infrastructure improvements;
- Finalization of the road profile and road requirements to facilitate the tunnelling of Barnston Drive East under 176 Street;
- Approval from the Transportation Division on traffic access points and circulation through the site;
- Submission of a jobs analysis indicating the number of jobs anticipated to be generated by this proposal versus the number of jobs that would be generated under the existing commercial zoning of the subject property;
- Provision of community benefit to satisfy the OCP Amendment policy for Type 2 OCP Amendment applications; and
- Reconfiguration of the proposed site layout and building design to address the following urban design issues:
  - The site layout and building configuration of the proposed shopping centre is not conducive in achieving a sense of "place". The retail spaces are not continuously connected to achieve a safe pedestrian-friendly shopping environment since the store fronts are separated by surface parking lots and drive aisles. As there are no other community facilities close by in this neighbourhood it is important for this project to provide a sense of place such as a village-style centre for the community. Therefore, the proposed site layout and building design should be reconfigured incorporating site planning which address "place-making" principles;
  - Reconfiguration of the proposed site layout and building design to provide a better interface with the existing suburban acreage lots across Barnston Drive East to the east. One option in this regard would be to replace the proposed apartment buildings with 2 to 3-storey townhouses;
  - Appropriate building siting and design, and sufficient screening and buffering to mitigate traffic noise from 176 Street and Highway No. 1; and

- Resolution of the proposed gas bar component. The proposed gas station is auto-oriented use and significant design efforts would be required to accommodate such a use in a "village centre" where pedestrian activities should be paramount.

### INFORMATION ATTACHED TO THIS REPORT

The following information is attached to this Report:

Appendix I. Lot Owners and Action Summary  
Appendix II. Proposed Development Concept  
Appendix III. CD By-law No. 14876

Jean Lamontagne  
General Manager  
Planning and Development

LAP/kms

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Information for City Clerk

Legal Description and Owners of all lots that form part of the application:

1. (a) Agent:     Name:             Richard Bernstein, c/o Chris Dikeakos Architect  
                  Address:         3989 Henning Drive  
                                      Burnaby BC V5C 6N5  
                  Tel:                 604-291-2660

2.     Properties involved in the Application

- (a)     Civic Addresses:         9998 and 10020 - 176 Street; 17626 Barnston Drive East

- (b)     Civic Address:         9998 - 176 Street  
       Owner:                 0794043 B.C. Ltd., Inc. No. 0794043  
                                      Director Information:  
                                      Joginder Dhaliwal

No Officer Information Filed

PID:                     024-203-670  
Lot 1 District Lots 389A and 390A Group 2 New Westminster District Plan  
LMP38539

- (c)     Civic Address:         10020 - 176 Street  
       Owner:                 0794043 B.C. Ltd., Inc. No. 0794043  
                                      Director Information:  
                                      Joginder Dhaliwal

No Officer Information Filed

PID:                     024-203-696  
Lot 2 District Lots 389A and 390A Group 2 New Westminster District Plan  
LMP38539

- (d)     Civic Address:         17626 Barnston Drive East  
       Owner:                 0794043 B.C. Ltd., Inc. No. 0794043  
                                      Director Information:  
                                      Joginder Dhaliwal

No Officer Information Filed

PID:                     024-203-700  
Lot 3 Except Part in Plan BCP28915 District Lots 389A and 390A Group 2  
New Westminster District Plan LMP38539

3.     Summary of Actions for City Clerk's Office