

NO: R174

COUNCIL DATE: July 26, 2010

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## REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **July 23, 2010**

FROM: **General Manager, Finance &  
Technology**

FILE: **3900-20**

SUBJECT: **Build Surrey – Civic Centre Projects**

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## RECOMMENDATION

The Finance & Technology Department recommends that Council:

1. Receive this report as information;
2. Direct the City Clerk to bring forward for the required readings a by-law as contained in Appendix “B” of this report, to obtain through the Municipal Finance Authority (MFA) the necessary funding for the construction of the new City Hall in City Centre as described in this report that is part of the “Build Surrey” Program; and
3. Authorize the General Manager, Finance & Technology, to enter into discussions with the MFA in support of Recommendation #2 and take all other necessary actions.

## INTENT

The purpose of this report is to provide information about and seek Council approval related to working with the MFA to put in place the necessary funding to construct a new City Hall in Surrey City Centre. This project is part of the “Build Surrey” Program and is considered significant to the on-going development of the Surrey City Centre area as a Regional Metropolitan Centre as envisaged by the Regional Growth Strategy. The City Hall is being constructed in conjunction with a new large Community Plaza.

## BACKGROUND

At its Regular meeting on March 1, 2010, Council approved the “Build Surrey” Program that consists of a series of large scale capital projects across all of the City’s communities in support of business development in the City and the City’s expected growth over the next ten years. The projects included in the “Build Surrey” Program are outlined in Appendix “A” and are to be constructed in a series over the next six years.

The “Build Surrey” Program has committed to making a series of public investments in the Surrey City Centre area. Amongst those commitments is the construction of a new City Hall and a large Community Plaza that will act as a community gathering place for special events. These projects were also included in the Five Year (2010-2014) Capital Financial Plan that was approved by Council late in 2009.

At its Regular meeting on June 21, 2010 Council considered Corporate Report No. R138 that provided information about the City Hall and Community Plaza projects including the following:

“A fundamental element of any “great city” is a vibrant active City Centre/downtown area. The Surrey City Centre will be a pedestrian-friendly hub that provides a wide range of high value jobs, services, educational opportunities, entertainment, residences and open spaces. The area will include a mix of retail, office, hotel, entertainment, government, institutional and residential development. To achieve such a downtown area, both public and private sector investments are necessary. In this regard, the City of Surrey through the Build Surrey Program has committed to making a series of public investments in the Surrey City Centre area including the following:

- the recently completed Chuck Bailey Recreation Centre,
- a new 75,000 sq. ft. flagship City Centre Library that is currently under construction,
- a large covered youth park in Tom Binnie Park that is currently being designed and will be under construction later this year;
- a new City Hall;
- a large City Centre civic plaza; and
- a regional-scale Performing Arts Centre.

These City investments are acting and will act as a catalyst to attract private investment to the City Centre area as is evidenced by several new high density private projects that are being planned for construction or are under construction in the Surrey City Centre. This private investment is expected to continue at an accelerated pace. Over time, as a critical mass of high density development occurs in City Centre, private sector investments in high density urban developments are expected to dwarf the City’s investments in the City Centre area.”; and

“The City has retained Kasian-Moriyama Architects to prepare a design for the new City Hall building and the civic plaza, which is to be located adjacent to the new City Hall. These projects will be constructed on a site fronting the south side of 104 Avenue, immediately east of University Boulevard and immediately north and east of the new flagship City Centre Library in Surrey City Centre. Construction of the City Hall building with a floor area of approximately 180,000 square feet and of the civic plaza with a capacity of 5,000 people is expected to commence in early 2011 and take approximately 30 months with completion scheduled for the Fall of 2013. The “Civic Plaza” will serve as a gathering place for large civic celebrations and other outdoor activities and events for Surrey residents and visitors to enjoy on a year round basis.

The new Library and City Hall referenced in this report are being designed with a view to being connected to a district energy system so as to be energy efficient and assist in achieving the City’s sustainability objectives.

Locating the new City Hall and Civic Plaza in the City Centre reinforces the City’s commitment to building a strong downtown core and sends a strong, future-looking signal to the private sector.”

## DISCUSSION

Corporate Report No. R138 that was presented to Council June 21, 2010 identified that the net cost of the construction of the new City Hall is approximately \$50 million. In addition, a contingency allowance is currently set at \$10 million; however this amount will be further refined as the detailed design and tendering process nears completion. The remaining borrowing for the project of \$37 million will be offset by the anticipated revenue that will be generated from the lease of the existing City Hall and ancillary buildings. The City's Five Year Financial Plan includes the necessary provision for the repayment of the remainder of the required funding.

Subject to Council approval of the recommendations of this report, staff will initiate the process of obtaining the necessary funding through the MFA by way of introduction of a Loan Authorization By-law. It is estimated that the entire process of obtaining funds through the MFA will take approximately six months, which will coincide with the expected award date for construction contracts to commence the construction of the civic centre projects to which the report refers.

## SUSTAINABILITY CONSIDERATIONS

The Civic Centre projects to which this report refers will support the following Surrey Sustainability Charter scope elements, among others:

- SC6: Accessible and appropriately located services within the City;
- EC2: Fostering an economy that is balanced and sustainable;
- EC9: Ensuring quality of design in new development and redevelopment;
- EN10: Integrated community energy master plans; and
- EN13: Enhancing the public realm.

The project also supports the Surrey Economic Investment Action Plan element "*Capital Spending to Build Infrastructure and Create New Jobs*". This includes the City of Surrey making significant capital investments that invigorate the City's economy.

## CONCLUSION

Based on the above discussion, it is recommended that Council:

- Direct the City Clerk to bring forward for the required readings a by-law, as contained in Appendix "B" to this report, to obtain through the MFA the necessary funding for the construction of the subject Civic Centre Project that is part of the "Build Surrey" Program; and
- Authorize the General Manager, Finance & Technology, to enter into discussions with the MFA in support of Recommendation #2 and take all necessary related actions.

Vivienne Wilke, CGA  
General Manager,  
Finance & Technology

### Attachments:

Appendix A: "Build Surrey" Program  
Appendix B: Loan Authorization By-law

## APPENDIX A

### **“Build Surrey” Program**

The projects that are included in the “**Build Surrey**” Program are listed below by community with a brief description and an approximate implementation schedule (in parenthesis) for each project:

#### **Newton:**

##### ***New Artificial Turf Field and Seating at Newton Athletic Park (2010-2011)***

In partnership with Kwantlen Polytechnic University a new artificial turf field will be installed at the Newton Athletic Park and will include grandstand seating for 500 people, lighting for night use and a digital score board and game clock.

##### ***New Recreation Facilities in Newton Athletic Park (2010-2016)***

Newton Athletic Park remains one of the City’s most well used outdoor recreation venues offering an array of recreational opportunities. The City will construct on an annual basis additional recreational amenities in Newton Athletic Park including volley ball courts, children’s’ play area, additional parking facilities, etc.

##### ***New Artificial Turf Field at Tamanawis Park (2011)***

A second artificial turf field will be installed at Tamanawis Park that will be focused on providing additional field hockey capacity to meet the growing demand in this area.

##### ***Relocation of the Newton Bus Exchange (2011-2012)***

The Newton Transit Bus Exchange on 72 Avenue at the north end of the Newton Wave Pool will be relocated to a new location on King George Boulevard south of 72 Avenue to provide additional capacity to accommodate the growing transit ridership in and through Newton and to reflect the opportunities available within the Newton Town Centre to create a vibrant pedestrian-oriented environment.

##### ***New Newton District Police Station (2011-2012)***

A new building will be constructed in the vicinity of the new Newton Transit Exchange to house the RCMP Newton District Police Station fronting King George Boulevard.

##### ***New Newton Fitness Facility (2012-2013)***

A significantly expanded fitness facility will be constructed at the Newton Recreation Centre/Wave Pool to better meet the demands of the continuing growth in Newton.

##### ***West Newton Community Park Development (2012-2013)***

The community park in West Newton will be developed to support the rapidly growing population in the West Newton community. The development will include both passive and active areas including, among other recreational amenities, a cricket field.

**Cloverdale:**

***New Cloverdale Recreation Centre Including Multi-purpose recreation space, Three Gymnasiums, Seniors Space and a Fitness Facility (2010-2011):***

This project with a floor area of 65,000 sq. ft. is being constructed on the east side of 176 Street at 62A Avenue adjacent to the Cloverdale Fairgrounds. It will contain gymnasiums, multi-purpose rooms, a fitness facility, seniors programming space, etc. It will serve the community of the rapidly growing communities of Cloverdale and Clayton.

***Cloverdale Greenway Trails and North Creek Bridge (2010-2011)***

The Cloverdale Greenway multi-use and a new bridge across North Creek will be constructed to accommodate the growing demand for passive recreational opportunities in Cloverdale.

***New Amenities at Clayton Park (2012-2013)***

New amenities will be constructed at Clayton Park to provide new opportunities for recreational programming at this park to meet the needs of the growing Clayton population.

***New Animal Shelter (2010-2011)***

A new 9,000 sq. ft. state of the art animal shelter will be constructed to provide animal care services for the City.

**South Surrey:**

***New South Surrey Fitness Facility (2010-2011)***

A new fitness facility will be added to the South Surrey Recreation Centre to provide service to the growing South Surrey community.

***Kensington Prairie Community Centre (2010)***

The former Kensington Prairie School will be converted to a multi-purpose community centre to serve the growing communities of Morgan Creek, Rosemary Heights and Grandview.

***Kwomais Point Park Building Renovations (2010-2011)***

The existing Sanford Hall and Kwomais Lodge buildings in Kwomais Point Park in South Surrey will be renovated to provide for recreation programming and community use space.

***New Fire hall No. 14 in Grandview (2010-2011)***

A new “full time” fire hall will be constructed in Grandview that will replace the existing “volunteer” hall and will provide enhanced fire and emergency services to the communities of South Cloverdale, Grandview Heights, Hazelmere valley, Douglas and Campbell Heights.

***New South Surrey Swimming Pool (2011-2013)***

This will be the second swimming pool in the South Surrey area to provide service to this rapidly growing community and will relieve some of the high demand currently being experienced at the existing South Surrey Pool.

***Community Arts Space (2015)***

An addition to the South Surrey Recreation Centre will provide arts-related programming space to serve the active and growing arts community.

**Fleetwood:**

***New Fleetwood Recreation Centre Gymnasiums (2013-2014)***

A pair of gymnasiums will be added to the Fleetwood Recreation Centre to allow for a broader range of recreation programming to be offered in Fleetwood. These gymnasiums will complement those that are already in place at the Guildford Recreation Centre and those that are currently being constructed in the new Cloverdale Recreation Centre.

***New Arena at the Surrey Sport and Leisure Complex (2015-2016)***

A fourth sheet of ice will be added to the Surrey Sport and Leisure Complex to add capacity to accommodate arena-related recreational programming.

**Guildford:**

***New Guildford Swimming Pool (2013-2015)***

This pool will be added to the Guildford Recreation Centre complex and will serve the north Surrey area, particularly the communities of Guildford and Fraser Heights. It will complement the service being provided by the pool at the North Surrey Recreation Centre and the pool at the Surrey Sport and Leisure Complex.

***New Artificial Turf Field at Hjorth Road Park (2012)***

A second artificial turf field will be installed at Hjorth Road Park to complement that recently installed artificial turf field and provide additional capacity to accommodate the growing demand for outdoor field programming.

**Fraser Heights:**

***New Fraser Heights Recreation Centre Fitness Facility and Gymnasium (2010-2011)***

A new fitness facility and gymnasium will be added to the Fraser Heights Recreation Centre to serve the citizens of the rapidly growing community of Fraser Heights.

**City Centre:**

***New City Centre Flagship Library (2010-2011)***

The construction of a new flagship central library in Surrey City Centre with a floor area of 75,000 sq. ft. will act as the hub for Surrey library services. The project is being cost shared with the Federal and Provincial governments. It will add vibrancy to the Surrey City Centre and be a significant new iconic building in the physical profile of City Centre. It will act as a gathering place for the City's citizens and serve all age groups.

***New City Centre Covered Youth Park (2010)***

A new covered outdoor youth park will be constructed in City Centre next door to the Chuck Bailey Recreation Centre to provide additional opportunities for outdoor recreation programming for youth, particularly during wet weather.

***Parking Facility in City Centre (2010-2013)***

The City will be investing in the construction of an underground parking facility in City Centre that will provide parking for the new library and City Hall projects and will have capacity to support additional private sector development in the City Centre area as well. This additional capacity will be sold to private sector development on a fee for service basis such that the City will recover its investment over time. The provision of structure parking on a fee basis will assist in encouraging private sector investment in City Centre since the provision of parking is often an impediment to development. The parking facility will be managed by a Parking Authority on a cost recovery basis (i.e., both capital and operating).

***New City Hall in City Centre (2010-2013)***

To demonstrate its commitment to and to add vitality and energy to the Surrey City Centre, the City has committed to constructing a new City Hall in Surrey City Centre. The City Hall, projected to have a floor area of approximately 180,000 sq. ft., will act as a catalyst for development in City Centre by adding a high activity use and by creating additional physical profile for the City Centre area. The new City Hall is currently being designed and is expected to proceed to construction by year-end 2010 or early 2011.

***New Community Plaza (2012-2013):***

A large outdoor plaza will be constructed adjacent to the new City Hall and new Library that will serve as a gathering place for large civic celebrations and other outdoor activities and events for Surrey residents and visitors to enjoy on a year round basis.

***New Performing Arts Centre (TBA)***

A new regional scale performing arts centre will be constructed in City Centre that reflects the expectations of the City's growing population and provides a new opportunity for community events and world class performances in Surrey.

**City-wide:**

***New Pedestrian and Cycling Trails and Bridges (2010-2015)***

In addition to other specific greenway multi-use pathways referenced in this program, to ensure an active and healthy population, the City will be constructing 20 km of multi-use (pedestrian/cycling) trails throughout the City including at least 2 pedestrian/cyclist bridges linking communities across highways and ravines.

***New Addition to the RCMP Main Detachment Building (2010-2011)***

A 35,000 sq. ft. building is being constructed next door to the Main RCMP Detachment in Newton to house the growing number of policemen that are being hired to serve Surrey's growing population and businesses. The building will house many of the 641 RCMP members that currently serve the City and others that will be added in future years to ensure the continued safety of Surrey's communities and businesses.

***New artificial turf fields (2013-2015)***

Demand for soccer and other field activities continue to grow in Surrey as the City's population increases. Two new artificial turf fields, in addition to those described specifically within this summary, will be constructed to address the growing demand for outdoor field space. These fields will be constructed at athletic parks in the City at locations still to be determined.

***Parkland Acquisition***

The City will continue to acquire both active and passive parkland across the City to support the environmental objectives of the City and the demands of growth including land that needs to be acquired to accommodate the other capital projects listed in this summary.

CITY OF SURREY  
BY-LAW NO. 1XXXX

A by-law to authorize the borrowing  
for the construction of a new City Hall in Surrey City Centre  
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WHEREAS it is deemed desirable to construct a new City Hall in Surrey City Centre;

AND WHEREAS the estimated cost of constructing the new City Hall including expenses incidental thereto is the sum of \$97 million which is the amount of debt created by this by-law;

NOW THEREFORE, the Council of the City of Surrey, in open meeting assembled, ENACTS AS FOLLOWS:

1. The Council is hereby empowered and authorized to undertake and carry out or cause to be carried out the construction of a City Hall generally in accordance with plans on file in the municipal office and to do all things necessary in connection therewith and without limiting the generality of the foregoing:
  - a) To borrow upon the credit of the Municipality a sum not exceeding \$97,000,000.00; and
  - b) To acquire all such real property, easements, rights-of-way, licenses, rights or authorities as may be requisite or desirable for or in connection with the construction of a City Hall.
2. The maximum term for which debentures may be issued to secure the debt created by this by-law is thirty (30) years.
3. This by-law may be cited as "City Hall at Surrey City Centre Loan Authorization By-law No. 1XXXX".

PASSED THREE READINGS by the City Council on the \_\_\_\_ day of \_\_\_\_\_, 2010.

RECONSIDERED AND FINALLY ADOPTED, signed by the Mayor and Clerk, and sealed with the Corporate Seal on the \_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_MAYOR

\_\_\_\_\_CLERK