

Since the approval of the GLUP, a number of NCPs have been prepared or are in preparation. These include the Morgan Heights NCP (NCP #1) approved in 2005, the Sunnyside Heights NCP (NCP #2) approved in 2010, the Orchard Grove NCP (a portion of NCP #5, identified as NCP #5A) approved in 2011, and the Redwood Heights NCP (NCP #4), which received Stage 1 approval in 2013 and for which Stage 2 work is proceeding.

In 2014 a new OCP was approved, which identifies the Grandview Heights areas that are not part of an approved NCP as Suburban—Urban Reserve. This designation means that suburban land uses are expected to remain until such time as an NCP is approved for an area which may permit the development of urban land uses and densities for all or parts of the NCP.

The Official Community Plan (OCP) sets out policy guidance for the initiation of new NCPs in those areas of the City that are designated as Suburban—Urban Reserve which includes the area covered by the petition. The policy guidance in the OCP is that when more than 50% of land owners in an area or when the owners of more than 70% of the land in an area request an NCP, staff may seek Council's authorization to proceed with a plan.

On October 22, 2015 a public open house was hosted by a major landowner in the Grandview Heights NCP #3 area (Logos Investments Inc.) in order to gauge the level of interest among landowners in the neighbourhood for an NCP process to begin. On January 6, 2016 the City received an initial petition submitted by Aplin and Martin Consultants Ltd. on behalf of Logos Investments Inc. seeking the preparation of an NCP for the area outlined in Appendix "I". Updated petitions including additional landowner signatures were submitted on March 2, 2016 and on April 6, 2016.

DISCUSSION

Landowner Petition

As of April 6, 2016 the petition submitted by Aplin and Martin Consultants was signed by the owners of 43 of the 82 properties (52.5%) in the proposed NCP area, representing 70.5% of the land area. The results of this petition are shown in mapped form in Appendix "III". Staff has cross-checked and verified the property ownership information and signatures presented on the petition, and is of the opinion that the petition is a legitimate and accurate representation of the desire of the majority of property owners in the area. Further, it is sufficient to meet the policy guidance in the OCP regarding the initiation of a new NCP process.

There are a number of considerations besides the demonstrated interest of local landowners that may influence the timing for initiation of an NCP. These include the remaining capacity for housing within already-approved NCPs in the area, the estimated demand for new housing in the City and in the area around the proposed NCP, and broad-scale issues related to infrastructure and the servicing of potential urban development within the proposed area.

Housing Capacity and Supply

Development in the approved Grandview Heights NCPs is proceeding in three of the approved NCPs: Morgan Heights, Sunnyside Heights, and Orchard Grove.

The Morgan Heights NCP is virtually built out, with only a few residual undeveloped parcels remaining, totalling less than 2% of the NCP.

There is active development occurring within the Sunnyside Heights NCP. Current estimates are that 8% of the land in this NCP, representing approximately 480 housing units, is either developed, under construction or approved for development. A further 30% of the land representing approximately 1,500 housing units is under development application. The remainder of the land (62%) is neither developed, approved for development, or under development application at this time. There is an estimated capacity of 4,500 housing units on lands either under application or undeveloped in Sunnyside Heights NCP. At current rates of absorption, this represents between six to ten years of housing supply remaining in this NCP.

The southern portion of the NCP is to be serviced by gravity sewers running down to a new pump station at approximately 168 Street and 14 Avenue, which in turn will pump sanitary wastewater in a new force main to a point where it falls into an existing gravity sewer main near 160 Street and 24 Avenue. Securing the funding for this pump station (which will benefit portions of the Highway 99 Corridor employment lands as well as Sunnyside Heights and future development in the NCP #3 area) has been a challenge for prospective developers, which has delayed the build-out of the southern portion of Sunnyside Heights. However, this issue has been resolved through a series of funding partnership agreements as documented in Corporate Report R001-2016. It is expected that residential development in the part of Sunnyside Heights served by this pump station will now proceed rapidly given the high demand for single-family housing in the area.

The Orchard Grove NCP is also developing quickly. Current estimates are that 15% of the land in this NCP representing approximately 180 housing units is either developed, under construction, or approved for development. A further 40% of the land representing approximately 500 housing units is under development application. The remainder of the land (45%) is neither developed, approved for development, or under development application at this time. There is an estimated capacity of 1,000 housing units on lands either under application or undeveloped in Orchard Grove NCP. At current rates of absorption, this represents between five to eight years of housing supply remaining.

Redwood Heights NCP (NCP #4) has Stage 1 (land use and transportation system) approval, and is currently in Stage 2 (engineering servicing and financing) preparation, with Council approval expected later in 2016. However, the actual development of new housing in this NCP depends on advancing servicing infrastructure (sanitary sewers and water mains) some distance through lands that are not yet developed in the North Grandview Heights NCP and Grandview Heights NCP #5. Staff is of the opinion that development of new housing in Redwood Heights is some years away, and will not commence immediately upon approval of Stage 2 of the NCP due to the scale of servicing challenges to be overcome.

Assuming two to three years for the final completion of an NCP, and based on the build-out rates of Morgan Heights, Sunnyside Heights, and Orchard Grove and the uncertainty of the timing of development in Redwood Heights, staff is of the opinion that initiating an NCP in Grandview Heights NCP #3 is justified on the basis of ensuring a balance of housing supply and demand in the Grandview Heights area.

Overview of Engineering Servicing

The NCP #3 area requires a significant amount of utility and transportation infrastructure to support future development of the area.

Engineering Utilities

There is currently no community sanitary sewer system in the NCP #3 area. Individual properties rely on on-site in-ground disposal systems for sewage disposal.

To service the NCP #3 area, a trunk sewer along the southern end of the area is required to convey sanitary sewer flows to the City's future Fergus Pump Station along 168 Street, 75 metres north of 14 Avenue. Construction of the Fergus Pump Station has commenced. The Fergus Pump Station was designed so that it could be cost effectively expanded to support the future development of the NCP #3 area.

The NCP #3 area is currently serviced with municipal water by way of small diameter mains, with some properties serviced by private ground water wells.

The existing water infrastructure does not likely have sufficient capacity to support future development in the area and it is likely that a system of new feeder mains, distribution water mains, and pressure reducing station(s) will all be required to support future development in the area.

The NCP #3 area is within the Little Campbell River watershed which contains fish-bearing watercourses, that drain through the agricultural lands prior to entering the Little Campbell River. A detailed Integrated Stormwater Management Plan (ISMP) with recommendations to ensure that future development in the area maintain the health and integrity of the existing watercourses has not been completed for this watershed.

Transportation

Roadways within and around the NCP #3 area are generally built to a rural standard and are not sufficient to meet the transportation demands that would accompany the proposed urban development of the area. In conjunction with the land use plan, a transportation system would be developed and structured around a finer grid network that would take into account existing property lines, environmental protection, (e.g.: trees, creeks) and topography. The network would promote multi modal connectivity and would integrate with the adjacent land use plans and their respective road networks.

Various NCP areas have been prepared or are in preparation within the Grandview GLUP area. The combination of these NCP areas will result in substantive traffic growth in the area. To ensure sufficiency of planned transportation infrastructure and to obtain support for the plan from the Ministry of Transportation and Highways, staff has initiated development of a comprehensive transportation servicing model of the Grandview area. This work will illustrate the future traffic patterns and transportation demands that the fully developed Grandview GLUP will create, and enable staff to determine the appropriate transportation infrastructure required to service this growth. Furthermore, it will provide the Ministry of Transportation and Infrastructure the detailed information they will need to assess the land use plan and

transportation road network of the NCP, as well as future individual development applications that must have Ministry approval if within 800 m of Highway 15.

Parks and Schools

A key component of the comprehensive planning of an NCP is allocating appropriate sites for parks and schools. While the NCP #3 area is adjacent to several parks, including Dart's Hill Garden Park at 16 Avenue and 168 Street and Redwood Park across Highway 15, it is likely that new neighbourhood parkland will be required as part of the NCP.

There are currently no schools within the NCP #3 area. Pacific Heights Elementary School is located to the north, on 26 Avenue at approximately 171 Street, and a new elementary school is planned for the Sunnyside Heights area at 23 Avenue at 166 Street. Funding for constructing this school is one of the highest priorities in the Surrey School District's 5-Year Capital Plan and in its capital funding request to the Provincial Government. It is likely that another elementary school site will need to be identified to serve future development in the NCP #3 area. Earl Marriott Secondary is currently the local high school for this area, but a new secondary school site adjacent to the Grandview Heights Aquatic Centre has been purchased by the School District to serve the Grandview Heights area, and a coordinated campus plan that includes civic and educational facilities is being prepared. The capital funding for constructing this new secondary school is one of the highest priorities in the School District's 5-Year Capital Plan, and in its funding request to the Provincial Government. Planning new housing in consultation with the School District staff through an NCP process will allow for coordinated planning to ensure that adequate school capacity is made available within the appropriate timeframe.

Financing Engineering Infrastructure and Parkland Acquisition

No works to support development of NCP #3 area are included in the current edition of the 10-Year Servicing, and no land acquisition to support development of NCP #3 area are included in the 2016-2025 10-Year and Parkland Acquisition Program.

As discussed in Corporate Report R036 (2016) 10-Year (2016-2025) Servicing Plan and 2016 Development Cost Charge Bylaw, due to changes in the Servicing Plan, changing growth assumptions, and a reduction to the Parks Municipal Assist Factor, a Development Cost Charge (DCC) rate increase was required in 2016. Furthermore, in order to add the projects needed to support the anticipated growth in future years within already approved NCP as outlined in the proposed 2017-2026 10-Year and Parkland Acquisition Program update and the proposed 2018-2027 10-Year and Parkland Acquisition Program .

Given the limited size of the NCP #3 area and the amount of infrastructure that may be required, it is likely that the DCC revenues generated from this area will be insufficient to fully fund the cost of the infrastructure. As such, the addition of the infrastructure to support the development of this area will likely result in further DCC rate increases in the future, or an area specific DCC.

There is typically an expectation that necessary infrastructure and parkland acquisition identified in newly approved NCP areas will also be included as DCC-eligible projects once an NCP is approved. Since the approval of new NCPs do not change the overall expected growth of the City as a whole, staff are concerned that adding infrastructure projects and parkland needed to serve

additional areas to the DCC program can have the unintended effect of putting upward pressure on City-wide DCC rates.

Process

If Council approves the recommendations in this report, staff will develop Terms of Reference for Council's approval prior to beginning the NCP process. The Terms of Reference will include the necessary background studies including an environmental and heritage study, and an ISMP for the drainage catchments that touch on the NCP. The Terms of Reference will also set out a comprehensive community consultation program, including the selection of a Citizen's Advisory Committee that will assist in developing and reviewing the land use plan as it evolves. The NCP process will be structured into two stages, including:

- Stage 1: A land use concept and supporting transportation and drainage plan, along with a general servicing strategy. Stage 1 will be brought to Council for approval prior to work beginning on Stage 2.
- Stage 2: Engineering servicing strategies, design guidelines, and a financial strategy including infrastructure financing and Community Amenity Contributions.

SUSTAINABILITY CONSIDERATIONS

The comprehensive planning of an NCP area (including the integrated consideration of residential and employment land uses, parks, environmental conservation, transportation and transit, greenways, and servicing) meets a number of Desired Outcomes in the Sustainability Charter 2.0, including:

- **Built Environment and Neighbourhoods**
Goal: A beautiful, accessible and well-connected city of distinct and complete neighbourhoods that are walkable, engaging and resilient.
 - o DO 1 - Surrey is comprised of distinct, diverse and compact neighbourhoods and Town Centres, with an engaging public realm.
 - o DO 4 - Surrey's neighbourhoods are safe, accessible, well-connected, walkable and bike friendly.
 - o DO 5 - Trees, green spaces and natural areas are integrated into all neighbourhoods.
 - o DO 8 - The built environment enhances quality of life, happiness and well-being.
- **Ecosystems**
Goal: Healthy, protected and well-maintained ecosystems and biodiversity.
 - o DO 1 - Parks, natural areas, urban forests and habitat corridors are interconnected throughout Surrey and the region, creating healthy places for people and wildlife.
 - o DO 3 - All development enhances, or minimizes the impacts on Surrey's lush tree canopy and natural environment, and avoids encroachment into natural areas, habitat features and parks.
 - o DO 5 - Surrey takes pride in its rich biodiversity, including fish bearing streams, marine habitat and natural areas such as forests, meadows and wetlands.
- **Education and Culture**
Goal: Access to diverse, high quality learning opportunities, and vibrant arts, heritage and cultural experiences for all Surrey residents.

- DO 2 - Surrey children and youth have access to a high quality comprehensive and inclusive educational system, and opportunities that include experiences in and out of school.
- DO 5 - Surrey's educational institutions and libraries are integrated into the community, and have sufficient capacity to accommodate residents as well as attract people from other areas.
- **Infrastructure**
 - Goal: Effective infrastructure and services that meet the current and future needs of the city, while protecting the natural environment and supporting urban growth.**
 - DO 2 - Infrastructure systems provide safe, reliable and affordable services.
 - DO 4 - Ecosystems and natural assets are an essential part of the community's infrastructure system.
 - DO 11 - An integrated and multi-modal transportation network offers affordable, convenient, accessible and safe transportation choices within the community and to regional destinations.

CONCLUSION

Based on the discussion above, the Planning and Development Department and the Engineering Department recommend that Council:

- Authorize staff to begin the process of preparing a Stage 1 Neighbourhood Concept Plan (NCP) for the Grandview Heights Neighbourhood #3 area, as shown in Appendix "I".

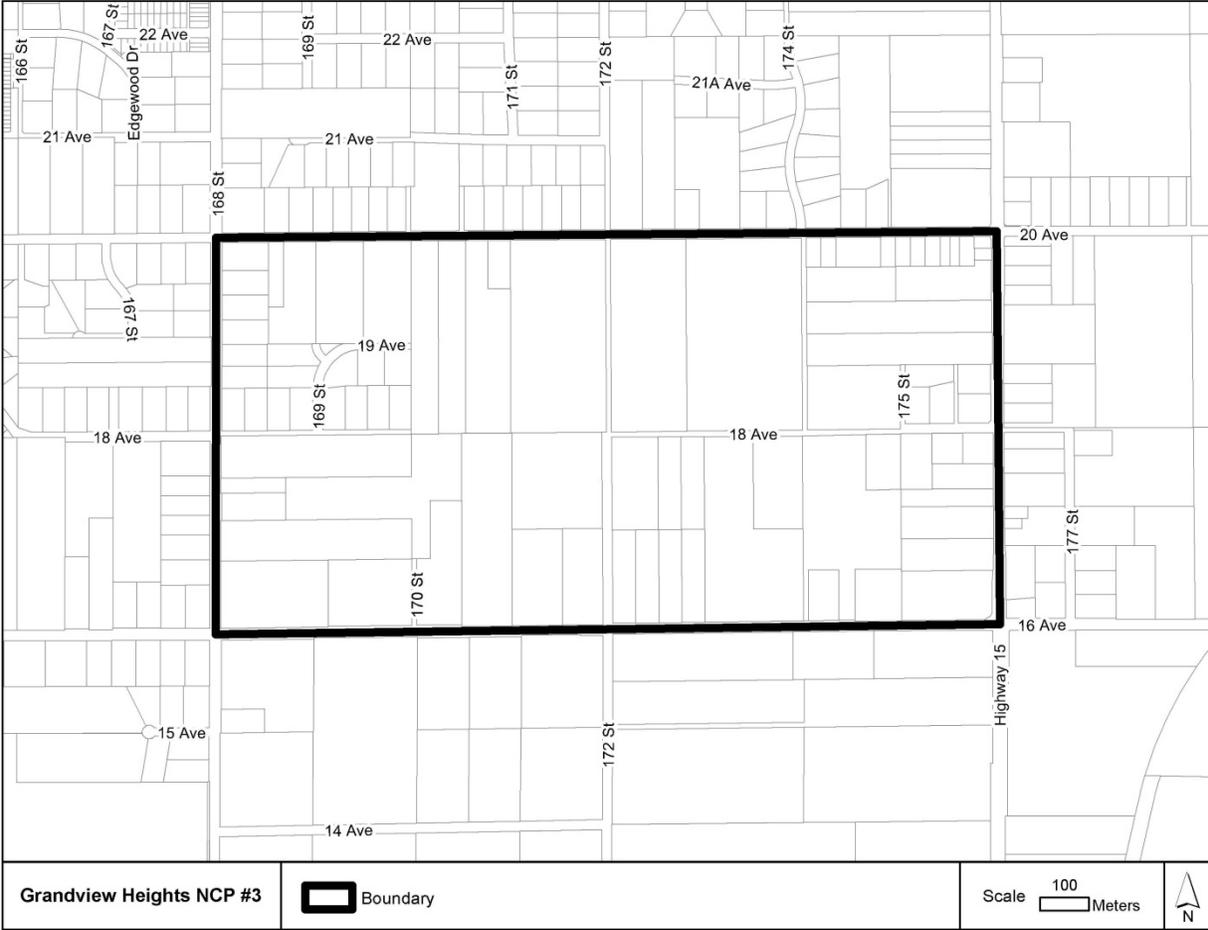
Original signed by
Jean Lamontagne
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Original signed by
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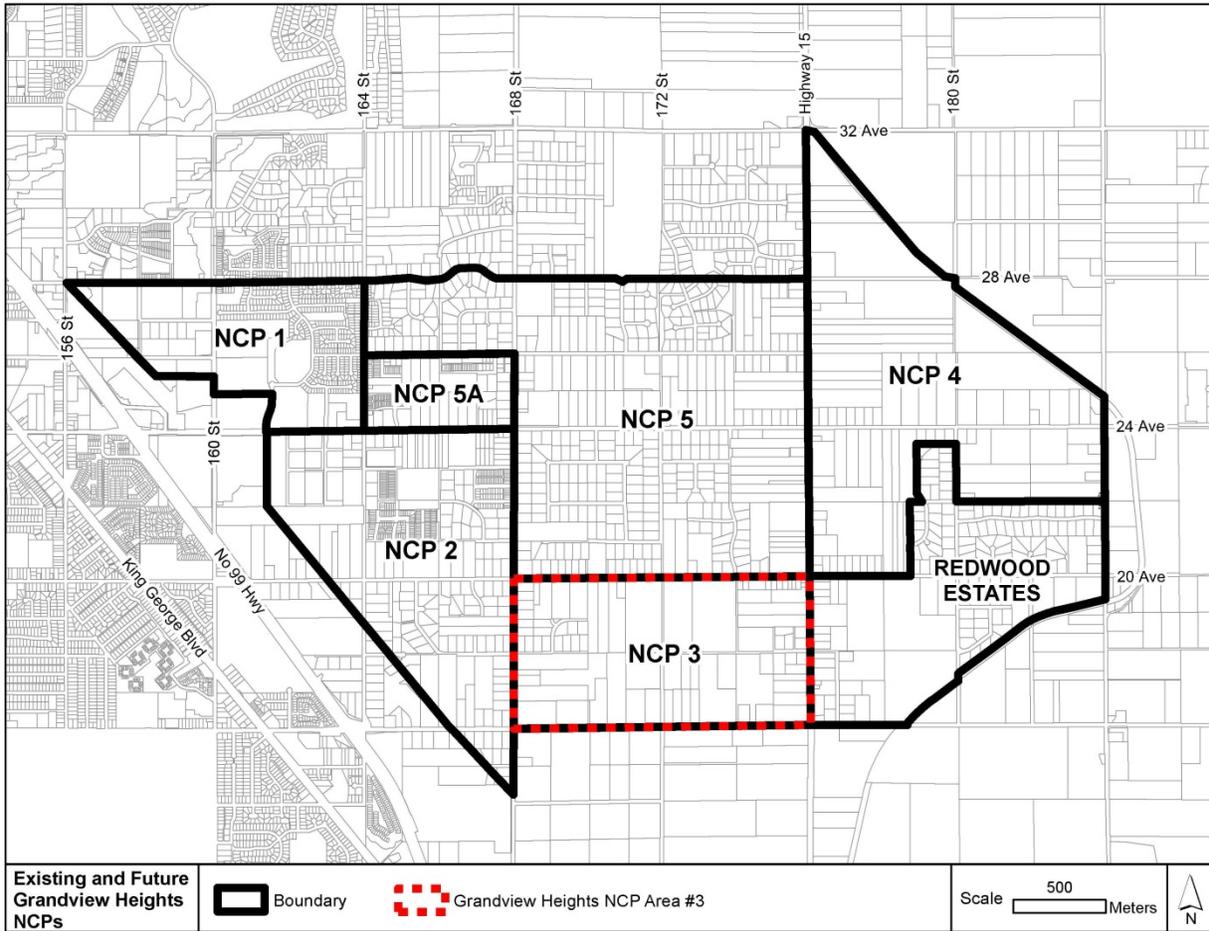
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Appendix "I" – Map of the proposed Grandview Heights NCP #3 Area
Appendix "II" – Map of Existing and Future Grandview Heights NCPs
Appendix "III" – Map of Grandview Heights NCP #3 Area Petition Results

Map of the proposed Grandview Heights NCP #3 Area



Map of Existing and Future Grandview Heights NCPs



Map of Grandview Heights NCP #3 Area Petition Results

