

# NOTES

## Development Advisory Committee

File: **360-20 (DAC)**  
Date: **February 23, 2012**  
Time: **2:30 p.m.**  
Location: **Planning Room 1,  
Surrey City Hall**

### Members:

Clarence Arychuk  
Tim Bontkes  
Maginnis Cocivera  
Steve Forrest  
Jake Friesen  
Deana Grinnell  
Chris Kay  
Bill Kruger  
Curranne Labercane  
Ron Marr  
Gopal Sahota  
Jas Sandhu  
Greg Sewell  
Amy Spencer

### City Staff:

Jeff Arason  
Jaime Boan  
Markus Kischnick  
Jean Lamontagne  
Sam Lau  
Don Luymes  
Sheila McKinnon  
Jason Owen  
Jude Pillai  
Judith Robertson  
Fay Keng Wong

### Councillor:

Marvin Hunt

### Regrets:

Debbie Gallichen  
David Porte

### Observer:

Deb Jack

#### 1. Acceptance of Previous Minutes

The notes of the meeting of November 24, 2011 were accepted as distributed.

#### 2. Update on the Private Development Public Art Program's First Year (Sheila McKinnon, Manager of Arts Services)

- Sheila McKinnon provided an update on the Public Art Master Plan since her last visit to the DAC in July 2011. A copy of her presentation is attached.

#### Comments:

- Clarence Arychuk commented that the current amount of \$4,000 in the public art reserve fund seems pretty low. Sheila McKinnon responded that it will be about 18 to 24 months before we start to see funding for this program. The program does not apply to projects already in-stream. It depends on when the applicants applied for their building permit. Judith Robertson added that since the program's adoption in March 15, 2011, three projects have been finalized and 18 projects have gone forward to Council at some stage between first reading and final.
- Tim Bontkes asked if there is a plan in place on how the public art reserve fund will be spent. Sheila McKinnon responded that the City has a list of sites and projects that the fund may support.
- Clarence Arychuk commented that there is concern that the art budget is an undefined budget. We have to make sure that all taxpayers are contributing (existing and new residents).
- Deana Grinnell commented that developer contributions to the public art reserve fund have to be set at an appropriate pace. A developer's absorption rate is aligned with the market. When the market is slow, it is hard for developers to contribute to public art.

### 3. Ecosystem Management Study (Don Luymes, Manager of Community Planning)

- Don Luymes provided an update on the Ecosystem Management Study (EMS). A copy of his presentation is attached.
- The Nine Proposed Ecosystem Management Strategies can be viewed online on the City's EMS website at <http://www.surrey.ca/plans-strategies/1332.aspx>.

#### Comments:

- Clarence Arychuk asked what is considered a steep slope for development in riparian areas. Don Luymes responded that about 30% is considered steep, but it also depends on other factors such as the length of the slope. It should also be noted that the City's GIS (mapping system) also picks up slopes that are not applicable such as shoreline properties which are subject to natural erosion.
- Greg Sewell asked if historical creeks were taken into consideration.
- Tim Bontkes asked when the EMS will be implemented. At what point do developers stop using the 1991 Environmentally Sensitive Areas (ESA) map and start using the new EMS Green Infrastructure Network (GIN) map? It seems complicated. Don Luymes responded that in NCP areas, the greenspace areas have already been determined.
- Tim Bontkes asked about the overall park requirement for neighbourhoods. If you have 5% given towards greenspace, will a portion go to parks? Don Luymes responded that green space will be determined. The green space levy for Grandview Heights NCP #4 will be modelled after the community of Yorkson in Langley, which has a levy of about \$100,000/acre for greenspace.
- Tim Bontkes asked if passive parkland should be reduced because they already exist through wildlife corridors.
- Clarence Arychuk suggested that staff give a presentation to the DAC on the City's policy for acquiring land for greenspace since potential developers should be aware if the land they are buying is not developable in the future with, for example, the introduction of an NCP. It would be helpful to say that, for example, 5% will be taken. It is hard to price the land.

### 4. District Energy in City Centre (Jason Owen, Community Energy Manager)

- Jason Owen presented on District Energy in City Centre. A copy of his presentation is attached.
- Comments from this meeting will be considered and incorporated into a Corporate Report that will likely go to Council in May 2012.

#### Comments:

- Gopal Sahota commented that even a small percentage increase in cost for heating will make a difference on whether or not a developer builds. An increase may hold up projects.
- Maginnis Cocivera, of Polygon Homes, asked if the utility is regulated. Jason Owen responded no, but it is regulated by Council. Jeff Arason added that the utility is regulated similar to City water, etc.
- Amy Spencer mentioned homebuyers are concerned about higher utility rates charged by City-owned district energy systems, such as what happened in Vancouver's Olympic Village

project. Will the City look at how it can be competitive with other, private, energy source providers?

- Chris Kay commented that we should be careful about mandating this. It does not make a development viable from the developer's perspective. If the goal is to connect more properties to the district energy system, even marginal increases can hinder projects. Some projects in the City Centre have already held out.
- Curranne Labercane, of the Urban Development Institute (UDI), asked how the timing will hold up projects. Will the warranty follow the boiler? Jason Owen responded that right now we do not have infrastructure for buildings to connect. As the developers build, they will be able to hook up to an interim boiler. The interim boiler would not be a concern for the strata or developer but would be set up and operated by the City as a city utility. In the event that the City would ever want to privatize the utility, it would be set up so that it allows for it.
- Clarence Arychuk asked why BC Hydro is not taking over the coordination of district energy in the City. Jason Owen responded that the City has access to low-cost capital, district energy is similar to the water/sewer systems that the City already operates, and the City has the ability to easily install the pipes.
- Clarence Arychuk asked about the cost of the district energy system. Jason Owen responded that all costs would be paid by the customers and that we are not looking at taxpayers' money to subsidize.
- Deana Grinnell commented that based on her company's experiences with incorporating district energy into a development, Parklane is a champion of the technology where it is feasible, but there are challenges. Customers do not see the benefit of a hydronic heating system over cheaper baseboards and will not pay the extra costs. The developer is expected to shoulder the cost, which is not feasible or equitable given the benefit over the long term is to the homeowner. I strongly recommend finding a way that the costs for the hydronic technology installation are passed along to the homeowner. There are tools in use such as the City front ending the costs and recouping through a long term strata lease agreement, which is presently done by security system companies for example. Gas companies are also subsidizing the pipe install costs to ensure they have a long term customer. The City needs to look at these kinds of tools to pass through the costs so that new development is not missing the opportunity to connect to district systems in the future.

#### **5. Proposed Amendments to Pavement Cut Standards (Jaime Boan, Transportation Manager)**

- Jaime Boan presented on Proposed Amendments to Pavement Cut Standards. A copy of his presentation is attached.
- Even with the 3% to 11% rate increase for trench pavement reinstatements and a pavement deterioration fee, the Surrey rates would be substantially less than City of Vancouver rates.

#### **Comments:**

- Ron Marr, of Progressive Construction, commented that the numbers shown on the Cost Comparison chart appear distorted. This is really about the issue of changing the pavement. The cost increase is more like 30% since the bulk of the cost is from the cost of the pipe. Jaime Boan responded that he is correct that the paving costs themselves would increase by 8% to 30% but one typically considers the overall project cost increase.

- Gopal Sahota commented that he has seen the cuts gone through and they have not been compacted. Inspections might help. Some compact properly, some do not. Jude Pillai responded that the City does compact testing. There may be some areas that may not be happening the way we want, but that is a concern everywhere, globally. Enforcement through inspections is key. Jaime Boan added that is something that we can look at.

## 6. Comments on the Market (all members)

- Maginnis Cocivera commented that there is a lot of uncertainty with the current economic conditions overseas. His company had a solid, but unspectacular January, but they do not know how overseas events may affect them.
- Curranne Labercane commented that UDI is happy with the recent Provincial budget announcement. Some UDI members have questions. Questions regarding HST can be sent to UDI.
- Ron Marr commented that single family is what he is involved with and it seems pretty fragmented, particularly in Mission and Coquitlam. Areas where sales have still been really hot include Richmond and Vancouver's West Side. However, January was really bad for these areas. Many listings and a lot of open houses with no traffic. Vancouver's West Side has led home sales in Canada. Sales in Surrey/Langley have been fluctuating. Single family sales have definitely been down but this has been partly due to the supply of lots. Sales have depended on purchasers from mainland China. However, the curtailing of the HST will attract local buyers.
- Tim Bontkes commented that it has been reasonably steady on the single family side, but still a bit patchy. Buyers are concerned about HST and they think developers are keeping the rebates.
- Bill Kruger commented that things have been steady.
- Clarence Arychuk commented that his company has been busy doing smaller subdivisions, but they have not been able to develop in newer NCP areas.
- Greg Sewell commented that the current price of raw land has not allowed his company to build recently.
- Chris Kay commented that it has been a patchwork market. It really depends on where you are. In the Clayton area, his company has been happy with one sale a week, while their tower in Downtown Vancouver sold 50% of its units right away. The recent HST announcement is just as confusing, if not more, as before.
- Jake Friesen commented the rejection rate for financing has been a challenge. The HST adjustment does not result in anything significantly cheaper unless the price is over \$600,000. Last weekend was one of the worst for his company. The Chinese market is where the sales are.
- Jas Sandhu commented that with the low interest rate, there has been more interest in strata office/retail.
- Steve Forrest commented that his company's project in North Vancouver has been doing well. One has to select one's properties appropriately. Everyone wants exceptionally high prices, but nothing cheap. Instead of looking at developing in new NCPs, his company has looked at developing infill sites instead. It is hard for new developers.
- Gopal Sahota commented that information about the HST has not been properly disseminated to the public.

**7. Other Business**

- Clarence Arychuk asked for a presentation to the DAC on the small lot review. Jean Lamontagne responded that there were too many items on this agenda but it will be on the next agenda.

**8. Next Scheduled Meeting – March 29, 2012**

The meeting adjourned at 4:51 p.m.