



Development Approval Process Improvement Task Force - Minutes

Hybrid Format:
Electronically by Teams
and In person in
1E – Committee Room B
City Hall
13450 - 104 Avenue
Surrey, B.C.
TUESDAY, FEBRUARY 11, 2025
Time: 9:05 a.m.

Present:

Councillor Kooner, Chair
Councillor Bains
Councillor Hepner, Vice-Chair
S. Neuman, General Manager, Engineering
R. Blackwell
J. Gaglardi
A. Johl
S. Yusuf

Absent:

R. Gill, General Manager,
Planning & Development

Staff Present:

A. Yahav, Legislative Services Assistant

Councillor Bains joined the meeting electronically via Microsoft Teams.

A. ADOPTIONS

1. Adoption of the Agenda

It was
Approval Process Improvement Task Force meeting of February 11, 2025, be adopted.

Moved by A. Johl
Seconded by R. Blackwell
That the agenda of the Development
Approval Process Improvement Task Force meeting of February 11, 2025, be

Carried

2. Adoption of the Minutes – January 28, 2025

It was
Approval Process Improvement Task Force meeting of January 28, 2025, be adopted.

Moved by A. Johl
Seconded by R. Blackwell
That the minutes of the Development
Approval Process Improvement Task Force meeting of January 28, 2025, be

Carried

Councillor Hepner joined the meeting electronically via Microsoft Teams at 9:07 p.m.

B. DISCUSSION ITEMS**1. Public Art**

The General Manager, Engineering provided an overview of public art.

Discussion ensued as follows:

- City public art requirements pose a cost and time issue for developments. Although public art is beneficial to the fabric and streetscapes of the city, it passes along unnecessary costs to buyers.
- The City requires new developments to spend 0.5% of their cost of construction on public art; this can be installed on-site by the developer or paid in cash to the City.
- When the public art requirement was first introduced, it mandated that only 0.25% of construction costs be spent on public art. Today, the rate is at 0.5%. Given that the cost of construction has exponentially increased, particularly beyond the rate of inflation, the current rate results in multi-million dollar art projects being funded.
- This poses two major problems:
 - Developers spend more on process costs than on the art itself. Currently, developers hire an art consultant who procures a long list of artists in the city. From the long list, a short list is defined, and short-listed candidates produce a sample piece. From the short list, an artist is selected. Often times, additional professionals are hired to ensure that art installations are longevous and robust. This process results in high costs which are passed onto buyer, often at a rate of \$1,500 per unit.
 - Art installations require maintenance and repairs, which are costs passed on to strata members of a building. These costs are onerous for homeowners.
- Some proposed mitigation strategies include
 - Implementing a sliding-scale rate;
 - Allowing developers to work privately with an artist to circumvent complicated City processes;
 - Allowing for the construction of public amenity spaces, like green space or children play structures, in lieu of public art; or
 - Reconstituting public art costs so that they are subsumed within amenity cost requirements.

- The City has aggregated 16 million dollars from public art payments to date. The City intends to spend 10 million dollars to enhance public art displays in future SkyTrain stations.

2. City Centre Undergrounding

The General Manager, Engineering provided an overview of City Centre undergrounding.

J. Gaglardi left the meeting at 9:45am and returned at 9:49am

Discussion ensued as follows:

- The City is keeping reserve fund that will be used to finance enhancements to underground electrical infrastructure. The reserve fund is currently valued at 25 million dollars.
- The City is considering ways to grow the reserve fund to be prepared for upcoming infrastructure enhancements. Two measures for growing the reserve fund are being considered:
 - Passing along the undergrounding costs to developers building on street frontages; or,
 - Increasing CACs to recover costs across all of City Centre.
- The City foresees financial issues with retrofitting underground electrical infrastructure given that the new BC Hydro standards necessitate concrete casing; this means some recent road frontage upgrades may have to be reconstructed in order to begin undergrounding Hydro infrastructure.
- Pursuant to City legislation, CACs can fund undergrounding costs and public art, but cannot fall under the upcoming ACC framework being used for services like recreation centres, fire halls, and libraries.

3. Economic Outlook and DCCs/CACs

The General Manager, Engineering provided an overview of the economic outlook and DCCs/CACs.

Discussion ensued as follows:

- Metro Vancouver intends to increase its DCC.

- At this moment, the industry cannot bear an increase. If DCCs have to go up, something else has to come down. There has to be more rigid priorities set. Projects are currently sitting on the sideline because of the costs.
- Increasing DCC and CAC together hinder the viability of development projects, especially in the face of increasing costs posed by municipal requirements, bank requirements, and increased labour and material costs:
 - Developers often allocate 30% of the total development budget to municipal-related costs. This includes costs associated with permits, public art requirements, and other building applications. This cost has been continuously increasing due to higher wait times and complicated processes.
 - Rezoning is arduous for developers, and in Surrey, it involves an 8–12-month process. As illustration, an already-zoned and already-serviced property in Surrey can take eight months to receive Council approval. Projects which already meet requirements and have no variances should be reviewed quicker.
 - Current Provincial and City code and building system requirements have become too complicated to empower quick turn-over times for development.
 - Developers face challenges procuring financing from banks because proof of return on investments of at least 15% is required. Due to increased costs of development, developers cannot always reach this mark. By effect, many developments are put on hold or terminated.
 - The effects of US-imposed tariffs on March 4, 2025 will also threaten the costs of development. The situation will be reviewed and monitored by committee members in future meetings.
- Property tax rates in Surrey are the lowest in Metro Vancouver and have not been increased proportionally to the cost of living. Resultantly, infrastructure development is suffering. The City should consider slight increases in property tax rates to meet the demand of infrastructure development.

The Chair, Councillor Kooner, asked the members of the Development and Approval Process Task Force to bring forward a report regarding the implications of Metro Vancouver's DCC increases on their projects, by Monday, February 24, 2025.

4. Infrastructure Servicing for Housing

This item was deferred to the next meeting.

C. OTHER BUSINESS

1. Round table

The Committee had a round table discussion on upcoming discussion topics.

- Rezoning process for industrial developments.

D. NEXT MEETING

The next meeting of the Development Approval Process Improvement Task Force is scheduled for 9:00 a.m. on February 25, 2025, in 1E – Committee Room B.

E. ADJOURNMENT

It was

Moved by S. Yusuf

Seconded by R. Blackwell

That the Development Approval Process

Improvement Task Force meeting be adjourned.

Carried

The Development Approval Process Improvement Task Force adjourned at 10:36 a.m.

Jennifer Ficocelli
City Clerk and
Director, Legislative Services

Councillor Pardeep Kooner, Chair