



Corporate Report

NO: L008

COUNCIL DATE: July 24, 2006

REGULAR COUNCIL - LAND USE

TO: **Mayor & Council** DATE: **July 20, 2006**
FROM: **General Manager, Engineering** FILE: **6520-01**
Acting General Manager, Planning and Development
SUBJECT: **New Neighbourhood Concept Plans**

RECOMMENDATION

It is recommended that Council:

1. Receive this report as information;
2. Direct staff to bring forward a Terms of Reference for the preparation of an NCP for each of :
 - (a) Grandview Heights Area #3 (as illustrated on Appendix I); and
 - (b) Grandview Heights Sub-Area #5 (as illustrated on Appendix I);with these NCP processes commencing following approval by Council of the completed Stage I component of the Grandview Heights Area #2 NCP;
3. Direct staff to bring forward a Terms of Reference for the preparation of an NCP for Grandview Heights Area #4, subject to the proponents agreeing to:
 - (a) pay the costs for construction and maintenance of all interim engineering services required for opening the area to development (such costs are not eligible for DCC rebates);
 - (b) pay to the City, all costs the City incurs in retaining consultants for studies and plan preparation work in support of preparing the subject NCP;
 - (c) the NCP planning process commencing when the Stage I component of the NCP for Grandview Heights Area #2 has been completed and approved by Council; and

- (d) that condition 3(a) and 3(b) be incorporated in an agreement, prior to the commencement of the NCP process.

INTENT

The City has received several formal requests from proponents who wish to proceed with an NCP planning process for each of three areas in Grandview Heights. Staff is also aware of interest by landowners to proceed with an NCP planning process in several other areas of the City and anticipate that there will be further petitions received by the City requesting the commencement of such planning processes.

The purpose of this report is to:

- provide Council with an overview of the submissions to commence NCP planning processes that have been received to date by staff;
- provide a planning and policy context for consideration of these submissions; and
- evaluate the submissions in the context of current policy, servicing and financial implications, planning rationale and resource limitations, and provide recommendations for Council's consideration.

BACKGROUND

Status of the NCP Program

The NCP Program was initiated in 1993 to:

- achieve complete communities in a planned and orderly manner;
- to provide for a detailed policy and planning framework, servicing program and strategy to guide development in the City; and
- to facilitate an efficient land development decision-making process.

Since the inception of the Program, a total of 17 NCPs (including the expansions of the East Clayton NCP) have been approved by Council, accommodating a total potential of 29,700 units of residential growth. Generally, an NCP process is initiated after a general land use plan has been adopted by Council, which identifies individual NCP areas and, in some cases, includes a phasing plan. Currently, two NCPs are under preparation by City staff. These are for Area #2 in Grandview Heights and for Anniedale Area "A" in South Port Kells. In addition, a minor NCP amendment is being processed for the Douglas NCP. All these NCPs currently underway could potentially provide an addition of 3,800 dwelling units (see Appendix II).

Requests for New NCP Processes in Grandview Heights

The following requests to commence NCP planning processes for neighbourhoods in Grandview Heights have been received by the City. Appendix III identifies the location of the area covered by each of these requests. The requests are listed and described below in the order that they were received by the City.

- **Grandview Heights Area #4**

In July 2005, New East Consulting Services Ltd. submitted a document entitled "East Grandview Heights Trunk Servicing Concept Report". A petition was also received from property owners, requesting that the City proceed with an NCP planning process on the basis of an alternative engineering servicing scheme in comparison to the scheme that was approved as part of the Grandview Heights General Land Use Plan. The petition represents 63% of the owners of properties in the area and 66% of the land area.

- **Grandview Heights Sub-Area of Area #5**

In May 2006, Aplin & Martin Consultants Ltd. submitted a petition representing 72.2% of the owners and 90.89% of the land area, which requested that the City proceed with an NCP planning process for this sub-area of Area #5. The submission indicates that this area located between 164 – 168 Streets and 24 – 26 Avenues, can be provided with engineering services through connections to the infrastructure being constructed in conjunction with the Morgan Heights NCP (also known as Grandview Heights Area #1), which NCP was adopted by Council in November 2005. This sub-area of Grandview Heights Area #5 will accommodate approximately 580 to 860 dwelling units.

- **Grandview Heights Area #3**

In June 2006, the South Surrey Estates Association submitted a petition requesting an NCP planning process for Grandview Heights Area #3. The petition represented 52% of the owners of properties in the area and 85% of the land area, excluding the City-owned Darts Hill Garden Park. Area #3 is located between 168 and 176 Streets and 16 and 20 Avenues and is adjacent to Grandview Heights NCP #2. Preliminary estimates indicate that this area could accommodate between 1,210 and 1,620 dwelling units.

Potential NCPs to be Initiated in Other Areas of the City

In addition to the petitions that have been received requesting NCP planning processes in Grandview Heights, based on the initial discussions between staff and interested groups, it is anticipated that requests for similar planning processes in other areas of the City may be forthcoming. These include the following:

- **South Port Kells Anniedale "B" NCP**

Located generally between 90 and 94 Avenues and 176 and 190 Streets, this NCP area is adjacent to the Anniedale "A" NCP area, which is currently undergoing an NCP planning process. Anniedale "B" is part of the South Port Kells General Land Use Plan and is anticipated to be the next logical area for NCP development within the South Port Kells area. Transportation plans to accommodate the new Golden Ears Bridge call for new major roads to cross through South Port Kells, which may provide cause to reconsider some of the land uses as originally contemplated in the Port Kells General Land Use Plan. This NCP area is expected to accommodate between 4,110 and 5,600 dwelling units.

- **West Clayton**

West Clayton is located within the area covered by the Clayton General Land Use Plan, to the west of the East Clayton NCP, generally bounded by East Clayton to the east, 180 Street to the west, Fraser Highway to the South and 82 Avenue to the north. With the success and rapid build-out of the East Clayton NCP, including the two extensions to the NCP that were approved by Council in 2005, there is a need to revisit the Clayton General Land Use Plan in anticipation that there will be interest in the coming months to initiate the next major NCP planning process for this area.

The first of the remaining NCPs in Clayton would be the West Clayton area, which generally drains toward the west and would be serviced by a gravity sewer system crossing the Fraser Highway in the vicinity of the 17900 block. The area would contain a mix of Multiple Family, Urban Residential and Suburban densities, with a capacity in the range of between 3,130 and 4,450 dwelling units.

DISCUSSION

The Planning Context

A. Planned NCP capacity to Accommodate Future Residential Growth

Division A, Policy A-4.2 of Surrey's OCP stipulates that capacity in urban areas is to be sufficient to accommodate projected growth over a three to five year period and that when residential capacity is less than five years of anticipated growth, the City should begin planning for new capacity.

As noted in the 2006 Annual OCP Review Corporate Report recently received by Council, it is expected that approximately 60% of residential growth in the City in the next 5 years will occur in NCP areas. This growth will amount to 2,400 dwelling units per year or a total of 12,000 units over the next five years. The currently approved NCPs provide a total capacity of 29,700 dwelling units. Of this total NCP capacity, 9,600 dwelling units have been approved. Another 12,500 dwelling units are in various stages of the rezoning approval process, which could meet the expected demand for the next five years. The 7,600 dwelling units of remaining capacity in the existing NCPs, plus the additional 3,800 units potentially made available in the two NCPs

currently being prepared, are sufficient to provide for the residential growth expected to occur in the NCP areas to beyond 2011.

In light of the above assessment of demand for, and supply of, housing units in the NCP areas, it is clear that there is no immediate need for commencing any new NCPs to satisfy the OCP policies related to growth. However, since an NCP planning process usually takes at least one and one-half years to complete and given that the remaining capacity in some of the approved NCPs involve sites which are difficult to develop due to various reasons, it is advisable that a work program for undertaking additional NCP planning be prepared. This will assist in ensuring that the City is in a position to meet the longer term market demand for housing in the City.

B. Management of Growth

The existing NCPs were generally based on an approved general land use plan for the area within which they are located. These general land use plans identify neighbourhood units for the purpose of preparing detailed NCPs. Some of the larger planning areas, such as Grandview Heights and South Port Kells also provide staging or phasing plans to suggest a sequence for NCP planning processes in these areas. Usually these phasing plans are based on the expected timing and phasing of City engineering services and infrastructure and provide for a logical progression of development so as to manage growth in an orderly manner. Opening too many development sites at one time can result in inefficient use of the City's resources. Opening development sites in a scattered and sporadic manner usually creates the need to provide interim engineering services, which will be abandoned after the permanent engineering services are in place. Piecemeal development also contradicts the principles of sustainable development.

Other Planning Initiatives

The City has also committed substantial staff resources to the following planning initiatives, which will provide policy direction for balanced urban development and densification of the town centres and other urban areas in the City:

1. Surrey City Centre Plan Review

Consistent with Council's strategic focus for 2006, a review of the City Centre plan is being proposed. This planning process will assist in providing a context for consideration of the numerous development applications under review in this area and will be focused on ensuring that the image of the City is enhanced through a renewed focus on its downtown. A Corporate Report on the City Centre Plan update, including a Terms of Reference is being forwarded to Council separately. The public process for this plan review is proposed to commence in the Fall of 2006 to build upon the momentum generated by the Surrey Central Transit Village Plan that is nearing completion and recent developments in the area.

2. **Semiahmoo Town Centre Plan Review –**

The "Semiahmoo Town Centre Development Concept Plan" is currently under review. The results of the second phase of this process included two land use concepts that were presented to the public at a Public Open House on May 31, 2006. The results of this Public Open House are currently being reviewed and future infrastructure requirements analyzed. A Corporate Report will be forwarded to Council in the Fall of 2006 with the results of the second phase of this planning exercise and a recommended land use plan for consideration.

The Policy Context

In the early 1990s, after the NCP program was launched, an important policy issue emerged. The policy question was: "Should the City control the sequence of NCP development by directing its staff resources and servicing programs, or should the sequence of NCP development be driven by the market?". After careful consideration of this question, Council adopted the latter option, based on the "development pay" principle. Except for a few specialized NCPs, such as those for business parks, the planning of NCPs was initiated only on the basis of a clear indication of interest from landowners and developers in any particular area. The criterion that has been used as the basis for determining whether an NCP planning process should be initiated is:

"A petition must be submitted to the City that demonstrates that at least 51% of all the owners of properties in the area agree to an NCP planning process, or that these owners control at least 70% of the land in the area".

This criterion has been incorporated into the OCP as a policy. The landowners and developers initiating the NCP process must bear the costs for commissioning consultant studies and the costs may be shared among all the benefiting owners. In addition, after an NCP is prepared and adopted, the City will include the required infrastructure in the next available updated of 10 Year Servicing Plan, but developers are responsible for providing and front ending all the needed services that are beyond the financial resources of the DCC program.

Evaluation of the Requests for NCP Processes

In evaluating whether to proceed with the requests for NCP processes in the short term, it is important to consider these proposals from the perspective of the efficiency of infrastructure development, financial impacts to the City, land use planning objectives, and availability of staff resources (Appendix I).

1. **Grandview Heights Area #3**

This Area is adjacent to Grandview Heights Area #2, for which an NCP plan is currently being prepared. Grandview Heights Area #2 and Area #3 will require some common sewer and drainage infrastructure that will likely be more feasible to construct if development of these areas occurs together versus separately. From a servicing and financing perspective, the two NCPs will benefit if they

proceed together. Development in Grandview Heights Area #3 is the next logical extension of development after Area #2 and is consistent with the phasing plan contained in the Grandview Heights General Land Use Plan.

As the petition received by the City from the property owners in this area significantly exceeds the minimum threshold requirements for initiation of an NCP process, it is recommended that a planning process for this NCP commence in late 2006 or early 2007 after completion of the Stage 1 component of the Grandview Heights Area #2 NCP is completed.

2. **Grandview Heights Sub-Area of Area #5**

This area, in the southwestern corner of Grandview Heights NCP #5, (see Appendix I) is adjacent to the area covered by the Grandview Heights Area #1 (Morgan Heights) NCP. Similar to the NCP extensions in East Clayton, this NCP sub-area would build on the infrastructure to be constructed in conjunction with development of Morgan Heights and is a logical extension of development from the west to the east in Grandview Heights.

The petition received by the City, requesting initiation of an NCP planning process for this area far exceeds the OCP threshold requirement. This NCP planning process should commence once the Stage 1 component of the Grandview Heights Area #2 NCP is completed, which is anticipated to be in late 2006 or early 2007.

3. **Grandview Heights Area #4**

Grandview Heights Area # 4 is approximately 194 hectares (480 acres) in area and is located east of 176 Street (Highway 15) and west of 184 Street (see Appendix I). The projected capacity for the area is between 1,430 and 3,610 residential units. The petition received by the City from the owners of land in this area, indicates a level of support for initiating an NCP planning process that exceeds the threshold requirements of the OCP. However, the submission was based on using an alternative sanitary sewer system to open the area for development in comparison to the servicing scheme proposed in the Grandview Heights General Land Use Plan and the North Grandview NCP. It is also not consistent with the proposed NCP staging sequence included in the Grandview Heights General Land Use Plan. The following is a discussion of the implications of the proposal received from the proponents of Area #4.

Servicing Implications

It is generally preferable that the first NCP in any area will be the one that is closest to and, therefore, provides for the most efficient extension of existing engineering services. Once the engineering services are built to the first NCP area, the next adjacent proposed NCP area would be developed.

In the case of Grandview Heights, the North Grandview Sewer Interceptor was approved by Council as part of the servicing requirements for the Grandview Heights General Land Use Plan. Appendix I identifies the location of the North Grandview Sewer Interceptor. This sewer line was planned to serve developments in the southern (uphill) portion of North Grandview Heights and the north slope of the large central area of Grandview Heights, including Areas #1, #5 and #4 (see Appendix I) as the sewer line was extended from the west to the east. Given that Council has approved an NCP for Area #1 (Morgan Heights), Area #5, which has been designated as largely suburban, is the next NCP area that the interceptor would logically be extended to serve, followed by Grandview Heights Area #4, which is in the most easterly area in Grandview Heights. It was anticipated that the timing of the construction of the Interceptor and, therefore, the timing of the NCP planning process for Grandview Heights Area #4 would be a number of years in the future.

The alternative engineering servicing scheme proposed by the proponents of Grandview Heights Area #4 includes the construction of a pump station near 176 Street and 32 Avenue and a sanitary forcemain within the 32 Avenue right-of-way from this pump station to the Rosemary Heights Pressure Sewer at 152 Street and 32 Avenue, a distance of about 5 kilometres. While this alternative sewer service could be built, it would bypass Grandview Heights NCP Area #5 and would be expensive.

The petition requesting an NCP planning process for Area #4 was received a year ago. In the interim, to fairly evaluate the proposal, staff has undertaken a preliminary economic evaluation to determine the pros and cons of proceeding with the North Grandview Sewer Interceptor or, alternatively, for the area to be serviced by the proposed 32 Avenue forcemain on a "development pay" basis. This evaluation determined that the 32 Avenue forcemain is technically feasible.

The City retained Earth Tech Consulting to undertake a servicing overview of the entire Grandview Heights area to determine the most effective servicing strategy. This study concluded that the 32 Avenue forcemain will cost between \$4 million and \$5 million to construct over and above the works that are included in the Grandview Heights General Servicing strategy. In addition, there were a number of operating and maintenance issues identified with the forcemain proposal related to odour, septicity, and pressure surges arising from the length of the proposed forcemain. With the current construction market conditions, the precise cost for this interim scheme is difficult to estimate, but could be significantly more than that anticipated by the proponents. Therefore, costs to deal with these issues need to be included in the costs for the interim works.

This proposal will introduce new urban development into the Erickson Creek drainage catchment. Prior to the introduction of any urban development into this area, an Integrated Storm Water Management Plan (ISMP) is required. To keep all NCP planning options open, staff has initiated the ISMP for this area in 2006 and work on it is now underway.

Financial and DCC Rate Implications

The financial aspects of development servicing are considered as part of the development of each General Land Use Plan. Life cycle costs are considered (i.e. maximizing areas to be serviced by gravity sewer to minimize pumping costs and maintenance costs) as well as the staging of servicing to ensure that no properties are "land locked" from connecting to City services.

The adoption of General Land Use Plans also allows the City to anticipate the timing of construction of services, which is then reflected in the City's Ten Year Capital Plan. Similarly, the information is used to calculate the DCCs necessary to finance improvements to support the land uses proposed. These infrastructure plans consider the types of works to be constructed and considers the logical extensions of services in an effort to efficiently coordinate the City's capital works program and the collection of DCCs to cover the costs.

The present 10-Year Servicing Plan was used as a basis for calculating the proposed DCC rates, which were recently adopted by Council. The new DCC rates were adopted by Council on June 26, 2006. None of the infrastructure required for Areas #2, #3 or #4 are included in the current 10 year Servicing Plan and, as such, are not in the current DCC program.

Construction costs have increased significantly since 2001, which prompted the recent update of the City's DCC rates. The 10-Year Servicing Plan and associated DCC rates will be reviewed again in the next two years and opportunities for extending the North Grandview Sewer Interceptor will be explored.

The more remote (easterly) location of Grandview Heights Area #4 and the easterly part of Area #5 are not included in the recently approved 10-Year Servicing Plan, since NCPs for these areas have not been carried out. If these areas are to be included in the next 10-Year Servicing Plan, the DCC rates will probably need to be increased further.

Another financial implication of advancing an interim solution for Area #4 to expedite the development the area, is that in addition to the throw away costs associated with the interim works, the proponents will also have to pay the full DCCs for the ultimate servicing solutions proposed in the General Land Use Plan. It is important that the proponents of Area #4 understand and agree to this condition prior to a planning process for Area #4 being commenced.

Land Use Planning Implications and Resource Limitation

The development of an NCP that is separated from other development by an intervening unserviced area will create the need to develop public facilities (i.e., parks, schools, etc.) in the isolated area in advance of when such services have been planned. This draws scarce resources away from other areas of the City that are already under development and are in need of parks and amenities to service existing populations that have moved into these other areas.

Although the proponents may provide the resources to engage consultants to undertake various studies and to prepare the plans at various stages, substantial staff resources still have to be allocated to the various tasks of preparing an NCP, including project management, planning and engineering review, public consultation and report preparation. Given the limitation of existing staff resources in both the Planning and Development and Engineering Departments and the projects already committed (i.e. Surrey City Centre Plan Review, Semiahmoo Town Centre Plan Review, current NCPs, etc.), commencing the proposed Grandview Heights Area #4 will delay the completion of current planning processes as well as other needed City initiated planning projects such, as Surrey City Centre Plan Review. Adding staff resources would to some extent mitigate this circumstance; however, it is very difficult in current market conditions to recruit seasoned planners that would have appropriate experience to manage NCP planning processes.

Development Pay Principle

The above evaluations related to the servicing, financing, and planning perspectives suggest that Grandview Heights Area #4 NCP planning process should not commence out of the staging sequence planned in the Grandview Heights General Land Use Plan. However, the long standing Council policy to allow development based on the "market" and the "development pay" principle and the established threshold criteria for NCP initiation, as contained in the OCP, suggest that Grandview Heights Area #4 could be allowed to proceed, provided that the NCP does not impose any new financial burden to the City.

CONCLUSION

Although, there is no urgent need to commence additional NCP planning processes to increase residential capacity to meet the expected demand for housing in the City from planning, servicing and financial points of view, the requests from land owners for initiation of NCP processes for Grandview Heights Areas #3 and Sub-area 5 are supportable when resources are available. Grandview Heights Area #4 is out of the planned phasing sequence as identified in the Grandview Heights General Land Use Plan and has significant engineering and financial implications. However, given Council's traditional approach to the initiation of NCP planning in new areas, Grandview Heights Area #4 could be allowed to commence under the current NCP initiation criterion and the City's "development pay" principle, provided that the proponents enter into an agreement with the City, prior to commencement of the NCP process that stipulates that the proponents agree:

- to pay for the construction and maintenance costs of all the interim services required to open the area to development and that payments are not eligible for DCC rebates;

- to provide sufficient funding to cover all the required consultant studies, plan preparation and public consultation; and
- that the planning process will not commence until the Stage I component of Grandview Heights Area # 2 NCP has been approved by Council.

Paul Ham
General Manager, Engineering

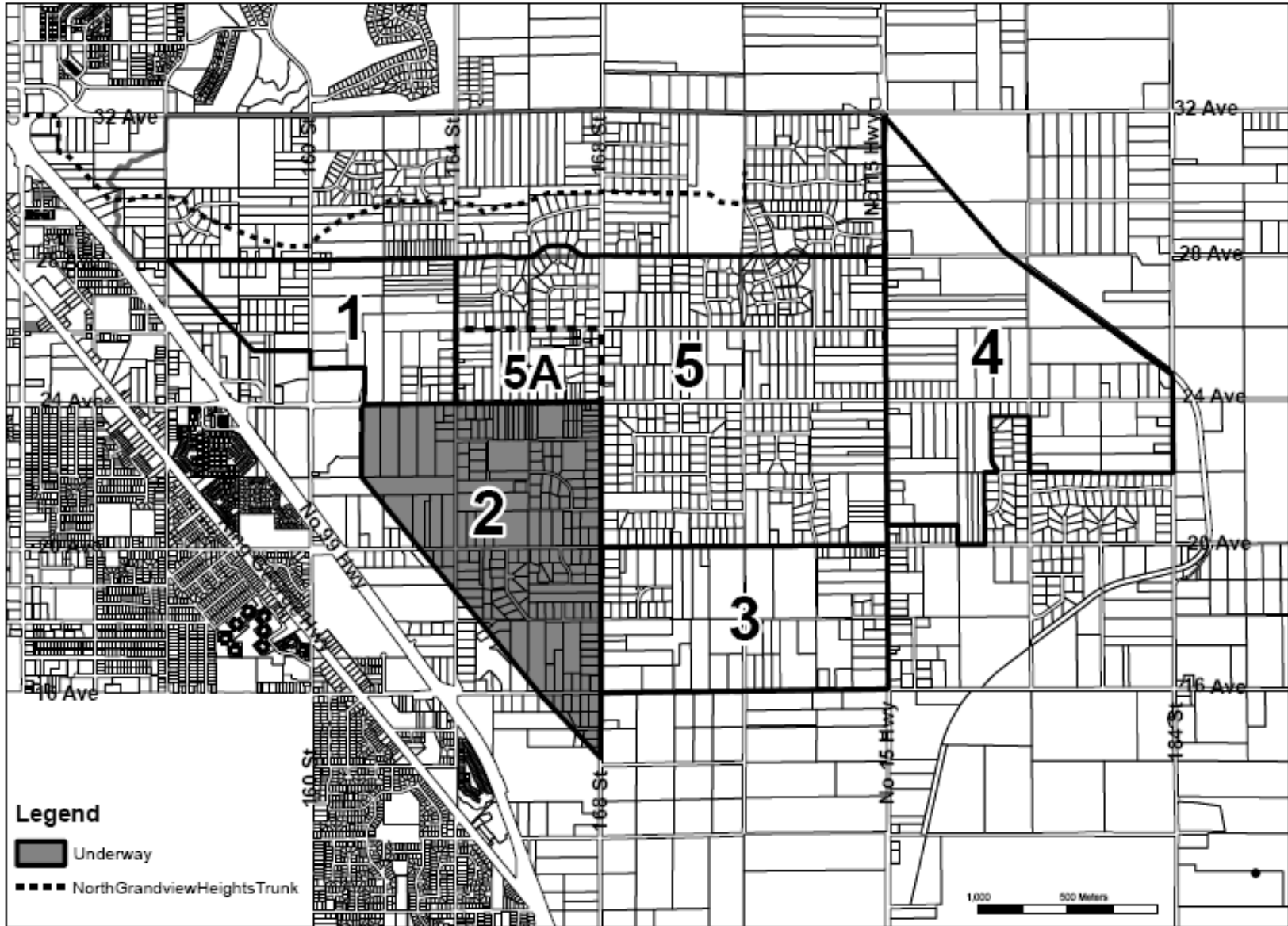
How Yin Leung
Acting General Manager
Planning and Development

LG/kms/saw

Attachments:

Appendix I	NCP Phases in Grandview Heights/North Grandview Gravity Sewer Interceptor Location
Appendix II	Location of Current/Underway NCPs
Appendix III	Location of NCP Requests

Proposed NCP Phases in Grandview Heights



V:\DRAFTING\NCP\Adopted_NCP\Grandview Heights General Land Use Plan\Grandview Heights NCP Areas2.mxd

