



Corporate Report

NO: R196

COUNCIL DATE: July 25, 2005

REGULAR COUNCIL

TO: **Mayor &
Council** DATE: **July 22,
2005**

FROM: **City Manager** FILE:
SUBJECT: **City Centre Enhancement Strategy – New
Initiatives**

RECOMMENDATIONS

That the information be received and that Council endorse the initiatives outlined hereunder in continuation of a City Centre Enhancement Strategy:

1. That Council authorize staff to take the necessary actions including Provincial approval for the continuation of special DCC rates for Surrey City Centre for an additional two years.
2. Direct staff to work with TransLink to relocate the bus exchange for improved safety considerations as well as better position these lands for development. This may be achieved as part of the “Showcase” initiatives.
3. Council direct staff to develop a strategy for property tax reduction to the level of residential taxation for the initial period of five years for new Triple A office towers 24 storeys or higher in the City Centre.
4. Council authorize staff to undertake a RFP process for City owned land in the City Centre with a view to exploring market interest in a Triple A office tower 24 storeys or higher by leveraging expanded library and community services space needs, and applicable SFU space needs.
5. Approve an additional 20 police officer positions, in particular for City Centre police services priorities effective October 1, 2005.
6. Council authorize staff to explore the feasibility and effectiveness of an expanded new police services building in the City Centre to accommodate increasing public safety needs including potential third party needs.

INTENT

To update Council on the City Centre enhancement strategy and seek direction on further initiatives.

BACKGROUND

In 2002, Council approved a number of initiatives to enhance the City Centre and to encourage new high density residential and commercial development. The status of some of the capital upgrading and development related initiatives are outlined in this report. These initiatives, when combined with an increased emphasis on dealing with litter and unsightly premises, together with increased levels of policing, completion of the leasing of the Central City Office tower (including the SFU expansion), and the activities of the Whalley BIA greatly improve the development climate in the City Centre. This is, in part, reflected in the current high level of development applications for multi-

family residential buildings.

This report outlines future steps to continue this positive development climate into the future and to increase the momentum in the development of a city skyline.

DISCUSSION

1. City Centre DCCs

In the summer of 2003, Council approved a substantial reduction in the multi-family DCCs in the City Centre for a 2-year period. The new DCC rates were subsequently approved by the Province on a 2-year pilot project basis. The DCCs in the City Centre for high-rise multi-family dwellings are approximately one-third of the DCCs for high-rise elsewhere in Surrey. Staff have been tracking development applications in the area, both before and after the DCC reduction, and the comparison is as follows:

	Average Annual Applications	Average Annual Units
mid-1995 – mid-2003 (8 years)	1 per year	19 Townhouses * 38 Apartments *
mid-2003 – mid-2005 (2 years)	7-8 per year	85 Townhouses + 596 Apartments +

* Units actually created

+ Units in process

As can be seen from these figures the reduction in DCCs, combined with the current active housing market, has resulted in a very large increase in multi-family development activity in the City Centre. It is proposed the City seek Provincial approval to extend having special DCC rates in the City Centre for another two years, that is to September 2007.

2. Interim Property Tax Reduction in High-Rise Office Floors

The Community Charter (Section 226) allows for various property tax reduction approaches for downtown revitalization purposes. As outlined above, development incentives implemented by the City, combined with the strong residential housing market, has prompted a large increase in high-rise multi-family development. The same increase is not occurring in high-rise office tower development. To provide an incentive for such office development, it is proposed to reduce by 67% the property taxes on all new triple A office quality floors above that are twenty-four stories or higher for a period of five years. This reduction would bring the commercial tax rates for these 24 storey+ highrises to the same level as residential for the initial five years, and would have to be implemented by by-law on a site by site basis. It is geared to encourage a clustering of highrises for the development of a city skyline.

3. Office Space Needs in City Centre and Leveraging City Land to Pursue Office Development

Simon Fraser University Surrey was established in 2002 and has purchased and is currently working on tenant improvements to over 320,000 square feet of university space in the Central City development. The Campus will offer distinctive programs for all of its six faculties (Arts & Social Sciences, Applied Sciences, Business, Education, Health Sciences and Science) and is home to the flagship School of Interactive Arts and Technology. Research groups in Computing Science and Operations Research are collaborating with local and international organizations and Continuing Studies offerings are significantly growing to serve the needs of South Fraser residents.

SFU's vision is to expand from the current 1095 fulltime equivalent students to more than 5000 students over the next decade. The student body will include a thriving research community of 1000 graduate students and 500 international students.

To realize its vision, SFU is planning to acquire an additional 400,000 square feet of space – subject to funding provisions - for instructional, research and administrative purposes. Its initial priority for expansion will be an adjacent Science Building to house teaching and research labs for a proposed program in Biotechnology and an existing Science program. The Science building will be up to five stories high and 125,000 square feet. It is also understood that a number of institution users are looking for office space in the City Centre area.

ICBC retains option rights on the City lands, both south and north of the North Surrey Recreation Centre. However, we understand that ICBC is prepared to work with the City with respect to their option for the 3-acre area north of the North Surrey Recreation Centre the City. This area contains the Seniors Centre and the Whalley Library as well as a number of low-rise commercial buildings that are rented out.

The need for additional space outlined above indicates that under the right circumstances, an additional office tower could become a reality. To facilitate such a development, it is proposed that staff would seek proposals from the private sector for the development of an office tower on this City owned land. The proposal would be for Triple A quality office space of 24 floors, likely in some staggered skyline format, and would incorporate the provision of space needs for an expanded library and seniors centre.

4. New and Expanded RCMP District Office and Police Presence in City Centre

In an effort to continue building on the police priority in the City Centre, it is recommended that an additional 20 officers be added to this area effective October 1, 2005.

The current RCMP District 1 office at King George Highway and 108 Avenue is no longer sufficient for the needs of this detachment. The current building is 11,880 sq.ft. and is a converted bank building owned by the City.

It is proposed that Council authorize staff to explore the feasibility and effectiveness of the construction of a new and expanded police services building in the City Centre. The feasibility analysis would examine the effectiveness of a new building to accommodate the increased City Centre police resources and other central services, taking into account City's needs as well as applicable third party needs.

5. Other Capital Improvements

As part of the City Centre Enhancement Strategy, a number of capital works have been proposed; the status and timeframe of these works is as follows:

Item	Status
Upgrading of the North Surrey Recreation Centre	Complete – Facility opened June 18
Upgrading of Holland Park	Design complete. Construction started & to be completed 2006
Construction of missing section of Ring Roads	Design complete. Construction to start 2005 & to be completed 2006
Construction of artificial turf field	Completion scheduled for 2006

(Tom Binnie Park)	
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6. Showcase Program

The *Urban Transportation Showcase Program* is funded through a partnership between Transport Canada, the City of Surrey, the Greater Vancouver Regional District (GVRD), and the Greater Vancouver Transportation Authority (GVTA). The Transit-Oriented Development (TOD) Program is centered on the Surrey Central SkyTrain Station.

The key deliverable of the Surrey Central Transit Village Plan program is to develop a plan that incorporates TOD principles in the 500 to 800-metre area surrounding the Surrey Central SkyTrain Station. The process into three phases that will take place over the next two years. The phases include:

Phase I	Project Start Up
Phase II	Draft Plan Preparation and Adoption
Phase III	Plan Implementation

The Surrey Central Transit Village Plan project has concluded its first phase, which was to gather information about the area, generate ideas for the future, and invite input from the public. This was accomplished through inter-agency staff workshops, Stakeholder Workshops, an Ideas Forum, a public lecture on the topic of place-making, and public open houses. The results of Phase I is on the City's website.

A Terms of Reference (TOR) has been developed for the preparation of the Transit Village Plan for the Surrey Central station area and a consulting team appointed. Next, the Plan will be reviewed for market viability. The plan will inspire action and provide practical tools to refine the mix and density of land uses allowed, establish a finer street grid, and create active pedestrian-friendly streets that are also safe and attractive. This plan will also refine design guidelines to ensure buildings are oriented to the street, to minimize surface parking, and to establish a positive identity for the area.

The next phase of this process will identify the capital works projects that are to be completed as part of the Showcase funding agreement. Under the agreement, this deliverable will need to be completed and approved by Surrey City Council as well as the TransLink Board prior to the end of the 2005. Preliminary design will be undertaken in order that construction can be undertaken prior to the Transport Canada funding deadline of December 2006.

Preliminary work under the Showcase Program has identified a number of concerns with the existing transit exchange and its location. A number of potential options for reconfiguring and relocating the transit exchange have been outlined. The Showcase Program study will complete this review and develop recommendations for a new confirmation and likely a new location.

CONCLUSION

Much has been accomplished in the efforts to gain momentum in the City Centre and there are other initiatives that can be undertaken to further enhance that energy. It is recommended that Council endorse the recommendations outlined in this report to continue the growth and revitalization of the City Centre.

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