

STRATEGIC DIRECTION ONE – Toward More Effective Collaboration

Actions suggested by Task Force:

Enable Multi-Regional Collaboration for Service Delivery (examples included emergency planning, emergency communications and 911)

The Fire Chief supports this direction suggesting that the provision of legislation would make it easier to establish partnerships.

Enhance the Delivery of Regionalized Fire Support Services

The Fire Chief supports this initiative suggesting that these actions would strengthen the capacity for services delivered by the regional concept by linking sustainable revenue sharing to the insurance premium tax.

The report further expanded on prerequisite conditions for the revenue sharing which suggests nearly \$7 million annually could be eligible for support services. Examples given suggested a formula that one support service could generate 25% sustainable funding, two 30%, three 35%, four 50%. Distribution or prerequisite criterion in the report suggests a wide variety of conditions.

The report suggests the following services would qualify:

- Regional Safety Assessments
- Regional “ Fire Prevention Manager”
- Regional Training & Communications
- Regional Planning & Response

In terms of a broad perspective, we would suggest the following Regional Services as applicable in our region (GVRD) and upper Fraser Valley.

Communications - The provision of the Wide Area Radio Network provided by E-Comm that covers the GVRD would appear to be eligible and if approved could discount Surrey’s cost of \$820,000 by 25% and further encourage other fire departments to join the system and further reduce incremental costs to participating jurisdictions including Surrey. The Capital Regional District’s (CRD) Wide Area Radio Network would also appear to be eligible.

Response - The provision of regionalized Hazardous Materials, High Angle, Confined Space and Trench Rescue. While these specialty services are enjoyed by the citizens of Surrey, not all communities in the region have guaranteed access. The application of this concept might see a net reduction in our costs and a discounted cost to those who are not currently able to afford the service.

STRATEGIC DIRECTION TWO – Strengthening Regional Economies

Actions suggested by Task Force:

Reinvent Regional Economic Development

We support the concept of regional economic development and agree with the Task Force’s suggestion that sustained economic growth is more likely with collaboration among cities in the region.

Over the last six months, the City of Surrey has taken a leadership role in exploring and reviving the concept of regional economic development. The Mayors of Richmond, Vancouver and Surrey and their respective staff, have met a number of times to examine this issue. To help aid in discussions among the

Mayors, staff collaborated to produce a document entitled *The Case for Regional Collaboration: Economic Development in Greater Vancouver*. This document was recently distributed to Council for information. Many of the suggestions contained in this document align with those in the **Building Stronger Communities** report.

This report also outlines the challenges of creating an economic development model with ‘staying power’, suggesting that the missing component is an economic feedback loop whereby financial benefits of increased economic production could be shared among cooperative cities/regions. We agree with this suggestion as well.

Promote Business-Friendly Practices

We support the notion of promoting business friendly practices in the City of Surrey and recommend further effort be made in this area. Promoting business friendly practices is consistent with Surrey’s business development focus and fundamental to the economic well being our City. We specifically support the establishment of a multi-stakeholder standing committee to develop and oversee the promotion of business friendly guidelines. Surrey has a number of business friendly practices currently in place including:

- the second lowest commercial to residential property tax burden of all cities in the GVRD
- one of the lowest business mill rates in the region
- Surrey representative on the Development Finance Review Committee
- provision of funding for pre-servicing of new industrial areas
- a Development Cost Charge grace period
- priority given to processing industrial and commercial development applications

Harmonize Business Licensing

We support in principle the concept of harmonized (inter-municipal) business licenses and are willing to participate in further exploration of the issue.

At the 2006 UBCM convention, the Premier urged municipalities to develop a harmonized business licensing system by 2008. The focus would be on mobile businesses such as contractors and catering companies that operate across local boundaries. Business operators would be required to purchase one inter-municipal business license in their ‘home’ city which would allow them to work across local boundaries. This would save businesses both time and money by eliminating the need to purchase separate business licenses from each municipality in which they conduct business.

The potential downside to inter-municipal licensing is loss of business license revenue to Surrey as well as a reduced ability to regulate and enforce to our current standards.

In early 2006 our Manager of Bylaw Enforcement and Licensing met with his counterparts in Delta, Langley City, Langley Township, Abbotsford and White Rock to discuss this issue. This meeting raised the concern that other municipalities would benefit from Surrey’s proactive enforcement measures as non-resident businesses working in Surrey without a business license would in many cases be driven back to their home city to purchase a multi-jurisdictional business license – which would not result in any revenue to Surrey. As other cities do not have the resources to take the same proactive enforcement measures, the likelihood of Surrey based businesses being referred back to Surrey to purchase an inter-municipal business license is relatively low.

There are close to 2,500 Surrey businesses licenses held by ‘mobile’ type businesses that have a home base outside of Surrey. The corresponding annual licensing revenue is approximately \$475,000. With harmonization of businesses licenses, Surrey could lose a significant portion of this revenue.

Regulation and enforcement of these businesses is also a concern. In the opinion of our Assistant City Solicitor, regulating non-resident businesses operating in Surrey that hold a harmonized business license would pose the following challenges:

- Even if the business is not licensed by the City of Surrey, the City can still impose regulations on those businesses. However, enforcement becomes more difficult and is dependent on the cooperation of other municipalities, particularly with respect to evidentiary issues.
- Even if a business holds a license that is valid in multiple jurisdictions, each jurisdiction may still have different regulations applicable to the business. This may defeat the purpose of harmonizing business licensing. One license may fit all, but a business may still be subject to different regulations in each jurisdiction.
- If the business is not licensed by the City of Surrey, the City could lose the significant enforcement tool (and threat) of suspending and/or cancelling a business license for misconduct or breaches of City bylaws and other applicable regulatory requirements.

These concerns, as well as the issue of revenue loss, would require thorough exploration before proceeding with an inter-municipal business license agreement.

CREATIVE IDEAS FOR THE FUTURE

The Task Force also referred to areas where action could be taken towards developing long-term sustainability of BC communities.

Innovative Housing Options

The Task Force suggested that thought be given to providing incentives to encourage innovation in the area of housing affordability. The City has taken the following actions to encourage and provide for affordable housing:

In the 1990s, the City created an Affordable Housing Reserve Fund, with contributions from the development industry, in order to finance affordable housing. The fund now has a value of over \$8 million and has resulted in a number of initiatives, including:

- **Surrey Home Ownership Assistance Program.** Under this program, interest accumulated on the fund has been applied since 2001 to provide 88 low and moderate income households with mortgage assistance of up to \$20,000. Half of the amount of these loans is forgivable after 5 years. By assisting households to enter the housing market, additional rental units have also been made available.
- In 2006, Council supported the reallocation of the resources from the Affordable Housing Fund to support initiatives arising from the Mayor's Task force on Homelessness and Housing. The City is now working to establish a fund within an existing foundation that would provide a mechanism to enable charitable donations, leverage private and government funds, facilitate collaborative partnerships and distribute funds to projects and programs that assist or enable individuals to exit or avoid homelessness.

The City has also provided financial support and leveraging funds for affordable special needs housing initiatives, most recently for the Phoenix Alcohol and Drug Recovery House project which combines addiction services with transitional housing, employment and education services.

To preserve affordable rental housing stock, City policy limits the conversion of rental housing when the vacancy rate falls below 4% and the City has a policy on the process that developers must follow to ensure that residents are relocated when manufactured home parks are converted to other uses.

The City also strives to make housing more affordable through a number of market mechanisms. The primary mechanism is the facilitation of an adequate supply of land for a range of housing types through the Neighbourhood Concept Plan process. The City's Neighbourhood concept plans provide a current capacity of approximately 19,000 units which provide a supply of housing sufficient to meet anticipated demand for residential growth beyond 2014. In addition, Council has directed staff to proceed with additional neighbourhood concept plans. This has resulted in the construction of a supply of housing that is among the least expensive in the GVRD, both for multi-family and for single family housing types.

Surrey is currently revising plans for the Surrey City Centre and the Semiahmoo Town Centre which will provide a range of multiple residential opportunities. An examination of opportunities to use density bonusing to provide for affordable housing is being undertaken concurrently.

Zoning tools have also increased affordability. For example, a planning objective of the East Clayton Neighbourhood Concept Plan was to increase housing options for people at a variety of income levels and family types. To implement this objective, innovative zones were created, such as the RF-9 zone, which allows small lot subdivisions with a narrow 9m frontage, and the RF-9C and RF-12C zones, which permit coach houses or secondary suites. These zones reduce housing costs by reducing the cost of land and providing the opportunity for additional suites and rental income for property owners.

Local Government / First Nations Relationships

Regarding local government/First Nations relationships, the Task Force suggests that "developing positive relations and finding common ground are essential for maximizing social and economic opportunities". We agree with and support this approach.

Over the years, the City of Surrey has developed and fostered positive relationships with the Semiahmoo and Katzie First Nation Indian Bands through our efforts to effectively managing matters of mutual interest or impact between the City and either of these separate jurisdictions. The City presently supplies water services to both of these First Nations groups through separate Servicing Agreements. In addition, further to recent interests expressed by the Semiahmoo, the City has engaged in discussions with regards to potentially providing Surrey Fire Services to their reservation via a further Servicing Agreement.

From a broader perspective, the City is an active member of the Lower Mainland Treaty Advisory Committee (LMTAC) which is comprised of 26 individual Lower Mainland local government jurisdictions. LMTAC acts as a full member of the British Columbia treaty negotiation teams and was established to provide input into negotiations with five Lower Mainland area First Nations: Katzie, Musqueam, Squamish, Tsawwassen and Tsleil-Waututh. The committee is tasked to:

"coordinate and represent the collective interests of local government, and through them their constituents, in defining and building relationships between First Nations and other orders of government."

In order to effectively act on its mission statement, the Lower Mainland Treaty Advisory Committee has established the following priority roles:

- To communicate the collective interests of local government in area treaty processes to Provincial, Federal and First Nations governments

- To advise and update LMTAC members regarding local government interests in Aboriginal issues and in treaty negotiations
- To monitor and, where necessary, respond to non-treaty aboriginal issues that may impact the collective local government
- To facilitate the development of effective working relationships between local governments and First Nations

Streamlining Local-Provincial-Federal Regulatory Structures for Development

The Task Force suggests that "streamlining and harmonization among federal, provincial and local government development approval processes may be one way to encourage investment and speed up development approval processes". The objective is to speed up the process to encourage investment and development. The suggested approach is twofold: streamlining the processes within the three levels of government and harmonization of the processes among the three levels of government. We agree and support this approach.

The City of Surrey is constantly receiving feedback from the clients and members of the development industry relating to any issues and difficulties they encountered in the development approval process. City staff are responsive to this input and adjustments to the process requirements are considered on a regular or as needed basis.

On the other hand, we found that harmonization of the processes among the three levels of government would present a big challenge. There are significant differences in development processes even among local governments. Involvement of senior government agencies usually relate to the legislative requirements for ministerial approval, such as Ministry of Highways, Ministry of Environment, Department of Fishery and Ocean, etc.

At times the City's development process has to be on hold pending senior government's approval or decision at various stages. In some cases where senior government is directly involved in the construction of public facilities, lack of familiarity with each other's processing requirements or even the role of different players involved, would often delay the process. It would appear that more work needs to be done in this area.

Federal-Provincial Infrastructure Grants Streamlining

We support the concept of streamlining Federal-Provincial Infrastructure Grants. Currently there are a number of different Federal-Provincial and Provincial Infrastructure grant programs. These grant programs often span different time periods and cover different categories of works. A particular problem with the current Federal-Provincial Infrastructure grant programs is that these programs are made available for applications every 3 to 4 years, resulting in an initial rush of applications from all over the Province and a lengthy wait while these are evaluated. Projects (or municipalities) that are not successful then have to wait until the next program is announced.

This approach to funding infrastructure leads to inequities among different municipalities with some getting more funding and some less or none. It is difficult to manage and program capital works when there is uncertainty on timing and availability of funding. The current system could almost be likened to a 'lottery', which as we all know is not a good basis for sound financial planning. In addition to the Federal and Provincial funded Infrastructure Program, there are other smaller grant programs for infrastructure that are solely funded by the Province.

A system that would work better for municipalities would be the consolidation of all programs into one process with funds assigned to municipalities annually on a population basis but with the Provincial Government still determining which projects are to be funded. This process has been successfully used by the GVTA (TransLink) for funding road and bike projects throughout the region. It is recognized that this approach could be difficult for small communities where the allocations of funding would be modest in any one year. In these cases a mechanism could be provided that a larger project could be funded over a multi-year basis.

CONCLUSION

The recommendations suggested by the Task Force on Community Opportunities are generally aligned with the City's existing goals and future direction. We therefore recommend that Council express support to the Task Force and indicate the City of Surrey's willingness to take action on or explore these suggestions further.

Murray Dinwoodie
Acting City Manager