

To: Regional Planning and Agriculture Committee

From: Jaspal Marwah, Regional Planner
Planning, Policy and Environment Department

Date: August 14, 2014 Meeting Date: September 5, 2014

Subject: **Consideration of the City of Surrey's Regional Context Statement**

RECOMMENDATION

That the GVRD Board accept the City of Surrey's Regional Context Statement as received by Metro Vancouver on July 14, 2014.

PURPOSE

The purpose of this report is to provide an opportunity for the GVRD Board to consider acceptance of the City of Surrey's Regional Context Statement in accordance with Section 866 of the *Local Government Act*.

BACKGROUND

On July 29, 2011, the GVRD Board adopted *Metro Vancouver 2040: Shaping our Future (Metro 2040)*, the regional growth strategy. Pursuant to Section 866 of the *Local Government Act*, each municipality must submit a regional context statement within two years of the adoption of the new regional growth strategy.

A regional context statement (RCS) identifies the relationship between the municipality's Official Community Plan (OCP) and the regional growth strategy, and, if applicable, how the OCP is to be made consistent with *Metro 2040* over time. *Metro 2040* notes that Metro Vancouver's role is to accept (by a simple majority weighted Board vote) RCSs that support the goals and strategies of *Metro 2040*. The role of municipalities is to adopt RCSs that specify how the municipality's OCP addresses each of the applicable *Metro 2040* policy actions. In considering a RCS, the Board's expectation is that the content of an acceptable RCS is generally consistent with the goals, strategies and actions and the parcel-based regional land use designations in *Metro 2040*.

The City of Surrey Council gave first and second reading to the regional context statement contained within "PlanSurrey 2013: Official Community Plan, Bylaw No. 18020" on December 16, 2013. Prior to the OCP (including the RCS) bylaw receiving 1st Reading, Metro Vancouver staff worked closely with City of Surrey staff to provide comments on the draft RCS. The draft RCS was revised to respond to many of those staff comments. A public hearing was held on March 10, 2014, and third reading of the bylaw was given on March 31, 2014. The RCS was originally received by Metro Vancouver on April 9, 2014 (Attachment 1), but was then withdrawn by the City on April 28, 2014, to facilitate the City's request for a Type 3 *Metro 2040* amendment in relation to the Central Newton Cultural Commercial District.

The Metro Vancouver Board initiated a Type 3 amendment process on May 27, 2014, after which the City resubmitted their RCS for acceptance on July 8, 2014 (Attachment 2). Metro Vancouver must respond within 120 days of receipt of the RCS. The GVRD Board will also consider third and final reading, and adoption of RGS Amendment Bylaw No. 1207, 2014, for the Central Newton Cultural Commercial District at the September 19, 2014 Board meeting, just prior to consideration of the RCS.

DISCUSSION

City of Surrey Context

The City of Surrey is the second largest municipality in the region in terms of population, and is expected to see the largest amount of growth of all Metro Vancouver municipalities during the lifetime of *Metro 2040*. Surrey Metro Centre has the largest concentration of residents and jobs in an Urban Centre outside of the Metropolitan Core in Vancouver, and given its geographic location, will serve as a main transit hub for communities south of the Fraser. Unlike some other municipalities in the region, Surrey has significant lands available for new residential, commercial and industrial development. The City has recently completed a new OCP (not yet adopted), as well as secondary planning processes for several neighbourhoods, and is now in a good position to focus planning efforts on its Urban Centres.

Analysis of City of Surrey's Regional Context Statement

A discussion of Surrey's RCS is provided below. The analysis identifies how the RCS meets the intention of each of the *Metro 2040* goals.

Goal 1 - Create a Compact Urban Area

Urban Containment Boundary

The City of Surrey's Regional Context Statement map (Figure 3) depicts the Urban Containment Boundary and is consistent with the Urban Containment Boundary shown in *Metro 2040*.

Population, Dwelling Unit and Employment Projections

Table A.1 in *Metro 2040* sets out population, dwelling unit and employment projections by municipality for the years 2021, 2031 and 2041 as guidelines for long-range planning for Metro Vancouver and member municipalities. Table 1 below sets out Surrey's projections alongside the *Metro 2040* projections.

Table 1: Surrey RCS Growth Projections

	Surrey RCS				Metro 2040		
	2012	2021	2031	2041	2021	2031	2041
Population	502,705	593,600	685,250	770,200	578,000	668,000	740,000
Dwelling Units	164,935	199,950	238,800	274,900	211,200	255,700	285,200
Employment	171,200	214,200	257,950	296,600	217,000	259,000	290,000

Surrey's dwelling unit and employment projections vary somewhat from the *Metro 2040* projections. A number of municipalities are requesting some adjustment to the projections in *Metro 2040's* Table A.1. Given the need to update these growth projections following the full 2011 Census release, and some anticipated reallocation of regional growth projections among municipalities,

Metro Vancouver staff conclude that Surrey's projections can be accommodated within the *Metro 2040* regional growth projections and are generally consistent with *Metro 2040*. It is anticipated that following Board acceptance of all regional context statements, municipal growth projections in *Metro 2040* will be updated to be consistent with projections contained in Board-accepted RCSs.

Urban Centres and Frequent Transit Development Areas

Consistent with *Metro 2040*, the RCS identifies Surrey Metro Centre, and five Municipal Town Centres: Cloverdale, Guildford, Fleetwood, Newton and Semiahmoo. By 2041, 23% of new dwelling units and 27% of employment will be directed into these six Urban Centres.

Surrey Metro Centre is the region's largest Urban Centre outside of the Metropolitan Core. Identified as the City Centre in the OCP, Surrey Metro Centre is developing as the primary commercial centre for the entire south of the Fraser area and will support the highest densities of residential, commercial and mixed-use development, services, entertainment and institutional uses. It is the emerging focal point for economic, cultural and educational activity for South of the Fraser. The RCS indicates approximately 21% of new dwelling units and 13% of new jobs will be directed to Surrey Metro Centre over the 2012-2041 period.

Municipal Town Centres (MTC) in Surrey include Cloverdale, Fleetwood, Guildford, Newton and Semiahmoo, which complement Surrey Metro Centre by providing a network of complete communities along the Frequent Transit Network. These five communities will support higher densities of residences as well as services (retail, commercial, recreational and institutional) to meet local and sub-regional needs. Surrey's RCS notes that 15% of new dwelling units and 16% of new jobs will be directed to these MTCs.

Given Surrey's regional prominence and its large share of the region's future urban growth, successful implementation of *Metro 2040* relies upon a strong Urban Centres strategy in Surrey's OCP and RCS. It is therefore important to note that although the RCS projections support growth in Surrey's Urban Centres, they still fall short of both *Metro 2040's* projections for Surrey of 31% dwelling unit growth and 43% employment growth, as well as *Metro 2040's* regional targets of 40% and 50% growth respectively in Urban Centres.

Surrey's lower growth projections result from Surrey's significant supply of planned, undeveloped lands currently available for employment and residential development. Over time, as some of these lands are absorbed, and in conjunction with OCP policies focusing growth in Urban Centres, the share of employment and dwelling unit growth in Centres is anticipated to increase. The RCS reflects this anticipated trajectory by indicating an accelerating trend over time for Urban Centre dwelling unit and employment projections: while the share of growth in Urban Centres is lower in 2021, the RCS demonstrates an increased focus on growth in Centres for the latter period of the OCP timeline as greenfield opportunities diminish. The RCS recognizes this issue and responds with 'work towards' commitments noting further planning work for Urban Centres is expected to increase growth potential over time.

Frequent Transit Development Areas (FTDAs) – Surrey has made clear strides towards incorporating the FTDA concept into their OCP and growth planning. Three FTDAs are identified in the RCS: 104 Avenue, Fleetwood West, and East Clayton. The RCS directs approximately 6% of new dwellings and 5% of new jobs into these FTDAs.

In addition, the RCS indicates the potential for considering in the future a possible fourth FTDA along the Scott Road Corridor and in conjunction with the Corporation of Delta. Although Surrey's integration of the FTDA concept is supportive of *Metro 2040* objectives, Surrey's acknowledged need to phase significant growth into its Centres into the latter part of the life of *Metro 2040*, does raise the question of whether the addition of FTDA's at this time may dilute efforts to achieve focused growth in the Centres in the mid-term.

Policies to Exclude Non-Residential Major Trip Generating Uses

Metro 2040 action 1.2.6 d iv) directs municipalities to "include policies for General Urban Areas which: . . . iv) exclude non-residential major trip-generating uses, as defined in the Regional Context Statement, from those portions of General Urban areas outside of Urban Centres and Frequent Transit Development Areas".

Surrey's RCS responds to this action by defining major trip generators (MTG) as: "regional and major civic institutions, hospitals government office or high density residential or commercial development in excess of 1.5 FAR." This is a strong policy response to *Metro 2040* and a well-articulated definition that provides detail beyond other MTG definitions in the region. Comments by TransLink suggest this definition could be strengthened by using a threshold based on building floor area square footage and the number of trips generated.

Rural Land Use Designation and Policies to Protect Rural Areas from Urban Development

The RCS indicates that extension of services into Rural areas is not expected, and references OCP policies that specify minimum densities of 0.8 hectare lots for rural development and that protect rural areas from urban development. These OCP and RCS policies generally meet the intent of this action and the *Metro 2040* Rural land use designation.

Goal 2 – Support a Sustainable Economy

Promote Land Use Patterns That Support a Diverse Regional Economy

The RCS provides strong support for industrial and employment activity in Surrey through significant OCP policy references to economic development. *Metro 2040* action 2.1.4 b) asks that municipalities provide incentives and policies to encourage office development in Urban Centres. The RCS does not reference specific incentives, but does direct office uses to Surrey Metro Centre and other Urban Centres, and is consistent with *Metro 2040's* objectives around supporting a sustainable economy.

Protecting the Supply of Industrial Land

The RCS identifies Industrial and Mixed Employment areas, and provides strong policy references in support of protecting land for industrial uses. The RCS supports *Metro 2040's* objectives around protecting the regional industrial land base and encouraging intensification of industrial activities, limiting accessory uses and discouraging non-industrial uses such as stand-alone office and big box type retail in Industrial areas.

Surrey's RCS includes references to the OCP Mixed Employment land use designation that generally supports *Metro 2040's* Mixed Employment land use designations, for instance by limiting large-format retail outside of approved plans, and by indicating that OCP Mixed Employment uses are intended to complement industrial activity and Urban Centres. The underlying industrial and mixed

employment OCP policies referenced in the RCS are consistent with *Metro 2040's* strategy to protect the supply of industrial land in the region.

Protecting Agriculture Land and Promoting Agricultural Viability

Approximately one-third of Surrey's land base is agricultural and is strongly supported by OCP policies referenced in the RCS. The RCS includes a map indicating agricultural lands within the Agricultural Land Reserve (ALR), as well as other agricultural lands outside of the ALR, consistent with *Metro 2040*. OCP policies protect this large base of agricultural land from urban development, discourage fragmentation and subdivision, and provide guidelines for managing the urban-agricultural interface. The RCS also includes policy references that promote agricultural viability through economic development, education and supporting local food production. The RCS responds well to this *Metro 2040* action.

Goal 3 – Protect the Environment and Respond to Climate Change Impacts

Protecting Conservation and Recreation Lands and Enhancing Environmental Features

The RCS includes a map showing locations of Conservation and Recreation lands consistent with *Metro 2040*. The RCS references numerous OCP policies that provide strong support for *Metro 2040's* Conservation and Recreation areas. Surrey's RCS demonstrates the city's leadership in protecting and enhancing environmental systems, through initiatives including the *Ecosystem Management Strategy*, the *Sustainability Charter* and the forthcoming *Biodiversity Conservation Strategy*. The RCS includes policies for natural buffers between adjacent lands and completing Integrated Stormwater Management Plans and Development Permit Area Guidelines. The RCS also indicates support for green infrastructure in Surrey, and coordination on regional conservation / recreation initiatives, such as the *Experience The Fraser initiative* as part of the *Regional Recreation Greenway Network*.

Energy & Emissions

The Surrey RCS contributes to achieving the region's greenhouse gas emission reduction targets by identifying relevant OCP policies including Surrey's GHG emission reduction targets of 33% below 2007 by 2020 and 80% by 2050, as well as land development and transportation strategies. The RCS references the city's *Community Energy and Emissions Plan* and the *Corporate Emissions Plan*, and policies in support of green buildings and site design, and opportunities to leverage the local planning and development approvals processes as part of their emission and energy reduction efforts.

Withstanding Climate Impacts and Natural Hazard Risks

Surrey's RCS includes policies for reducing development risks in areas prone to natural hazards or climate change impacts, including areas susceptible to flooding. The RCS also addresses climate change-related risk to infrastructure and operations through OCP policies such as through the implementation of their draft *Climate Adaptation Strategy*.

Goal 4 - Develop Complete Communities

Provide Diverse and Affordable Housing Choices

The Surrey OCP provides a wide range of policies in support of ensuring diverse housing options in terms of tenure, densities, form and design. The OCP responds well to *Metro 2040* action 4.1.7 a) iii) with specific policies for encouraging affordable housing in FTDA's and areas with good transit accessibility.

The RCS also includes OCP references to a number of incentives and measures to further encourage affordable housing, including expedited approvals processes, density bonusing that prioritizes affordable housing, reduced parking standards, and contributing land and other fiscal measures. The RCS indicates Surrey is in the process of developing a Housing Action Plan, though does not provide a timeline for its completion.

Developing Healthy and Complete Communities

Surrey's RCS and OCP provide comprehensive support for developing complete communities. Policies focus on compact urban areas with local centres, directs cultural and community facilities into Urban Centres, encourages place-making and integrates opportunities for active living in communities and recreational and greenway assets. Small-scale Local Centres are supported by policies encouraging mixed-use neighborhood centres for local residents' access to shopping, services, schools, small offices and amenities.

Goal 5 – Support Sustainable Transportation Choices

Encourage Transit, Multi-Occupancy Vehicles, Cycling and Walking

Surrey's OCP provides a comprehensive set of policies in support of *Metro 2040's* strategies for Goal 5. The OCP acknowledges Surrey Metro Centre's key role as a sub-regional transit hub and in implementing the South of Fraser Area Transit Plan. The RCS references OCP policies that make strong links between aligning land use and development patterns with transit and transportation options. The RCS also identifies many OCP policies that prioritize alternative transportation modes of walking, transit and cycling ahead of motorized travel, align the transportation network with current and future land uses, providing transit to employment areas, and encourage transit-supportive densities and development patterns. The RCS makes explicit Surrey's efforts to support *Metro 2040's* regional transportation objectives through references to specific OCP policies for developing Surrey's transportation system with a regional perspective, and in coordination with other agencies including TransLink.

Safe and Efficient Movement of Vehicles for Passengers, Goods and Services

The RCS includes maps indicating safe and efficient routes for goods movement and the Major Road Network (MRN). The RCS references OCP policies that support this *Metro 2040* strategy by completing the MRN grid for more efficient transportation options, considering impacts to new communities when managing truck and dangerous goods routes, and developing a truck parking strategy. The RCS response is consistent with *Metro 2040*, and could be further strengthened by clarifying the continuity of dangerous goods movement along the South Fraser Perimeter Road south of 104 Avenue.

Regional Land Use Designation Changes

The Surrey RCS land use map contains fifteen proposed minor changes to regional land use designations. This approach is consistent with the approach undertaken by a number of other municipalities in their RCSs. The first eight of these changes reflect more refined mapping of Surrey's natural areas, and add a total of approximately 28.3 hectares to the *Metro 2040* Conservation and Recreation land use designation, all from General Urban (Table 2 and Attachment 2).

There are seven other proposed changes to correct mapping errors. The first two changes are for existing residential developments that were incorrectly identified as Mixed Employment rather than General Urban in the development of *Metro 2040*. The RCS seeks to change these lands from Mixed Employment to General Urban (Table 2 and Attachment 2). The last five proposed changes were identified subsequent to the RCS submission and are not included in Attachment 2. In staff to staff discussions, Surrey indicated the first four of these changes are to reconcile the OCP (and RCS) with the Agricultural Land Reserve (ALR) boundary. The regional land use designations in *Metro 2040* were largely developed as a reflection of municipal OCPs. Surrey is now reconciling their OCP with the ALR boundary. These changes are corrections of errors only, and are not a result of any land use changes or ALR exclusions since *Metro 2040's* adoption. The lands being proposed to go from Agricultural to General Urban are not in the ALR.

The fifth mapping error is for an area that was identified as Industrial in the development of *Metro 2040*, but which features Mixed Employment land uses that conform to the City's secondary plan for the area dating back to 2003.

Table 2: Changes to regional land use designations proposed in Surrey's RCS

1. Invergarry Park	0.4 ha	from General Urban to Conservation and Recreation
2. Bonaccord Creek Park	0.4 ha	from General Urban to Conservation and Recreation
3. Green Timbers Urban Forest	4.2 ha	from General Urban to Conservation and Recreation
4. Bear Creek Park	1.0 ha	from General Urban to Conservation and Recreation
5. Fleetwood Park	14.2 ha	from General Urban to Conservation and Recreation
6. Blackie Spit	0.8 ha	from General Urban to Conservation and Recreation
7. Sunnyside Acres Urban Forest	1.8 ha	from General Urban to Conservation and Recreation
8. Redwood Park	5.5 ha	from General Urban to Conservation and Recreation
9. 'Nuvo' live-work townhouse project in Rosemary Heights	14.2 ha	from Mixed Employment to General Urban
10. A portion of the 'Morgan Crossing' mixed-use project in Grandview Heights	3.2 ha	from Mixed Employment to General Urban
11. A portion of the South Newton / Panorama Ridge area	4.3 ha	from General Urban to Agricultural
12. A portion of the South Newton / Panorama Ridge area	2.1 ha	from Agricultural to General Urban
13. The ALR boundary in the Elgin Heritage Park area	5.0 ha	from Conservation and Recreation to General Urban (the park is in the ALR; reconcile boundary)
14. The ALR boundary in the southern tip of the Nico-Wynd Golf Course	2.0 ha	from Agricultural to General Urban
15. A portion of the South Westminster area	2.0 ha	from Industrial to Mixed Employment

All of these proposed changes are included in the RCS Regional Growth Strategy Land Use Designations Map. If the GVRD Board accepts the RCS, all fifteen changes will be rolled into a future housekeeping amendment to the *Metro 2040* Regional Land Use Designations Map.

The City of Surrey has also submitted one proposed land use amendment as a separate Type 3 minor amendment for an area called the Central Newton Cultural Commercial District (CNCCD). The GVRD Board initiated this amendment on May 27, 2014, notified affected local governments and received comments. The GVRD Board will be considering adoption of the proposed amendment at the September 19 Board meeting in advance of considering acceptance of the RCS. The proposed amendment is shown as approved in the RCS Regional Growth Strategy Land Use Designations map. If the GVRD Board declines the proposed amendment, there would then be an inconsistency between Surrey's RCS and the Board decision.

Special Study Areas

Special Study Areas identify locations where, prior to the adoption of *Metro 2040*, the municipality indicated an intention and desire for amending the existing regional land use subsequent to completing further planning work.

The RCS map contains one regional Special Study Area (SSA) overlay in the south-east part of the city, directly south of the Campbell Heights Business Park (Campbell Heights Local Area Plan). The SSA is designated Rural in *Metro 2040* and Agriculture in the OCP, but is not within the ALR.

The implication of the *Metro 2040* SSA overlay is that at such time that Surrey requests a change in regional land use designation for all or a portion of the area from the existing *Metro 2040* Rural designation to another land use designation, the proposed amendment would be a Type 3 amendment (50% + 1 weighted vote of the GVRD Board / no regional public hearing), rather than a Type 2 amendment (two-thirds weighted vote of the GVRD Board / regional public hearing). In the interim period, and pending GVRD Board approval of a change in regional land use designation, the underlying *Metro 2040* land use designation remains in place.

ALTERNATIVES

1. That the GVRD Board accept the City of Surrey's Regional Context Statement as received by Metro Vancouver on July 14, 2014.
2. That the GVRD Board not accept the City of Surrey's Regional Context Statement, indicating the provisions to which the Board objects and the reasons for objection, and request the City of Surrey amend its regional context statement and re-submit the revised regional context statement to the Board for consideration.

FINANCIAL IMPLICATIONS

If the Board chooses not to accept the regional context statement, a dispute resolution process will take place, as prescribed in the *Local Government Act*. The cost for this dispute resolution is prescribed based on the proportion of assessed land values. Metro Vancouver would be responsible for most of the associated costs.

REGIONAL PLANNING IMPLICATIONS

In addition to the RCS, the GVRD Board will also consider the above-noted Central Newton Cultural Commercial District amendment at the September 19, 2014 meeting. The proposed amendment is shown as approved in the RCS Regional Growth Strategy Land Use Designations map. If the GVRD Board ultimately declines the amendment, there would then be an inconsistency between Surrey's RCS and the Board decision. In the event that the GVRD Board does decline the proposed amendment, Metro Vancouver staff recommend Alternative 2, that the Board 'not accept' the RCS based on the created inconsistency and request that Surrey revise their RCS to reflect the Board decision and resubmit.

SUMMARY / CONCLUSION

The City of Surrey has submitted a comprehensive and well-developed regional context statement that provides a commendable response to *Metro 2040's* goals, strategies and actions, while also meeting municipal needs and aspirations. City of Surrey staff have worked closely with Metro Vancouver staff in their preparation of the regional context statement. Where there is not full consistency with *Metro 2040*, Surrey has committed to doing further policy work – in particular around the review of dwelling and employment growth projections. These 'work towards' commitments are important elements of the RCS as they will ensure the City of Surrey's OCP continues to provide direction that is consistent with *Metro 2040* objectives.

The Surrey Regional Context Statement is generally consistent with *Metro 2040*, and staff recommend Alternative 1, to accept the regional context statement as submitted. If the RCS is accepted, the aforementioned 15 land use designation changes will be accommodated through a future *Metro 2040* housekeeping amendment.

Attachments (Doc. #10134406):

1. City of Surrey's Regional Context Statement - Draft.
2. City of Surrey Official Community Plan and Regional Context Statement – Correspondence with attachments dated July 8, 2014 from the City of Surrey, requesting Board consideration of the City's Regional Context Statement.

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