Creating a New Suburban Town Center

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Tougher economic times, lack of consumer confidence, and rising energy prices are likely to curtail distant ex-urban development in the decades to come, and one of the challenges for real estate developers will be to infill and densify suburban areas. Altering zoning and raising densities in existing residential areas will not be easy, however, not only because of neighborhood opposition to change, but also because most housing in the last three decades has been built as part of planned communities. These communities are governed not by municipal regulations, which can (with difficulty) be changed, but by homeowner associations that have been created in order to make change almost impossible. Housing aside, there is also the problem of how to convert suburban commercial development, which has generally occurred in a piecemeal and uncoordinated fashion, into concentrated, walkable, attractive town *centers*. Despite the current fashion for lifestyle centers that mimic the Main Street environment of small towns, the suburban centers of the future will not necessarily resemble the downtowns of the past. What follows is an example of how out-of-the-box thinking—and a public-private partnership—produced an innovative solution to a complicated problem.

The Deal

More than three decades ago, recognizing that the growth of the city of Vancouver was constrained by its location on a peninsula, hemmed in by surrounding water and mountains, Metro Vancouver developed a regional plan—the<u>Livable</u> <u>Region Plan</u>—to direct urban growth into surrounding suburban municipalities. Most urbanization was expected to occur in the southeast, down the broad Fraser Valley. A key component of the plan was the creation of a series of suburban town centers linked by<u>Skytrain</u>—an elevated automated light-rail system that was built during the 1986 World's Fair. The farthest was in the proposed town center of Surrey, a municipality between the Fraser River and the U.S. border. Originally a collection of bedroom suburbs, Surrey had grown rapidly in the 1980s and 1990s, largely in response to the extremely high housing prices of Vancouver. With a population of 480,000, Surrey is now the second largest city in the province, and is expected to surpass Vancouver in population by 2020. Surrey is a diverse immigrant community, with a third of the population foreign-born, and almost half consisting of minorities.

Despite being incorporated as a city in 1993, like most suburban areas, Surrey, which covers 122 square miles, is an agglomeration of primarily low-rise single-family residential neighborhoods, shopping malls, and strip development. The site of the proposed town center, Whalley, is thirty-five minutes from Vancouver by Skytrain. Surrey Central station connects to the most active bus interchanges in the system (Figure 1). Nevertheless, ten years after the introduction of Skytrain, Whalley had failed to attract substantial new development and remained a town center in name only. Turning a jumble of shopping malls, big box stores, drive-in restaurants, and terrace apartment complexes into a city center was proving to be difficult.



Figure 1: Skytrain station in Whalley.

In the late 1990s a local citizens group in Surrey commissioned <u>Bing Thom Architects</u> (BTA), a Vancouver architectural firm that had built the prize-winning University of British Columbia's<u>Chan Centre</u>, to prepare a feasibility study for a performing arts center. BTA suggested that the facility should be in the proposed town center, and that the municipality should donate a site. The city of Surrey agreed and commissioned BTA to study the town center. After examining several new Canadian suburban town centers, BTA concluded that a performing arts center would be unlikely to attract sufficient daytime population to animate a town center, and suggested a more significant public investment such as moving the city hall to Whalley. This level of civic investment proved challenging, and BTA suggested that Surrey encourage other levels of government to invest in the town center.

As it happened, there was another public use planned for the municipality. In 1995, the provincial government had announced its intention to build a new public technical university in Surrey, which was under-served in post-secondary education. What was to be called TechBC was a response to the high-tech boom that was sweeping the greater Vancouver region. The new campus was to be located on a provincially owned greenfield site in Cloverdale, a suburban community on the periphery of Surrey, without access to rapid transit. On the other hand, a university campus with 5,000 faculty, staff and students was just what was needed to jump-start a new town center. BTA brokered a deal whereby the new campus was relocated to the new town center in Whalley, in return for the municipality providing five acres of land.

The land available for a new campus was immediately adjacent to the Skytrain station, across from a shopping mall. Surrey Place Mall, a 680,000-square-foot enclosed shopping mall on twelve acres, was built in the 1970s. Since

Skytrain had made shopping elsewhere in the region easily accessible, competition from newer malls drove Surrey Place Mall to hard times and a sale.

By coincidence, BTA had been working for the Insurance Company of British Columbia (ICBC), a publicly-owned corporation that insures all motorists in the province. ICBC has significant financial reserves, a portion of which they were looking to invest in real estate. BTA suggested that given the upcoming investment in a new university, the corporation should consider buying Surrey Place Mall. Since ICBC was coincidentally planning to build a significant new regional office building in Surrey, there was an added incentive to option the property. The provincial government subsequently suggested that ICBC act as the developer for the new campus as well. After considerable negotiations, a deal was struck whereby the five acres that the city provided for the university would be assigned to ICBC, which would develop the university facilities and lease the space back to the province.

ICBC and BTA made the unorthodox decision not to demolish the shopping mall. Though declining, the facility was still attracting an average of 1,400 visits per hour, and with the addition of 5,000 college students and 2,500 office workers, there was a good chance that the mall could be revived. There was space for a 500,000-square-foot office tower on part of the existing parking lot (a new parking structure would make up for the lost spaces), and the 450, 000-square-foot campus could be accommodated in the tower podium and in a three-story building that would be built *on top of* the shopping mall (Figure 2).



Figure 2: University campus on top of an existing shopping mall. Photo by Nic Lehoux, courtesy of Bing Thom Architects.

The complicated contractual arrangement benefited all parties. ICBC would build the C\$135 million complex and lease space back to TechBC, and the corporation would also get its office building as well as a return on invested capital in the form of university and merchant rents. The British Columbia government would get a new public university without officially spending public funds, since ICBC was a separate—albeit publicly-owned—entity. And

Surrey would get a substantial infusion of capital and, more important, people and activity into the depressed urban core of Whalley.

There were other advantages offered by the mixed-use project. BTA estimated that the space needs of the university could be reduced by about 20 percent. For example, instead of a cafeteria, students would use the food court in the mall. Instead of athletic facilities, students were given memberships in the adjacent municipal recreation center. The parking facilities could do double-duty, since peak parking requirements for the mall (evenings, weekends, the Christmas shopping period) tend to occur when the university is closed.

By 2001, the project was under construction, and the first incoming TechBC students were taking classes in a temporarily converted department store in the shopping mall. Politics intruded when a provincial election produced a change of government. The new administration, in a budget-cutting mode, announced that it was terminating the TechBC initiative and also instructed ICBC to not move into the twenty-five-story tower but rather to lease it out. Part of the rationale was that the high-tech boom had fizzled, weakening the need for a new technical university. What happened to the TechBC space? At the time, Simon Fraser University (SFU), a public research university located in the western suburb of Burnaby, having built a satellite campus downtown, was looking for a second outlying location. SFU was able to take over the TechBC program, continuing in the mall until 2006, when the university moved into its new home.

The Design

Mixed-use has become the fashionable <u>mantra</u>among planners and real estate developers. However, mixed-use projects are often characterized by separation rather than integration: separate entrances, separate circulation, separate structures. Surrey Central City, as the project has been renamed, is different. For example, shoppers, office workers, commuters, and students all use the same main entrance. The architects provided several "portals," assuming that the different users would want to have identifying signs, but so far, no signs have appeared. The town center function is emphasized by a large plaza that faces the Skytrain station and the bus terminal. A town square is the site of public events connected with the Surrey community as well as the university and the shopping mall (Figure 3). Unlike a conventional mall, the new town center is open to the outside with a large glazed wall overlooking the plaza.



Figure 3: Town square outside Surrey Central City.

An atrium forms the formal entrance to the university (Figure 4). The tall, skylit space is used for academic events and is separated from the mall only by a flight of broad stairs. In many ways, Surrey Central City, although an internal space, is planned like a traditional downtown. That is, different functions are related to different gathering spaces, just as different buildings in a city are related to streets, squares, and parks. And, just as in a city, the different functions are in close proximity, and circulation is continuous rather than separated.



Figure 4: Entrance lobby to Surrey Central City.

The shopping mall was originally designed, as are most malls, on two sides of a skylit pedestrian concourse. BTA extended this concourse vertically, which means that the three new university levels look down into the shopping arcade, and vice versa (Figure 5). This blending of educational and everyday activities is unique. Watching a group of students sitting around a table with open laptops while shoppers bustled around two floors below at first struck me as bizarre, but then as perfectly normal—the ultimate breaking-down of the Ivory Tower.



Figure 5: Shopping concourse level with university above.

The university addition is planned as a series of swooping and flowing curved spaces. This is the result not of architectural whimsy, but of the need to accommodate mall tenants. Since some of the tenants could be displaced to allow structural changes to their spaces, while others had long-term leases and were unwilling to move, the form of the addition was partly dictated by where new structural columns could be inserted. The planning and construction took two and a half years. When the work was completed, the old mall roof was "peeled away" to reveal a new expanded concourse. Construction cost of the new campus was kept to a relatively modest C\$109 per square foot (shell space only, 2001 contract price).

Perhaps the most unusual architectural aspect of the new additions is the structure spanning the 500-foot-long skylit concourse and the new entrance lobby. According to a BTA monograph: "To celebrate and give common identity to these spaces we decided to use heavy timber construction—a technique historically associated with British Columbia—in a contemporary, high-tech way that would reflect the technology focus of the university." The 100-foot-wide concourse is spanned by timber and wire-cable trusses. The entrance lobby is covered with a space frame fabricated from so-called peeler cores, the wood cylinders left over when plywood layers are "peeled" from a log. The tall supporting lobby columns are made out of Parallam, an engineered wood product made from parallel veneer strands bonded with adhesive. A conical truss, made out of long wood members resembling telephone poles supports the roof over the entrance of the university. The effect of all this elegant timber structure makes the town center seem less commercial and more high tech.

Conclusion

As the new government had instructed ICBC not to move into the tower, the office space was put onto the market. Soon after completion of the tower, J.P. Morgan Chase became the anchor tenant, moving a division from New York State into the facility. Within two years the rest of the space was almost entirely leased, and today it is fully leased and attracting rents comparable to downtown Vancouver. ICBC agreed to sell SFU the university space as an "air space parcel" within the complex, and recently sold the balance of the project-the mall and the office tower-to a pension fund at a substantial profit. The flexibility of space in the complex has proved an advantage: some of the space in the podium, initially intended for university use, has been leased to commercial tenants; conversely, the university has leased space in the tower for administrative purposes, and recently has consolidated its leased space in the podium. With new activity generated by the office workers and students, business in the shopping mall has been steadily increasing despite only modest investment in physical upgrades. Major retail tenants include Zellers (soon to be converted to Target), Best Buy, Winners, Shoppers Drug Mart, T & T Supermarket, Future Shop, The Brick, and Bed Bath & Beyond. The mall has also attracted several non-retail tenants including medical clinics, federal offices, and private training facilities. The SFU campus, which offers undergraduate and graduate courses in applied sciences, arts and social sciences, business administration, communication, art and technology, education, and science, as well as a variety of continuing studies programs, has proved extremely popular. Despite not having support facilities such as a library, athletic facilities, and dormitories, the Surrey satellite campus has a long waiting list and requires higher grades for admission than the other two SFU campuses.

Why did <u>Surrey Central City</u> succeed when so many publicly-funded development projects fail? Part of the reason, as in all successful developments, is the individuals involved. The chairman of ICBC, <u>Bob Williams</u>, is a city planner by training and a former politician (a Vancouver city councilor as well as a provincial cabinet minister), a background that helped him negotiate the difficult challenges of the project. <u>Bing Thom</u> is an unusual architect who combines award-winning design skills (he received the 2011 Royal Architectural Institute of Canada Gold Medal) with extensive experience as a real estate developer. The activist mayor of Surrey, <u>Dianne Watts</u>, a finalist in the 2010 World Mayor Prize (won by the mayor of Mexico City), was also an important actor. The other reason may be Canadian pragmatism, the same pragmatism that has made the city of Vancouver a poster child for public urban design regulations that have created an attractive, livable city without thwarting private initiative.

Of course, one successful project does not make a town center. It will be decades before a full-fledged downtown in Surrey becomes a reality. To date the majority of new development has been residential, with four new apartment towers within a ten-minute walk of Surrey Central City. The municipality has built a new public library (designed by BTA), and a new city hall is under construction, as is a public plaza on top of two levels of underground parking. The performing arts center is to follow. And in a small but significant gesture, the city of Surrey has adopted the distinctive profile of the Surrey Central City office tower as its official logo.

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