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July 27, 2017

City of Sarnia Council
255 North Christina Street
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RE: Levy Special Service Area Rate for Transit

Mayor Bradley and Members of Council,

The Sarnia Lambton Chamber represents approximately twenty five businesses located in the industrial and rural areas of the city that are outside of the Transit Special Service Area and do not have access to conventional bus services.

The Chamber applauds Council and Staff for considering ways to simplify its taxation system and reduce the Finance Department's expenses. It is something we have called on the City to do in the past. However, our members do not agree with the recommendation of the Transit Master Plan (TMP) to rescind the Transit Special Service Area By-law. This proposal is based on flawed and unfair assumptions.

The Chamber agrees that there are many direct and indirect benefits of public transit in a community. However, none of the benefits listed in the April 10, 2017 staff report "Levy Special Service Area Rate for Transit" apply directly to properties outside of the Transit Special Service Area (TSA). There may be some indirect benefits of economic development and reduced carbon emissions, but our members located in these areas will not experience increased transportation independence, the ability to attract workers who don't have their own vehicle, or any of the other benefits listed. They will experience no tangible benefits now or in the future from paying the transit levy.

The added cost is significant

The staff report of April 10 calculates an increased cost of \$47.21 per \$100,000 assessment for residential properties outside the special area. It does not report the cost to businesses or farm owners. Having asked members in the Plank Rd. area of Sarnia, a business may expect to pay \$650 more per year. Farm owners may pay \$400 to \$500 more for a standard property, and this will increase significantly with rising assessment values over the next several years. This is yet another additional cost of doing business that, particularly for farmers, cannot be passed on to the consumer. This makes our industries and farmers less competitive.

Transit as a Public Good

A public good is something that is beneficial for all members of the public generally. Things like childhood education, roads, arenas and pools are true public goods because all taxpayers in the community have the option to make use of them. Public transit in Sarnia is not something that properties in the un-serviced areas will benefit from now or in the foreseeable future. Until conventional service is made available everywhere, it is only a public good for those who have the opportunity to access it.

The Business Voice of Choice

Transit Service Area is taxed differently than Care-A-Van Service

Conventional transit and special transit (Care-A-Van) are taxed differently for good reason. The Care-A-Van service is taxed through the general levy because it is available throughout all areas of Sarnia. Although it is available only for eligible users, the Chamber believes this is a “public good” because any resident could potentially require the service. Conventional service, on the other hand, is not available everywhere and some properties will never have equitable access to it.

Rescinding the TSA by-law will not make development easier

The TMP states that “Most future development within the City is projected to occur outside the TSA such that the TSA would need to be revised and expanded to meet future transit service needs of the City.” As a solution, the TMP suggests rescinding the TSA by-law. The Chamber respectfully submits that revision makes more sense than rescission. Development is not in fact projected for most of the area outside of the TSA. As stated by the Director of Finance at the June 19 public meeting, the by-law needs to be updated regardless of this discussion to identify the roll numbers that are within the window of the bus routes. New properties could be included and bus routes may be altered as needed by amendment to the by-law. This would allow flexibility to adapt to future development needs fluidly. Further, this approach fully complies with Section 326 of the *Ontario Municipal Act* which states that a special service levy can be applied to rate payers for “a direct or indirect benefit that is currently available or will be available in the future.” The existing TSA by-law does not stand in the way of future development or the City’s ability to recoup costs for extending public transit to those areas.

Questioning whether administrative costs will be saved

The TMP and the staff report dated April 10, 2017 state that by rescinding the TSA by-law, the administrative burden will be greatly reduced and lead to cost-savings for the City. It is explained that this is because all tax-related functions for those who currently pay the transit levy is duplicated, a separate budget and tax rate are prepared, and transit costs are manually allocated to both Care-A-Van and Conventional Transit. This indeed sounds burdensome, but how much would actually be saved? On behalf of our un-served members, the Chamber suggests Council should ask City staff to calculate the cost savings to ensure it is worth the added cost to ratepayers in the rural and industrial areas, and this data should be made public.

Sarnia is a unique city because of the large amount of agricultural land and industrial areas. As such, issues like transit require unique solutions. On behalf of our members, we recommend that the City of Sarnia maintain the Transit Special Service Area and amend it as needed to include only properties that are located within 450 metres, and the areas that will be extended the same level of access in the foreseeable future.

To continue this consultation, please contact our office at any time by calling Shirley de Silva, President and CEO at 519-336-2400.

Yours very truly,

Michael John Kooy
Chair, Board of Directors

Shirley de Silva
President and CEO

C: Margaret Misk-Evans, Chief Administrative Officer
Lisa Armstrong, Director of Finance