

**Victoria Regional
Transit Commission**

**Councillor Susan
Brice - Chair**
District of Saanich

Mayor Frank Leonard
District of Saanich

Mayor Dean Fortin
City of Victoria

Mayor Larry Cross
Town of Sidney

Mayor Barb Desjardins
Township of Esquimalt

Mayor Carol Hamilton
City of Colwood

**Councillor Marianne
Alto**
City of Victoria

December 11, 2103

Hon. Todd H. Stone,
Minister of Transportation and Infrastructure
PO BOX 9055, STN PROV GOVT
VICTORIA, BC V8V 9E2

Dear Minister Stone:

Re: Victoria Regional Transit Commission

At its meeting of December 10, 2013, the Victoria Regional Transit Commission unanimously approved the following motion:

- Whereas the Victoria Regional Transit Commission faces significant capital expenses to provide for transit service expansion and
- Whereas the growth in transit service is a priority of the region's growth and transportation strategy and
- Whereas property tax funding cannot reasonably accommodate the increases necessary for capital and service growth and
- Whereas the *BC Transit Act* enables a local motor fuel tax surcharge dedicated to Victoria Regional Transit Commission expenses

Therefore the Victoria Regional Transit Commission requests that the Government of BC amend the *Motor Fuel Tax Act* to increase the dedicated fuel tax applied in the region under the *BC Transit Act* by 2 cents per litre to support transit system development in the Capital Region.

The Victoria Regional Transit Commission respectfully requests your support for this motion and that the Government implement this fuel tax increase at its earliest opportunity.

The Commission has made this request following a full consultation with the community. The increase in fuel tax is supported by the Board of the Capital Regional District, the Greater Victoria Chamber of Commerce and many other organizations throughout the region.

The Commission continues to ensure that public funds directed to transit purposes are spent efficiently and effectively. BC Transit's Victoria operation has been shown through benchmarking and through the review that your Ministry conducted to carry more passengers for the funding available than peer systems.

The Commission is also using the other funding levers available to it. Fares have been recently raised and property taxes are increased annually. The Commission has also

removed funds from its surplus to ensure that property tax increases are kept to reasonable levels. However, these mechanisms have only been able to keep pace with the costs of inflation and the increasing costs resulting from capital renewal. The Commission has adopted a budget for 2014/15 that maintains the existing level of service in the region and limits the property tax increase to 3% but does not increase service levels. Service expansion will require additional funding beyond what can be achieved from property tax and fares.

While no tax increase is welcomed, a fuel tax increase for transit purposes has been supported through the public consultation programs held by BC Transit, the Commission, and the Capital Regional District will enable service expansion in the region.

There is a tremendous and demonstrable need for increased transit service in the Victoria region. The Commission has been presented with the results of recent public consultation and a detailed service review conducted by staff. There is a clear demand and need for expansion of the transit system.

The expansion of the Victoria transit system will take large investment in capital infrastructure as well as the operating cost increases that result from higher service levels. As you are aware from our previous discussion of this issue, a new operating center, expanded transit exchanges, improvements to information technology, transit priority investments and additional fleet are some of the capital intensive investments that need to be made to support the desired transit service expansion.

Increasing the transit service is needed to achieve not only the Region's transportation objectives but to achieve the objectives of the Provincial Transit Plan. Unfortunately, the increases cannot be funded through fares and property tax alone but will require use of the fuel tax funding enabled by the *BC Transit Act*.

I look forward to your positive response to this motion. Please advise me of any additional information you may require to facilitate implementation of this increase.

Yours sincerely

A handwritten signature in black ink that reads "Susan Brice". The signature is written in a cursive, flowing style.

Susan Brice, Chair
Victoria Regional Transit Commission

cc: Commission Members