

ITEM	12
MANAGER'S REPORT NO.	48
COUNCIL MEETING 1978	06 26

RE: BILL 19, THE BRITISH COLUMBIA URBAN TRANSIT  
AUTHORITY ACT

On 1978 June 19, Council requested staff to prepare a report on the possible ramifications of Bill 19 on the Municipality, and that this be submitted for the consideration of Council on 1978 June 26. The attached is a report from the Director of Planning and the Municipal Engineer on this matter which has also been reviewed by the Municipal Treasurer.

All members of Council have received their individual copies of the Act and the booklet entitled "The British Columbia Urban Transit Authority Act".

Attached is a copy of a report and resolution on the Act from the G.V.R.D. Transportation Committee. The Board, on 1977 June 21, unanimously adopted the resolution of the Committee, and on that date advised the Legislature by telegram that this action had been taken.

RECOMMENDATIONS:

1. THAT the position taken by the G.V.R.D. Transportation Committee as noted in the attachment and in the Director of Planning's and Municipal Engineer's report be endorsed; and
2. THAT a copy of this report and advice of endorsement be telegraphed to the Premier, the Minister of Finance, Minister of Municipal Affairs and Housing, Minister of Energy, Transport and Communications, and the Minister of Highways and Public Works; and
3. THAT a copy of this report be telegraphed to all Burnaby MLA's with the request that each lend his or her support to the position of the G.V.R.D. Transportation Committee as endorsed by Council.

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PLANNING DEPARTMENT  
1978 JUNE 22

TO: MUNICIPAL MANAGER  
FROM: DIRECTOR OF PLANNING  
MUNICIPAL ENGINEER  
SUBJECT: BILL 19, THE BRITISH COLUMBIA  
URBAN TRANSIT AUTHORITY ACT

Arising from an enquiry at the 1978 June 19 Council meeting concerning the above subject, the following motion was adopted:

"That staff prepare a report on the possible ramifications of Bill 19, The British Columbia Urban Transit Authority Act in the Municipality for consideration by Council on 1978 June 26."

In the limited time available, information on Bill 19 has been obtained from the following sources:

1. The Bill itself, tabled in the Legislature on Friday, 1978 June 02.
2. An explanatory document dated 1978 June produced by the Ministry of Municipal Affairs and Housing entitled The British Columbia Transit Authority Act - A Programme for Effective Local Transit in British Columbia.
3. A meeting of the Regional Administrative Advisory Committee on Wednesday, 1978 June 07, at which Mr. Larry Bell, Deputy Minister - Housing made a presentation on the transit legislation.
4. A synopsis of the Urban Transit Authority Act dated 1978 June 08, prepared by staff of the Greater Vancouver Regional District.
5. A meeting of the Burnaby Transportation Committee held on Tuesday, 1978 June 13 at which Mr. D. Spaeth, transportation

consultant with the GVRD answered questions with respect to the GVRD's understanding of the transit legislation.

Most of the above material which is in Council's hands contains as much information as is available, at least until more is known about the way in which the legislation will actually be administered, the interpretation that will be placed on various clauses by way of Provincial regulations, and the costs that will be facing this metropolitan area to provide the level of service desired.

However, it will be useful at this stage to record some of the statements made by Mr. Bell in his presentation, as these presumably reflect a provincial policy position. The following points are an interpretation of Mr. Bell's comments so there may be some inaccuracies due to communication:

1. The Act is a "Transit" Act - it is not comprehensive transportation legislation, as it does not, for example, deal with road facilities (currently the Minister of Highways is setting up procedures to deal with urban arterial road proposals under the Revenue Sharing Act).

(Note - This separation of roads from transit may lead to inefficiencies in the transit system leading to greater municipal cost with no assurance of commensurate increase in service, e.g. that portion of the transit system which depends on roads will be slowed by automobile congestion.)

2. The Transit Authority is not intended to be an operating company as its responsibility lies in the area of planning and financing. It may, however, hold rolling stock as an asset and may operate facilities if it feels the need to do so.
3. The Authority will not deal with inter-city transportation (i.e. rail or bus connections between cities and towns).
4. Most of the work will be done by Transit Commissions who will act as Committees of the Authority and be provided with staff assistance by the Authority. There will be at least three Commissions established, one of which will be for the Lower Mainland with at least five members appointed by the Province from Lower Mainland elected officials.

(Note - The term Lower Mainland is used rather than Greater Vancouver, because the designated transit service area/areas may be larger or smaller than the existing boundaries of the Greater Vancouver Regional District or its member Municipalities.)

5. Extra revenue sources, in order to finance transit services, are available to Municipalities, with the approval of the Cabinet although Mr. Bell stated that these sources would only be available in the Lower Mainland and the Capital Region.

(Note - In the GVRD, 3 cents/gallon gas tax would raise \$15,000,000/year; and 50 cents/month surcharge on power bills would raise \$2,250,000/year.)

6. The first step in the process of entering into transit service agreements is to designate a transit service area, with the agreement of the local authority in the area. Once the area is designated, local governments determine their needs and desired quality and level of service and enter into negotiations with the Transit Commissions on cost-sharing agreements for urban transit, and annual operating agreements. The operator of the service will also be a signatory to the operating agreement.

7. Mr. Bell stated that capital costs will be shared between Provincial and local governments and that the formula used will be spelled out in coming regulations which will be at least as favourable as that used in other Provinces and at least equal to the Provinces' current small communities program for transit assistance.
8. Special agreements will be negotiated on such items as concession fares for senior citizens and the handicapped.
9. With the exception of administrative costs for the Authority which will be pro-rated among all Commissions, the money raised in a designated transit service area will be spent in that area. There will be no subsidization of one area by another, except that this Region pays a major portion of the Provincial contribution to all transit services in B.C. through our payments to General Revenue.
10. The legislation divests B.C. Hydro of the transit planning function although they will continue to act as an operator until another operating agency is established.
11. It is possible to have a variety of service levels between different parts of a designated transit service area, which will affect the costs to be paid by those experiencing differing levels of service. In this respect, local government will be a party to the negotiations which decide whether transit services will be cut or increased and whether to exempt an area from taxation or include it. Who makes the final decision following these negotiations is somewhat unclear but Mr. Bell has indicated that the signatories to the agreement are the Commission, the local government and the operator. If these parties are unable to reach agreement, presumably first the Transit Authority, and then if necessary, the Lieutenant Governor in Council will arbitrate an agreement. It should be recognized however, in Mr. Bell's words that those who "call the tune, pay the piper".

There were many questions raised as a result of Mr. Bell's presentation involving existing B.C. Hydro transit deficits, staffing, involvement in cost-sharing, coordination prospects, highways versus transit, balance between revenue sources (electricity, property, gasoline) and so on; leading to the decision by the Deputy Minister that comments about the Urban Transit Authority Act should be sent to the Minister should Municipal or Regional representatives so wish.

The Regional Administrative Advisory Committee has not yet met again to determine what their position will be on the legislation, but the GVRD Transportation Committee's position arrived at during a meeting held on 1978 June 16 is as follows:

"That the Premier and the Legislature be advised that the Board of Directors of the Greater Vancouver Regional District welcome the introduction of the Urban Transit Authority Act as a good first step in dealing with the urban transportation problem, but that the Act should not be passed in its present form until the amendments are made to take care of the following concerns:

- The Board does not wish the property tax used to pay transit deficits unless equivalent local costs are removed from the property tax base, e.g. schools or hospital costs
- \*\* • The board contends that the financial formula should result in an overall benefit to the tax payers of the region who are presently paying more than their share of transportation costs

- The Board believes that machinery to ensure the coordination of road and transportation expenditure should be provided in the Legislation
- The Board contends that more authority should be given to the Commission in the Lower Mainland, e.g. it should be appointed locally rather than provincially."

\*\* Note - The intent of this clause is that any formula used to determine cost-sharing should not be based on transit alone but should be based on a realistic assessment of the total revenue raised in this region towards transportation costs measured against the total benefit in services to be received by the Region. Only in this way is the financial formula considered to be fair to the taxpayers of this Region, e.g. the GVRD 1976 Transportation Studies show that the Province in 1975 received \$132,000,000 from this Region in transportation user taxes (licences, gas tax, sales tax, etc.) and returned to the area \$53,000,000 (\$21,000,000 in highway construction and \$32,000,000 towards the transit deficit).

What should Burnaby's position be?

Although it is too early to determine all the detailed ramifications of the legislation, it is hoped that this is the first step in a move by the Province to provide for a coordinated total transportation planning function and to that extent it deserves the support of the Burnaby Council.

It also seems as though the Provincial Government is endeavouring to provide for more local government involvement in the field of transit, although this involvement may be more imagined than real under the proposed organization with its 3 tiers of Transit Commission, Urban Transit Authority and Cabinet Committee providing for Provincial rather than local decision making. However, more local government involvement in planning is an objective to be supported.

Less clear than either of the above two points is the extent to which capital and operating costs will be shared, and the extent to which the local government will have to be responsible for existing B.C. Hydro transit deficits; and related to this and the level of service desired by this area, the extent to which the local government will have to use the various taxing powers made available through the Act in order to meet its share of transit costs. It can safely be assumed that an increase in transit service will mean an increase in local costs with a corresponding increase in either the price of gasoline, property taxes, or power bills, or combinations thereof; and under the Act, there may even be an increase in local costs without any change in service.

Despite all the uncertainty, the consensus of Burnaby staff is one of support for the legislation as a first step in a much needed comprehensive approach to solving critical overall transportation problems, coupled with a recognition that we will have to be prepared to pay for improved transit services - costs which can of course be measured against savings in automobile and highway costs.

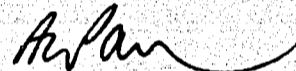
NOTWITHSTANDING THIS SUPPORT IT SEEMS ONLY PRUDENT TO SUPPORT THE GVRD IN ITS REQUEST THAT FINAL PASSAGE OF THE BILL BE DELAYED UNTIL A VARIETY OF UNCERTAINTIES ARE CLEARED UP, PARTICULARLY AS TO THE IMPACT OF THE LEGISLATION ON THE LOCAL TAXPAYER, AND THE MEANS OF COORDINATING ROADS AND TRANSIT.


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Should the legislation receive final reading in its present form, then in the near future Burnaby will be faced with working closely with the various participants in this exercise in order to: 132

1. decide who they wish to counsel and represent them in negotiating service areas and operating agreements
2. decide upon the boundaries of the transit service area for the Lower Mainland
3. decide upon whether it wishes to propose to the Minister possible local appointments to the Lower Mainland Transit Commission
4. decide upon the level and quality of transit service needed for Burnaby
5. negotiate service and operating agreements with the Commission
6. decide whether to apply for permission to raise Burnaby's share of transit costs through gasoline and/or a power surcharge, rather than entirely from the property tax which is required by the Act, unless Cabinet approval is given to use the other sources.

Submitted for the information of Council.

  
A. L. Parr,  
DIRECTOR OF PLANNING.

  
E. E. Olson,  
MUNICIPAL ENGINEER.

ALP: cm

c.c. Municipal Engineer  
Municipal Treasurer

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COUNCIL MEETING 1978 06 26



Greater Vancouver Regional District

2294 WEST TENTH AVENUE VANCOUVER, BRITISH COLUMBIA V6K 2H9 TELEPHONE 731-1155

Please refer to our file number:

RECEIVED  
1978 JUN 20

MUNICIPAL MANAGER'S  
OFFICE

To: Municipal Managers  
From: Mr. W.T. Lane  
Director of Regional Development  
Re: Urban Transit Authority Act  
Date: June 19th, 1978

The GVRD Transportation Committee discussed the Urban Transit Authority Act, Bill 19, at their meeting of June 16th, 1978. The Committee's report and resolution is attached. This material is sent to you for the information of your Councils.

In that it is likely the Act will receive third reading within a few days, we are also including for your Council's information copies of the Act, of a synopsis and copies of Acts to which Bill 19 refers.

cc's: Directors of GVRD

COPY - TRANS.  
- PLANNER  
- ENGINEER

Sent



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Greater Vancouver Regional District

2294 WEST TENTH AVENUE VANCOUVER, BRITISH COLUMBIA V6K 2H9 TELEPHONE 731-1155

Please refer to our file number:

RECEIVED  
1978 JUN 20

MUNICIPAL MANAGER'S  
OFFICE

To: Chairman and Members  
GVRD Board of Directors

From: GVRD Transportation Committee

Re: Urban Transit Authority Act (Bill 19)

Date: June 19th, 1978

Your Committee considered the above Bill at a special meeting of the Committee held on Friday, June 16th, 1978.

The Bill was tabled at the June 2nd, 1978 session of the legislature. Second reading has now been given to the Bill and third and final reading is expected to take place this week. The Chairman, Deputy Chairman and the Chairman of the Transportation Committee attended that session and the subsequent briefing by the Minister and the Deputy Minister. In addition, senior municipal staff were briefed at a session held in Vancouver on Wednesday, June 7th, 1978 by the Deputy Minister.

Copies of the Bill and a synopsis are attached.

Your Committee considered the provisions of this Bill in relation to the Board's adopted policy on transportation (attached).

Your Committee concluded that while the Bill is a positive step towards sorting out the transportation problems in the region, it ignores the Board's long-standing and well-reasoned argument that the property tax not be used to finance transit deficits. Implicit in the Bill is that we levy, on top of the existing real property tax burden, an amount which could be greater than either the entire present cost of the Regional District or the Hospital District. Overall, rate payers in this region pay for more in transportation user taxes than they receive back from the Provincial Government in transportation benefits (both in total dollars as on a per capita basis).

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### ANALYSIS OF BILL 19

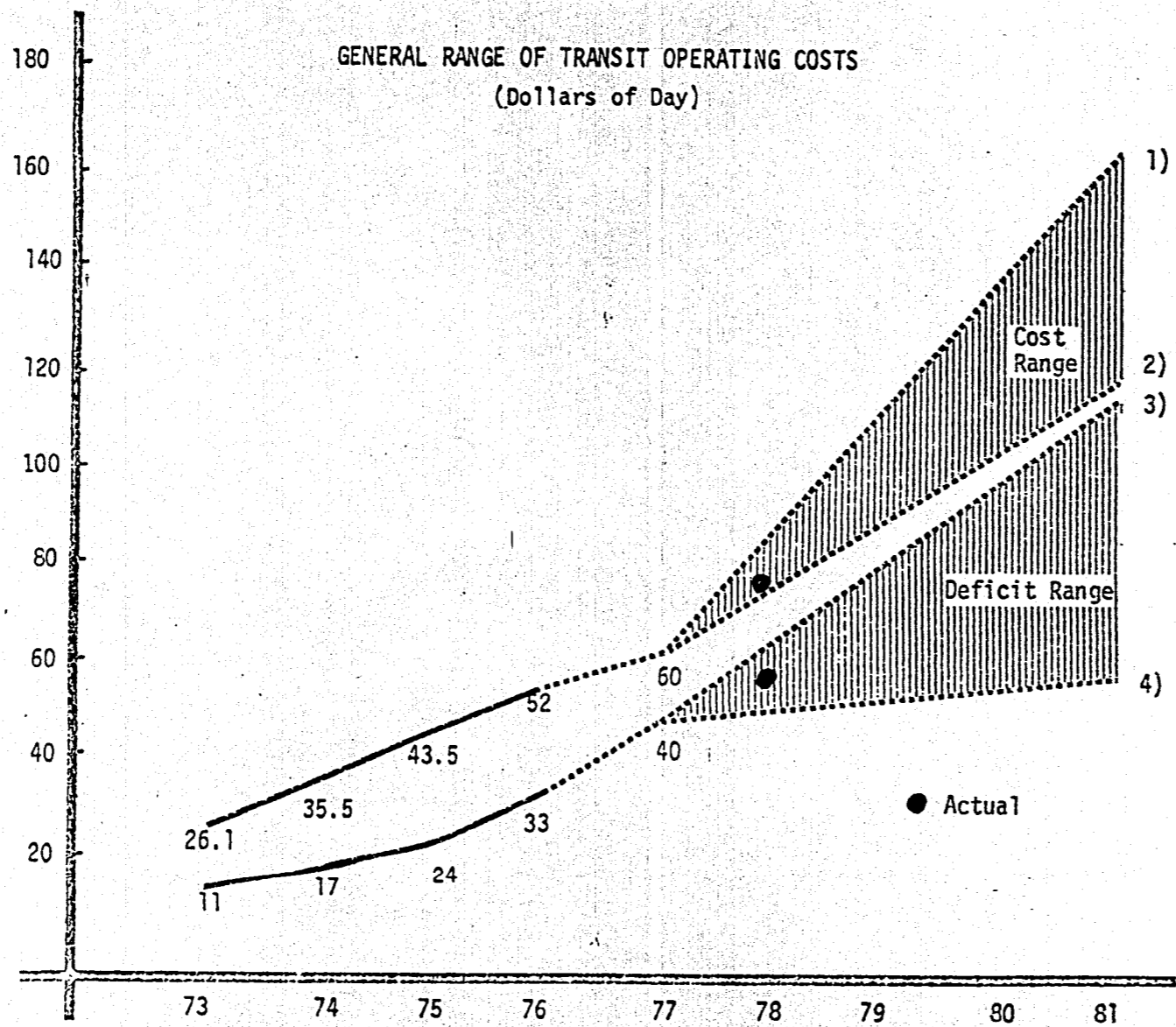
As a result of work done by the Transportation Committee on organization and financing of transportation in Greater Vancouver, the propositions have been adopted by the Board in respect to these matters. Set out below is a statement of how the legislation compares to the Board's view.

#### Board's Position

- 1 (a) cooperative regional based transportation organization be established.
- (b) organization to be responsible for planning, priority setting and financing both regional roads and transit.
- (c) organization to establish 5 year capital and operating budgets for regional transportation to make improvement on a predictable and coordinated basis.
  
- 2 (a) municipalities to continue to construct, maintain and pay for local roads. Property taxes should be reserved for that purpose.
- (b) province and GVRD should share all costs of regional arterial roads and transit. Their shares should be 70% and 30%; respectively.
- (c) province should enable GVRD to raise revenues for its share primarily from transportation users taxes (such as automobile license fees or gasoline tax).
- (d) formula should guarantee equitable distribution of regional transportation improvements.
- (e) regional road and transit improvements should be determined and coordinated by a 5 year Regional Transportation Program.
- (f) financial formula should provide strong incentive to transit operators to increase proportion of transit cost paid from fare box.
- (g) federal monies to be pro-rated 70/30 between province and GVRD in reducing their respective shares.

#### Bill 19

- cooperative provincially-based transit organization with regional input be established.
- organization to be responsible for planning, priority setting and financing transit only.
- organization to establish annual operating budgets and 5 year capital budgets for transit only.
- municipal control over local roads not affected but property tax to be used as prime source to finance assigned local share of transit costs.
- no cost share formula included in legislation. To be part regulations. (Minister's statement is that formula would be as good as or better than existing formula i.e. 50/50 on transit operating deficits and province pay 100% of capital for bus and ferry systems).
- assigned local share of transit costs to be raised first from property tax and to a limited extent from electricity surcharge and gasoline tax provided Cabinet agree.
- no formula and no guarantees for even existing services.
- regional roads not addressed in act therefore no coordinated 5 year program envisioned by legislation.
- no financial formula; fares to be set as part of designated annual operating agreement between authorities, local government and operator.
- no financial formula but agreement with Government of Canada permissible under the Act.



- NOTES: 1) For "all bus" system with trend growth in travel.  
 2) For bus/LRT/ferry/commuter train system with managed growth.  
 3) "All bus" system with continuation of decrease in revenue/cost ratio  
 4) 50% policy deficit used in proposed expenditures.

Source: "A Revised Proposal to Finance Regional Transportation," GVRD Planning Dept., Dec. 2, 1977.

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COST OF ONE HALF THE GREATER VANCOUVER OPERATING DEFICIT<sup>1</sup>  
(Dollars of the Day Apportioned by Share of  
School Assessment Base<sup>2</sup>)

<u>Municipality</u>	<u>1979 Cost</u>	<u>1985 Cost</u>
Burnaby	3,190,000	10,150,000
Coquitlam	990,000	3,150,000
Delta	1,180,000	3,760,000
New Westminster	940,000	2,960,000
North Vancouver City	880,000	2,800,000
North Vancouver District	1,600,000	5,080,000
Port Coquitlam	410,000	1,310,000
Port Moody	300,000	960,000
Richmond	2,170,000	6,910,000
Surrey	2,120,000	6,740,000
Vancouver	11,990,000	38,150,000
West Vancouver <sup>3</sup>	1,180,000	3,760,000
White Rock	220,000	700,000
Lions Bay	30,000	90,000
Electoral Areas	30,000	90,000
<b>TOTAL REGION</b>	<b>\$ 27,230,000</b>	<b>\$ 86,610,000</b>

Explanatory Notes

<sup>1</sup>The estimated transit operating deficit, including inflation, shown in Appendix B, Table 3.

<sup>2</sup>1976 Assessment Base for School Purposes, Appendix D, Table 2.

<sup>3</sup>West Vancouver already contributes \$305,000 (1976) towards operation of the West Vancouver Transportation System.

Source: "A Revised Proposal to Finance Regional Transportation," GVRD Planning Department, December 2, 1977.