



Funding The New Hospital Through A Hospital Levy

Prepared by the St. Catharines – Thorold Chamber of Commerce

May 26th, 2008

Good Evening Mayor McMullan, City Councillors, and members of city staff.

My name is Walter Sendzik, Executive VP and GM of the St. Catharines – Thorold C of C – and joining me is Kithio Mwanzia – Policy Coordinator for the Chamber.

As part of the public meeting regarding the 2008 Schedule of Rates and Fees, we would like to provide council with the Chamber’s position related specifically to the Hospital Levy.

First, the Chamber would like to acknowledge that the New St. Catharines – Niagara Hospital Complex will be an important economic catalyst for new jobs, business attraction and innovation opportunities, and more importantly – a much needed state of the art centre of health care in Niagara. The Chamber is fully supportive of the hospital and its identified need in Niagara.

After reviewing the report by Financial Management Services regarding Tax Rates, and more specifically, the report in section H – Niagara Health System Funding Request – the Chamber would like to make the following comments.

1. The Chamber agrees with the report’s recommendation that funding for the new hospital should not come from the Civic Project Fund. The Civic Project Funds should be used to support the development and enhancement of those services and facilities that fall within the mandate of municipal services and support. The building of a hospital is a provincial service – and although community funding has been requested – funding should not come from the Civic Project Fund.

It is the opinion of the Chamber that a separate levy is the most appropriate measure for the city to raise funds for its share of the new hospital complex. A separate hospital levy will remind people of the province’s request for municipal support of a hospital – something that is beyond of the mandate of municipalities in Ontario.

Using the Civic Project Fund to fund the new hospital will largely hinder the city's ability to increase its quality of life assets – and at the same time – label the city as a city with a new hospital and nothing else.

If St. Catharines is to challenge other municipalities in Ontario as a place to live, work and play – it will need more than just a new hospital – and the Civic Project Fund should be available to provide the seed investments for future projects.

2. In the Chamber's presentation at a public meeting last spring – the Chamber argued for an exemption from hospital levy for proprietors of businesses in the municipality of St. Catharines. The rationale was that if a business proprietor also lives in St. Catharines – he/she would be taxed four times.

City Residential/Regional Residential

City Business/ Regional Business

Members of the Chamber have expressed concern about double taxation – and although we raised the issue at the public meeting – it would appear from the report by staff that it is not possible under the Municipal Act to provide exemptions.

Based on this information, the Chamber would request to city council to consider submitting an amendment for consideration to the provincial government to amend the Municipal Act to permit business proprietors to be exempt from levies in special cases where a direct benefit of services is not applicable.

While we agree that business proprietors should contribute their fair share – being asked to pay four times plus expected to fund an additional \$25 million in corporate donations can be considered above and beyond expectations.

3. Finally, although not directly connected to the hospital levy, the Chamber would like to reiterate two requests from its previous public presentation on the hospital in hopes of gathering more information for the city to fully explore tax revenue sources from the new hospital complex:

- The City of St. Catharines must ask NHS if the parking lot at the new facility will be operated by the hospital with all fees being directed back to the hospital or if a private company will operate the parking lot. If the on-site parking is operated by a private company hired by the NHS, it is the Chamber’s recommendation that the parking lot square footage should be taxed at the applicable tax rate charged on other private parking facilities in the city.**

- **In addition, the City of St. Catharines must ask NHS if for-profit companies will operate the retail component of the hospital. If for-profit companies are operating the retail outlets, it is the Chamber's recommendation that the city should tax the retail square footage at the applicable rate that other commercial properties are charged.**

Again, on behalf of our more than 1000 members, thank you for taking the time to listen to our presentation. And we look forward to council's and staff's comments moving forward.