

Subject: Strategic Transformation Office - Overview and Priorities

Report to: Planning and Economic Development Committee

Report date: Wednesday, July 12, 2023

Recommendations

1. That Report PDS 10-2023 **BE RECEIVED** for information.

Key Facts

- The purpose of this report is to provide an update on the initial mandate and outlines the key areas of focus of the newly created Strategic Transformation Office, as well as a high-level overview of the work this Office will undertake to further Niagara Region's progress on key strategic priorities.
- The initial priority focus areas will include attainable housing, shared services and implementation of Council's GO Station Development Strategy.
- The report also includes initial timelines for the first phases of work related to attainable housing and shared services.

Financial Considerations

There are no direct Financial Considerations related to this Report for Information.

Analysis

Background

In March of this year a new Strategic Transformation Office was established under the new Growth, Strategy and Economic Development Department, to provide the corporation with dedicated staff who will operate as a project office to deliver on large scale, key Regional Council and corporate strategic transformational priority objectives. These objectives are defined as having widespread impact to the community and generally require a great deal of engagement and support from the Local Area Municipalities (LAMs), as well as various levels of government. The focus of the Strategic Transformation Office is to work on projects that change how Niagara Region

and the LAMs operate and conduct business, so that services are delivered to residents in the most efficient manner possible. Initially, the office will focus on a few key strategic areas of priority: attainable housing, shared services, and providing ongoing support for delivering Council's GO Station Development Strategy.

Shared Services

Over the last number of years, Niagara's CAOs have been pursuing shared services – both in terms of shared services amongst municipalities (i.e., libraries, fire services), as well as between the Region and LAMs (i.e., transit, human resources) in an effort to make services more seamless, cost-effective, and processes more efficient for residents and business. Previous reports dating back to recent pre-pandemic initiatives identified a number of additional potential opportunities for shared services which are further documented in reports brought to Regional Council and referenced at the end of this report. To the credit of many LAMs, a variety of shared services varying in scope, complexity, financial and operational savings, have already been actioned (see CAO 2-2021, CAO 2-2023) from shared fire service pilots, mergers of libraries, amalgamation of transit, and coordination of animal control services among many others.

However, in order to continue to make further strides and deliver on the mandate to share more services, dedicated and focused resources are required to be able to implement additional targeted opportunities. At the Area CAO meeting held June 9, a number of LAMs identified continued pursuit of shared service opportunities as being in their respective Council Strategic Plans; ensuring a renewed and sustained commitment to not only update the existing shared services initiatives workplan with current status of the existing projects (i.e. pilots, contracts, limited arrangements), but more strategically also to determine which of those have been successful, can be extended or expanded, and in turn focus effort on what new initiatives will come next with the support of the new Office. The Strategic Transformation Office is actively supporting this work, presenting a clear path to the Area CAOs, and will plot a course for the Area CAOs to identify, resource and pursue those new and existing shared service initiatives in the coming weeks.

Working with the Area CAOs, the Strategic Transformation Office will develop a framework and criteria for evaluating and prioritizing the opportunities. This work is expected to be completed in July. Concurrently, the Office will be hiring a Project Lead (approved in CAO 2-2021, jointly funded by all 13 municipalities) to drive implementation of this work in tandem with the LAMs, with the expectation that upon

filling the position, there will be a clear mandate for the shared services portfolio and implementation work on the identified priorities will commence immediately. This preparation and coordination will ensure that tangible successes are delivered as quickly as possible. It is worth noting that not all initiatives may directly involve the Region as a party (either services or operations); the Strategic Transformation Office may help provide leadership, resources or facilitation to assist with executing initiatives which involve multiple LAMs – all in an effort to drive collaborative, effective and meaningful shared service delivery.

An update on priority projects the Office will focus on in collaboration with the LAMs is expected to be presented to Council this fall. Concerted implementation on the identified initiatives will begin immediately, coinciding with the onboarding of the jointly-funded Project Lead, including the identification and mobilization of any required additional resources (i.e., studies), building political champions (i.e., engagement with Council(s)), securing partner funding from other levels of government (i.e., transition, capital funding), and facilitation and execution of related shared service agreements, as appropriate.

Attainable Housing

Relating to housing and a commitment to additional support for Niagara's housing market and interventions needed to bring about more access to housing options for residents, the Strategic Transformation Office will focus on projects that impact the supply of market-driven attainable housing options. The work will complement the numerous initiatives and activities by Niagara Region Housing (NRH) and the Region's Community Services Department related to bridge housing, community housing, rent-geared-to-income units, and affordable housing projects that are already well underway. The symbiotic relationship between housing types is well documented; addressing each type of housing option creates ripple effects across the others, which is why it is critically important to also focus on attainable housing as part of the overall affordable housing strategy.

One area of focus will be to provide strategic and organizational coordination across the corporation to ensure that efforts are coordinated, leveraged, and strategically viewed through a lens of housing-as-priority. There is a large body of purposeful work occurring to invest in the housing sector in many different parts of the organization. The Strategic Transformation Office will become the central hub of coordinating these efforts to help realize, maximize and align all corporate efforts and initiatives related to housing and

reporting to Council (Note: this will not inhibit operational decisions brought by NRH to its Board and Council, or homelessness initiatives brought to Public Health and Community Services Committee, for example. Each will continue to report as they are now – but strategic projects and communication of new multi-departmental initiatives will be coordinated and shared with Council via the Strategic Transformation Office).

Additionally, there will be a focus on implementing specific projects that are expected to impact the supply of attainable housing. One important intervention to unlocking the existing housing supply, is by building relationships and partnerships externally, as well as delivering on strategic items such as a student housing strategy and a large employer housing strategy. If purpose-built housing is provided by some of these institutions and employers, this will create spaces in the market rental housing sector, helping to alleviate some of the demand pressure on rental housing.

Another strategic intervention is focused on maximizing the use of existing Regional real estate assets for development and intensification. By making strategic use of existing real estate assets or through strategic acquisition of property, Niagara Region can ensure there is land available for housing projects that will target specific populations and needs within Niagara. There is likely a need to amend corporate policies in order to ensure that strategic decisions are being made instead of simply focusing on transactional or operationally-focused decisions for things such as land acquisition or disposition. The objective is to lead corporate change and innovation and to put housing considerations as a concerted priority and also to facilitate engagement with the private sector to enable changes to how growth and development occur in Niagara, in order to find tangible ways of increasing the housing supply.

In the Fall of this year, Council will receive a comprehensive multi-departmental update of all of the housing-related work occurring throughout the organization, building on a previous overview brought in 2021. This update will include further details on the strategic initiatives related to attainable housing efforts within the Strategic Transformation Office.

GO Implementation

As part of the corporate reorganization approved in Confidential CAO 4-2023, the Strategic Transformation Office will also carry forward the work on GO Implementation; specifically, delivering the final stages of Council's GO Station Development Strategy approved in July 2019. On the capital side, there has been significant progress across

the four station sites since 2019, including strategic land acquisitions from CN, acquisition of the historic VIA Rail stations, site plan applications filed, and alignment of City and Region-led station enabling capital projects at both St. Catharines and Niagara Falls. It is anticipated that construction activities will commence at the Niagara Falls and St. Catharines station sites this fall.

From a service perspective, 2023 has seen a significant increase in two-way GO Train service for Niagara, a key outcome of the strategy and objective of the investments. As a result of a strong, collaborative effort between Niagara Falls Tourism operators, Metrolinx, the City of Niagara Falls, and Niagara Region, weekday GO Train service now has multiple new daily train trips offered at times that accommodate the non-commuter nature of Niagara's growing ridership. Continued growth of GO Train ridership, both weekend and weekday, will result in continued investment in additional service by the Province and in turn, trigger more investments in the quality and the speed of service to and from Niagara via Metrolinx.

At Niagara Falls Station, a building permit application is underway for interior renovations of the station. The interior renovations will see the lobby and washroom facilities updated within the heritage train station. At St. Catharines Station, site plan application has been submitted for station site works. Work at this station could begin Fall 2023, with demolition of some of the structures on the property, in anticipation of new site works that will deliver a new bus loop and improved parking, transforming the site into a truly multi-modal hub serving new transit options for station users.

It is also expected that by the end of the summer, Niagara Region will have formally obtained ownership of the station buildings from VIA Rail, completing the legal transfer of the station through Parks Canada. All parties involved have fully endorsed the future vision for the station sites, working collaboratively toward concluding the transaction, with the knowledge that Niagara Region will provide better stewardship of the heritage transportation assets and their properties, and redevelop and use the stations more much more actively than VIA Rail has or currently does. With the stations redeveloped and the addition of new amenities and infrastructure such as bus facilities, these stations will become the leverage needed for growing ridership for train and bus service, helping to support continued enhanced service and mobility options for Niagara.

With respect to a new GO station in Grimsby, Niagara Region remains committed to working with Metrolinx to find a third party to fund and construct a station in Grimsby under the Transit Oriented Communities (TOC) program. A specific update on

remaining confidential activities under Council's GO Station development Strategy will come to Planning and Economic Development Committee in the fall.

Other key aspects the Strategic Transformation Office will advance related to the expansion of GO Rail to Niagara include: coordination of multi-agency efforts to maximize seamless connections for passengers – specifically, enhanced first and last-mile connectivity at the train stations as summer peak ridership grows; continued advancement of TOC opportunities across all station sites, including the Lincoln Station site; ensuring Niagara's advocacy for two-way, all-day train service is strategically advanced in short and long-term Metrolinx service planning policy and funding; and maintaining overall strategic leadership of the Niagara Region-Metrolinx relationship as it pertains to future service and capital investments in both GO Bus and GO Train along the Niagara corridor.

Alternatives Reviewed

An alternative option to the approach of strategic initiatives would be to not undertake the work outlined above or in the manner outlined; however, undertaking these strategic priorities in a purposeful, aligned and strategic manner is critical in ensuring that Niagara Region is growing and evolving in a way that meets the needs of current and future residents.

Future alternatives for consideration related to specific strategies and transactions to advance attainable housing, shared services and the GO Station Development Strategy will be presented as these activities are brought forward to Council in future reports.

Relationship to Council Strategic Priorities

The work described in this report relates to Council's Strategic Priorities of Responsible Growth and Infrastructure Planning and Sustainable and Engaging Government. Specifically, Objective 3.1 Advancing Regional Transit and GO Rail Services aimed at improved transit options for residents of Niagara and visitors to Niagara. Additionally, it advances Objective 4.1 High Quality, Efficient and Coordinated Core Services to promote an organizational culture that values continuous improvement, collaboration and innovation and exploring cost-efficiencies through coordinated service delivery and collaboration with local area municipalities.

Other Pertinent Reports

CSD 19-2019	GO Station Development Strategy (Confidential) Niagara's Affordable Housing Strategy – COTW – September 9, 2021
CAO 2-2021	Update on the Exploration of Shared Services by the Chief Administrative Officers Working Group
CAO 2-2023	Update on Shared Services Initiatives

Prepared by:

Matt Robinson
Director, Strategic Transformation Office
Growth Strategy and Economic
Development

Recommended by:

Michelle Sergi, MCIP, RPP
Commissioner
Growth Strategy and Economic
Development

Submitted by:

Ron Tripp, P.Eng.
Chief Administrative Officer