



Subject: Niagara Transit Governance - Creation of a Consolidated Transit Commission

To: Council

From: Chief Administrative Office

Report Number: 2021-317

Meeting Date: December 13, 2021

Recommendation:

That Chief Administrative Office Report 2021-317 be received; and

That Council consents to the passage of By-law No. 2021-96 of The Regional Municipality of Niagara, being a by-law to provide Niagara Region with the exclusive authority to establish, operate and maintain a consolidated passenger transportation system for the Niagara Region.

Purpose:

The purpose of this report is to seek Council's support in creating a single, consolidated transit system, in the form of a new Transit Commission that would formally integrate the Regional and local transit systems currently operating across Niagara.

This support is being sought as part of the triple-majority process required to transfer responsibility for transit to the Region.

Background:

The vision for a single regional transit agency for Niagara is a long-standing one going back as early as the late 1990s. Today in Niagara, transit is delivered by a mix of different levels of government delivering different services, with different operating hours, standards or frequency of service, and with significant barriers to movement across municipal boundaries.

The process towards a consolidated system took a significant step forward in late 2020 with the completion of the Niagara Transit Governance Study (NTGS) which outlined a

recommended governance model for a new transit commission and was brought forward with an associated financial strategy.

Through 2021, the Governance Steering Committee (GSC), led by all thirteen CAOs across Niagara, has undertaken significant consultation on the proposed strategies for consolidation (governance, financial, and service standards).

This consultation included two rounds of engagement with the City of Port Colborne. Report 2021-206 (August 23, 2021) confirmed that the previous feedback that was provided by City Council in early 2021 had been addressed, and that there was no further feedback received in anticipation of the triple-majority vote.

On September 29, 2021, the Linking Niagara Transit Committee (LNTC) endorsed the final governance model for the consolidation of transit and recommended the initiation of the triple-majority process to create the new commission.

The first step in the triple-majority process took place on November 25, 2021, when Regional Council supported moving forward, voting 24 to 1 in favour of the motion.

Port Colborne City Council, along with all Niagara Municipalities, is now being asked to provide similar support of the creation of the new commission. To achieve full triple-majority approval a majority of local councils, representing a majority of the electors in Niagara, must now provide their support.

Discussion:

Benefits

Staff feel that introducing an integrated Regional transit system would bring dramatic benefits to the residents of Port Colborne and Niagara as a whole, including:

- Creating a single branded system that can take riders anywhere in the Region, for a single fare, that will break down jurisdictional barriers and connect communities;
- Leveraging and supporting GO rail and bus expansion within the Niagara Region;
- Developing and supporting the economy, job retention, and creating and driving tourism;
- Promoting socially equitable access to transit;
- Being environmentally sustainable and reducing traffic congestion;
- Supporting accessibility through the standardization of accessibility policies and a greater pool of resources to implement improvements; and
- Providing better value and service to the taxpayers of Niagara.

It is only through the move to one consolidated agency that these outcomes can be achieved.

While significant work has been done to improve, integrate, and coordinate the existing systems in Niagara, consolidation will mean a larger and combined resource pool, which will support efficiencies that cannot be otherwise achieved as separate entities duplicating efforts, and which will then be reinvested into the network to enhance service.

Final Governance, Service Standards, and Financial Strategies

Regional Report PW55-2021 (Appendix A) summarizes the final board composition, service standards, and financial strategies that comprise the governance proposal for the creation of the new Transit Commission.

- The **Service Standards Strategy** outlines a three-phased approach to the standardization and enhancement of transit service across Niagara to achieve consistent, equitable access to transit for all Niagara residents and communities, including expanded operating hours and the integration of on-demand and specialized service.
- The **Financial Strategy** proposes that all LAM transit service budgets be uploaded to the Commission in the 2023 budget year, as well as the Region's existing transit budget to be consolidated by the commission and to be assessed to the LAMs by way of special levies to be approved annually by the Region.
- The **Governance Strategy** recommends the creation of a 15-member elected Transitional Commission Board, to be comprised of either Regional or local councillors and including a dedicated representative for Port Colborne, supported by a 20-member Public Advisory Committee. The structure of the transitional board will be re-evaluated as part of an external third-party review, with implementation to coincide with the 2026 municipal election cycle.

These strategies are substantially similar to those presented to Port Colborne Council over the summer of 2021, with only a minor update to the governance strategy confirming the timing for the third-party review.

Next Steps

Should triple-majority be achieved, an approximate one-year transition period would commence during which the commission would be established in advance of the assumption of day-to-day operations on January 1, 2023.

Key activities of this transition period would include formally creating the commission as an agency of the Region, populating the transitional Commission Board and Advisory Committee, negotiating and executing asset transfer agreements with Niagara Falls, St. Catharines, and Welland, and recruiting a General Manager and transitioning staff.

Port Colborne Council would be asked to forward recommendations to the commission for its representatives on the Commission Board and Advisory Committee in the spring of 2022.

Port Colborne Transit – NRT OnDemand Pilot

In parallel to potential consolidation of transit into a new Commission, Port Colborne is currently in the process of transitioning its local transit service to the Niagara Region Transit OnDemand pilot project, with an anticipated launch date of January 3, 2022.

The decision to support a consolidated transit system for Niagara is distinct from the decision for Port Colborne to participate in the NRT OnDemand pilot.

Should triple-majority be achieved, the service standards and financial strategies anticipate that the Commission would continue to deliver on-demand transit services in communities such as Port Colborne, with a potential move to in-house service delivery in the future. Should triple-majority not be achieved, the future of the NRT OnDemand pilot will be a decision to be made by Regional Council in late 2022.

Internal Consultations:

City staff from the Chief Administrative Office and Corporate Services have been actively working with Regional staff and City Communications staff on this initiative.

Financial Implications:

The financial strategy proposed would see existing municipal transit budgets uploaded to the new Transit Commission in a single year (2023), following which the Regional Council approved budget of the commission will be apportioned to each of the LAMs using twelve Special Levies, one for each municipality.

All uploaded local transit service costs and future incremental costs will be allocated to the Special Levy based on service hours. Existing Niagara Region Transit (NRT) service costs continue to be allocated to the Special Levy based on municipal share of Regional assessment, as they are already today.

In other words, there will no longer be any costs associated with operating municipal transit in the City's annual budget and the cost of operating the Regional Transit system

will appear on residents' tax bills as a special levy in the same way that Waste Management charges appear currently.

Public Engagement:

Significant consultation was undertaken during the development of the transit governance proposal. In September 2021, a website was launched (movingtransitforward.ca) that included a survey asking the public for feedback on the proposed governance, service plan, and financial models. A total of 2,251 individuals completed the survey, with 79% in favour of the financial strategy, 82% in favour of the Board composition structure, and 85% in favour of the service standards strategy.

Two rounds of consultation were undertaken with each municipality in Niagara, first on the result of the original Niagara Transit Governance Study (NTGS) and then on the revised strategies developed by the Governance Steering Committee (GSC). Significant change occurred from the initial proposal to the subsequent revised strategies reflecting the feedback received by municipalities.

Lastly a series of workshops were conducted with interested parties from across Niagara, representing organizations or demographics who either rely on transit or with a mandate that is closely related to transit. Example attendees included members of environmental and accessibility advisory committees, local business leaders and Chambers of Commerce, institutional administrators, and other advocates.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillar(s) of the strategic plan:

- Service and Simplicity - Quality and Innovative Delivery of Customer Services
 - Attracting Business Investment and Tourists to Port Colborne
 - Value: Financial Management to Achieve Financial Sustainability
 - Governance: Communications, Engagement, and Decision-Making
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Conclusion:

A consolidated transit system is anticipated to bring significant mobility, economic, and equity benefits to the residents of Port Colborne.

Adoption of the recommendations of this report will represent the City of Port Colborne's triple-majority vote in favour of creating this new transit system.

Appendices:

- a. Regional Report PW55-2021 – Moving Transit Forward in Niagara: Creation of a Consolidated Transit Commission

Respectfully submitted,

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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.