

ADDENDUM #1

REGULAR MEETING OF CITY COUNCIL

2007 05 14

4:30 P.M.

4. DELEGATIONS/PROCLAMATIONS

- (h) Michael Wozny, Executive Director, Development Sault Ste. Marie will be in attendance concerning agenda item 6.(8)(a).

PART ONE – CONSENT AGENDA

5. COMMUNICATIONS AND ROUTINE REPORTS OF CITY DEPARTMENTS; BOARDS AND COMMITTEES

- (a) Further correspondence from AMO is attached for the information of Council.

PART TWO – REGULAR AGENDA

6. REPORTS OF CITY DEPARTMENTS; BOARDS AND COMMITTEES

6. (8) BOARDS AND COMMITTEES

- (a) **Sault Ste. Marie Air Services Proposal - Request to Offer an Airline Incentive Funding of \$42,000.00 From the Economic Development Fund**

A report of the C.E.O., Economic Development Corporation is attached for the consideration of Council. A report entitled Sault Ste. Marie Air Services Proposal Examining the Opportunity to Provide Increased Air Services to Sault Ste. Marie is provided under separate cover for members of Council.

Mover - Councillor F. Fata

Seconder - Councillor S. Myers

Resolved that the report of the C.E.O., Economic Development Corporation dated May 9, 2007 concerning Sault Ste. Marie Air Services Proposal - Request to Offer an Airline Incentive Funding of \$42,000.00 From the Economic Development Fund be accepted and the recommendation to allocate a total of \$42,000.00 from the EDF over three years as a financial incentive package for an airline that completes a formal application and meets all necessary criteria towards the establishment of a new airline carrier in Sault Ste. Marie be approved.

7.

**UNFINISHED BUSINESS, NOTICE OF MOTIONS AND RESOLUTIONS
PLACED ON AGENDA BY MEMBERS OF COUNCIL**

- (c) Mover - Councillor J. Caicco
Second - Councillor S. Butland
Whereas problems at the East End Sewage Treatment Plant have persisted for over one year; and
Whereas Councillors and residents of Ward One have expressed ongoing concerns and have exercised considerable patience in dealing with this irritation; and
Whereas the problems have persisted to this day with no apparent cause and with no definite timeline for a solution;
Now therefore be it resolved that a open house or ward residents meeting be held as soon as can be arranged, possibly at the John Rhodes Center; and
Further it is requested that appropriate city staff, PUC, consultants and representatives from the Contractor be in attendance to address the ongoing issues and resolution thereof; and
Further be It resolved that Council authorizes media ads and city staff to use the necessary communication vehicles to promote this meeting.



NOTICE

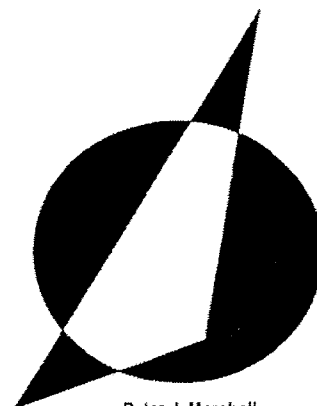
Call for Submissions

Peter J. Marshall

2007 MUNICIPAL INNOVATION AWARDS COMPETITION

Purpose

The Peter J. Marshall Municipal Innovation Award honours recognizes those municipal governments demonstrating excellence in the use of innovative approaches to improve capital and/or operating efficiency and to generate effectiveness through alternative service delivery initiatives and partnerships. The Award's objective is to showcase instances where Ontario municipalities have implemented and can point to tangible outcomes from new, more cost effective ways of providing public services and facilities. Awarding and profiling innovation advances creativity and strong municipal government.



Peter J. Marshall
Municipal Innovative Awards

Annual Awards

Up to a maximum of three Plaque Awards will be awarded each year to municipal governments for their innovative achievements. Certificates of Merit may be awarded to other entrants receiving honourable mention. Plaque winners will have the right to use the designation on all stationery and publications

How to Enter

Complete the Entry Form which is available from AMO's website www.amo.on.ca. Click on the AMO Annual Conference icon.

The 2006 Certificate of Merit Winners

Lambton County

"Southwestern Ontario Orthophotography Project (SWOOP)"

City of Peterborough

"Sports and Wellness Centre"

Region of York

"VIVA Rapid Transit System"

Entry Deadline – Entries must be received at AMO offices on or before – Friday, June 29, 2007

The 2006 P.J. Marshall Awards will be presented at the Annual AMO Conference at the Westin Harbour Hotel/Congress Centre in Ottawa, August 19 – 22, 2007

AMO Contact: Lorna Ruder (416) 971-9856, ext. 341 or E-mail: lruder@amo.on.ca

First Notice: May 10, 2007



Peter J. Marshall

2007 MUNICIPAL INNOVATION AWARDS

Eligibility

The award is open to all Ontario municipal governments.

Eligible projects could include partnership and alternative service delivery initiatives related to municipal capital projects and maintenance programs for such services as water and wastewater systems, transit, waste disposal, roads, technology solutions, community service facilities and municipal management innovations and other significant operating or service initiatives.

Innovative projects involving partnerships and alternative service delivery will be considered eligible for the award where the entrant can demonstrate measurable outcomes for the municipal government, its taxpayers, and citizens.

Award Selection Criteria

Entries will be judged according to the following general criteria:

- The project's innovative features.
- Demonstration of: tangible outcomes, measured, improved efficiency and effectiveness of public service delivery, effective use of non-traditional sources of revenues or financing.
- Ability to transfer the innovative features and provide 'lessons learned' from the project as information for others.

Award Selection and Award Selection Committee

An Awards Selection Committee will be appointed each year based on names suggested by the award program sponsors.

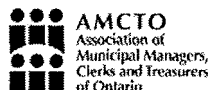
Further Information

For further information please contact **Lorna Ruder** at:

Association of Municipalities of Ontario
 200 University Avenue, Suite 801
 Toronto, ON M5H 3C6
 (416) 971-9856 Phone
 (416) 971-6191 Fax
lruder@amo.on.ca

Award Sponsors Include:

- Association of Municipalities of Ontario
- Ministry of Municipal Affairs and Housing
- Association of Municipal Managers, Clerks & Treasurers of Ontario
- Canadian Council for Public Private Partnerships
- Municipal Finance Officers' Association
- Ontario Municipal Administrators' Association





Peter J. Marshall

✦ 2007 MUNICIPAL INNOVATION AWARDS ✦

Entry Requirements

1. Complete and sign the Entry Form. Where a municipal government wishes to enter more than one project, a separate Entry Form must be completed for each project. There is no entry fee.

Entries must not exceed six (6) pages including the Entry Form. If there are more than six pages, the application will be returned.

2. Send six hard copies and one electronic copy: (Microsoft Word format) to:

The Association of Municipalities of Ontario
 200 University Avenue, Suite 801
 Toronto, ON M5H 3C6
 Att: Peter J. Marshall Municipal Innovation Award
 Email: lruder@amo.on.ca

3. Complete your submission and attach to the Entry Form. Your submission should include:

- A description of the project or undertaking
- The organization(s) involved.
- The challenges that were faced and how they were overcome (what others can learn).
- How the project or undertaking was initiated.
- How the project or undertaking relates to the general criteria award selection (innovation, tangible benefits, measured improved efficiency and effectiveness and use of innovative financing and transferability).

Conditions of Participation

1. Only one entry may be made for each project or undertaking.

2. Eligible projects must have been predominately completed prior to the competition deadline.

3. The application must be submitted by an authorized official of the municipality involved and the applicant declaration signed by the head of municipal administration for the municipality.

4. The municipal applicant must signify that the project or undertaking complies with all legislation and regulatory approvals. The administrators of the award reserve the right to revoke an award, or reject an entry where in its opinion such conditions are not satisfied.

5. Award winners are expected to share information about their project or undertaking with other organizations in Ontario.

6. The decision of the administrators of the Award shall be final.

7. Entries will not be returned.

8. All materials contained in the submission will be treated as public information. It is the responsibility of applicants to ensure that information does not breach confidentiality provisions of agreements pertaining to the project or undertaking.



Peter J. Marshall

✦ 2007 MUNICIPAL INNOVATION AWARDS ✦ ENTRY FORM

Please attach your five-page submission to this Entry Form. Forward six (6) hard copies, plus one electronic copy (either Microsoft Word or WordPerfect format) to The Association of Municipalities of Ontario, 200 University Avenue, Suite 801, Toronto, Ontario M5H 3C5. A separate entry form must be completed for each project.

Name of Applicant Municipality: _____

Name(s) of Participating Organization: _____

Contact Information (Authorized Municipal Official)

Please provide a contact name should clarification of the project be required.

Contact Name _____

Title _____

Telephone _____ Email _____

Applicant Declaration (To be completed by the Head of Administration for the municipality)

I acknowledge that I have read, understood, and complied with, the terms and conditions of participation in the Peter J. Marshall Municipal Innovation Award, and certify that the information provided is true and complete, to the best of my knowledge. I authorize the posting of this entry material on the Internet via stakeholders' websites or any other public release of, or reference to, the material by the stakeholders.

Name _____

Title _____ Date _____

Summary of Project

Telephone: 416-971-6856 • Fax 416-971-6191 • Toll Free 1-877-426-6527 • Website www.amo.on.ca

Entry Deadline – Entries must be received at AMO offices on or before – Friday, June 29, 2007



Sault Ste. Marie
**ECONOMIC
DEVELOPMENT
CORPORATION**



DEVELOPMENT
Sault Ste. Marie
a division of the SSMEDC



**ENTERPRISE
CENTRE**
Sault Ste. Marie
a division of the SSMEDC



6(8)(a)
TOURISM
Sault Ste. Marie
a division of the SSMEDC

May 9, 2007

Mayor John Rowsell and
Members of Council

**RE: Sault Ste. Marie Air Services Proposal
Request To Offer An Airline Incentive Funding of \$42,000 From The EDF**

A. Background

The City of Sault Ste. Marie, through a resolution of Council, has requested the Sault Ste. Marie Chamber of Commerce, Sault Ste. Marie Airport Development Corporation (SSMADC), Sault Ste. Marie Economic Development Corporation (SSMEDC) and other stakeholders, to investigate possible opportunities for increased passenger air service for Sault Ste. Marie. City Council believes that Sault Ste. Marie should have better air service, better scheduling and affordable pricing.

The Sault Ste. Marie Airport Development Corporation and the Sault Ste. Marie Economic Development Corporation has completed a market survey to help identify possible market opportunities in Sault Ste. Marie. There were 612 responses to the questionnaire the highlights of which identify that:

1. Ninety-five percent of the people indicated that high price is a barrier in buying more tickets.
2. There is a propensity to buy more airfares if the return airfare was under \$500.
3. A desire for departure from SSM before 8:00am.
4. A desire to return to SSM from Toronto between 6-9:00pm.
5. Desire to fly to Toronto Island Airport
6. Seventy-three percent of the respondents drive to Toronto up to ten times each year.

It is anticipated with vibrant passenger air services in a competitive market place, businesses and individuals will have more choices to make the Sault Ste. Marie airport the major choice for business or personal travel.



B. Proposal Developed

A *Sault Ste. Marie Air Service Proposal* has been prepared to be presented to a strategic prospective carrier(s). Upon assurance that Sault Ste. Marie is in the long-term regular scheduling plans of the airline, Sault Ste. Marie would like to provide assistance to permanently establish this airline presence in the city. Proposed assistance consists of:

A. Organizational Assistance

The Sault Ste. Marie Economic Development Corporation and the Sault Ste. Marie Airport Development Corporation would assist the carrier in activities to establish an office, hire staff, get approvals, etc.

B. Marketing Assistance

Tourism Sault Ste. Marie would be pleased to integrate the new airline into various appropriate marketing activities in Canada and the United States.

C. Financial Assistance

The Sault Ste. Marie Economic Development Corporation, the Sault Ste. Marie Airport Development Corporation and other partners, would provide financial assistance based upon needs and requirements.

C. Request From Economic Development Fund (EDF)

It is proposed that the Sault Ste. Marie Economic Development Corporation join the Sault Ste. Marie Airport Development Corporation and other partners in providing a financial incentive package to lure and expedite the establishment of a new airline carrier in Sault Ste. Marie. This funding would come from the Economic Development Fund and would be for a total of \$42,000 to help off-set key costs. Pay-out would be as follows:

- \$24,000 in year one
- \$12,000 in year two
- \$6,000 in year three

D. Benefits

There are clear benefits in establishing a new air services carrier in Sault Ste. Marie:

1. Competition, Better Fares & Service

As clearly identified in the survey, a common complaint is the high cost to fly to Toronto. Another carrier would provide competition, be an alternative which could lead to better fares, service and value.

2. Job Creation

The establishment of a new airline would create new jobs for the community. It is estimated that this could create two FTE (full-time equivalents) and 4-8 PTE (part-time equivalents).

3. Increased Municipal Tax Base

The new airline will increase the commercial tax base.

4. *Increased Visitation To the City*

The establishment of lower airfares and service alternatives would create the opportunity for increased tourists and business travelers to Sault Ste. Marie.

E. Conclusion

Please approve the Economic Development Corporation's request to offer \$42,000 over three years to a targeted airline. It will be made clear that the airline will be required to complete a formal application and will need to meet all necessary criteria to be approved for funding.

Yours truly,



D. Bruce Strapp
Chief Executive Officer

Cc: Joe Fratesi, CAO City of SSM
Bill Freiburger, Commissioner of Finance City of SSM
Mike Wozny, Executive Director Development SSM
SSMEDC Executive Committee
Air Services Committee