

**The Corporation of the City of Sault Ste. Marie  
Regular Meeting of City Council  
Revised Agenda**

Monday, December 12, 2016

4:30 pm

Council Chambers

Civic Centre

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	Pages
<b>1. ADOPTION OF MINUTES</b>	<b>17 - 32</b>
Mover Councillor J. Krmpotich Seconder Councillor S. Butland	
Resolved that the Minutes of the Regular Council Meeting of 2016 11 21 be approved.	
<b>2. QUESTIONS AND INFORMATION ARISING OUT OF THE MINUTES AND NOT OTHERWISE ON THE AGENDA</b>	
<b>3. DECLARATION OF PECUNIARY INTEREST</b>	
<b>4. APPROVE AGENDA AS PRESENTED</b>	
Mover Councillor R. Romano Seconder Councillor S. Butland	
Resolved that the Agenda for 2016 12 12 City Council Meeting as presented be approved.	
<b>5. PROCLAMATIONS/DELEGATIONS</b>	
<b>5.1 2nd Annual Queen Street Cruise</b>	
Gary Trembinski, Co-chair – Queen Street Cruise Organizing Committee	
<b>6. COMMUNICATIONS AND ROUTINE REPORTS OF CITY DEPARTMENTS, BOARDS AND COMMITTEES – CONSENT AGENDA</b>	
Mover Councillor R. Romano Seconder Councillor P. Christian	

Resolved that all the items listed under date 2016 12 12 – Agenda item 6 – Consent Agenda be approved as recommended.

<b>6.1</b>	<b>Correspondence</b>	
<b>6.1.1</b>	<b>Noront Resources Ltd.</b>	33 - 33
	Correspondence from Mayor Provenzano	
<b>6.1.2</b>	<b>Tristan Dufour</b>	34 - 36
	Correspondence received by and responded to by Mayor Provenzano	
<b>6.1.3</b>	<b><i>Review of Fire Protection Services</i></b>	37 - 39
	Correspondence from the Office of the Ontario Fire Marshal and Emergency Management; reply from Mayor Provenzano	
<b>6.2</b>	<b>Focusing on the Positive</b>	40 - 42
	A memo from Councillor S. Hollingsworth is attached for the consideration of Council.	
	Mover Councillor S. Hollingsworth Seconder Councillor S. Myers	
	Whereas Sault Ste. Marie is experiencing creative investment and development thanks to individuals, private companies, educational institutions and community groups despite current economic challenges; and	
	Whereas a positive image is critical when it comes to community development and revitalization; and	
	Whereas the cultivation of positive relationships in the community begins by focusing on the good in the community;	
	Now Therefore Be It Resolved that City Council set aside a few minutes at the beginning of each Council meeting for Councillors to share positive community stories.	
<b>6.3</b>	<b>2017 Borrowing By-laws</b>	43 - 44
	A report of the Chief Financial Officer is attached for the consideration of Council.	
	The relevant By-laws 2016-197 and 2016-200 are listed under item 11 of the Agenda and will be read with all by-laws under that item.	
<b>6.4</b>	<b>Tender for Oils, Greases and Gear Lubricants (2016PWT-30-T)</b>	45 - 47
	A report of the Manager of Purchasing is attached for the consideration of Council.	
	Mover Councillor R. Romano	

Seconder Councillor P. Christian

Resolved that the report of the Manager of Purchasing dated 2016 12 12 be received and the tender submitted by Petro-Canada Lubricants Inc. for the supply and delivery of oils, greases and gear lubricants as required by various City Departments for the years 2017, 2018 and 2019 be approved.

6.5

**Tender for New Tires and Tire Repairs (2016PWT-39-T)**

48 - 50

A report of the Manager of Purchasing is attached for the consideration of Council.

Mover Councillor R. Romano  
Seconder Councillor S. Butland

Resolved that the report of the Manager of Purchasing dated 2016 12 12 be received and the tender submitted by Fountain Tire to provide new tires and tire repairs as required by various City Departments for the years 2017 and 2018 be approved.

6.6

**Designated Heritage Property Tax Rebates – 2015 Tax Year**

51 - 53

A report of the Manager of Recreation and Culture is attached for the consideration of Council.

Mover Councillor J. Krmpotich  
Seconder Councillor S. Butland

Resolved that the report of the Manager of Recreation and Culture concerning Designated Heritage Property Tax Rebates be received and the recommendation of the Sault Ste. Marie Municipal Heritage Committee that designated heritage property tax rebates for the 2015 tax year be paid to the qualified owners of designated heritage properties enrolled in the program be approved.

6.7

**Cultural Policy Revisions**

54 - 58

A report of the Manager of Recreation and Culture is attached for the consideration of Council.

Mover Councillor J. Krmpotich  
Seconder Councillor S. Butland

Resolved that the report of the Manager of Recreation and Culture dated 2016 12 12 concerning revisions to the Cultural Policy for the Corporation of the City of Sault Ste. Marie be received and that the recommendations of the Cultural Advisory Board to amend the policy as follows:

1. General Considerations – Heritage Arts. Amend the definition of intangible heritage from “(expressions of culture including custom, dance, music, song, story, etc.)” to “(dance, music, song, story, etc.)”
2. Statement of Policy. Amend from “To encourage, promote and maintain the development of cultural expression in Sault Ste. Marie at both the amateur and professional level” to “To encourage, promote, maintain and

- further develop cultural expression in sault Ste. Marie at both the amateur and professional level and through all ages.”
3. Policy Implementation. Amend from “Accept as a concept the dedication of up to 1% of the total construction and/or renovation costs of public facilities, including where appropriate, major municipal infrastructure projects towards the commissioning and installation of art or other cultural activities where, as an integral part of the building or site, it is appropriate. Otherwise allocated funds shall either be directed towards similar use in alternative facilities or to the City of Sault Ste. Marie Cultural Endowment Trust Fund.” By deleting the words “Accept as a concept”.
  4. Policy Implementation, item 3.6.3. Amend “When appropriate, lease municipal historic buildings to interested entrepreneurs with the stipulation that they be maintained to a specified standard.” By adding the words “and cultural organizations after “entrepreneurs”.
  5. Policy Implementation. Add item “Encourage the conservation and preservation of historic sites and buildings.”

be approved.

<b>6.8</b>	<b>Pim Street Pump Station Sluice Gate Replacement</b>	59 - 64
A report of the Land Development and Environmental Engineer is attached for the consideration of Council.		
	The relevant By-law 2016-212 is listed under item 11 of the Agenda and will be read with all by-laws under that item.	
<b>6.9</b>	<b>Engineering Agreement – McNabb Street to Pim Street Drainage Improvements</b>	65 - 66
A report of the Design and Construction Engineer is attached for the consideration of Council.		
	The relevant By-law 2016-199 is listed under item 11 of the Agenda and will be read with all by-laws under that item.	
<b>6.10</b>	<b>Committee of Council on Graffiti Update</b>	67 - 71
A report of the Environmental Initiatives Co-ordinator is attached for the consideration of Council.		
Mover Councillor J. Krmpotich Seconder Councillor S. Butland		
Resolved that the report of the Environmental Initiatives Co-ordinator dated 2016 12 12 concerning Committee of Council on Graffiti Update be received and the following recommendations be approved:		
<ul style="list-style-type: none"> <li>• That the Committee of Council on Graffiti remain in place and continue to meet throughout the year to ensure community engagement and co-ordination of projects; and</li> <li>• That City staff continue to explore the development of a Public Art Policy,</li> </ul>		

including graffiti management, which will be brought back to Council for review and approval.

6.11	<b>Sale of Surplus City Property</b>	72 - 73
	A report of the City Solicitor is attached for the consideration of Council.	
	The relevant By-law 2016-204 is listed under item 11 of the Agenda and will be read with all by-laws under that item.	
6.12	<b>Sault Career Community Centre – Zoning By-law 2016-176 and 2016-177</b>	74 - 75
	A report of the City Solicitor is attached for the consideration of Council.	
	Mover Councillor J. Krmpotich Seconder Councillor P. Christian	
	Resolved that the report of the City Solicitor dated 2016 12 12 concerning Sault Career Community Centre – Zoning By-law 2016-176 and 2016-177 OMB Appeal be received and that despite the appeal, Council confirms its wish to proceed with the by-laws.	
6.13	<b>Third Line Extension – 920939 Ontario Inc</b>	76 - 83
	A report of the Assistant City Solicitor is attached for the consideration of Council.	
6.14	<b>Conveyance of Part of Lane Abutting 85 Elmwood Avenue</b>	84 - 86
	A report of the Solicitor/Prosecutor is attached for the consideration of Council.	
	The relevant By-laws 2016-206, 2016-207 and 2016-208 are listed under item 11 of the Agenda and will be read with all by-laws under that item.	
6.15	<b>Highlights of Changes to the Planning Act</b>	87 - 94
	A report of the Senior Planner is attached for the consideration of Council.	
	Mover Councillor J. Krmpotich Seconder Councillor P. Christian	
	Resolved that the report of the Senior Planner dated 2016 12 12 concerning <i>Smart Growth for Our Communities Act</i> , 2015 (Bill 73) Highlights of Changes to the <i>Planning Act</i> be received.	
	Mover Councillor J. Krmpotich Seconder Councillor S. Butland	
	Whereas section 34 of the <i>Planning Act</i> prohibits amendments to zoning by-laws within two years of their passing and section 45 of the <i>Planning Act</i> prohibits minor variance applications within two years of the by-law in respect of the land; and	
	Whereas sections 34(10.0.0.2) and 45(1.4) authorize Council to permit such	

requests by resolution;

Now Therefore Be It Resolved that the Planning Department be permitted to accept requests for zoning by-law amendments and minor variance applications within two years of the passing of the by-law in respect of the land.

6.16

**Rental Housing Incentive Program – 8**

95 - 97

A report of the Director of Planning and Enterprise Services is attached for the consideration of Council.

Mover Councillor R. Romano  
Seconder Councillor S. Butland

Resolved that the report of the Director of Planning and Enterprise Services dated 2016 12 12 concerning the Rental Housing Incentive Program be received and that the previous approval for a tax rebate for 531 Trunk Road be repealed.

6.17

**Community Engagement and Planning Advisory Committee**

98 - 100

The report of the Director of Planning and Enterprise Services is attached for the consideration of Council.

Mover Councillor R. Romano  
Seconder Councillor P. Christian

Resolved that the report of the Director of Planning and Enterprise Services dated 2016 12 12 concerning Community Engagement and the Planning Advisory Committee be received and that City Council:

1. Dissolve the Planning Advisory Committee and thank past members for their service;
2. Request staff to develop terms of reference for a new Community Development Award Committee specifically to recommend future development awards to City Council; and
3. Request staff to create a community engagement protocol for all types of development approvals.

6.18

**Traffic By-law – Annual Review 2016**

101 - 103

A report of the Manager of Traffic and Communications is attached for the consideration of Council.

Mover Councillor R. Romano  
Seconder Councillor S. Butland

Resolved that the report of the Manager of Traffic and Communications dated 2016 12 12 concerning Traffic By-law – Annual Review 2016 be received and that the Legal Department be directed to bring forward the appropriate by-law amendments at a later date.

<b>7.</b>	<b>REPORTS OF CITY DEPARTMENTS, BOARDS AND COMMITTEES</b>	
<b>7.1</b>	<b>ADMINISTRATION</b>	
<b>7.2</b>	<b>COMMUNITY SERVICES DEPARTMENT</b>	
<b>7.2.1</b>	<b>Economic Development Review</b>	104 - 242
	A report of the Deputy CAO, Community Development and Enterprise Services is attached for the consideration of Council.	
	Mover Councillor J. Krmpotich Seconder Councillor S. Butland	
	Resolved that the report of the Deputy CAO, Community Development and Enterprise Services dated 2016 12 12 concerning Review of Sault Ste. Marie's Economic Development Enablers and Investments be received and referred to staff to consult with the Sault Ste. Marie Innovation Centre and Sault Ste. Marie Economic Development Corporation and report back to Council in January 2017 concerning implementation of the recommendations of the report; and	
	Further that pursuant to section 7.1 of the Memorandum of Understanding (MOU) between the City of Sault Ste. Marie and the Sault Ste. Marie Economic Development Corporation dated August 2009, that staff be directed to provide formal notice of termination of the said MOU; and	
	Further that pursuant to section 7.1 of the Memorandum of Understanding (MOU) between the City of Sault Ste. Marie and the Sault Ste. Marie Innovation Centre dated September 2009, that staff be directed to provide formal notice of termination of said MOU.	
<b>7.2.1.1</b>	<b><i>Additional Correspondence</i></b>	243 - 248
	Sault Ste. Marie Economic Development Corporation	
	Sault Ste. Marie Innovation Centre	
<b>7.3</b>	<b>ENGINEERING</b>	
<b>7.4</b>	<b>FIRE</b>	
<b>7.5</b>	<b>LEGAL</b>	
<b>7.6</b>	<b>PLANNING</b>	
<b>7.6.1</b>	<b>A-17-16-Z – 1044 Great Northern Road</b>	249 - 256
	A report of the Senior Planner is attached for the consideration of Council.	
	Mover Councillor J. Krmpotich Seconder Councillor S. Butland	

Resolved that the report of the Senior Planner dated 2016 12 12 concerning A-17-16-Z – 1044 Great Northern Road be received and that Council rezone the subject property from Highway Zone (HZ.S336) to Highway Zone with an amended Special Exception 336 to permit Personal Services as an additional permitted use,

and that the Legal Department be directed to prepare the necessary by-law to effect this approval.

7.6.2

**A-18-16-Z – 65 Simon Avenue (Queen Street Frontage)**

257 - 278

A report of the Senior Planner is attached for the consideration of Council.

Mover Councillor J. Krmpotich  
Seconder Councillor S. Butland

Resolved that the report of the Senior Planner dated 2016 12 12 concerning application A-18-16-Z – 65 Simon Avenue (Queen Street Frontage) be received and that the subject property be rezoned from “C4.S.162” (General Commercial with a Special Exception) to “C4.S” (General Commercial) amending the S.162 to allow as an additional permitted use: personal storage in association with a Motor Vehicles Sales and Parts Dealer, subject to the following:

1. That the provisions of S.162 relating to setbacks, landscaping and coverage be maintained;
2. That outdoor storage shall be 100% visually screened from all streets and residential buildings using a combination of landscaping and building components to visually screen outdoor storage areas;
3. That outdoor storage shall be limited to the storage of automobiles, boats and recreational vehicles;
4. That no automobiles, boats or recreational vehicles that are wrecked, dismantled or inoperative shall be permitted on site;
5. That the existing tree stand to the west of the proposed building be maintained;
6. That the existing tree stand to the east of the proposed building be maintained until such time as a future development occurs
  1. And that as part of that development, a tree retention and planting plan shall be provided, showing which trees can be preserved and/or planted as part a new development
7. That the applicant agrees to provide a walkway connection within the subject property connecting the Denwood subdivision to Queen Street East,

and that the Legal Department be directed to prepare the necessary by-law to effect this approval.

7.7

**PUBLIC WORKS AND TRANSPORTATION**

7.8

**BOARDS AND COMMITTEES**

**7.8.1**

**Economic Diversification Fund Application - Createch**

279 - 323

A report of the Chief Executive Officer is attached for the consideration of Council.

Note: The resolution for this item will be included in the Addendum for this meeting.

**7.8.1.1**

***Resolution***

Mover Councillor J. Krmpotich  
Seconder Councillor P. Christian

Resolved that the report of the CEO – Economic Development Corporation dated 2016 12 09 concerning EDF Request – Createch Innovative Cloud Excellence Centre (ICE) Project [Services 365] be received and the recommendation to provide \$200,000 (2017 – \$100,000, 2018 – \$100,000) in funding from the Economic Diversification Fund (EDF) be approved, conditional on the required total additional funding being received (in the total amount stated in the application) from a combination of other levels of government and private sector sources; and

Further that the EDF funds be reallocated from the remaining funds from two previously approved projects: Gateway Project – 2003 (\$105,125) and Waterfront Walkway – 2006 (\$123,000).

**7.8.2**

**Economic Diversification Fund Renewal – Searchmont**

324 - 346

A report of the Chief Executive Officer is attached for the consideration of Council.

Mover Councillor R. Romano  
Seconder Councillor P. Christian

Resolved the report of the CEO Sault Ste. Marie Economic Development Corporation dated 2016 12 12 concerning Searchmont Ski Association Inc. (SSAI) Financial Guarantee be received and the recommendation that the \$100,000 previously transferred by the City of Sault Ste. Marie from the Economic Diversification Fund to the Sault Ste. Marie Economic Development Corporation (to be set aside as collateral for the RBC/SSAI line of credit) be renewed for the period of January 1, 2017 to the earlier of May 1, 2018 or until such time as the Sault Ste. Marie Economic Development Corporation has divested itself of the asset, at which time the funds will be returned to the Economic Diversification Fund.

**8.**

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

**8.1**

**Sault Area Hospital – Smoking Area**

Mover Councillor M. Shoemaker  
Seconder Councillor F. Fata

Whereas the entire Sault Area Hospital property is a smoke-free area; and

Whereas the result of the hospital being a smoke-free property is that people are using the City-owned Hub Trail as a smoking area; and

Whereas the Hub Trail exists to promote health and well-being for the entire community and should not be used by smokers at the Sault Area Hospital;

Now Therefore Be It Resolved that the City of Sault Ste. Marie request that the Sault Area Hospital create a smoking area within their property boundaries.

## 8.2

### **City Landfill Site**

Mover Councillor R. Romano

Seconder Councillor M. Shoemaker

Whereas the Corporation of the City of Sault Ste. Marie does not presently have a different fee structure for use of the City landfill site; and

Whereas it would be appropriate for non-residents of Sault Ste. Marie to pay more than Sault Ste. Marie residents to use the landfill site, especially when considering the lifespan of the current landfill site and costs of upgrades in the future;

Now Therefore Be It Resolved that staff report to Council by 2017 02 01 with respect to potential additional costs of dumping at the landfill by non-residents of Sault Ste. Marie; and

Further that staff report to Council on a mechanism to ensure that only non-residents of Sault Ste. Marie are required to pay a greater fee for use of the City landfill site.

## 8.3

### **Construction Employer Decision**

Mover Councillor M. Shoemaker

Seconder Councillor S. Myers

Whereas in the 1980's the City was certified as a construction employer; and

Whereas the results of said certification has excluded many local businesses, including unionized business, from bidding on City projects; and

Whereas a new Ontario Labour Relations Board decision has influenced the legal landscape for institutions being certified as construction employers;

Now Therefore Be It Resolved that the City Legal Department and Human Resources Department report to Council regarding the implications of the Ontario Labour Relations Board decision and advise what actions, if any, the City of Sault Ste. Marie may take to allow all businesses in Sault Ste. Marie to participate in municipally-issued contracts.

## 8.4

### **Black Road Widening Project**

Mover Councillor P. Christian

Seconder Councillor S. Butland

Whereas Sault Ste Marie has 24 kms of connecting links roads within its boundaries; and

Whereas 35% of arterial roads in Sault Ste. Marie are designated as connecting links; and

Whereas the provincial government does not provide any funding for winter control, line painting, or maintenance of any kind; and

Whereas the Black Road widening between McNabb Street and Second Line, which is estimated to cost \$5.6 million to complete, is ineligible for funding as MTO deems the increased traffic to be locally generated; and

Whereas Sudbury and Thunder Bay each have a by-pass which diverts commercial traffic around their communities; and

Whereas the government of Ontario funds all maintenance and repairs for these roads which local traffic in these communities access on a constant basis; and

Whereas in 2014, MTO deferred all route planning and environmental assessments for a 17E/17N by-pass, and the connection of 17E to Black Road at Second Line for at least 10 years;

Now Therefore Be It Resolved that Council request that staff provide an update on any current developments relating to the widening of Black Road, and any funding options that would allow for the completion of this work;

Further that staff investigate the possibility of establishing tolls at all entry points to the City where fees can be charged to all large commercial vehicles entering the City which would help defray the escalating costs of maintaining connecting links roads which these commercial vehicles damage as a result of continued use.

## **8.5 Pointe des Chenes / Nokomis Beach Water Concerns**

Mover Councillor R. Romano  
Seconder Councillor R. Niro

Whereas recent media reports have advised the public that there were concerns over the presence of potentially harmful levels of benzene in the drinking water in the areas of Pointe des Chenes and Nokomis Beach; and

Whereas remedial efforts have been undertaken and said recent media reports have indicated that there are presently no safety concerns for residents in the Pointe des Chenes and Nokomis Beach areas with respect to potentially harmful benzene in the drinking water; and

Whereas residents of Pointe des Chenes and Nokomis Beach were not notified by the City of Sault Ste Marie, Algoma Public Health or any other agency, of:

- the concerns regarding potentially harmful benzene levels in the drinking water;
- the cause or origin of this contaminant;
- the effects of potentially harmful levels of benzene in the drinking water;

- the remedial efforts undertaken;
  - any safety precautions or options to avoid the potentially harmful effects if in fact unsafe benzene levels were present in drinking water; or
  - the specific results of recent testing of the water including the nature of the testing and the specific results detected; and

Whereas there ought to be an agency accountable to the public to ensure that residents that could be affected by concerns such as those noted above are made known at the first available opportunity to ensure that residents can make informed decisions with respect to matters affecting their safety and well being;

Now Therefore Be It Resolved that staff report to Council:

- as to the obligations of Algoma Public Health, the City of Sault Ste Marie and any other related agency to provide notice to ensure that the concerns noted above are brought to the attention of potentially concerned parties/residents at the first available opportunity;
  - which agency is/are to be held accountable for decisions such as these;
  - whether or not this matter has been dealt with according to the applicable provincial standards/regulations.

8.5.1	<i>Additional Correspondence</i>	347 - 348
	Algoma Public Health	
9.	<b>COMMITTEE OF THE WHOLE FOR THE PURPOSE OF SUCH MATTERS AS ARE REFERRED TO IT BY THE COUNCIL BY RESOLUTION</b>	
10.	<b>ADOPTION OF REPORT OF THE COMMITTEE OF THE WHOLE</b>	
11.	<b>CONSIDERATION AND PASSING OF BY- LAWS</b>	
	Mover Councillor R. Romano Seconder Councillor S. Butland	
	Resolved that all By-laws under item 11 of the Agenda under date 2016 12 12 be approved.	
11.1	<b>By-laws before Council TO BE PASSED which do not require more than a simple majority</b>	
11.1.1	<b>By-law 2016-197 (Financing) Current Expenditures</b>	349 - 352
	A report from the Chief Financial Officer/ City Treasurer is on the Agenda.	
	Mover Councillor R. Romano Seconder Councillor S. Butland	
	Resolved that By-law 2016-197 being a by-law to authorize the borrowing of \$10,000,000 to meet current expenditures until taxes are collected be passed in open Council this 12th day of December, 2016.	

11.1.2	<b>By-law 2016-199 (Agreement) Tulloch Engineering Inc. – Drainage Improvements McNabb Street to Pim Street</b>	353 - 365
	A report from the Design and Construction Engineer is on the Agenda.	
	Mover Councillor R. Romano Seconder Councillor S. Butland	
	Resolved that By-law 2016-199 being a by-law to authorize the execution of an Agreement between the City and Tulloch Engineering Inc. for drainage improvements for McNabb Street to Pim Street be passed in open Council this 12th day of December, 2016.	
11.1.3	<b>By-law 2016-200 (Financing) Capital Expenditures</b>	366 - 367
	A report from the Chief Financial Officer/City Treasurer is on the Agenda.	
	Mover Councillor R. Romano Seconder Councillor S. Butland	
	Resolved that By-law 2016-200 being a by-law to authorize the borrowing of \$15,000,000 to finance capital expenditures for short and long term purposes for The Corporation of the City of Sault Ste. Marie and \$6,200,000 for the Public Utilities Commission of the City of Sault Ste. Marie be passed in open Council this 12th day of December, 2016.	
11.1.4	<b>By-law 2016-202 (Appointments) Repealing By-law 2001-25</b>	368 - 368
	Mover Councillor R. Romano Seconder Councillor S. Butland	
	Resolved that By-law 2016-202 being a by-law to repeal By-law 2001-25 (a by-law to appoint representatives to the water utility) be passed in open Council this 12th day of December, 2016.	
11.1.5	<b>By-law 2016-203 (Property Acquisition) Third Line Extension - 920939 Ontario Inc.</b>	369 - 370
	A report from the Assistant City Solicitor/Senior Litigation Counsel is on the Agenda.	
	Mover Councillor R. Romano Seconder Councillor S. Butland	
	Resolved that By-law 2016-203 being a by-law to authorize the further payment of \$196,627 to 920939 Ontario Inc. for the acquisition of the property described as Part 1 on Plan 1R-11776 for the Third Line extension be passed in open Council this 12th day of December, 2016.	
11.1.6	<b>By-law 2016-204 (Property) Sale of Surplus City Property</b>	371 - 376
	A report from the City Solicitor is on the Agenda.	
	Mover Councillor R. Romano	

Seconder Councillor S. Butland

Resolved that By-law 2016-204 being a by-law to re-establish procedures, including the giving of notice to the public governing the sale of surplus real property owned by the City be passed in open Council this 12th day of December, 2016.

- 11.1.7 **By-law 2016-205 Sault Surge Aquatic Team Office Space Rental Agreement** 377 - 382

A report from Manager of Community Centres is on the Agenda.

Mover Councillor R. Romano  
Seconder Councillor S. Butland

Resolved that By-law 2016-205 being a by-law to authorize the execution of an Agreement between the City and Sault Surge Aquatic Team for the exclusive use of office space located at the John Rhodes Community Centre for activities carried on by the Club be passed in open Council this 12th day of December, 2016.

- 11.1.8 **By-law 2016-206 (Lane Assumption) Highland Park Subdivision** 383 - 384

A report from the Solicitor/Prosecutor is on the Agenda.

Mover Councillor R. Romano  
Seconder Councillor S. Butland

Resolved that By-law 2016-206 being a by-law to assume for public use and establish as a public lane a lane in Highland Park Subdivision, Plan H516 be passed in open Council this 12th day of December, 2016.

- 11.1.9 **By-law 2016-207 (Lane Closing) Highland Park Subdivision** 385 - 387

A report from the Solicitor/Prosecutor is on the Agenda.

Mover Councillor R. Romano  
Seconder Councillor S. Butland

Resolved that By-law 2016-207 being a by-law to stop up, close and authorize the conveyance of a lane in Highland Park Subdivision, Plan H516 be passed in open Council this 12th day of December, 2016.

- 11.1.10 **By-law 2016-208 (Property) Abutting 85 Elmwood Avenue** 388 - 389

A report from the Solicitor/Prosecutor is on the Agenda.

Mover Councillor R. Romano  
Seconder Councillor S. Butland

Resolved that By-law 2016-208 being a by-law to declare the City-owned property legally described as PIN 31550-0178 (LT) PT LANE PL 9110 ST. MARY'S CLOSED BY T282492, PT 2, 3 1R6979; S/T T283158; SAULT STE. MARIE, abutting 85 Elmwood Avenue, as surplus to the City's needs and to

authorize the disposition of the said property be passed in open Council this 12th day of December, 2016.

- 11.1.11 **By-law 2016-209 (Fees) Amend Committee of Adjustment By-law 2010-87 and to repeal By-law 2015-26** 390 - 391  
Council report was passed by Council resolution November 7, 2016.  
Mover Councillor R. Romano  
Seconder Councillor S. Butland  
Resolved that By-law 2016-209 being a by-law to amend Committee of Adjustment By-law 2010-87 and to repeal By-law 2015-26 be passed in open Council this 12th day of December, 2016.
- 11.1.12 **By-law 2016-210 (Taxes) Amend By-law 2006-204** 392 - 392  
Council report was passed by Council resolution November 21, 2016.  
Mover Councillor R. Romano  
Seconder Councillor S. Butland  
Resolved that By-law 2016-210 being a by-law to amend Tax By-law 2006-204 (being a by-law to provide for a penalty for non-payment of current taxes and to permit interest to be added to tax arrears) be passed in open Council on this 12th day of December, 2016.
- 11.1.13 **By-law 2016-211 (Building) Amend Building By-law 2008-148 and to Repeal By-law 2016-17** 393 - 397  
Council report was passed by Council resolution November 21, 2016.  
Mover Councillor R. Romano  
Seconder Councillor S. Butland  
Resolved that By-law 2016-211 being a by-law to amend Schedule "A" to By-law 2008-148 (a by-law respecting construction, demolition and change of use permits, inspections and related matters for the City of Sault Ste. Marie) and to repeal By-law 2016-17 be passed in open Council this 12th day of December, 2016.
- 11.1.14 **By-law 2016-212 (Agreement) Pim Street Pump Station (Contract 2016-16E)** 398 - 405  
A report from the Land Development and Environmental Engineer is on the Agenda.  
Mover Councillor R. Romano  
Seconder Councillor S. Butland  
Resolved that By-law 2016-212 being a by-law to authorize the execution of a contract between the City and Cecchetto and Sons Ltd. for the Pim Street Pump Station Sluice Gate Replacements (Contract 2016-16E) be passed in open Council this 12th day of December, 2016.

11.1.15	<b>By-law 2016-213 (Council Procedure) Amendment to By-law 2013-100</b>	406 - 408
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Council Report was passed by Council Resolution on November 7, 2016.

Mover Councillor R. Romano  
Seconder Councillor S. Butland

Resolved that By-law 2016-213 (being a by-law to amend By-law 2013-100 being a by-law to regulate the proceedings of the Council of the City of Sault Ste. Marie) be passed in open Council this 12th day of December 2016.

11.2	<b>By-laws before Council for FIRST and SECOND reading which do not require more than a simple majority</b>
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11.3	<b>By-laws before Council for THIRD reading which do not require more than a simple majority</b>
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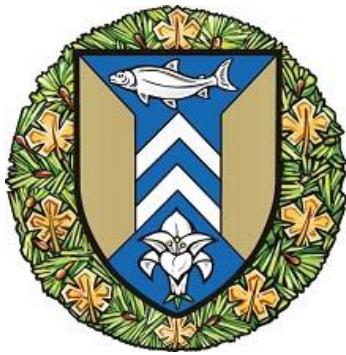
12.	<b>QUESTIONS BY, NEW BUSINESS FROM, OR ADDRESSES BY MEMBERS OF COUNCIL CONCERNING MATTERS NOT OTHERWISE ON THE AGENDA</b>
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13.	<b>CLOSED SESSION</b>
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14.	<b>ADJOURNMENT</b>
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Mover Councillor J. Krmpotich  
Seconder Councillor P. Christian

Resolved that this Council now adjourn.



## **REGULAR MEETING OF CITY COUNCIL MINUTES**

November 21, 2016

4:30 p.m.

Council Chambers  
Civic Centre

Present: Mayor C. Provenzano, Councillor S. Butland, Councillor P. Christian, Councillor S. Myers, Councillor S. Hollingsworth, Councillor J. Huppenen, Councillor L. Turco, Councillor M. Shoemaker, Councillor R. Niro, Councillor M. Bruni, Councillor F. Fata, Councillor J. Krmpotich, Councillor R. Romano

Officials: A. Horsman, M. White, N. Kenny, L. Girardi, S. Schell, M. Figliola, P. Niro, T. Vair, D. McConnell, D. Elliott, V. McLeod, D. Scott, P. Liepa, J. Bruzas

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### **1. ADOPTION OF MINUTES**

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that the Minutes of the Regular Council Meeting of 2016 11 07 and Budget Meeting of 2016 11 03 be approved.

Carried

### **2. QUESTIONS AND INFORMATION ARISING OUT OF THE MINUTES AND NOT OTHERWISE ON THE AGENDA**

**3. DECLARATION OF PECUNIARY INTEREST**

**3.1 Councillor M. Bruni – Sault Ste. Marie Lottery and Gaming Pursuit Team**

Employed by OLG.

**3.2 Councillor R. Niro – Sault Ste. Marie Lottery and Gaming Pursuit Team**

Son employed by Ontario Lottery and Gaming.

**3.3 Councillor R. Niro – Fire Services Realignment Plan Update**

Brother employed by Fire Services.

**3.4 Councillor R. Niro – Fire Services**

Brother employed by Fire Services.

**3.5 Councillor L. Turco – Amendments to the Peddler By-law to address aggressive solicitation**

Spouse employed by Police Services.

**3.6 Councillor L. Turco – City By-Law Enforcement Officers**

Spouse employed by Police Services.

**3.7 Councillor L. Turco – Municipal Law Enforcement Officers**

Spouse employed by Police Services.

**3.8 Councillor L. Turco – By-law 2016-189 (Licencing) Peddler Amendment**

Spouse employed by Police Services.

**3.9 Councillor L. Turco – By-law 2016-190 (Parking) Municipal Law Enforcement Officers**

Spouse employed by Police Services.

**3.10 Councillor L. Turco – By-law 2016-191 (Parking) City By-law Enforcement Officers**

Spouse employed by Police Services.

**4. APPROVE AGENDA AS PRESENTED**

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Hollingsworth

Resolved that the Agenda and the Addendum for 2016 11 21 City Council Meeting as presented be approved.

Carried

**5. PROCLAMATIONS/DELEGATIONS**

**5.1 Community Development Award**

Heritage Discovery Centre, 800 Bay Street

**5.2 Community Christmas for Children**

Marisa Jarrell on behalf of Planning Committee was in attendance.

**5.3 Sault Ste. Marie Lottery and Gaming Pursuit Team**

Councillor M. Bruni declared a conflict on this item. (Employed by OLG.)

Councillor R. Niro declared a conflict on this item. (Son employed by Ontario Lottery and Gaming.)

Leo Tiberi, Executive Lead was in attendance to provide an update to Council.

**5.4 City Council Review**

Malcolm White, Deputy CAO / City Clerk – Corporate Services presented an overview of information to be considered by the Committee and encouraged public input.

**5.5 Downtown Development Initiative**

Victoria Prouse, Project Co-ordinator was in attendance.

**6. COMMUNICATIONS AND ROUTINE REPORTS OF CITY DEPARTMENTS, BOARDS AND COMMITTEES – CONSENT AGENDA**

Moved by: Councillor F. Fata

Seconded by: Councillor S. Hollingsworth

Resolved that all the items listed under date 2016 11 21 – Agenda item 6 – Consent Agenda be approved as recommended, save and except agenda items 6.5 and 6.15.

Carried

**6.1 Council Travel**

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Hollingsworth

Resolved that Mayor Provenzano be authorized to travel to Ottawa, Ontario for 2 days in November to attend the Northern Caucus Meeting and a meeting with the Minister of Innovation, Science and Economic Development at an estimated cost to the City of \$1,200.

Carried

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Hollingsworth

Resolved that Councillor Turco be authorized to travel to Toronto for 2 days in November to attend the AMO Board Meeting at an estimated cost to the City of \$300.

Carried

## **6.2 RFP – Parking By-law Enforcement – Municipal Parking Lots and Meters**

The report of the Manager of Purchasing was received by Council.

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that the report of the Manager of Purchasing dated 2016 11 21 be received and that the proposal submitted by Commissionaires Ottawa to provide Parking By-law Enforcement for Municipal Parking Lots and Meters, as required by the Transit and Parking Division of Community Development and Enterprise Services be approved. The contract will commence January 1, 2017 and continue for a period of three (3) years allowing for two (2) further one (1) year extensions by mutual agreement.

Carried

## **6.3 Property Tax Appeals**

The report of the City Tax Collector was received by Council.

Moved by: Councillor F. Fata

Seconded by: Councillor S. Hollingsworth

Resolved that the report of the City Tax Collector dated 2016 11 21 concerning Property Tax Appeals be received and that the tax records be amended pursuant to Section 357 of the *Municipal Act*.

Carried

## **6.4 2017 Applications for Financial Assistance through the City's Financial Assistance Policy for Sustaining and Other Grants**

The report of the Manager of Audits and Capital Planning was received by Council.

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Hollingsworth

Resolved that the report of the Manager of Audits and Capital Planning dated 2016 11 21 concerning 2017 applications for financial assistance through the City's Financial Assistance Policy for Sustaining and Other Grants be received and that grants to the Rotary Club of Sault

Ste. Marie; Canadian Cancer Society Relay for Life; Bon Soo Winter Carnival Inc.; Crime Stoppers; and Fringe North be approved as recommended.

Carried

#### **6.5 Long Term Tax Policy**

The report of the Chief Financial Officer and Treasurer was received by Council.

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that the report of the Chief Financial Officer and Treasurer dated 2016 11 21 regarding the Long Term Tax Policy be received and the following recommendations be incorporated into the Long Term Tax Policy:

1. The next reassessment year of 2021 be reviewed for assessment base stabilization to determine if directed tax ratio reduction to the Industrial and Commercial classes can be implemented.
2. Upon assessment base stabilization, directed reduction to the Industrial and Commercial classes from overall real net assessment growth in excess of 1% until tax ratios for Industrial and Commercial classes are equal to the Provincial Threshold levels.
3. Staff investigate and report to Council on the feasibility of implementing an Industrial Community Improvement Plan.

Carried

#### **6.6 Nine Month Financial Report – September 30, 2016**

The report of the Manager of Audits and Capital Planning was received by Council.

Moved by: Councillor F. Fata

Seconded by: Councillor S. Hollingsworth

Resolved that the report of the Manager of Audits and Capital Planning dated 2016 11 21 concerning the Nine Month Financial Report – September 30, 2016 be received as information.

Carried

#### **6.7 Visual Identity Policy**

The report of the Deputy CAO / City Clerk – Corporate Services was received by Council.

Moved by: Councillor F. Fata

Seconded by: Councillor S. Hollingsworth

Resolved that the report of the Deputy CAO / City Clerk – Corporate Services dated 2016 11 21 regarding Visual Identity Policy be received and that the policy be approved.

Carried

**6.8 Employee Innovation Program**

The report of the Deputy CAO / City Clerk was received by Council.

Moved by: Councillor F. Fata

Seconded by: Councillor S. Hollingsworth

Resolved that the report of the Deputy CAO / City Clerk – Corporate Services dated 2016 11 21 concerning Employee Innovation Program be received and the recommendation that the Senior Management Team implement a three month program specifically focused on engaging staff at all levels to potential innovations and savings that will affect the 2017 budget and/or fiscal year, with a report to be provided to Council during the first quarter of 2017 be approved.

Carried

**6.9 Mayor's Committee on Celebrate Canada 150 – Update**

Reports of the Manager of Recreation and Culture and the Co-Chairs of the Mayor's Committee on Celebrate Canada 150 were received by Council.

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that the reports of the Manager of Recreation and Culture dated 2016 11 21 on behalf of the Mayor's Committee on Celebrate Canada 150 and the Co-Chairs of the Committee be received as information.

Carried

**6.10 River Road Pump Station Modifications**

The report of the Land Development and Environmental Engineer was received by Council.

The relevant By-law 2016-195 is listed under item 11 of the Minutes.

**6.11 Engineering Agreements – Fort Creek Aqueduct and Sackville Road Extension**

The report of the Design and Construction Engineer was received by Council.

The relevant By-laws 2016-192 and 2016-193 are listed under item 11 of the Minutes.

**6.12 Young Street and Main Pump Station Modifications**

The report of the Land Development and Environmental Engineer was received by Council.

The relevant By-law 2016-194 is listed under item 11 of the Minutes.

**6.13 McNabb Street – Pim Street Drainage Improvements**

The report of the Design and Construction Engineer was received by Council.

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Myers

Resolved that the report of the Design and Construction Engineer dated 2016 11 21 concerning the McNabb Street to Pim Street Drainage Improvements consultant selection be received and that Council authorize entering into an agreement for engineering services with Tulloch Engineering.

Carried

#### **6.14 Fire Services Realignment Plan Update**

Councillor R. Niro declared a conflict on this item. (Brother employed by Fire Services.)

The report of the Fire Chief was received by Council.

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that the report of the Fire Chief dated 2016 11 21 concerning Fire Services Realignment Plan Update be received as information.

Carried

#### **6.16 Licence to Occupy City Property Agreement for the International Bridge Lands**

The report of the Assistant City Solicitor was received by Council.

The relevant By-law 2016-201 is listed under item 11 of the Minutes.

#### **6.17 Streets By-law – Housekeeping**

The report of the Solicitor/Prosecutor was received by Council.

The relevant By-law 2016-188 is listed under item 11 of the Minutes.

#### **6.18 Amendments to the Peddler By-law to address aggressive solicitation**

Councillor L. Turco declared a conflict on this item. (Spouse employed by Police Services.)

The report of the Solicitor/Prosecutor was received by Council.

The relevant By-law 2016-189 is listed under item 11 of the Minutes.

#### **6.19 Firearms By-law – Housekeeping**

The report of the Solicitor/Prosecutor is attached for the consideration of Council.

The relevant By-law 2016-182 is listed under item 11 of the Minutes.

**6.20 DSSAB Lease Agreement 540 Albert Street East**

The report of the City Solicitor was received by Council.

The relevant By-law 2016-196 is listed under item 11 of the Minutes.

**6.21 2017 User Fee Bylaw – Building Division Permit Fees**

The report of the Chief Building Official was received by Council.

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Hollingsworth

Resolved that the report of the Chief Building Official dated 2016 11 21 concerning an increase to the 2017 Permit Fees be received as information in support of the User Fee Bylaw.

Carried

**6.22 City By-Law Enforcement Officers**

Councillor L. Turco declared a conflict on this item. (Spouse employed by Police Services.)

The report of the Manager of Transit and Parking was received by Council.

The relevant By-law 2016-191 is listed under item 11 of the Minutes.

**6.23 Downtown Strategy**

The report of the Project Co-ordinator, Downtown Development Initiative was received by Council.

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that the report of the Project Coordinator, Downtown Development Initiative dated 2016 11 21 concerning Downtown Strategy be received and that Council:

- a. Approve the Downtown Strategy
- b. Authorize staff to develop a Community Improvement Plan
- c. Authorize staff to establish a Downtown Taskforce
- d. Authorize staff to explore alternative funding including NOHFC and FedNor

Carried

**6.24 Municipal Law Enforcement Officers**

Councillor L. Turco declared a conflict on this item. (Spouse employed by Police Services.)

The report of the Manager of Transit and Parking was received by Council.

The relevant By-law 2016-190 is listed under item 11 of the Minutes.

**6.15 Property Purchase 125 and 143 Gore Street**

The report of the Assistant City Solicitor was received by Council.

The relevant By-law 2016-198 is listed under item 11 of the Minutes.

**7. REPORTS OF CITY DEPARTMENTS, BOARDS AND COMMITTEES**

**7.1 ADMINISTRATION**

**7.2 COMMUNITY SERVICES DEPARTMENT**

**7.3 ENGINEERING**

**7.4 FIRE**

**7.5 LEGAL**

**7.6 PLANNING**

**7.7 PUBLIC WORKS AND TRANSPORTATION**

**7.8 BOARDS AND COMMITTEES**

**7.9 2017 BUDGET**

**7.9.1 Mayor and Council**

**7.9.2 Chief Administrative Officer**

**7.9.3 Legal**

**7.9.4 Fire Services**

Councillor R. Niro declared a conflict on this item. (Brother employed by Fire Services.)

**7.9.5 Corporate Services**

**7.9.6 Public Works and Engineering Services**

**7.9.7 Community Development and Enterprise Services**

**7.9.8 Social Services**

**7.9.9 Outside Agencies**

**7.9.10 Corporate Financials**

**7.9.11 Supplementary Requests**

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

## 8.1 Fire Services

Councillor R. Niro declared a conflict on this item. (Brother employed by Fire Services.)

Moved by: Councillor R. Romano

Seconded by: Councillor M. Bruni

Whereas the Ministry of Labour issued an Order on November 2, 2016 that The Corporation of the City of Sault Ste. Marie must ensure the Operating Guidelines, (O.G.) specifically in reference to O.G. #600-01 (Single Family Dwelling), be more clearly defined, with respect to:

'Safe interior attack direction including when R.I.T. (Rapid Intervention Team) is activated'

'Incident command roles and responsibilities', and further noted that the Corporation must ensure workers are trained on the changes to the O.G.s

Whereas the Corporation shall provide information, instruction and supervision to a worker to protect the health and safety of the worker during fire suppression interior attack, given that the current O.G.s do not provide adequate direction for safe interior attack; and

Whereas the Corporation has been given a deadline of January 27, 2017 to comply with the Order; and

Whereas the present fire services realignment plan update to Council of November 21, 2016 notes that the Corporation intends to obtain a comprehensive risk assessment at the conclusion of 2018, at which time staff believes that the realignment plan will be fully operational,

Now Therefore Be It Resolved that staff be requested to report to Council by no later than the meeting of December 5, 2016 as to the new operating guideline that complies with the Ministry of Labour order of November 2, 2016; and

Further that such report include the feasibility and cost of conducting a comprehensive risk assessment in 2017.

Recorded	For	Against	Absent
Mayor C. Provenzano		X	
Councillor S. Butland		X	
Councillor P. Christian		X	
Councillor S. Myers		X	
Councillor S. Hollingsworth		X	
Councillor J. Huppenen		X	

Councillor L. Turco	X
Councillor M. Shoemaker	X
Councillor R. Niro – Pecuniary Interest	
Councillor M. Bruni	X
Councillor F. Fata	X
Councillor J. Krmpotich	X
Councillor R. Romano	X
<b>Results</b>	<b>4</b>
	<b>8</b>
	<b>0</b>
<b>Defeated</b>	

## **8.2 Public Utility Commission Appointments**

Moved by: Councillor P. Christian

Seconded by: Councillor M. Shoemaker

Whereas the Corporation of the City of Sault Ste. Marie delegated its authority to appoint representatives to the water utility (the Public Utility Commission) to the Board of Directors of PUC Inc. by way of By-law 2001-25; and

Whereas since the delegation of this authority the representatives who served on the PUC have also served on the Board of Directors of PUC Inc. and/or PUC Services Inc.; and

Whereas the PUC has a service agreement with PUC Services Inc.; and

Whereas the representatives who serve on the PUC are often also directors of PUC Services Inc.; and

Whereas as a matter of good governance the representatives who serve on the PUC should be independent of the directors of PUC Services Inc;

Now Therefore Be It Resolved that Council direct staff to prepare a by-law to repeal By-law 2001-25 for the December 12, 2016 Council meeting to ensure that the Corporation of the City of Sault Ste. Marie City Council shall hereafter appoint the representatives to the Public Utility Commission directly; and

Be It Further Resolved that the City Clerk advertise the vacancies to be filled with the current round of board and committee appointments.

Carried

**8.3 Nominating Committee Appointments**

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that the following persons be appointed to the Nominating Committee for the term beginning November 21, 2016 to November 30, 2018: Councillors Marchy Bruni, Sandra Hollingsworth and Judy Huppenen and the Deputy City Clerk, Secretary/Treasurer – Committee of Adjustment, Manager of Recreation and Culture, Curator – Ermatinger/Clergue National Historic Site and the Accessibility Co-ordinator.

Carried

**9. COMMITTEE OF THE WHOLE FOR THE PURPOSE OF SUCH MATTERS AS ARE REFERRED TO IT BY THE COUNCIL BY RESOLUTION**

**10. ADOPTION OF REPORT OF THE COMMITTEE OF THE WHOLE**

**11. CONSIDERATION AND PASSING OF BY-LAWS**

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that all By-laws under item 11 of the Agenda under date 2016 11 21 be approved, save and except by-laws 2016-189, 2016-190, 2016-191 and 2016-198.

Carried

**11.1 By-laws before Council TO BE PASSED which do not require more than a simple majority**

**11.1.1 By-law 2016-180 (Finance) User Fees 2017**

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that By-law 2016-180 being a by-law to establish user fees and service charges be passed in open Council this 21st day of November, 2016.

Carried

**11.1.2 By-law 2016-182 (Regulations) Firearms Housekeeping**

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that By-law 2016-182 being a by-law to repeal various by-laws that amend the repealed Firearms By-law 70-359 of the City of Sault Ste. Marie be passed in open Council this 21st day of November, 2016.

Carried

**11.1.3 By-law 2016-188 (Regulations) Streets Housekeeping**

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that By-law 2016-188 being a by-law to repeal various by-laws that amend the repealed Streets By-law 69-150 of the City of Sault Ste. Marie be passed in open Council this 21st day of November, 2016.

Carried

**11.1.7 By-law 2016-192 (Agreement) Kresin Engineering**

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that By-law 2016-192 being a by-law to authorize the execution of an Agreement between the City and Kresin Engineering Corporation for the Fort Creek Aqueduct and Sackville Road Extension be passed in open Council this 21st day of November, 2016.

Carried

**11.1.8 By-law 2016-193 (Agreement) STEM Engineering**

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that By-law 2016-193 being a by-law to authorize the execution of an Agreement between the City and STEM Engineering Group Incorporated for the Fort Creek Aqueduct and Sackville Road Extension be passed in open Council this 21st day of November, 2016.

Carried

**11.1.9 By-law 2016-194 (Agreement) AECOM Canada Ltd.**

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that By-law 2016-194 being a by-law to authorize the execution of an Agreement with AECOM Canada Ltd. for the electrical modifications to the Young Street and main pump stations and to proceed with a tender for the proposed work be passed in open Council this 21st day of November, 2016.

Carried

**11.1.10 By-law 2016-195 (Agreement) George Stone & Sons Inc. Contract 2016-15E**

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

November 21, 2016 Minutes

Resolved that By-law 2016-195 being a by-law to authorize the execution of Contract 2016-15E between the City and George Stone & Sons Inc. for the River Road Pump Station - 2016 Floor Modifications be passed in open Council this 21st day of November, 2016.

Carried

**11.1.11By-law 2016-196 (Agreement) District of Sault Ste. Marie Social Services Administration Board**

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Hollingsworth

Resolved that By-law 2016-196 being a by-law to authorize the execution of an agreement between the City and the District of Sault Ste. Marie Social Services Administration Board to lease part of the property of the City at 540 Albert Street East be passed in open Council this 21st day of November, 2016.

Carried

**11.1.13By-law 2016-201 (Agreement) International Bridge – Licence to Occupy City Lands**

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that By-law 2016-201 being a by-law to authorize the execution of a Licence to Occupy Agreement between the City and the Federal Bridge Corporation Limited (FBC) and the International Bridge Administration (IBA) for the use of the City lands designated to be transferred to the FBC until such a time the land transfers are complete be passed in open Council on this 21st day of November, 2016.

Carried

**11.1.4 By-law 2016-189 (Licencing) Peddler Amendment**

Councillor L. Turco declared a conflict on this item. (Spouse employed by Police Services.)

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that By-law 2016-189 being a by-law to amend By-law 2003-53 to address incidents of aggressive solicitation be passed in open Council this 21st day of November, 2016.

Carried

**11.1.5 By-law 2016-190 (Parking) Municipal Law Enforcement Officers**

Councillor L. Turco declared a conflict on this item. (Spouse employed by Police Services.)

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that By-law 2016-190 being a by-law to appoint Municipal Law Enforcement Officers to enforce the by-laws on various private properties and to amend Schedule "A" to By-law 90-305 be passed in open Council this 21st day of November, 2016.

Carried

#### **11.1.6 By-law 2016-191 (Parking) City By-law Enforcement Officers**

Councillor L. Turco declared a conflict on this item. (Spouse employed by Police Services.)

Moved by: Councillor F. Fata

Seconded by: Councillor S. Myers

Resolved that By-law 2016-191 being a by-law to appoint by-law enforcement officers to enforce the by-laws of The Corporation of the City of Sault Ste. Marie be passed in open Council this 21st day of November, 2016.

Carried

#### **11.1.12 By-law 2016-198 (Property Acquisition) 125 Gore Street and 143 Gore Street**

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Hollingsworth

Resolved that By-law 2016-198 being a by-law to authorize the City's acquisition of property located at civic 125 Gore Street and 143 Gore Street (Kerns) be passed in open Council this 21st day of November, 2016.

Carried

- 11.2 By-laws before Council for FIRST and SECOND reading which do not require more than a simple majority**
- 11.3 By-laws before Council for THIRD reading which do not require more than a simple majority**
- 12. QUESTIONS BY, NEW BUSINESS FROM, OR ADDRESSES BY MEMBERS OF COUNCIL CONCERNING MATTERS NOT OTHERWISE ON THE AGENDA**
- 13. CLOSED SESSION**

Moved by: Councillor F. Fata

Seconded by: Councillor S. Hollingsworth

Resolved that this Council proceed into closed session to discuss:

three legal matters (property acquisition negotiation, potential litigation, potential renegotiation of a contract)

(advice that is subject to solicitor/client privilege – section 239(2)(f) Municipal Act)); and

Further Be It Resolved that should the said closed session be adjourned, the Council may reconvene in closed session to continue to discuss the same matter(s) without the need for a further authorizing resolution.

Carried

**14. ADJOURNMENT**

Moved by: Councillor M. Bruni

Seconded by: Councillor S. Hollingsworth

Resolved that this Council now adjourn.

Carried

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Mayor

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City Clerk

Christian C. Provenzano B.A., LL.B.  
Mayor



Corporation of the City of  
Sault Ste. Marie

Allan Coutts, CEO  
Stephen Flewelling, CDO  
Noront Resources Ltd.  
110 Yonge Street, Suite 400  
Toronto, ON, M5C 1T4

November 8, 2016

Mr. Coutts and Mr. Flewelling,

I am writing to thank you for taking the time to visit Sault Ste. Marie and for meeting with me. As I communicated to you during our meeting, I am very supportive about the prospect of Sault Ste. Marie becoming the host location of Noront's proposed ferrochrome smelter. I am confident that Sault Ste. Marie is the most logical and advantageous location in the province for such a facility.

I understand that the smelter, as with most aspects of the Ring of Fire development, is a longer-term undertaking that will take some time to come to fruition. I also recognize that other municipalities are vying to host the facility and that economic considerations will ultimately carry the day.

However, I suggest that Sault Ste. Marie has all of the requirements for a successful operation. Our City has a tradition of heavy industry and numerous brownfield sites available for redevelopment. We have a reliable electrical distribution network and we are a net supplier of electricity to the provincial grid. We have a skilled workforce that is familiar with the technologies your facility would use and two very capable post-secondary institutions. Our strategically favourable location and existing transportation network provide reliable and cost-effective shipping to the potential finishing plants.

I expect that our community would be as enthusiastic as I am about the opportunity to diversify our economic base and participate more substantially in Northern Ontario's mining economy. Should you have any follow-up questions about the community or what it can offer, I know the staff you met with would be glad to answer them. If there is anything that I can personally do to be of assistance, please do not hesitate to get in contact with my office.

Thank you again for visiting Sault Ste. Marie. I look forward to the next time we are able to meet.

Sincerely,

A handwritten signature in blue ink, appearing to read "Christian Provenzano".

Christian Provenzano

Wednesday November 2<sup>nd</sup> , 2016

Tristan Dufour  
600 North Street  
Sault-Ste-Marie, Ontario

Mayor Christian Provenzano  
Civic Center - Level 4  
99 Foster Dr.  
Sault-St-Marie, Ontario

RECEIVED  
NOV 30 2016  
MAYOR'S OFFICE

Dear Mayor Provenzano,

My name is Tristan Dufour and I am a Grade 7 student at Notre Dame du Sault and new resident of Sault Ste Marie. As part of an assignment, I've decided to communicate with you my opinion and suggestion on ways to keep our water clean in our beautiful city.

I sincerely think our city needs to work on cleaning up our streets to avoid anything from garbage, to lost phones, from the streets going into our storm drains. It would certainly not be very nice to drink water polluted with cigarette butts. There are also people using their toilet as garbage disposals by putting their trash in it and also putting used oil in their drains. Based on the *Conserve Energy Future* website; "Polluted water can affect our physical health and cause various diseases such as cholera and typhoid."

Many issues affect the water quality in the St.Mary's River, not only the river water but the fish and all organisms that live within it. We know that having the steel plant and paper and pulp industries so close to the river doesn't help. There are issues of discharge from the storm sewers and wastewater treatment plants. The steel plant and the pulp and paper mill also affect the air quality of our city which may also cause cancer because of the chemical substances used in their process.

The Earth is covered with over 70% of water but only 2.5% of it is fresh water so we need to save the little bit of fresh water we have left by fighting these issues and changing our habits. Studies have also shown that one-third of the region around the Great Lakes, like us produced more than 3 trillion liters of waste in one year. Equal to 1.2 million Olympic swimming pools of waste. And the size of 100 Olympic swimming pools in one day. When does it end?

If we all get together and help, we might help decrease the amount of waste. If we just stand and do nothing on these issues, this will only get worst and one day there may not even be any drinkable water in this city for other generations to come.

I think that an open letter to the public to ask for volunteers who are interested in keeping our water clean to come forward. Every neighborhood could have it's own group of people that can pick up garbage at the end of each season and ensure that the residents of their area keep it clean. I am certain that 2017 will be the year of change and our water will become very natural and good.

Thank you for your time, Mr. Mayor.

Sincerely,

Tristan Dufour

Tristan Dufour

T.D

Christian C. Provenzano, Mayor  
B.A., LL.B., LL.M.



Corporation of the City of  
Sault Ste. Marie

December 6, 2016

Tristan Dufour  
C/O Ecole Notre-Dame-Du-Sault  
600 North Street  
Sault Ste. Marie, ON  
P6B 2B9

Dear Tristan,

Thank you very much for your recent letter. You mentioned that you were a new resident of Sault Ste. Marie, so allow me to take the opportunity to offer a warm welcome to the community to you and your family.

I can see from your writing that you have done a considerable amount of research about water quality and pollution. I can tell that you are clearly passionate about these issues and that you have spent a good deal of time thinking about how to address them.

You'll be glad to know that the City of Sault Ste. Marie is doing a number of things to promote clean water and a clean environment. There are also opportunities for the public to be involved. For the last two years, the City has partnered with the Girl Guides of Canada on the Yellow Fish Road program. With help from the City, the Girl Guides paint yellow fish near catch basins to remind residents not to allow pollutants to enter storm drains.

Each year, the City also holds a "20-Minute Makeover." It's very similar to the idea you suggest in your final paragraph about having local groups work to clean up their neighbourhoods. The 20-Minute Makeover encourages participants to clean up litter around their businesses, schools, and neighbourhoods for at least 20 minutes. Last year was our most successful event yet, with more than 800 registered participants.

You can learn more about the City's environmental initiatives, including energy conservation and wastewater treatment, by visiting our website at: <http://saultstemarie.ca/environment>.

In closing, thank you again for taking the time to write. I'm always glad to hear from young people who are engaged and interested in making a difference in our City. If you have more ideas or suggestions in the future, please feel free to get in touch with me again.

Sincerely,

A handwritten signature in blue ink, appearing to read "Christian Provenzano".

Christian Provenzano, Mayor

**Ministry of  
Community Safety and  
Correctional Services**

Office of the  
Fire Marshal and  
Emergency Management

Suite 6  
3767 Hwy 69 South  
Sudbury ON P3G 0A7  
Tel: 1-800-565-1842  
Fax: (705) 564-4555

**Ministère de la  
Sécurité communautaire et  
des Services correctionnels**

Bureau du  
commissaire des incendies et  
de la gestion des situations d'urgence

Suite 6  
3767, route 69 sud  
Sudbury ON P3G 0A7  
Tél. : 1-800-565-1842  
Téléc. : (705) 564-4555



File Reference/Référence: 687-17-5761

December 7, 2016

Mayor Christian Provenzano and Members of Council  
City of Sault Ste. Marie  
99 Foster Drive  
Sault Ste. Marie, ON P6A-5X6

**Re: Notification of OFMEM Review of Fire Protection Services in the City of  
Sault Ste. Marie**

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I am writing to advise you that the Office of the Fire Marshal and Emergency Management (OFMEM) will be undertaking a review of fire protection services in the City of Sault Ste. Marie. This review will be conducted pursuant to Section 9. (1) of the *Fire Protection and Prevention Act, 1997* (FPPA), as follows:

**Powers of Fire Marshal**

9. (1) The Fire Marshal has the power,
  - (a) to monitor, review and advise municipalities respecting the provision of fire protection services and to make recommendations to municipal councils for improving the efficiency and effectiveness of those services

The areas for review will include:

- Applicable legislation, by-laws, policies, agreements, planning documents, and similar type documents; as well as
- Status of current and planned fire protection service levels.

OFMEM staff will be in contact with the Chief Administrative Officer (CAO) and the Fire Chief in the near future to set-up an initial meeting to discuss the review, and to provide a list of requested information/documentation. This information will be required prior to the review team's site visit. Please note that more than one site visit may be required.

The site visit(s) will be a critical component of the review, and will be scheduled in the near future with the CAO and Fire Chief. In addition, OFMEM officials may interview and request information from other Sault Ste. Marie municipal officials and staff, officials and staff from other municipalities, as well as other government ministries/authorities.

The Fire Chief, as an Assistant to the Fire Marshal, is requested to begin reporting immediately to the OFMEM all emergency responses by the Sault Ste. Marie Fire Services, until further notice. OFMEM staff will contact the Fire Chief to provide

additional information regarding this request. The requirements as set out in [Fire Marshal's Directive 2015-002](#) (*Reporting of Fires and Explosions Requiring Investigation*) will remain in effect.

During the review, the OFMEM may identify potential issues that are the responsibility of another ministry or authority. As necessary, the OFMEM will notify both the City of Sault Ste. Marie and the applicable ministry or authority of any potential issue.

The OFMEM will provide and present to Council our finalized report. Ongoing municipal cooperation is appreciated, so that the report may be completed in a timely manner. Further, the OFMEM may post the report on our public website, and may provide information on the report by any other means that the Fire Marshal considers advisable.

The OFMEM will be available throughout the review to respond to any questions or address any concerns. I will be overseeing this review and can be reached by e-mail at [Art.Booth@ontario.ca](mailto:Art.Booth@ontario.ca) or by telephone at (705) 564-4472.

Yours sincerely,



Art Booth  
A/Assistant Deputy Fire Marshal  
Field and Advisory Services

Copy: Al Horsman, Chief Administrative Officer  
Malcom White, Deputy Chief Administrative Officer/City Clerk  
Mike Figliola, Fire Chief  
Ross Nichols, Fire Marshal and Chief, Emergency Management  
Jim Kay, Deputy Fire Marshal  
Al Suleman, Director/Deputy, Prevention and Risk Management  
Mike Morton, Director, Emergency Management  
OFMEM – FAS Municipal File

Christian C. Provenzano, Mayor  
B.A., LL.B., LL.M.



Corporation of the City of  
Sault Ste. Marie

December 12, 2016

Mr. Art Booth  
A/Assistant Deputy Fire Marshal  
Field and Advisory Services  
Office of the Fire Marshal and Emergency Management  
Suite 6, 3767 Hwy 69 South  
Sudbury, ON P3G 0A7

Mr. Booth:

Re: OFMEM Review of Fire Protection Services

I acknowledge receipt of your letter dated December 7th, 2016, advising that the OFMEM will be conducting a review of Sault Ste. Marie Fire Services.

I understand in speaking with the Chief Administrative Officer that city administration is already working to provide you with the information that you have requested and that the OFMEM will be attending in Sault Ste. Marie in mid to late January, 2017.

I welcome you to contact me if you require anything further or if you would like to discuss any matters with me. I will make myself available to meet with you, at your convenience, if you determine that either necessary or appropriate.

I expect that Council will look forward to the result of the OFMEM review and its report and that it will consider it in a very thorough and timely manner.

Sincerely,

A handwritten signature in black ink, appearing to read "Christian Provenzano".

Christian Provenzano, Mayor

CP/lb

# Memo

To: Council

From: Sandra Hollingsworth, Ward 2 Councillor

Date: November 15, 2016

Re: Council meetings – Focusing on the positive

Dear Council,

Informally we have discussed setting aside a few brief minutes at the beginning of each council meeting to share a positive “good” feel community story. Attached is a template to capture your story.

It is understood that other communities have experience a negative culture, but they were able to change citizen’s attitudes by implementing a “positive attitude campaign.” The goal of this is to promote the positive, wonderful achievements that are happening by individuals, companies, educational institution, and community groups, in the hope to change public perception that the city is “doomed.” Yes, we are facing serious economic challenges, however it is important to remind (not to hide our challenges) that there are a number of positive activities that are occurring within our city.

## **Why is this important to our city? What are the long term benefits?**

Public perception can either positively or negatively impact the success of any future plan that we try to implement. For example failing to change public perception today into a positive will (I believe) affect the success of rolling out the Community Adjustment Plan or potentially any other change we may want to implement. Therefore, we need to act now in changing the negative perception into positive. This can start with council.

A positive image is critical when it comes to community development and revitalization (source Main Street America Association, October 31, 2013.) Revitalization efforts must constantly work to build a community’s image, and in some cases, change negative perceptions. We see it on a smaller scale in many Main Street communities across the country. This approach has successfully been done by Cleveland, Green Bay, Milwaukee, and Detroit, which all have received a lot of praise for their positive revitalization.

Detroit is working hard to change the negative perceptions in a number of ways. It’s not enough to say that the city is safe and thriving, you must prove it. Luckily, the development going on in downtown Detroit and surrounding areas is doing just that -- changing perceptions through creative investment and development. Within Sault Ste. Marie this is also happening thanks to

individuals, private companies, educational institutions, and community groups (ie The Tech, Sault College Robotic Program etc., but still the negative perception seems to prevail. Therefore, I believe it is our role to highlight the positives and remind our community that within our economic challenges, there is hope.

**Template purpose is to report “good news stories” in less than 1 minute**

The template is to streamline how a Councillor shares his/her positive story in a time sensitive fashion. The Councillor would complete the form and submit it to the agenda review committee for approval. If the agenda review committee approves the “good news” story, then the Council person has one (1) minute to share at the beginning of the Council meeting. It will be the responsibility of the Mayor to ensure that he/she stays within the one (1) minute timeframe. In addition, to manage time, a maximum of three (3) Council Members can only share a good news story.

**Conclusion**

Cultivating positive relationships and communities begins by focusing on the good in the community. As goodness expands, pride for the community will happen. Embracing on the many positive stories happening within the community will lessen and victories are heightened. With Council sharing the many successes that are happening, hopefully a positive effect on others and the community will occur.

This may be a small idea, but it has a lot of potential to make a huge impact on our community that we all care about. It is my hope that you will embrace this idea and offer suggestions so that this may even be better.

Thank you.

Sandra Hollingsworth  
Ward 2 Councillor

## Focusing on the Positive – Request Form

Cultivating positive relationships and communities begins by focusing on the good in the community. As goodness expands, pride for the community will happen. Embracing the many positive stories happening within the community will not eliminate economic challenges, but negativity will lessen and victories are heightened. The goal is begin each Council meeting with a positive story. With Council sharing the many successes that are happening, hopefully a positive effect on others and the community will occur.

Title:

---

Submitted by Councillor:

---

Art/Culture	—	Education	—	Environment	—
Heritage	—	Recognition	—	Youth	—
Sports	—	Tourism	—	Senior	—
Health	—	Business	—	Other	_____

Brief description: why is this positive and why is it important for our community?

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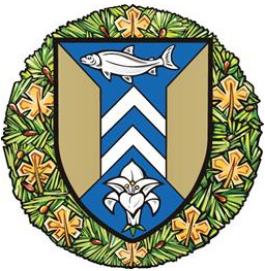
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Acknowledgement: What are the name(s) of the individuals that has made this happen?

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## The Corporation of the City of Sault Ste. Marie

### C O U N C I L   R E P O R T

December 12, 2016

**TO:** Mayor Christian Provenzano and Members of City Council

**AUTHOR:** Shelley J Schell Chief Financial Officer and Treasurer

**DEPARTMENT:** Corporate Services

**RE:** 2017 Borrowing By-laws

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#### PURPOSE

Each year it is necessary to pass borrowing by-laws for current and capital purposes. Staff is seeking Council approval of the borrowing by-laws appearing elsewhere on the agenda.

#### BACKGROUND

Borrowing by-laws are required to provide access to financing for operational and capital purposes.

#### ANALYSIS

Short term borrowing to meet current expenditures may be required to provide cash flow between tax due dates and the receipt of Provincial grants. The recommended by-law provides for borrowing sums not to exceed \$10,000,000 to meet current expenditures.

Capital borrowing may be required for short and long term purposes for financing capital projects. The recommended by-law provides for borrowing of sums not to exceed \$15,000,000 for capital purposes for the City.

For 2016, the City had provided the Public Utilities Commission (PUC) with a borrowing capacity of \$6,200,000 for capital purposes relating to water infrastructure. The PUC has requested the same borrowing capacity to be continued in 2017. Currently, the PUC has not utilized any of the approved capital borrowings for 2016.

The limits are an approved credit line with the City's Banker that is reviewed annually.

**FINANCIAL IMPLICATIONS**

There are no financial implications unless sums are borrowed.

**STRATEGIC PLAN / POLICY IMPACT**

This is an operational matter not articulated in the Strategic Plan.

**RECOMMENDATION**

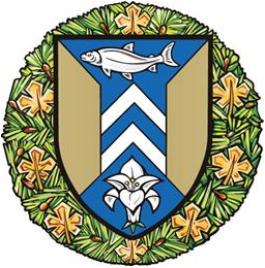
It is therefore recommended that Council take the following action:

Resolved that the report of the Chief Financial Officer and Treasurer dated 2016 12 12 concerning by-laws for current and capital purposes be received as information. By-laws 2016-197 and 2016-200 appear elsewhere on the agenda and are recommended for approval.

Respectfully submitted,



Shelley J. Schell, CPA, CA  
Chief Financial Officer/Treasurer  
705.759.5355  
[s.schell@cityssm.on.ca](mailto:s.schell@cityssm.on.ca)



## The Corporation of the City of Sault Ste. Marie

### C O U N C I L   R E P O R T

December 12, 2016

**TO:** Mayor Christian Provenzano and Members of City Council

**AUTHOR:** Tim Gowans, Manager of Purchasing

**DEPARTMENT:** Finance Department

**RE:** Tender for Oils, Greases & Gear Lubricants (2016PWT-30-T)

---

#### PURPOSE

Attached hereto for Council's information and consideration is a summary of the tenders received for the supply and delivery of Oils, Greases & Gear Lubricants as required by the various City Departments for the years 2017, 2018 and 2019. Staff is seeking Council approval of the tender recommendation.

#### BACKGROUND

The tender was publicly advertised and tender documents mailed to all firms on our bidders lists. A public opening of the tenders received was held November 24, 2016 with the Deputy CAO / City Clerk in attendance.

#### ANALYSIS

Each tender has been carefully evaluated and analyzed as to quality, availability of supply, dependability of vendor and price. A summary sheet has been prepared illustrating the weighted cost ratings, various pricing methods and discounts to assist in identifying the tender offering the lowest cost and greatest value.

#### FINANCIAL IMPLICATIONS

Funding for these parts comes from various Departments Inventory & Maintenance accounts.

#### STRATEGIC PLAN / POLICY IMPACT

This is an operational matter not articulated in the Corporate Strategic Plan.

Tender for Oils, Greases & Gear Lubricants

2016 12 12

Page 2

**RECOMMENDATION**

Resolved that the report of the Manager of Purchasing dated 2016 12 12 be received and the recommendation that the tender submitted by Petro-Canada Lubricants Inc. for the supply and delivery of Oils, Greases & Gear Lubricants as required by various City Departments for the years 2017, 2018 and 2019, be approved.

Respectfully submitted,



Tim Gowans  
Manager of Purchasing  
705.759.5298  
[t.gowans@cityssm.on.ca](mailto:t.gowans@cityssm.on.ca)

**FINANCE DEPARTMENT  
PURCHASING DIVISION  
BUDGET: MULTI DEPARTMENT INVENTORY AND MAINTENANCE CHARGE OUT ITEMS**

**Received: November 24, 2016  
File: 2016PWT-30-T**

**SUMMARY OF TENDERS  
OILS, GREASES AND GEAR LUBRICANTS**

<b>Packaged Goods</b>	<b>Quantity (estimated annual)</b>	<b>McDougall Energy Sault Ste. Marie, ON</b>		<b>Petro-Canada Lubricants Inc. Mississauga, ON</b>	
		<b>Unit Price</b>	<b>Total Price</b>	<b>Unit Price</b>	<b>Total Price</b>
Multipurpose Grease - EP2 (tubes)	106 kgs	\$7.23	\$766.38	\$8.68	\$920.08
Multipurpose Grease - EP2 (55kg keg)	220 kgs	\$6.39	\$1,405.80	\$6.73	\$1,480.60
Multipurpose Grease - EP2 (180kg drum)	240 kgs	\$6.18	\$1,483.20	\$6.18	\$1,483.20
Premium Synthetic Grease (55 kg keg)	165 kgs	\$9.44	\$1,557.60	\$9.91	\$1,635.15
Synthetic Gearlube 75W90 (60 litre drum)	180 litres	\$8.52	\$1,533.60	\$9.72	\$1,749.60
Synthetic Gearlube 75W90 (205 litre drum)	820 litres	\$8.22	\$6,740.40	\$9.37	\$7,683.40
Hydraulic Oil - ISO 46 (20 litre pail)	540 litres	\$2.41	\$1,301.40	\$2.60	\$1,404.00
Hydraulic Oil - ISO 68 (20 litre pail)	80 litres	\$2.45	\$196.00	\$3.18	\$254.40
Mobil Hydraul 56 (20 litre pail)	640 litres	\$3.65	\$2,336.00	\$3.20	\$2,048.00
ATF Dexron-Mercon Transmission (1 litre bottle)	160 litres	\$3.33	\$532.80	\$3.11	\$497.60
ATF Dexron-Mercon Transmission (208 litre drum)	2288 litres	\$2.88	\$6,589.44	\$2.76	\$6,314.88
Synthetic ATF (20 litre pail)	320 litres	\$8.49	\$2,716.80	\$7.18	\$2,297.60
Synthetic ATF (208 litre drum)	1456 litres	\$8.71	\$12,681.76	\$7.18	\$10,454.08
Motor Oil 5W20 (1 litre bottle)	976 litres	\$3.45	\$3,367.20	\$2.93	\$2,859.68
Motor Oil 5W30 (1 litre bottle)	592 litres	\$3.45	\$2,042.40	\$2.93	\$1,734.56
Motor Oil Syn. 5W30 (208 litre drum)	624 litres	\$3.12	\$1,946.88	\$2.58	\$1,609.92
Motor Oil 10W30 (1 litre bottle)	240 litres	\$3.45	\$828.00	\$2.93	\$703.20
Premium Motor Oil 10W40 (1 litre bottle)	32 litres	\$4.56	\$145.92	\$2.93	\$93.76
Motor Oil 15W40 (1 litre bottle)	320 litres	\$3.50	\$1,120.00	\$3.21	\$1,027.20
Motor Oil 5W40 (4 litre bottle)	88 litres	\$7.46	\$656.48	\$7.30	\$642.40
<b>Estimated Total Annual Cost (before Stewardship Fees &amp; H.S.T.)</b>			<b>\$49,948.06</b>		<b>\$46,893.31</b>
<b>Bulk Delivery</b>					
Motor Oil (Severe Service) 15W40 CJ-4,SM,SL	13173 litres	\$2.65	\$34,908.45	\$2.35	\$30,956.55
All Season Hydraulic Oil - ISO 32	3057 litres	\$2.60	\$7,948.20	\$2.85	\$8,712.45
<b>Estimated Total Annual Cost</b>			<b>\$42,856.65</b>		<b>\$39,669.00</b>
<b>Total - Both Groups</b>			<b>\$92,804.71</b>		<b>\$86,562.31</b>

**H.S.T. and Stewardship Fees Extra**

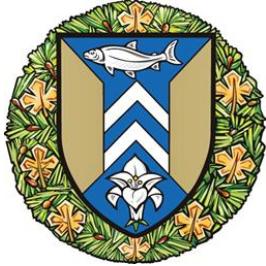
<b>Remarks</b>	10% Discount on Misc. items Drums and totes recycling Warehouse in SSM	12% Discount on Misc. items No recycling of containers Warehouse Sudbury/SSM
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Note: The low tendered prices, meeting specifications, are boxed above and subject to adjustment on a quarterly basis based on changes in Suppliers Wholesale Pricing.

Estimated Total Annual Costs shown above is based on tendered pricing firm until March 31, 2017.

It is my recommendation that the low tendered prices, submitted by Petro Canada Lubricants Inc., be accepted.

Tim Gowans  
Manager of Purchasing



## The Corporation of the City of Sault Ste. Marie

### C O U N C I L   R E P O R T

December 12, 2016

**TO:** Mayor Christian Provenzano and Members of City Council

**AUTHOR:** Tim Gowans, Manager of Purchasing

**DEPARTMENT:** Finance Department

**RE:** Tender for New Tires & Tire Repairs (2016PWT-39-T)

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#### **PURPOSE**

Attached hereto for Council's information and consideration is a summary of the tenders received for the supply of New Tires & Tire Repairs as required by the various City Departments for the years 2017 and 2018. Staff is seeking Council approval of the tender recommendation.

#### **BACKGROUND**

The tender was publicly advertised and tender documents mailed to all firms on our bidders lists. A public opening of the tenders received was held November 16, 2016 with the Deputy City Clerk in attendance.

#### **ANALYSIS**

Each tender has been carefully evaluated and analyzed as to quality, availability of supply, dependability of vendor and price. A summary sheet has been prepared illustrating the weighted cost ratings, various pricing methods and discounts to assist in identifying the tender offering the lowest cost and greatest value.

#### **FINANCIAL IMPLICATIONS**

Funding for these parts comes from various Departments Inventory & Maintenance accounts.

#### **STRATEGIC PLAN / POLICY IMPACT**

This is an operational matter not articulated in the Corporate Strategic Plan.

Tender for New Tires & Tire Repairs

2016 12 12

Page 2

**RECOMMENDATION**

Resolved that the report of the Manager of Purchasing dated 2016 12 12 be received and the recommendation that the tender submitted by Fountain Tire to provide New Tires & Tire Repairs as required by various City Departments for the years 2017 and 2018, be approved.

Respectfully submitted,



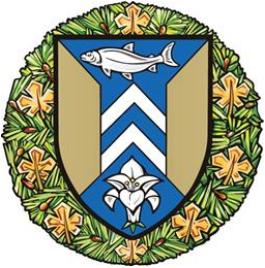
Tim Gowans  
Manager of Purchasing  
705.759.5298  
[t.gowans@cityssm.on.ca](mailto:t.gowans@cityssm.on.ca)

SUMMARY OF TENDERS  
NEW TIRES AND TIRE REPAIRS

NEW TIRES		QTY	FOUNTAIN TIRE			KAL TIRE				
			UNIT LIST	DISC.	UNIT NET	TOTAL	UNIT LIST	DISC.	UNIT NET	TOTAL
P195/65R15 All Season-Tier 1		4	79.63	0.00%	79.63	318.52	155.00	53.00%	72.85	291.40
P195/65R15 Winter Studdable		4	60.38	0.00%	60.38	241.52	85.28	0.00%	85.28	341.12
P215/60R16 Winter Studdable		4	74.75	0.00%	74.75	299.00	109.73	0.00%	109.73	438.92
LT225/75R16 On/Off Road 10 Ply		18	118.45	0.00%	118.45	2,132.10	130.05	0.00%	130.05	2,340.90
LT225/75R16 All Season 10 Ply		14	110.40	0.00%	110.40	1,545.60	114.84	0.00%	114.84	1,607.76
LT245/70R17 Winter		8	112.13	0.00%	112.13	897.04	146.35	0.00%	146.35	1,170.80
LT265/70R17 Winter		4	146.05	0.00%	146.05	584.20	147.49	0.00%	147.49	589.96
LT265/70R17 All Season		4	150.08	0.00%	150.08	600.32	161.27	0.00%	161.27	645.08
Sub Total:						6,618.30				7,425.94
225/70R19.5 Regional Drive		10	173.97	0.00%	173.97	1,739.70	183.96	0.00%	183.96	1,839.60
11R22.5 Drive		87	296.88	0.00%	296.88	25,828.56	293.28	0.00%	293.28	25,515.36
315/80R22.5 On/Off Road		15	726.00	0.00%	726.00	10,890.00	939.00	39.00%	572.79	8,591.85
12R22.5 Drive		6	515.35	0.00%	515.35	3,092.10	406.17	0.00%	406.17	2,437.02
11R22.5 Steer		5	303.41	0.00%	303.41	1,517.05	282.36	0.00%	282.36	1,411.80
ST205/75R15 LRC Trailer Tire		10	148.88	0.00%	148.88	1,488.80	104.67	0.00%	104.67	1,046.70
ST225/75R15 LRD Trailer Tire		7	186.38	0.00%	186.38	1,304.66	127.78	0.00%	127.78	894.46
ST215/75R14 LRC Trailer Tire		3	154.88	0.00%	154.88	464.64	106.78	0.00%	106.78	320.34
6.00-9 Industrial Tire		6	122.25	0.00%	122.25	733.50	66.43	0.00%	66.43	398.58
16x6.5-8 4 Ply Turf Tire		12	54.90	0.00%	54.90	658.80	38.83	0.00%	38.83	465.96
24x12-12 4 Ply Turf Tire		4	172.65	0.00%	172.65	690.60	130.56	0.00%	130.56	522.24
23.5R25 Loader Tire		1	2163.74	0.00%	2,163.74	2,163.74	2004.70	0.00%	2,004.70	2,004.70
20.5R25 Off Road Tire		1	1459.92	0.00%	1,459.92	1,459.92	1590.00	0.00%	1,590.00	1,590.00
14.00R24 Off Road Tire		1	1717.85	0.00%	1,717.85	1,717.85	1099.41	0.00%	1,099.41	1,099.41
Sub Total:						53,749.92				48,138.02
<u>RETREADING</u>			UNIT LIST	DISC.	UNIT NET	TOTAL	UNIT LIST	DISC.	UNIT NET	TOTAL
11R22.5 Drive Trac Deep		86	198.00	0.00%	198.00	17,028.00	224.96	0.00%	224.96	19,346.56
11R22.5 Drive Winter Deep		7	198.00	0.00%	198.00	1,386.00	209.01	0.00%	209.01	1,463.07
Casing		20	95.00	0.00%	95.00	1,900.00	80.00	0.00%	80.00	1,600.00
Sub Total:						20,314.00				22,409.63
<u>FLAT REPAIRS</u>			UNIT PRICE		UNIT PRICE	TOTAL	UNIT PRICE		UNIT PRICE	TOTAL
Passenger & Light Trucks		148			7.50	1,110.00			15.00	2,220.00
Trucks to 64,000 GVW		43			8.50	365.50			25.00	1,075.00
Sub Total:						1,475.50				3,295.00
<u>CHANGEOVERS, ETC.</u>			UNIT PRICE		UNIT PRICE	TOTAL	UNIT PRICE		UNIT PRICE	TOTAL
Passenger & Light Trucks		360			6.50	2,340.00			8.50	3,060.00
Trucks to 64,000 GVW		344			8.50	2,924.00			16.00	5,504.00
Loaders/Grader/O.R. Equipment		102			25.00	2,550.00			50.00	5,100.00
Balancing - Pass & LT		210			7.00	1,470.00			15.00	3,150.00
Retorquing - Pass & LT		180			0.00	0.00			0.00	0.00
Retorquing - Medium Trucks		172			0.00	0.00			0.00	0.00
Sub Total:						9,284.00				16,814.00
<u>SERVICE CALLS</u>			UNIT PRICE		UNIT PRICE	TOTAL	UNIT PRICE		UNIT PRICE	TOTAL
Regular Hours		40			50.00	2,000.00			30.00	1,200.00
After Hours		2			80.00	160.00			80.00	160.00
Sub Total:						2,160.00				1,360.00
<b>TOTAL (based on Annual Usage):</b>						\$93,601.72				\$99,442.59
<b>REMARKS</b>						(H.S.T.extra)				(H.S.T.extra)
						Meets Specifications				Meets Specifications

NOTE: The low tendered prices, meeting specifications, are boxed above.

It is my recommendation that the low tendered prices, meeting specifications, submitted by Fountain Tire, be accepted for a two (2) year period.



## The Corporation of the City of Sault Ste. Marie

### C O U N C I L   R E P O R T

December 12, 2016

**TO:** Mayor Christian Provenzano and Members of City Council

**AUTHOR:** Virginia McLeod, Manager of Recreation and Culture

**DEPARTMENT:** Community Development and Enterprise Services

**RE:** Designated Heritage Property Tax Rebates – 2015 Tax Year

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#### PURPOSE

To provide Council with a summary of, and to seek Council's approval for, the tax rebates being recommended for the 2015 tax year by the Sault Ste. Marie Municipal Heritage Committee for those owners of heritage properties enrolled in the Heritage Property Tax Rebate Program.

#### BACKGROUND

The Ontario Government, under the Municipal Act, allows municipalities to grant tax rebates of 10% to 40% on the value of an "eligible" heritage property in order to stimulate the restoration and preservation of Ontario's unique heritage assets. In the spring of 2005, City Council passed a resolution accepting the implementation of a 40% Tax Rebate Program in our community. Bylaw 2005-186 outlines the guidelines for those enrolled in the program.

Heritage properties are an important community resource; however, increased costs are often associated with their restoration and maintenance. Programs such as the Sault Ste. Marie Heritage Property Tax Rebate Program recognize these costs, and are seen as an investment in the community by preserving our City's unique cultural heritage and supporting owners of heritage properties. Currently there are 17 owners of 18 heritage properties enrolled in the program. There are a total of 37 heritage sites in the city of Sault Ste. Marie designated under Part IV of the Ontario Heritage Act, and 6 registered sites of cultural heritage value under section 27(1.2) of the Act. Enrolment into the program requires the completion of a Heritage Easement Agreement between the City and the property owner which is then registered on the property title.

## **ANALYSIS**

Owners enrolled in the Heritage Property Tax Rebate Program must complete an annual application for the rebate and indicate what work they plan to do to maintain their heritage property. Property inspections are conducted annually by members of the Sault Ste. Marie Municipal Heritage Committee and a City Building Inspector to ensure that adequate ongoing maintenance is occurring and that owners are following their maintenance plans. Recommendations for owners to receive the tax rebate are made based upon current and previous inspections and the owners maintenance record.

Applications for the 2015 tax rebates have been received from 15 owners for 16 designated heritage properties in the City.

The following properties and owners qualify for the Heritage Property Tax Rebate for the 2015 tax year.

1. **875 Queen Street – Forest Insect Laboratory** - Owned by 1022291 Ontario Ltd.
2. **69 Church Street – Air Service Hanger** – Owned by 1022291 Ontario Ltd.
3. **10 Kensington Terrace, Unit #1- Upton House** – Owned by Dawn MacPhee
4. **10 Kensington Terrace, Unit #2 – Upton House** – Owned by Margaret Keenan
5. **10 Kensington Terrace, Unit #3- Upton House** – Owned by John and Anne Kasch
6. **193 Pim Street – Wellington Square Townhouses** – Owned by Mark Coleman
7. **189 Pim Street – Wellington Square Townhouses** – Owned by Jacques Potvin and Joanne Zeppa
8. **191 Pim Street – Wellington Square Townhouses** – Owned by Greg and Patricia Vaughan
9. **115 Upton Road – 1902 Family Residence** – Owned by Dr. T. Best and Dr. M. Leahy
10. **242 - 246 Queen Street East – Hussey Block** – Owned by W. M. Watts Investments Limited
11. **864 Queen St. East – Algonquin Hotel** – Owned by Martin Fiser
12. **1035 Queen St. East** – Owned by Randy & Karen Marinich
13. **358 – 356 Queen Street – Barnes/ Fawcett Block** – Owned by Frank Filice.
14. **143 McGregor Avenue – McLeod Family Residence** – Owned by Jacob and Sarah St. Amour
15. **1164 Queen St. East** – Owned by Cindy Parniak
16. **36 Herrick Street** – Owned by Jared MacKinnon & Marisa Caswell

## Designated Heritage Property Tax Rebates – 2015 Tax Year

2016 12 12

Page 3.

The Sault Ste. Marie Municipal Heritage Committee passed the following resolution at their November 2, 2016 meeting:

Moved By: Councillor Shoemaker

Seconded By: T. Wall

"Resolved that the Sault Ste. Marie Municipal Heritage Committee endorse the 2016 property inspection report for those designated heritage properties enrolled in the Designated Heritage Property Tax Rebate Program and that based on the results of the property inspections, recommends to City Council that the Designated Heritage Property Tax Rebate for the 2015 tax year be paid to all enrolled owners, and further that a report be sent to City Council to approve the rebates for the 2015 tax year."

**CARRIED**

### **FINANCIAL IMPLICATIONS**

The amount of the rebate varies annually depending on the number of applicants. The rebate for the 2015 tax year is \$74,281.07 of which the municipal portion is \$56,030.32 and the education portion \$18,250.75. This is pending Council's approval and final calculations by the Finance Department.

### **STRATEGIC PLAN / POLICY IMPACT**

The Heritage Tax Rebate Program is linked to the Corporate Strategic Plan – Quality of Life.

### **RECOMMENDATION**

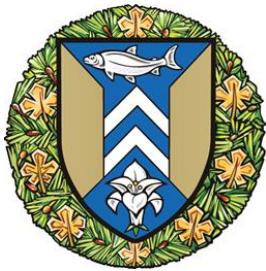
It is therefore recommended that Council take the following action:

That the report of the Manager of Recreation and Culture concerning Designated Heritage Property Tax Rebates be received and that the recommendation of the Sault Ste. Marie Municipal Heritage Committee that the designated heritage property tax rebates for the 2015 tax year be paid to the qualified owners of designated heritage properties enrolled in the program, be approved.

Respectfully submitted,



Virginia McLeod  
Manager of Recreation and Culture  
705.759.5311  
[v.mcleod@cityssm.on.ca](mailto:v.mcleod@cityssm.on.ca)



## The Corporation of the City of Sault Ste. Marie

### C O U N C I L   R E P O R T

December 12, 2016

**TO:** Mayor Christian Provenzano and Members of City Council

**AUTHOR:** Virginia McLeod, Manager of Recreation and Culture

**DEPARTMENT:** Community Development and Enterprise Services

**RE:** Cultural Policy Revisions

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#### PURPOSE

The Cultural Policy for the Corporation of the City of Sault Ste. Marie was last updated in February 2013. In 2015 the Cultural Advisory Board held a community forum to review the policy and allow for public input. The revised policy is recommended for Council's approval by the Cultural Advisory Board.

#### BACKGROUND

The Cultural Advisory Board oversees the Cultural Policy for the City of Sault Ste. Marie. The policy was first adopted by City Council in 1991 and has been amended a number of times since, most recently in February of 2013, from a community forum held in 2010. On June 15, 2015 the Cultural Advisory Board finalized its review of the public input. On June 15, 2016 the Board approved the following amendments and directed staff to present the revised policy to City Council for approval.

1. General Considerations – Heritage Arts. Amend the definition of intangible heritage from “(expressions of culture including custom, dance, music, song, story, etc.)” to “(dance, music, song, story, etc.)”
2. Statement of Policy. Amend from “To encourage, promote and maintain the development of cultural expression in Sault Ste. Marie at both the amateur and professional level” to “To encourage, promote, maintain and further develop cultural expression in Sault Ste. Marie at both the amateur and professional level and through all ages.”
3. Policy Implementation, item 3.3.1. Amend from “Accept as a concept the dedication of up to 1% of the total construction and/or renovation costs of public facilities, including where appropriate, major municipal infrastructure projects towards the commissioning and installation of art or other cultural activities where, as an integral part of the building or site, it is appropriate.”

Otherwise allocated funds shall either be directed towards similar use in alternative facilities or to the City of Sault Ste. Marie Cultural Endowment Trust Fund." By deleting the words "Accept as a concept".

4. Policy Implementation, item 3.6.3. Amend "When appropriate, lease municipal historic buildings to interested entrepreneurs with the stipulation that they be maintained to a specified standard." By adding the words "and cultural organizations after "entrepreneurs".
5. Policy Implementation. Add item "Encourage the conservation and preservation of historic sites and buildings."

A summary of the proposed revisions is attached.

Upon review, the Finance Department expressed concerns over item 3. above which has the effect of requiring the dedication of up to 1%.

The Cultural Advisory Board met again on September 28, 2016. The item was discussed further and the Board again recommended that Council proceed with the proposed amendments as approved on June 15, 2016.

## **ANALYSIS**

Many of the revisions to the Cultural Policy are minor in nature and do not change the underlying policy framework. The proposed change to Section 3, Item 3.3.1 (bullet 3 above) could potentially have financial implications.

## **FINANCIAL IMPLICATIONS**

The Finance Department has expressed the following concerns over the proposed revision outline in bullet 3 above:

1. The capital asset management plan has identified \$162,670,158 in repairs required between 2017 and 2019. The City is not currently in a financial position to be dedicating funds from construction and/or renovation costs of municipal facilities toward the commissioning of public art. Further, this item is not included in the 2017 Capital Budget and approval of this item would increase the Capital Budget. If the maximum 1% were allocated to public art, it would represent a cost of \$1,626,701.
2. When the Cultural Endowment Fund was established the City provided seed money only and was not providing ongoing funding. If a portion of the funds were deposited into the Cultural Endowment Fund only the interest would be available for future use, tying up valuable capital dollars.

## **STRATEGIC PLAN / POLICY IMPACT**

The Corporate Strategic Plan identifies Quality of Life as a focus area which includes the promotion and support of arts and culture.

## **RECOMMENDATION**

It is therefore recommended that Council take the following action:

Resolved that the report of the Manager of Recreation and Culture dated 2016 12 12 concerning revisions to the Cultural Policy for the Corporation of the City of Sault Ste. Marie be received and that the recommendations of the Cultural Advisory Board to amend the policy as follows:

1. General Considerations – Heritage Arts. Amend the definition of intangible heritage from “(expressions of culture including custom, dance, music, song, story, etc.)” to “(dance, music, song, story, etc.)”
2. Statement of Policy. Amend from “To encourage, promote and maintain the development of cultural expression in Sault Ste. Marie at both the amateur and professional level” to “To encourage, promote, maintain and further develop cultural expression in Sault Ste. Marie at both the amateur and professional level and through all ages.”
3. Policy Implementation. Amend from “Accept as a concept the dedication of up to 1% of the total construction and/or renovation costs of public facilities, including where appropriate, major municipal infrastructure projects towards the commissioning and installation of art or other cultural activities where, as an integral part of the building or site, it is appropriate. Otherwise allocated funds shall either be directed towards similar use in alternative facilities or to the City of Sault Ste. Marie Cultural Endowment Trust Fund.” By deleting the words “Accept as a concept”.
4. Policy Implementation, item 3.6.3. Amend “When appropriate, lease municipal historic buildings to interested entrepreneurs with the stipulation that they be maintained to a specified standard.” By adding the words “and cultural organizations after “entrepreneurs”.
5. Policy Implementation. Add item “Encourage the conservation and preservation of historic sites and buildings.”

be approved.

Respectfully submitted on behalf of the  
Cultural Advisory Board,



Virginia McLeod  
Manager of Recreation and Culture  
705.759.5311  
[v.mcledon@cityssm.on.ca](mailto:v.mcledon@cityssm.on.ca)

## **SUMMARY OF REVISIONS TO THE CULTURAL POLICY**

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### **General Considerations - Section 1**

#### **Item 1.2**

##### **Current**

Heritage Arts - heritage conservation, identification, protection and interpretation of:  
i) intangible heritage (expressions of culture including custom, dance, music, song, story, etc.)

##### **Proposed**

Heritage Arts - heritage conservation, identification, protection and interpretation of:  
i) intangible heritage (dance, music, song, story, etc.)

### **Statement of Policy – Section 2**

#### **Item 2.1.1**

##### **Current**

To encourage, promote and maintain the development of cultural expression in Sault Ste. Marie, at both the amateur and professional level;

##### **Proposed**

To encourage, promote, maintain and further develop cultural expression in Sault Ste. Marie, at both the amateur and professional level and through all ages;

### **Policy Implementation – Section 3**

#### **Item 3.3.1**

##### **Current**

Accept as a concept the dedication of up to 1% of the total construction and/or renovation costs of public facilities, including where appropriate, major municipal infrastructure projects towards the commissioning and installation of art or other cultural activities where, as an integral part of the building or site, it is appropriate. Otherwise, allocated funds shall either be directed towards similar use in alternative facilities or to the City of Sault Ste. Marie Cultural Endowment Trust Fund.

##### **Proposed**

The dedication of up to 1% of the total construction and/or renovation costs of public facilities, including where appropriate, major municipal infrastructure projects towards the commissioning and installation of art or other cultural activities where, as an integral part of the building or site, it is appropriate. Otherwise, allocated funds shall either be directed towards similar use in alternative facilities or to the *City of Sault Ste. Marie Cultural Endowment Trust Fund*.

**Item 3.6.3****Current**

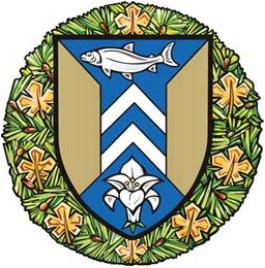
When appropriate, lease municipal historic buildings to interested entrepreneurs with the stipulation that they be maintained to a specified standard.

**Proposed**

When appropriate, lease municipal historic buildings to interested entrepreneurs and cultural organizations with the stipulation that they be maintained to a specified standard.

**Item 3.6.4****Proposed New Addition**

Encourage the conservation and preservation of historic sites and buildings.



## The Corporation of the City of Sault Ste. Marie

### C O U N C I L   R E P O R T

December 12, 2016

**TO:** Mayor Christian Provenzano and Members of City Council

**AUTHOR:** Catherine Taddo, P. Eng.

**Land Development and Environmental Engineer**

**DEPARTMENT:** Public Works and Engineering Services

**RE:** Pim Street Pump Station Sluice Gate Replacement

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#### **PURPOSE**

The purpose of the report is to obtain approval to award Contract 2016-16E Pim Street Pump Station sluice gate replacements.

#### **BACKGROUND**

At the October 11, 2016 Council meeting, design, tendering, and contract administration was approved for the project. The work generally includes replacement of failed gate number two, and replacement of gate number one as a preventative maintenance measure. The design and tendering is now complete.

#### **ANALYSIS**

Three (3) tenders were received, and were found to be complete. The results are summarized in the attached report. The tenders that were received, excluding HST are as follows:

- Cecchetto and Sons Ltd. - \$ 99,890.00
- R.M. Belanger - \$120,400.00
- 1187839 Ontario Limited - \$154,707.96

It is recommended that the City enter into a contract with Cecchetto and Sons Ltd.

#### **FINANCIAL IMPLICATIONS**

When recoverable HST is removed the City's cost to complete the construction is projected to be approximately \$102,000, to be funded from sanitary sewer revenue. Although the 2016 sanitary sewer emergency fund budget has already been fully committed, there is sufficient unallocated sanitary sewer funding available to cover this project.

**STRATEGIC PLAN / POLICY IMPACT**

The report links to the Strategic Plan focus area of infrastructure, and specifically maintaining existing infrastructure.

**RECOMMENDATION**

It is therefore recommended that Council take the following action:

The relevant By-law 2016-212 is listed elsewhere on the Agenda and is recommended for approval.

Respectfully submitted,

*C. Taddo*

Catherine Taddo, P. Eng.

Land Development and Environmental Engineer

705.759-5380

[c.taddo@cityssm.on.ca](mailto:c.taddo@cityssm.on.ca)

November 29, 2016

Ms. C. Taddo, P. Eng.  
City of Sault Ste. Marie  
Engineering Department  
99 Foster Drive  
Sault Ste. Marie, Ontario  
P6A 5N1

Dear Ms. Taddo:

**Project No:** 60522224

**Regarding:** **Pim Street Pumping Station Sluice Gate Replacements**  
**Contract No. 2016-16E**  
**Tender Report**

We have reviewed the tenders received by the City Clerk's office on Monday, November 28, 2016 for the above contract and present herewith our Tender Report.

## **1.0 Introduction**

Contract No. 2016-16E – Pim Street Pumping Station Sluice Gate Replacements consists of supplying all equipment, labour and materials for the replacement of two existing sluice gates including related appurtenances and temporary bypass pumping.

The tender advertisement was published in the Sault Star on Saturday, November 12, 2016 for notification to prospective bidders of the availability of the tender documents. The tender documents were also available for review by potential bidders at the Sault Ste. Marie Construction Association and the Consultant's office.

A total of three (3) Contractors picked up tender documents during the tender period following submission of the \$50.00 refundable deposit.

During the tender period, there were a few questions from plan takers relating to the scope of work and the technical specifications. An Addendum was issued by the Consultant to address issues/questions raised by the plan takers and comments from the PUC Operator.

## 2.0 Summary of Tenders

Three (3) Contractors submitted sealed tenders for Contract No. 2016-16E to the City Clerk's office prior to the closing time of 3:00 p.m. on Monday, November 28, 2016. The tenders were publicly opened at 3:15 p.m. on the same day by Deputy City Clerk Rachel Tyczinski in the presence of City and Consultant staff as well as a representative of one of the bidding Contractors. At the time of the tender opening, the Total Tender Values were read and the tenders were reviewed to ensure they included the required \$5,000 tender deposit and agreement to bond.

The tender deposits, which were in the form of certified cheques, were retained by the City while the balance of the tender submissions were provided to the Consultant for a further review of each tender submitted.

The following were the results of the submitted Total Tender Prices, including HST, in ascending order of bid price:

1.	Cecchetto and Sons Ltd.	-	\$112,875.70
2.	R.M. Belanger	-	\$136,052.00
3.	1187839 Ontario Limited	-	\$174,707.96

The Total Tender Value for each tender includes a contingency allowance of \$3,000.

The Engineer's tender estimate for this Contract was \$101,700.00 (incl. HST) which was compiled based on pricing from previous work. A General Summary of Tender Prices for each of the above tenders along with the Engineer's tender estimate is attached as Appendix 1. The original copies of all tenders received are attached to this report, for the City's records.

## 3.0 Review of Tenders Received

The tenders were reviewed to verify all tender submission requirements were complied with as stipulated in the Instructions to Bidders. A Summary of the review is attached as Appendix 2. The following specific comments are noted:

1. All tenders were properly signed, sealed and executed.
2. The tender breakdowns were checked for mathematical errors. None were found.
3. The Instructions to Bidders indicated that all tenders were to include a \$5,000 tender deposit in the form of a certified cheque. All tenders complied with submission of the required certified cheques.
4. The tender document called for submission of Appendix 'A' to 'D' which outline the list of bid documents, the tenderers' list of proposed subcontractors and suppliers, alternative prices, and breakdown of total tender price. All tenderers filled in the appropriate appendices.

5. The tenderers were required to provide an Agreement to Bond from a Surety Company certifying that they are able to obtain the required 100% Performance and 50% Labour and Material Payment bonds. An Agreement to Bond was attached to all tenders submitted.
6. All tenderers were required to acknowledge any Addenda received during the tender period. All tenderers confirmed receipt of Addendum No. 1.
7. Section 00300 – Form of Bid required the tenderers to provide the contract duration based on their estimate of the delivery timing for the sluice gates and time required on site to complete the work. The tenderers provided construction durations ranging from 3 weeks to 25 weeks for the low tenderer. We are aware that there is a long delivery period for the sluice gates of at least 12 weeks from approval of shop drawings.

### **3.0 Low Bidder Experience**

The low tenderer, Cecchetto and Sons Ltd., is a well-known Contractor from Sudbury, Ontario who has completed numerous City contracts in the past including various upgrades at the Pim Street Pump Station.

Appendix "B" – List of Subcontractors and Suppliers submitted by Cecchetto and Sons Ltd. indicated that all of the work will be done by their own forces and they indicated that the sluice gates will be supplied by Orbinox who are an approved supplier.

### **4.0 Tender Estimate**

The low tender amount of \$112,875.70 (incl. HST) is higher than the Engineer's tender estimate by \$11,175.70 (incl. HST) or approximately 11%. The low tender amount of \$98,890.00 (excl. HST) plus the net taxes payable by the City is only marginally higher than a preliminary budget estimate of \$100,000.

### **5.0 Conclusions**

In summary, based on our detailed review of the tenders submitted, we recommend the following:

1. The City should select a Contractor to complete the Pim Street Pump Station Sluice Gate Replacements project;
2. The required by-law should be drafted and passed by Council to facilitate execution of the attached CCDC2 Agreement (Note: the low bidder has been included in the attached agreement at this time); and
3. AECOM should be authorized to issue an award letter to the successful Contractor which will include requirements for the Contractor to submit the required contract documentation (ie: bonds, insurance, etc.) and prepare the related contracts for signing by both parties.

We hope you find this report acceptable, although, please do not hesitate to call should you have any questions regarding the contents of this Tender Report.

Yours very truly,  
**AECOM Canada Ltd.**

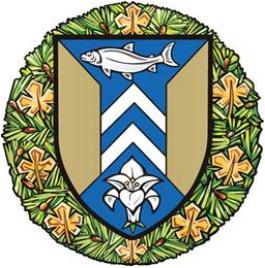


Darrell Maahs, C. Tech.  
Project Manager

DRM:nm

Encl.

DM:nm  
Encl.



## The Corporation of the City of Sault Ste. Marie

### C O U N C I L   R E P O R T

December 12, 2016

**TO:** Mayor Christian Provenzano and Members of City Council  
**AUTHOR:** Carl Rumiel, P. Eng., Design & Construction Engineer  
**DEPARTMENT:** Public Works and Engineering Services  
**RE:** Engineering Agreement – McNabb Street to Pim Street  
Drainage Improvements

---

#### PURPOSE

The purpose of this report is to request Council approval to authorize an engineering agreement with Tulloch Engineering Inc. for the above-mentioned project.

#### BACKGROUND

At the 2016 11 21 meeting, Council provided approval to enter into an agreement with Tulloch Engineering for engineering services for this project scheduled in the 2017 Capital Road Reconstruction Program.

#### ANALYSIS

It is routine procedure for the Engineering Division to seek Council's approval to authorize agreements for engineering services for the approved projects in the upcoming year. This consultant was procured through a Request for Proposal as per the City Procurement Policy.

#### FINANCIAL IMPLICATIONS

The impact to the budget is the engineering fee estimate which is \$440,530 excluding HST.

The Federal and Provincial governments recently announced the intake for Phase I of the Clean Water and Wastewater Fund (CWWF). The City has applied for this grant which, if successful, would be used for this project. The project will only proceed if the funding is approved.

#### STRATEGIC PLAN / POLICY IMPACT

This report is linked to the new infrastructure focus area of the strategic plan.

#### RECOMMENDATION

It is therefore recommended that Council take the following action:

McNabb Street to Pim Street Drainage Improvements

2016 12 12

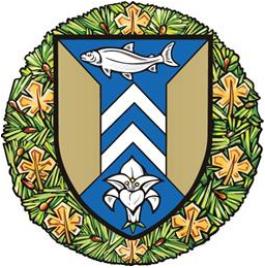
Page 2.

Bylaw 2016-199 authorizing the execution of the agreement can be found elsewhere on this evening's agenda.

Respectfully submitted,



Carl Rumiell, P. Eng.  
Design and Construction Engineer  
705.75 9.5379  
[c.rumiell@cityssm.on.ca](mailto:c.rumiell@cityssm.on.ca)



## The Corporation of the City of Sault Ste. Marie

### C O U N C I L   R E P O R T

December 12, 2016

**TO:** Mayor Christian Provenzano and Members of City Council  
**AUTHOR:** Corrina Barrett, Environmental Initiatives Coordinator  
**DEPARTMENT:** Public Works and Engineering Services  
**RE:** Committee of Council on Graffiti Update

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#### **PURPOSE**

The purpose of this report is to provide an update of the various activities that the members of the City Council Community Committee on Graffiti have taken part in since the last report to Council on May 30, 2016.

#### **BACKGROUND**

Nuisance graffiti or “tagging” has been a long standing issue in Sault Ste. Marie. In November 2013 City Council decided it was time to take a different, community-minded, approach to the situation. A Committee of Council was formed including members of City staff and representatives from Sault Ste. Marie Police Services, Downtown Association, District of Sault Ste. Marie Social Services Administration Board, Arts Council of Sault Ste. Marie and District, Art Gallery of Algoma, NORDIK Research Institute, PUC Services Inc., Canada Post, Algoma District School Board, and Huron Superior Catholic District School Board (see Appendix A), and co-chaired by Councillors Myers and Butland. The Committee and its members have achieved many accomplishments since the last report in May, and that information is summarized below.

#### **ANALYSIS**

Several new and ongoing initiatives have been developed in an effort continue to address nuisance graffiti throughout the Sault. The information is summarized below:

- A Guide to Removal, Tips, Tools needed, Prevention, and a Message From the Police have all been added to the Graffiti section of the City’s website. The goal is to make this information easily assessable to anyone who may be interested in removing graffiti from their property. A shortcut has also been created to make it easier to navigate to the web page: <http://www.saultstemarie.ca/graffiti>.
- Police Services set a precedent for the community this summer with the arrest of the BORED tagger. The arrest has set a strong example for local

impressionable youth who may be at risk of engaging in this type of illegal activity, and has aided in showing the public how seriously the Police take these types of crimes.

- The District of Sault Ste. Marie Social Services Administration Board are currently looking at ways to work with the AYN (Aboriginal Youth Network) to help engage youth who may not have access to services, recreation, and technology. The hope is that in helping the youth now when they are the most impressionable, they may be able to steer them in the right direction.
- The Downtown Association teamed up with ARCH volunteers to create the “Before I Die” chalkboard wall, the newest living art installation in the city's downtown core. The chalkboard has been installed in the alley between Queen and King streets to encourage urban expression and the important conversation about living life well. The wall is a great example of how local art can enhance and beautify our city while also engaging the community.
- The City is currently looking at pulling together a Committee to partner with store owners who have empty store fronts in an effort to create displays with a more inviting feel. The aim is to work with school art classes and / or tourism to make the area look more vibrant, and encourage local art.
- Utility Box Wrapping was installed on 24 of 86 traffic controllers throughout the community. In 2015, City staff extended this program by soliciting local artists to develop designs that can be printed on a heavy vinyl material that will wrap additional high profile traffic controllers across the community. The three winning pieces of art were chosen and unveiled in May of 2016 on nine additional traffic controllers. The second round of the Utility Box Wrap Competition is currently in the planning phase, with the goal being to kick off the competition this December.
- NORDIK worked with the Bushplane Museum this summer to support six youth women artists in their creation of a commissioned mural. The update is attached (Appendix B).
- Kyle Jewett, owner of Swampwood Unlimited, provided Jude Ortiz with an update on a graffiti project requested by the Neighbourhood Resource Centre. The update is attached (Appendix B).

At this time, the option of creating a new Anti-Graffiti Bylaw is being tabled due to the fact that the City is not in the financial situation to be able to hire an additional Bylaw Enforcement Officer. The Committee members agree that attention should be focused on Public Education. Meetings should continue to be held in an effort to maintain communication between relevant community groups, share resources, and support each other's events and programs. Even though member organizations have achieved success in implementing programs and projects in 2016, formalizing graffiti management through a public art policy may prove to be beneficial in keeping the momentum going.

### **FINANCIAL IMPLICATIONS**

Continuing the Committee of Council on Graffiti will not require financial resources outside of staff time; however, the continued development of a public art policy may require the allocation of additional resources. Any financial recommendations or policy changes will be brought back to Council for consideration.

### **STRATEGIC PLAN / POLICY IMPACT**

Graffiti management was not an activity included in the Corporate Strategic Plan; therefore this report is not linked to a Corporate Strategic Direction.

### **RECOMMENDATION**

It is therefore recommended that Council take the following action:

Resolved that the report of the Environmental Initiatives Coordinator dated 2016 12 12 concerning the Committee of Council on Graffiti Update be received as information and the following recommendations be approved:

- That the Committee of Council on Graffiti remain in place and continue to meet throughout the year to ensure community engagement and coordination of projects; and
- That City staff continue to explore the development of a Public Art Policy, including graffiti management, which will be brought back to Council for review and approval.

Respectfully submitted,



Corrina Barrett  
Environmental Initiatives Coordinator  
705.541.7175  
[c.barrett@cityssm.on.ca](mailto:c.barrett@cityssm.on.ca)

## **Appendix A**

### **2016 Members** **City Council Community Committee on Graffiti**

#### **City Councillors:**

Co-Chair Councillor Steve Butland  
Co-Chair Councillor Susan Myers

#### **Staff Lead:**

Corrina Barrett – Environmental Initiatives Coordinator, Engineering

#### **Legal:**

Jeffrey King – Solicitor/Prosecutor, Legal Dept.

#### **City Staff:**

Virginia McLeod – Community Services Dept.  
Mike Nadeau – Social Services, DSSAB  
Freddie Pozzebon – Chief Building Official  
    *Alternate* Francois Couture – Coordinator Plan Examinations  
Tyler Bertrand – By-Law Enforcement Officer

#### **Community Members:**

1. Joe Santa Maria – Superintendent, ADSB
2. Chris Spina – Superintendent of Business, HSCDSB
3. Jasmina Jovanovich – Director, Art Gallery of Algoma
4. Joe Addison – D.C. SSM Police Services  
    *Alternate* Michelle Johnson – D.C. SSM Police Services
5. Pino Caputo – District Manager, Canada Post
6. Josh Ingram – Downtown Association
7. Giordan Zin – PUC Inc.
8. Jude Ortiz – NORDIK Institute

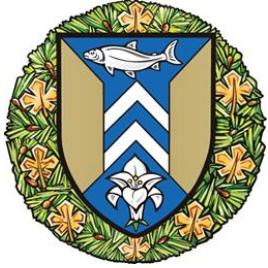
## **Appendix B**

The City Community Committee on Graffiti  
NORDIK update, prepared by Jude Ortiz  
Nov 9, 2016

Toward the end of last year's Graffiti Reframed project, the Bushplane requested a mural be painted on their site but NORDIK was unable to accommodate them for a number of reasons. This past summer the Bushplane approached NORDIK again with the offer of using an old transport trailer as the canvas. NORDIK supported 6 youth women artists for one week, building their artistic, technical, business and leadership skills. They learned to work with a client to develop a theme depicting the organization's mandate of aviation, forestry and fire prevention, then transfer it to a large 'canvas'. People passing by on the John Rowswell Hub Trail engaged the artists in dialogue, further building the youth's ability to discuss their ideas with others. A workshop focused on talking to the media assisted the women during the public revealing of the mural event. The mural was very well received by Bushplane directors and staff, the media and the broader community, reinforcing the important contribution commissioned graffiti/murals make in engaging youth in shaping the urban landscape and creating a sense of place. The project was funded through SEE, the NORDIK-led youth social enterprise development project, an emergent, collaborative of youth and allies across Northern Ontario ([seethechange.ca](http://seethechange.ca)).

Kyle Jewett, owner of Swampwood Unlimited, provided Jude Ortiz with an update on a graffiti project requested by the Neighbourhood Resource Centre. Kyle organized and coordinated a number of primarily youth artist volunteers to design and deliver new art to combat nuisance tagging that plagues the private property lining the alleyway between Albert St and Alexandra St. Throughout this past September he assisted with prepping the walls, fences and garage doors for artists to work on large scale murals aimed to rejuvenate the area. The project is ongoing and has received donations (e.g. spray paint) but it has otherwise been underwritten by artist volunteers. Kyle will be providing more information regarding this project that will be shared with the Committee.

Respectfully submitted,  
Jude Ortiz  
Research Coordinator, NORDIK Institute



## The Corporation of the City of Sault Ste. Marie

### C O U N C I L   R E P O R T

December 12, 2016

**TO:** Mayor Christian Provenzano and Members of City Council

**AUTHOR:** Nuala Kenny, City Solicitor

**DEPARTMENT:** Legal Department

**RE:** Sale of Surplus City Property

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#### **PURPOSE**

The purpose of this report is to recommend that City Council approve By-law 2016-204, which repeals and replaces By-law 2012-126, a By-law to re-establish procedures governing the sale of surplus real property owned by the City.

#### **BACKGROUND**

On June 25, 2012 City Council passed By-law 2012-126 to re-establish procedures governing the sale of surplus real property owned by the City.

The Legal Department has an interest in expediting and clarifying this procedure.

#### **ANALYSIS**

Minor amendments to the procedure are proposed, the most significant of which is amending the notice requirement in the newspaper from two weeks to one week.

New wording and other revisions have also been proposed to improve clarity.

#### **FINANCIAL IMPLICATIONS**

The proposed changes respecting advertising in the local newspaper would result in a cost savings to the City.

#### **STRATEGIC PLAN / POLICY IMPACT**

Not applicable.

#### **RECOMMENDATION**

It is therefore recommended that Council take the following action:

By-law 2016-204, being a By-law to re-establish procedures, including the giving of notice to the public governing the sale of surplus real property owned by the

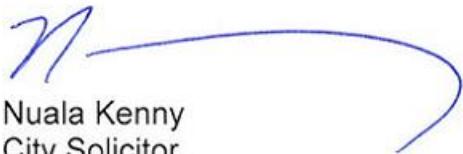
Sale of Surplus City Property

2016 12 12

Page 2.

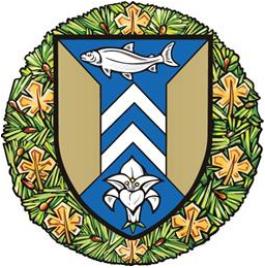
City repeals and replaces By-law 2012-126, appears elsewhere on the Agenda and is recommended for approval.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Nuala Kenny". A blue curved line starts from the end of the signature and sweeps down and to the right across the page.

Nuala Kenny  
City Solicitor

NK/md



## The Corporation of the City of Sault Ste. Marie

### C O U N C I L   R E P O R T

December 12, 2016

**TO:** Mayor Christian Provenzano and Members of City Council

**AUTHOR:** Nuala Kenny – City Solicitor

**DEPARTMENT:** Legal Department

**RE:** Sault Career Community Centre – Zoning By-law 2016-176 and 2016-177

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#### PURPOSE

The purpose of this report is to advise Council of an appeal that has been filed regarding Zoning By-law 2016-176 & 2016-177. An appeal has been filed by Irma Giovanatti Bre and was received in the Clerk's Office on Monday, November 14, 2016. A copy of the appeal can be viewed in the Legal Department. Council is being asked to pass the attached resolution indicating that despite the appeal, Council wishes to proceed with the by-law. Under provisions of the *Planning Act*, R.S.O. 1990 the Legal Department has sent a package of material to the Ontario Municipal Board (OMB) and in due course the OMB will set a hearing date for the appeal if the board decides that the issues raised in the appeal warrant a hearing.

#### BACKGROUND

City Council passed By-law 2016-176 & 2016-177 on October 24<sup>th</sup>, 2016. The purpose of By-law 2016-176 & 2016-177 is to change the zone designation of 267 Cathcart Street from R3 (Low Density Residential) zone to R3.S (Low Density Residential) zone with a "Special Exception" to permit, in addition to those uses permitted in an R3 zone:

1. Not more than sixteen (16) dwelling units to locate within the existing building.
2. The ground floor of the existing building to be utilized for commercial purposes as part of 'Social Innovation Hub' which for the purposes of this By-law is defined as;
  - a. A business incubator to support a number of small start-up businesses in a collaborative environment with on-site support services.

3. That there is no outdoor storage associated with the ground floor commercial uses.
4. That where commercial uses occupy the ground floor, the required parking be reduced from 37 spaces to 21 spaces.

As required by the Planning Act notice was sent to all residents within 120m from the subject lands. The Notice of Appeal has been filed in accordance with the provisions of the *Planning Act*.

### **ANALYSIS**

The appeal may be viewed in the Legal Department.

### **FINANCIAL IMPLICATIONS**

The appeal will be argued by in-house staff. As such the financial impact is nominal.

### **STRATEGIC PLAN / POLICY IMPACT**

Not applicable.

### **RECOMMENDATION**

It is therefore recommended that Council take the following action:

Resolved that the report of the City Solicitor dated 2016 12 12 concerning Sault Career Community Centre – Zoning By-law 2016-176 and 2016-177 OMB Appeal be received and that despite the appeal, Council confirms its wish to proceed with the by-laws.

Respectfully submitted,

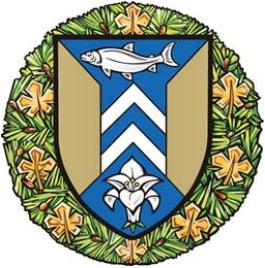


Nuala Kenny  
City Solicitor

NK/sp

Attachment

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**The Corporation of the  
City of Sault Ste. Marie**

**C O U N C I L   R E P O R T**

December 12, 2016

**TO:** Mayor Christian Provenzano and Members of City Council

**AUTHOR:** Melanie Borowicz-Sibenik, Assistant City Solicitor/Senior Litigation Counsel

**DEPARTMENT:** Legal Department

**RE:** Third Line Extension – 920939 Ontario Inc.

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**PURPOSE**

The purpose of this report is to update Council on the status of negotiations with 920939 Ontario Inc. regarding the value of the lands acquired by the City for the extension of Third Line between Great Northern Road and Peoples Road.

**ATTACHMENT**

The following is attached:

1. A map showing the property in question, described as Part 1 on Plan 1R-11776; and
2. A copy of the Memorandum of Understanding between 920939 Ontario Inc. and the City dated April 7, 2009 ("MOU").

**BACKGROUND**

920939 Ontario Inc. owns property extending from the north end of North Street up to Third Line. The City required a portion of these lands, specifically that portion near Third Line for the Third Line extension west of Great Northern Road. In or about 2009, the City entered into negotiations with 920939 Ontario Inc. for the acquisition of these lands. The City obtained an appraisal which valued the property to be acquired by the City at \$54,703.00. The Principal of 920939 Ontario Inc. did not accept the value, however importantly he did not want to hold up the City's plans for the extension of the road. This acquisition was essential as the City received funding for the extension with a deadline to meet and the road also needed to be complete in time for the opening of the hospital.

As such, the City and 920939 Ontario Inc. entered into the attached MOU. The arrangement was that the City would pay an interim amount of \$54,703.00 to 920939 Ontario Inc. for the property. If the City and 920939 Ontario Inc. could not later agree on a final value, the MOU provided that the matter would be sent to arbitration for determination of the value.

On February 22, 2010, City Council passed By-law 2010-41 which authorized the acquisition of the lands, and further directed payment of \$54,703.00 to 920939 Ontario Inc., subject to further negotiations with the company to determine the proper compensation payable.

920939 Ontario Inc. thereafter requisitioned an appraisal which determined the value of the lands based on market value plus injurious affection to the remaining land as \$350,500.00. The appraisal advanced the position that given the lands acquired by the City, specifically the lands between the Hub Trail and the newly acquired City Land (Subject Area), the balance of the parcel is no longer valuable to 920939 Ontario Inc. and ought to be considered in the valuation. The appraiser retained by the City reviewed this position and agrees with same. The City's appraiser has valued the parcel before the taking now as \$251,330.00.

## **ANALYSIS**

The expert retained by the City has established the proper compensation payable to 920939 Ontario Inc. as \$251,330.00. Pursuant to the MOU, the City is obliged to pay 920939 Ontario Inc. the balance of the compensation payable for the lands, specifically the sum of \$196,627.00. 920939 Ontario Inc. has been cooperative throughout this entire process and given the MOU, the City was able to complete the road extension within the funding timelines and prior to the opening of the hospital.

## **FINANCIAL IMPLICATIONS/ POLICY IMPACT**

There is a financial impact but the payment is a legal requirement. Making this payment completes the City's obligations under the MOU and complies with the valuation of the acquired lands as completed by the City's expert. Funds for the payment will come from the capital budget, specifically the uncommitted overall capital allocation for roads.

## **RECOMMENDATION**

It is therefore recommended that Council take the following action:

By-law 2016-203 authorizing the payment of \$196,627.00 to 920939 Ontario Inc., representing the final payment of all compensation payable by the City for the acquisition of lands described as Part 1 on Plan 1R-11776 for the City's Third

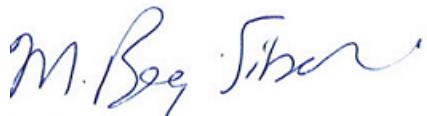
Third Line Extension – 920939 Ontario Inc.

2016 12 12

Page 3.

Line extension, appears elsewhere on the agenda and is recommended for approval.

Respectfully submitted,



Melanie Borowicz-Sibenik  
Assistant City Solicitor/Senior  
Litigation Counsel

MBS/mw

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## 2012 ORTHO PHOTO THIRD LINE HUB TRAIL

### Legend

#### HUB TRAIL

— Multi-Use Path

 3rd Line East Road Allowance

Reference Property: 371 Third Line East



METRIC SCALE  
1 : 3500

## **MEMORANDUM OF UNDERSTANDING**

### **B E T W E E N:**

**920939 ONTARIO INC.**  
A private Ontario Corporation  
Herein referred to as "920939"

- and -

**THE CORPORATION OF THE CITY OF SAULT STE. MARIE**  
Herein referred to as the "City"

### **WHEREAS:**

- (a) The City requires certain lands owned by 920939 abutting the existing Third Line road allowance for the purpose of a realignment of the said road allowance for the proposed Third Line extension/reconstruction between Great Northern Road and Peoples Road as shown on a Property Acquisition Plan for the said proposed realignment by TSH Engineers Architects Planners, herein called "TSH", a copy of which Plan is attached hereto; and
- (b) The lands required by the City are part of the proposed draft plan of the Mallard Landing Subdivision illustrated on a copy of the proposed draft plan attached hereto; and
- (c) The City is proposing to undertake an environmental assessment process to identify alternatives to North\South traffic flows with respect to future road patterns; and
- (d) The City and 930939 do not agree on the quantum of compensation to be paid by the City to 920939 for the required lands; and
- (e) The City wishes to proceed with the planned Third Line extension/reconstruction immediately and 920939 has agreed to accommodate the City so proceeding by agreeing to transfer the required lands to the City for that purpose prior to the

quantum of compensation being established provided (i) the City and 920939 agree to an arbitration mechanism to establish the quantum of compensation to be paid by the City for the required lands; and (ii) the City and 920939 entering into this Memorandum of Understanding (MOU) to provide for said arbitration and to address the other matters as herein set out.

**THIS MOU:**

- (i) Witnesses the binding agreement of the parties hereto that the issue of the quantum of compensation for the lands required by the City will be established by arbitration as herein set out; with both parties providing an appraisal prepared by a qualified appraiser to the arbitrator; and
- (ii) Is a statement of the common intent of the parties in relation to the other matters set out herein with respect to which the parties will take such steps as are reasonably required, consistent with such intent, directed to accomplishing the other matters herein set out using their bona fide best efforts so to do, it being acknowledged that the provisions of this MOU, not related to compensation, are not binding on the parties hereto, namely;
  - 1. 920939 agrees that the City is authorized to complete the reference plan of survey for the required lands as illustrated on the “TSH” Plan. As soon as the reference plan is recorded, 920939 will convey the required lands to the City for the sum of Fifty Four Thousand Seven Hundred and Three Dollars (\$54,703.00) based on the value determined by the City’s appraiser so the City can proceed with the Third Line extension/reconstruction forthwith. The quantum of the balance of the compensation, if any, for the lands shall be determined by arbitration if agreement cannot be reached by the parties.
  - 2. Arbitration shall be in accordance with the Arbitrations Act or in such other manner as the parties shall agree and, failing their agreement as to an arbitrator(s), same will be appointed on application to the Ontario Superior Court of Justice.

3. The City will, at its cost, seek to secure the necessary service easements from the East limit of the proposed Mallard Landing Subdivision to Industrial Court "B" for municipal services and access to the municipal services on Industrial Court "B" to service the proposed Mallard Landing Subdivision with services and to connect the East limit of the proposed Mallard Landing Subdivision to the services at Industrial Court "B".

4. The City, as part of the development of the proposed Mallard Landing Subdivision:

(a) will accept a conveyance of sufficient lands, generally abutting lots 24 to 34 inclusive as shown on the proposed draft plan of the Mallard Landing Subdivision, for the purposes of storm water retention facilities; and

(b) will accept a transfer of lands sufficient to support a future sewage pump station in the area of lot 46 on the proposed draft plan of the Mallard Landing Subdivision.

5. The City will request the Sault Ste. Marie Region Conservation Authority to convey a portion of its lands to the south and west of Block "E" and of lots 37 to 42 inclusive on the proposed draft plan of the Mallard Landing Subdivision, of sufficient depth, to create full lots along the west side of the proposed plan of subdivision and 920939 will convey those lands not developable due to conservation constraints to the Conservation Authority.

6. The City will grant to 930939 for the benefit of the proposed Mallard Landing Subdivision, legal road access, sufficient to permit Subdivision approval and development, to and over portions of that part of the Sackville Road Right-of-Way abutting the East limit of the Subdivision lands situate between the South limit of Third Line East and intersecting with Northridge Road. The present intention is to coordinate with the City's future extension of Sackville Road to Third Line, provided however, that should the extension not have materialized or fail to materialize at all and 920939 is prepared to proceed to have the Subdivision approved

and developed, the City will grant such access on a temporary basis sufficient for Subdivision approval and development until permanent access is granted.

Dated this 7<sup>th</sup> day of April, 2009.

920939 ONTARIO INC.

Per:

S.B.

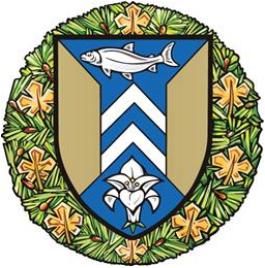
Salvatore Biasucci, President  
(I have authority to bind the Corporation.)

THE CORPORATION OF THE CITY OF  
SAULT STE. MARIE

Per

Lorie Bottos

Lorie A. Bottos, City Solicitor  
(I have authority to bind the Corporation.)



## The Corporation of the City of Sault Ste. Marie

### C O U N C I L   R E P O R T

December 12, 2016

**TO:** Mayor Christian Provenzano and Members of City Council

**AUTHOR:** Jeffrey King, Solicitor/Prosecutor

**DEPARTMENT:** Legal Department

**RE:** Conveyance of Part of Lane Abutting 85 Elmwood Avenue

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#### PURPOSE

The purpose of this report is to seek Council's approval to close and convey a lane in the Highland Park Subdivision, as well as to recommend to Council that the property described as Part PIN 31550-0178 (LT) being behind civic 85 Elmwood Avenue be declared as surplus and offered for sale by the City in accordance with the City's policy for the disposition of land.

#### BACKGROUND

The Legal Department received a request from Mauro Guzzo to close and convey part of the open lane extending the lane behind 85 Elmwood Avenue to Wawanosh Avenue. The City was also contacted by the owners of 63 Wawanosh Avenue, which abuts the City's property.

The Legal Department further received a request from Mr. Guzzo to convey part of the closed lane behind civic 85 Elmwood Avenue, running parallel to Elmwood Avenue.

The requests were circulated to various City departments for their comments. PUC will require an easement on the latter requested portion of the lane.

There were no other concerns.

#### ATTACHMENT

Attached as Schedule "A" is a drawing showing the lane as "Subject Property."

#### ANALYSIS

If Council declares a portion of the Subject Property surplus, the property will be advertised once in the Sault Star and also appear on the City's web page.

**FINANCIAL IMPLICATIONS**

If the City decides to dispose of the Subject Property it would be consistent with the City's plan to dispose of surplus property. There would also be a tax benefit to the City.

**STRATEGIC PLAN / POLICY IMPACT**

Not applicable.

**RECOMMENDATION**

It is therefore recommended that Council take the following action:

By-law 2016-206 being a by-law to assume the lane and By-law 2016-207 being a by-law to stop up, close and convey the lane, as well as By-law 2016-208 being a by-law to declare the City owned property described as Part PIN 31550-0178 (LT) being behind civic 85 Elmwood Avenue as surplus to the City's needs and to authorize the disposition of the said property in accordance with the City's policy for the disposition of land, appear elsewhere on the Agenda and are recommended for your approval.

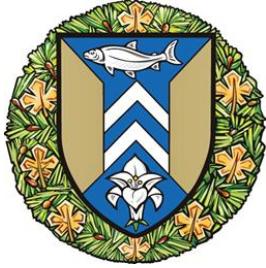
Respectfully submitted,



Jeffrey King  
Solicitor/Prosecutor

JK/md





## The Corporation of the City of Sault Ste. Marie

### C O U N C I L   R E P O R T

December 12, 2016

**TO:** Mayor Christian Provenzano and Members of City Council

**AUTHOR:** Peter Tonazzo, RPP, Senior Planner

**DEPARTMENT:** Community Development and Enterprise Services

**RE:** Smart Growth for Our Communities Act, 2015 (Bill 73)  
Highlights of Changes to the Planning Act

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#### PURPOSE

This report provides Council with an overview of the changes to the Planning Act under Bill 73.

#### BACKGROUND

The *Smart Growth for Our Communities Act, 2015* (Bill 73) received Royal Assent on December 3, 2015, with most changes coming into effect with proclamation on July 1, 2016.

Bill 73 implements a number of changes to the *Planning Act* and the *Development Charges Act*. This report focuses solely upon applicable changes to the Planning Act. The City does not currently have a Development Charges By-law in place that would require modification.

There are a number of changes implemented through Bill 73 that do not apply to Sault Ste. Marie, and as such, are not discussed in this report. For example, a number of changes relate to upper and lower tier Municipalities and the planning relationships thereof. As a Single Tier Municipality, Sault Ste. Marie is not impacted by these changes. There are also a number of amendments related to a ‘non-decision’. Although non-existent locally, other jurisdictions commonly fail to make a Planning decision within the 180-days prescribed by the Planning Act. Other changes are administrative in nature.

#### ANALYSIS

According to the Provincial Government, the changes to the Planning Act are intended to:

1. Citizen Engagement - Give residents more say in how their communities grow.

2. Certainty, Stability and Costs - Set out clearer rules for land use planning.
3. Local Decision Making and Accountability - Give municipalities more independence to make local decisions.
4. Dispute Resolution – Make it easier to resolve disputes.
5. Transparency - Make ‘Section 37’ (of the Planning Act) density bonusing and the parkland dedication systems more predictable, transparent and accountable.

Comments are organized by the above noted themes.

#### Citizen Engagement

1. Enhanced Requirement for the Ontario Municipal Board (OMB) to have Regard to Public Input

This change enhances the OMB’s requirement to have regard for both written and oral submissions, received at the local level during the decision making process.

Impact: There are no local impacts resulting from this change.

2. Enhanced Alternative Notice Provisions

This change enhances the Municipality’s ability to tailor notice procedures related to who receives notice, how notice is given, and the timing of notice in relation to a public meeting. In order to utilize alternative notice procedures, specific Official Plan policies outlining such procedures are required.

Impact: To be determined as part of the proposed new Official Plan project. One alternative might be publishing statutory notices in online media, rather than print media. Planning staff is in discussions with the Province to determine details thereof.

3. Council Decisions to Explain Effect of Public Input

Council is now required to explain the effect of public input, if any, on planning decisions. The explanation must be written into the Notice of Decision. The Province has indicated that the intent of this change is to ‘provide more transparency and consistency in decision-making across all municipalities’.

Impact: The explanation is required in the Notice of Decision; however there is local discretion in how this is accomplished. Staff has reviewed a number of approaches which have been implemented by other

Municipalities, and there appears to be a spectrum. At one end, Municipalities are including a general statement indicating that public comments were reviewed and a decision was made. At the other end, some Municipalities are including a table which groups and summarizes comments received, and provides a summary of the effect these comments had on the decision.

In discussions with the Clerk and Legal Departments, it has been determined that Notices of Decision will include the following statement:

*“Council received written and oral submissions regarding the said By-law for which the effect was both duly considered and formed part of the deliberations of Council.”*

Staff is of the opinion that a detailed summary could lead to arguments that comments and their overall effect were misinterpreted. Therefore, in this case, a more general, cautious approach is recommended.

The Committee of Adjustment will continue the current practise with Notices of Decisions acknowledging written and oral submissions and the effect on the Committee's decision, if any.

#### 4. Requirement to Include Public Consultation Policies in Official Plans

In order to provide the public with greater certainty regarding how they will be engaged in the planning process, Official Plans must include descriptions and procedures with regards to informing and obtaining views of the public on various Planning Act applications. This requirement complements the enhanced alternative notice provisions discussed earlier.

Impact: As part of the new Official Plan, policies regarding public notice will be developed and included.

#### Certainty, Stability and Costs

#### 5. Provincial Policy Statement & Official Plan Comprehensive Review Cycles Increased from 5 to 10 Years.

Prior to this change, the Planning Act required Municipalities to conduct a 'comprehensive review' of Official Plans every 5 years. The Province was required to review the PPS every 5 years. This is a welcome change. Significant resources are required to conduct a 'comprehensive OP review'. Furthermore, the increased review cycles will add certainty and stability to the Local and Provincial land use planning framework.

Impact: Given the current age of the existing OP (1996) a new Official Plan is still required; however it won't need to be comprehensively reviewed for 10-years after it is adopted.

#### 6. OP/Zoning By-law Amendments & Minor Variances - 2-Year "Time-Out"

This change prohibits privately initiated applications to amend an Official Plan or Zoning By-law for 2 years after they have been passed. The amendment also prohibits minor variance applications within 2 years of the passing of a site specific zoning by-law. Municipalities can pass a resolution to allow privately-initiated applications during the 'time-out'.

Impact: The implementation of this provision is a local decision. It is Planning Staff's opinion that the ability to permit rezoning and minor variances applications within 2 years of a new zoning by-law is appropriate.

It is therefore recommended that Council pass a Resolution to allow proponents to apply for a minor variance or rezoning within 2-years of the passing of a zoning by-law, whether such by-law was site specific or comprehensive.

In terms of Official Plan Amendments, this will be reviewed as part of the new Official Plan project.

#### 7. New Provincial Interest – Built Form

'Built form' has been added to the list of 18 Provincial Interests. More specifically, built form shall be '*well designed, encourages a sense of place, provides for public places that are of high quality, safe, accessible, attractive and vibrant*'.

Impact: Council 'shall have regard to' Provincial Interests when making land use decisions. The inclusion of 'built form' as a Provincial Interest is welcomed by Planning Staff. Built form is an integral component of the 'place making' approach currently being adopted, with special focus upon the downtown.

#### 8. Built Environment Policies in Official Plans

Official Plans must now contain policies related to the built environment. This complements the inclusion of 'built form' as a Provincial Interest. The Planning Act does not contain minimum standards and at this point there appears to be local discretion in how to implement this change, subject to any future changes to Provincial Policies.

**Impact:** The new Official Plan will include goals, objectives and policies to manage and direct physical change, including the effects on the social, economic, built and natural environment of the municipality.

### Local Decision Making and Accountability

#### 9. 90-day ‘Time-Out’ for Official Plan and Official Plan Amendments

The Planning Act requires Municipalities to make a decision on a Planning Act Application within 180 days of the application being accepted as complete. This amendment would allow Municipalities and applicants the ability to agree upon a 90-day extension to the 180-day requirement.

**Impact:** As previously noted, ‘non-decisions’ are quite common in some jurisdictions, but virtually non-existent locally. Planning Division’s general timeline for most applications is 60-days between deeming the application as complete to a Council decision. This turnaround is likely one of the quickest in the Province.

### Dispute Resolution

#### 10. No Appeal of Specific Provincial Approvals

This change removes the ability to appeal Official Plans and Official Plan Amendments aimed at implementing Provincially approved Plans.

**Impact –** The majority of applicable Provincially approved Plans relate to Southern Ontario, including the boundaries of the Lake Simcoe Watershed and Oak Ridges Moraine, as well as the population projections contained within the Growth Plan for the Greater Golden Horseshoe Area. Having said this, the vulnerable areas as defined by the Provincially approved Sault Ste. Marie Area Sourcewater Protection Plan cannot be appealed.

#### 11. No Appeal of Second Unit Policies

This change removes the ability to appeal the establishment of second unit policies (e.g. basement apartments) within an Official Plan.

**Impact:** Provincial Policy requires OP’s to contain second unit policies. Upon completion of the new OP these policies cannot be appealed. Locally, basement apartments have been generally well received and

Council has approved numerous applications to permit basement apartments within single detached dwellings.

#### 12. No Ability to Appeal an Entire New Official Plan

The changes remove the ability to appeal an entire Official Plan.

**Impact:** This applies to new or comprehensively reviewed OP's. Appellants can no longer simply appeal the entire document. This allows uncontested policies to come into effect and helps to scope matters before the OMB.

#### 13. Clearer Reasons for Appeals

Prior to this change, appellants were required to simply set out the reasons for the appeal. This change requires appellants to explain the reasons for an appeal in respect of local and Provincial Policies. Failure to do so may result in the OMB not hearing the appeal.

**Impact:** This change could eliminate frivolous and vexatious appeals and result in a better scoped OMB hearing.

#### 14. Alternative Dispute Resolution – 60-day ‘Time-Out’

Alternative Dispute Resolution (ADR) is a mechanism that allows Council and the Appellant to resolve Planning disputes in the event of an OMB appeal. Prior to this change, the Municipality had 15-days to receive and forward an OMB appeal. Recognizing that this does not grant much time to employ ADR, the Municipality can extend sending the appeal record to the OMB by 60-days, to allow additional time to resolve the matter.

**Impact –** Alternative Dispute Resolution can be very useful in some circumstances, and the additional time to employ ADR is welcomed.

#### 15. Additional Criteria for Minor Variances

Section 45 of the Planning Act outlines ‘the 4 tests’ of a minor variance.

Briefly:

1. Is it minor?
2. Is it desirable?
3. Is it within the intent and purpose of the zoning by-law?
4. Is it within the intent and purpose of the Official Plan?

This change authorizes Municipalities to establish (via by-law) additional local criteria. The Province has established a working group to create Provincial Regulations related to the scope of local minor variance criteria.

**Impact:** Until the regulations are in place, it is difficult to determine if it is desirable to establish local criteria of what constitutes a minor variance.

### Transparency

#### 16. Reporting for Parkland Fees

Municipal treasurers are now required to provide Council with an annual financial statement that is available to the public. This statement will provide the public with a better understanding of how parkland fees are being utilized.

**Impact:** ‘Cash in lieu of Parkland’ fees are collected whenever a new lot is created by way of severance, and in some cases for new subdivisions. The fee is calculated as 5% of the assessed raw land value, prior to development. The fees are then used to construct and/or maintain parks and other city recreational facilities. Planning has informed Finance who will be responsible for preparing the public report.

### **FINANCIAL IMPLICATIONS**

There are not any significant financial implications resulting from Bill 73.

### **STRATEGIC PLAN / POLICY IMPACT**

The Planning Act amendments resulting from the *Smart Growth for Our Communities Act, 2015* are positive and welcome. The overall goals of the Act (Bill 73) are intended to provide residents with greater say in land use planning, offer more avenues for local dispute resolution and provide greater accountability and transparency. These changes will support the Strategic Plan’s stated Values of *Accountability and Transparency, Integrity and Honesty, and Commitment to Citizens and the Community*.

### **RECOMMENDATION**

Resolved that the Report of the Senior Planner, dated 2016 08 22 be received and that Council pass the following Resolution:

WHEREAS section 34 of the *Planning Act* prohibits amendments to zoning by-laws within two years of their passing and section 45 of the *Planning Act* prohibits minor variance applications within two years of the by-law in respect of the land;

Bill 73- Highlights of Changes to the Planning Act

2016 12 12

Page 8.

AND WHEREAS sections 34(10.0.0.2) and 45(1.4) authorize Council to permit such requests by resolution;

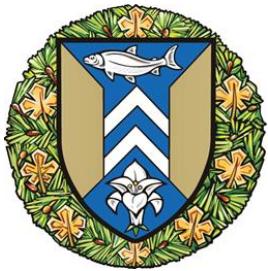
NOW THEREFORE BE IT RESOLVED that the Planning Department be permitted to accept requests for zoning by-law amendments and minor variance applications within two years of the passing of the by-law in respect of the land.

Respectfully submitted,



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Senior Planner  
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PT/ps



## The Corporation of the City of Sault Ste. Marie

### C O U N C I L   R E P O R T

December 12, 2016

**TO:** Mayor Christian Provenzano and Members of City Council

**AUTHOR:** Don McConnell MCIP RPP  
Director of Planning and Enterprise Services

**DEPARTMENT:** Community Development and Enterprise Services

**RE:** Rental Housing Incentive Program - 8

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#### PURPOSE

The purpose of this report is to update City Council on the status of this initiative and to recommend the withdrawal of a previously approved tax increment rebate for 531 Trunk Road given the availability of alternative government funding.

#### BACKGROUND

In 2013, City Council approved a Rental Housing Community Improvement Plan under Section 28 of the Planning Act and Section 365.1 of the Municipal Act. This legislation allows municipalities to provide property tax assistance for qualified projects.

The development of additional rental units is important to provide for a range of housing types to match residents' needs; to ensure that the overall supply of affordable housing is maintained; and to provide good short-term housing options for persons wishing to move to Sault Ste. Marie.

The Rental Housing Community Improvement Plan provides for tax rebates on a declining basis over a three-year period (75%, 50%, 25%) with an additional incentive for facilities which support assisted-living programs or where additional barrier free units are constructed.

This incentive program will expire on September 9<sup>th</sup> 2018.

#### ANALYSIS

Between 2006 and 2012, only 87 apartment units in buildings of more than four units were constructed, representing just 9% of all residential units built during that time. Of these, 49 units benefited from the Downtown Community Improvement Plan tax rebate program and an additional 11 received provincial

## Rental Housing Incentive Program

2016 12 12

Page 2.

funding. In summary, only 27 units were built by the private market over a six-year period.

Since the Rental Housing Incentive Program came into effect in 2013, the following 205 units have been completed or are under construction.

- 496 Second Line West (12 units)
- 606 Connaught Street (19 units)
- 676 Bay Street (39 units)
- 181 Greenfield Drive (16 units)
- 384 Dovercourt Road (4 units)
- 705 North Street (82 units)
- 199 Breton Road (four units)
- 342 John Street (21 units)
- 69 Elmwood Avenue (five units)

The total construction value of these projects exceeds \$23,800,000.

In addition, the following 26 units had been approved but construction has not yet begun.

- 309 E. Balfour Street (18 units)
- 46 Melrose Avenue (eight units)

One additional project, an 18 unit building located at 531 Trunk Road was approved by City Council on November 23, 2015. Subsequent to that approval, this project became eligible for funding under the Investment in Affordable Housing for Ontario Program. Given significant other government funding for this project, it is recommended that the approval for a tax rebate under the Rental Housing Incentive Program be repealed.

### **FINANCIAL IMPLICATIONS**

As a result of repealing the tax rebate for this property, the full taxes associated with the increase in assessment will apply upon completion of construction.

### **STRATEGIC PLAN / POLICY IMPACT**

This recommendation is not linked to any specific policies contained within the Corporate Strategic Plan.

### **RECOMMENDATION**

It is therefore recommended that Council take the following action:

Resolved that the report of the Director of Planning and Enterprise Services dated 2016 12 12 concerning the Rental Housing Incentive Program be received and that the previous approval for a tax rebate for 531 Trunk Road be repealed.

Respectfully submitted,

Rental Housing Incentive Program

2016 12 12

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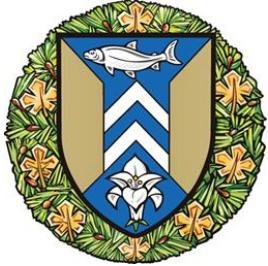


Donald B. McConnell

Director of Planning and Enterprise  
Services

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## The Corporation of the City of Sault Ste. Marie

### C O U N C I L   R E P O R T

December 12, 2016

**TO:** Mayor Christian Provenzano and Members of City Council

**AUTHOR:** Don McConnell, MCIP RPP  
Director of Planning and Enterprise Services

**DEPARTMENT:** Community Development and Enterprise Services

**RE:** Community Engagement and Planning Advisory Committee

---

#### PURPOSE

The purpose of this report is to recommend a more comprehensive approach to community engagement related to developing planning policy; to dissolve the Planning Advisory Committee and to establish a new Community Development Awards Committee.

#### BACKGROUND

In the 1960s and 1970s, the City shared a joint Official Plan with Prince Township. The Sault Ste. Marie and Suburban Area Planning Board included representatives from both the City and Prince Township and made recommendations on Official Plan amendments to both municipal councils. This was a legally mandated requirement. The Planning Board also held public hearings and made recommendations on all land-use development approvals.

In the 1980s, the City and Prince Township adopted separate Official Plans and the legal requirement for a joint Planning Board was lost. However the Planning Board continued to hold public meetings and provide recommendations on all land use development matters.

In 1989, City Council dissolved the Planning Board. In practice, the Board would hold a public hearing on a development application and make a recommendation to City Council. City Council would then hold a second public hearing and make a decision on the application. With the dissolution of the board, all applications were dealt with directly by City Council.

Also in 1989, City Council established the Planning Advisory Committee (By-law 89-323). In summary, PAC's activities were to provide a layperson's comment on

planning matters and to deal with specific issues referred to it by City Council. City Council has not referred any matters to the Planning Advisory Committee in some time.

## **ANALYSIS**

Public engagement is a fundamental building block in developing public policy. In recent years, new tools have become available that allow all residents to participate in the discussion on various municipal issues. The recently approved Downtown Development Strategy was developed with input obtained from an online survey, pop-up engagement booths, open house events, the Mayor's downtown forum and various forms of social media. By using a variety of events, all persons wishing to comment were given the opportunity.

Individual issues such as active transportation initiatives are dealt with by working groups comprised of members with specialized expertise or specific interest in the matter.

Given this approach, it is no longer necessary to have a special committee to provide general comments on behalf of the public.

The Planning Advisory Committee developed the Community Development Award several years ago and continues to administer this program. This program recognizes outstanding examples of community design and encourages other projects to meet a similar high standard. This program should be continued and it is recommended that a new Community Development Award Committee be created specifically to recommend projects for City Council awards. If City Council is in agreement with this recommendation, staff will develop terms of reference for the new committee.

Staff is also recommending that a protocol for community engagement be developed for all types of development approvals including official plan policy, comprehensive zoning bylaw amendments, community improvement plans, and site-specific development approvals such as new plans of subdivision and rezonings.

## **FINANCIAL IMPLICATIONS**

As Planning Advisory Committee members are not paid, there will be no direct cost savings. However, there will be a reduction in staff time committed to administration that can be redirected to new activities being undertaken to achieve the recently approved 2016-2020 Corporate Strategic Plan community development focus area objectives.

## **STRATEGIC PLAN / POLICY IMPACT**

The recommendations contained in this report are consistent with the accountability and transparency values of the City's Corporate Strategic Plan and encourage more residents to participate in community development decisions.

**RECOMMENDATION**

It is therefore recommended that Council take the following action:

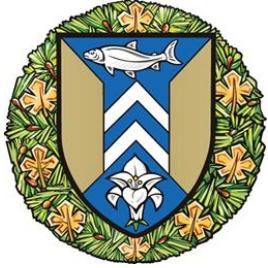
Resolved that the report of the Director of Planning and Enterprise Services dated 2016 12 12 concerning Community Engagement and the Planning Advisory Committee be received and that City Council:

1. Dissolve the Planning Advisory Committee and thank past members for their service;
2. Request staff to develop terms of reference for a new Community Development Award Committee specifically to recommend future development awards to City Council; and
3. Request staff to create a community engagement protocol for all types of development approvals.

Respectfully submitted,



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## The Corporation of the City of Sault Ste. Marie

### COUNCIL REPORT

December 12, 2016

**TO:** Mayor Christian Provenzano and Members of City Council

**AUTHOR:** Andy Starzomski, Manager of Traffic and Communications

**DEPARTMENT:** Public Works and Engineering Services

**RE:** Traffic Bylaw – Annual Review 2016

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#### PURPOSE

The purpose of this report is to seek Council approval of amendments to the Traffic By-law No. 77-200.

#### BACKGROUND

The Traffic Division of Public Works and Engineering Services conducts an annual review of Traffic By-law 77-200. The following is a list of revisions for this year.

#### ANALYSIS

##### Schedule A Section 6 - Parking Prohibited

ADD:					
Street	Side	From	To	Prohibited Times or Days	
Wilson St	South and East and West	North Limit of Civic 444	South through full radius of turn around	Anytime	
East St	West	Bay St	31m north of Bay St	Anytime	
Texas	West	Bennett Boulevard	52m north of Bennett Boulevard	Anytime	

<b>REMOVE:</b>				
MacDonald Avenue	North	46m west of Pim St	15m east of Gladstone Ave	0600 hrs to 0900 hrs 1500 hrs to 1800 hrs Saturdays, Sundays and holidays excepted
MacDonald Avenue	South	Pim Street	Gladstone Avenue	April 1st to October 31st 0600 hrs to 0900 hrs 1500 hrs to 1800 hrs

### Schedule F Section 21 – Stop Signs & Intersections

<b>REMOVE:</b>		
<b>Intersection</b>	<b>Direction of Traffic</b>	<b>Stop Street</b>
Church Street & Pim Street	Westerly	Church Street

### Schedule H Section 23 – Yield Signs & Intersections

<b>REMOVE:</b>		
<b>Intersection</b>	<b>Direction of Traffic</b>	<b>Stop Street</b>
Church Street & Pim Street	Westerly	Church Street

### FINANCIAL IMPLICATIONS

The topic of this report results in no financial implications.

### STRATEGIC PLAN / POLICY IMPACT

The recommendations of this request are not linked to any activity of the Corporate Strategic Plan.

### RECOMMENDATION

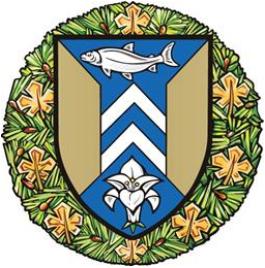
It is therefore recommended that Council take the following action:

Resolved that the report of the Manager of Traffic and Communications dated 12 12 2016 be accepted and furthermore that Council direct the Legal Department to bring forward the appropriate bylaw amendments at a later date.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Andy Starzomski".

Andy Starzomski  
Manager of Traffic and  
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[al.starzomski@cityssm.on.ca](mailto:al.starzomski@cityssm.on.ca)



## The Corporation of the City of Sault Ste. Marie

### C O U N C I L   R E P O R T

December 12, 2016

**TO:** Mayor Christian Provenzano and Members of City Council

**AUTHOR:** Tom Vair, Deputy CAO, Community Development & Enterprise Services

**DEPARTMENT:** Community Development and Enterprise Services

**RE:** Economic Development Review

---

#### **PURPOSE**

The purpose of this report is to outline recommended next steps following receipt of the economic development review completed by MDB insight.

#### **BACKGROUND**

On March 7, 2016, City Council passed a resolution (original motion below) requesting staff undertake an assessment, either directly and/or with the assistance of an independent third party, of the City's economic development and provide a report to Council. The report was to outline best practices and models for effective economic development; how the City's economic development models compares to best practices; and, provide recommendations on what the City could and/or should be doing to ensure that its economic development efforts are producing the best results.

An RFP process was utilized and the firm MDB Insight, an economic development consultancy, was selected. The focus of the report was on three economic enablers: the Sault Ste. Marie Economic Development Fund; the Sault Ste. Marie Economic Development Corporation (SSMEDC) and Sault Ste. Marie Innovation Centre (SSMIC).

#### Motion:

"Whereas the corporation of the City of Sault Ste. Marie (City) has a Memorandum of Understanding with the Sault Ste. Marie Economic Development Corporation (SSMEDC) dated September 28, 2009 naming the EDC as the City's lead agency on economic development; and

Whereas the City provides annual funding to the SSMEDC in the approximate amount of \$1.7 million per annum; and

Whereas the City has a Memorandum of Understanding with the Sault Ste. Marie Innovation Centre (SSMIC) dated April 12, 2010 that identifies the mission of SSMIC as, “to drive business growth, facilitate research, and commercialize innovation in globally significant areas of science and technology”; and

Whereas the City Provides annual funding to the SSMIC in the amount of \$277,890 per annum; and

Whereas the City allocates an additional \$500,000 per annum to the Economic Development Fund (EDF) for the purpose of supporting new job creation, tax assessment and economic development; and

Whereas the funds allocated to the SSMEDC, SSMIC and the EDF represents the majority of the City’s investment in economic development; and

Whereas the City recognizes the importance of effective economic development and the need to diversify its economy and grow its assessment base; and Whereas the City has a responsibility to ensure that it is making the most effective and efficient use of its economic development funds;

Now Therefore Be it Resolved that City Council direct the Chief Administrative Officer to undertake an assessment, either directly and/or with the assistance of an independent third party, of the City’s economic development and provide a report to Council outlining the following:

1. Best practices and models for effective economic development;
2. How the City’s economic development model compares to best practices; and
3. Recommendations on what the City could and/or should be doing to ensure that its economic development efforts are producing the best results.”

MDB insight conducted a series of interviews, reviewed documentation and hosted a workshop with community stakeholders to discuss economic development in Sault Ste. Marie. The City is now in receipt of the final report from MDB Insight.

## **ANALYSIS**

The “Review of Sault Ste. Marie’s Economic Development Enablers and Investments” contains a number of strategic recommendations for consideration (*Appendix A*). These recommendations include a review and update of processes surrounding the Economic Development Fund; the suggestion that the SSMEDC and SSMIC consolidate into one economic development entity along with a process for corporate restructuring; and, revisions to the Memorandum of Understanding to reflect revised roles/responsibilities and thresholds for discretionary spending.

The recommendations represent significant changes to the economic development enablers in the community. SSMEDC and SSMIC are arm’s length organizations, separately incorporated, and both administered by Boards of

Directors. Both organizations receive funding from the City of Sault Ste. Marie but also other levels of government and external organizations. As such, City staff will engage in discussions with SSMEDC and SSMIC on implementing the recommendations of the report and report back in January, 2017 with a proposed implementation plan.

### **FINANCIAL IMPLICATIONS**

Financial implications of the report will be determined based on the outcome of discussions with SSMEDC and SSMIC and a final recommendation from staff. From a policy perspective, revisions to existing Memorandum's of Understanding with economic development stakeholders will be made to clarify goals and objectives and improve reporting back to the City.

### **STRATEGIC PLAN / POLICY IMPACT**

This item directly aligns with the Corporate Strategic Plan in the focus area of Community Development and Partnerships. Specifically, the plan states "We foster an environment where economic development dollars are maximized so that existing and new business can flourish. Citizens expect true value for their tax dollars. We are committed to maintaining financial viability by strategically embracing our future with careful consideration and calculated risk in all undertakings."

### **RECOMMENDATION**

It is therefore recommended that Council take the following action:

Resolved that the MDB Insight Final Report and Technical Appendix dated 2016 12 01 concerning Review of Sault Ste. Marie's Economic Development Enablers and Investments be received and referred to staff to report back to Council in January 2017 with a plan to implement the recommendations of the report; and

Further that pursuant to section 7.1 of the Memorandum of Understanding (MOU) between the City of Sault Ste. Marie and the Sault Ste. Marie Economic Development Corporation dated August 2009, that staff be directed to provide formal notice of termination of the said MOU; and

Further that pursuant to section 7.1 of the Memorandum of Understanding (MOU) between the City of Sault Ste. Marie and the Sault Ste. Marie Innovation Centre dated September 2009, that staff be directed to provide formal notice of termination of said MOU.

Respectfully submitted,



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# **Review of Sault Ste. Marie's Economic Development Enablers and Investments**

**FINAL REPORT**

December 1<sup>st</sup>, 2016





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# Executive Summary

Sault Ste. Marie is a transitioning economy confronting 21<sup>st</sup> century needs for innovation, ingenuity, diversification and fiscal awareness. The City has a diverse economic development ecosystem, including two non-profit entities that are key drivers to local economic prosperity, the Sault Ste. Marie Economic Development Corporation (SSMEDC) and the Sault Ste. Marie Innovation Centre (SSMIC). This ecosystem network also includes additional internal municipal support and frequent collaborators, along with various external public and non-profit organizations.

The City of Sault Ste. Marie recognizes the importance of stepping back and assessing the health and viability of the economic development organizations for which it is a primary source of core funding. These include SSMEDC and SSMIC, as well as the Economic Development Fund (EDF), which City Council administers directly for the purpose of promoting economic development in the community. It is for this reason that a review of Sault Ste. Marie's economic development enablers and investments has been undertaken. The term "enablers" is used here to represent these "economic development tools" that are designed to encourage, promote, and facilitate economic development in Sault Ste. Marie and the broader region of Algoma (to which some of their activities and programs apply).

MDB Insight, Canada's largest specialist economic development consultancy firm, was commissioned to undertake this Review and provide recommendations on how the City can effectively position its principle economic development enablers in order to increase their effectiveness and efficiency.

This Review brings together the results of a detailed and thorough examination of SSMEDC, SSMIC, and the EDF. In compiling the research the firm reviewed documents, reports, budgets and financial statements, and undertook stakeholder consultations and case study reviews. A supporting Technical Appendix also accompanies this report containing detailed background analysis, review, and discussion.

## Report Chapters

Numerous chapters come together to form the body of this Review. They are:

- **Introduction** – This section pieces together the context and purpose of this exercise and the various activities undertaken in support of the Review
- **Governing Economic Development Enablers** – A chapter dedicated to reviewing the governance structures, memoranda of understandings, methods of accountability, and financial performance of SSMEDC, SSMIC and the EDF
- **Economic Development Ecosystem** – An overview of findings from the ecosystem review conducted for the project is provided, including the areas of activity and leadership roles of different actors in addition to the City, SSMEDC and



SSMIC, such as the Chamber of Commerce, Community Development Corporation, and local post-secondary institutions

- **Revenue Generators** – This component investigates several revenue generators that currently exist in SSMEDC and SSMIC and shows how diversified revenue is an important contributor to financial sustainability of organizations or as a supplement to existing revenue
- **Consolidation** – A rationale is provided for consolidating SSMEDC and SSMIC, including attention to fiscal savings and benefits of coming together, developing an effective performance monitoring and measurement framework, and building out a new corporate structure
- **Moving Forward** – A final chapter that provides an action list of strategic recommendations that will guide the transition processes and revisions to the EDF, and outlines a timeline for the action plans

## Key Recommendations

In order to achieve a more accountable, transparent, and outcomes-based relationship between the City of Sault Ste. Marie and its economic development investments (enablers), this report recommends the following:

- **Update the Economic Development Fund**
  - Undertake and complete a systematic review of the Economic Development Fund (EDF)
  - Implement a new, formal annual review process that is subject to accounting audit to determine return on investment (ROI)
  - Implement a clear Terms of Reference for the EDF which includes defined eligibility and evaluation criteria with recipient conditions
  - Remove conflict of interest from external parties and assign City staff to administration of the City Council fund (no party should have advisory and applicant privileges)

### Rationale for Recommendation:

The EDF is a municipally controlled fund which is administered by City Council. Analysis found that the fund requires a deeper level of ownership on the part of the City in terms of managing and deciding on funding recipients.

The existing Memorandum of Understanding for Sault Ste. Marie Economic Development Corporation (SSMEDC) positions the organization as both a beneficiary of and advisor to City Council on the EDF.

The relationship places SSMEDC in a conflict of interest with the City, and a future MOU must therefore distance the new organization from any role of influence on the Fund. Instead, the fund must be completely self-contained within the municipal government with no outside influence on how it is awarded.



■ **Consolidate the Sault Ste. Marie Economic Development Corporation (SSMEDC) and Sault Ste. Marie Innovation Centre (SSMIC) into One Economic Development Entity**

- Enact a Transition Committee and Transition Manager to guide the reconfiguration process (to include discussions with funders and provincial Ministries as to legalities and considerations)
- Undertake a corporate strategic planning process to establish a vision, mission, goals, and objectives along with clear action plans
- Establish a Balanced Scorecard performance measurement system

**Rationale for Recommendation:**

There are various reasons underpinning the recommendation to consolidate.

First, a consolidated organization would result in a simplified Memorandum of Understanding (MOU) relationship for the City, and any mechanisms of accountability and performance monitoring would be streamlined within a single organization.

Second, from a user and service perspective, consolidation would present a unified brand and central location for directing stakeholder attention. This would help “de-clutter” the existing landscape and reduce confusion over who does what.

Third, both organizations share many services and activities that if consolidated would lead to a reduction in duplication or redundancy.

Finally, consolidation would reduce costs and pool resources resulting in financial savings. These savings include considerations of reduced over-head costs and duplicated roles.

A Transition Committee and Transition Manager are needed to steer the planning and implementation process of developing the new organization. A corporate strategic plan will ensure the forthcoming organization is able to understand its purpose, scope, and plans for operating in the future, so that performance monitoring can show if progress is being made and in what ways.

The balanced scorecard method of performance monitoring works like a report card on activities that are important to the new organization and its stakeholders. A detailed example is provided in the report, which can be used as a starting point in developing a template once the corporate strategic plan is finalized.

■ **Review and Revise the Memorandum of Understanding (MOU)**

- Construct the new MOU in a manner that captures the newly incorporated structure and its roles and responsibilities
- Pending legal advice concerning hypothetical liabilities for the City, the MOU must specify a threshold for discretionary spending which will



serve as a mechanism for seeking Council approval on expenditures exceeding a given amount

**Rationale for Recommendation:**

Given that a new Corporation will be created, a new MOU is required to formalize the relationship of accountability between the City and the new Corporation. Previous MOUs for SSMEDC and SSMIC lack clarity in (a) linking deliverables to their respective performance measures, (b) defining the performance measures themselves, and (c) articulating any fee-for-service components which would establish how the funding can be used.

Because there has been concern in the past over the level of risk that some project investments may result in, there is a recommendation for a threshold to be identified above which the new organization would require City Council approval for expenditures exceeding a given amount.

It is recommended that the legal ramifications also be investigated, due to the requirement of City Council to sign-off on certain expenses that may induce liability. This legal question is beyond the scope and purview of this report but should be examined nonetheless.

The threshold, if agreed upon, would serve as a form of insurance that the City is satisfied with the due diligence, reason, and potential outcomes of action and inaction associated with investments that exceed a given amount. The mechanism also allows the City to intervene on high expenses that it believes are too risky, if it is not satisfied with the arguments put forward by the new organization.

■ **Corporate Restructuring Process (Transition Committee/Manager)**

- Undertake the necessary business administration, due diligence, and legal processes to incorporate and consolidate operations
- Undertake a comprehensive examination of assets and liabilities (including lease arrangements)
- Examine the potential for consolidated and/or coexisting office, incubation, and work space to maximize assets and reduce overhead
- Examine human resources implications and develop a transition strategy
- Begin the recruitment process for the new Board of Directors and executive leadership positions
- Identify and adopt a new formal organizational framework (refer to the figure below)



### Rationale for Recommendation:

A rationale has been outlined above for organizational consolidation. It is, however, necessary and equally important to rationalize considerations of the corporate restructuring process itself that will see the new organization come to life.

Business administration, due diligence, and legal processes need to be undertaken in order to ensure the Corporation can be formed as a legal person. Business administration is important to understanding what is going to happen to the existing structures, while ensuring a plan is in place to facilitate the transition.

Due diligence is important to ensure all forms, applications and necessary supporting materials are prepared for the incorporation processes. Legal processes are important to formalize the new structure and to seek guidance from legal experts on how to go about different aspects of incorporating. A comprehensive examination of assets and liabilities is needed in order to understand who owns what and who owes what to whom. A sound understanding of how each organization is functioning is needed as a basis for planning the future financial structure of the organization and its detailed budget items.

A number of recommendations were made for consolidation, collocation and reducing overhead. These require specific attention from the Transition Committee so that the necessary space arrangements can be made. Consolidation will yield savings in overhead costs once amalgamation is complete, but decisions will need to be made about what to keep, what to alter, and what to let go of or cancel.

The report identified that there are various ways in which consolidating the organization would result in redundancies in roles. These redundancies cannot be wholly eliminated, but instead must take into consideration the expanded workload and responsibility of remaining staff and possible requirements for support staff to shoulder additional work. Making decisions about how this process will occur and on what timeline requires a plan of action to ensure the process roles out smoothly.

Because the recommendation is for a new Corporation to be formed, a new Board of Directors will be a legal requirement. The Board will naturally need to be populated, and the Transition Committee needs to guide that process. Furthermore, senior management will need to be chosen to run the new organization.

Consolidating the two existing organizations, each with their own current organizational structures, requires adapting both into a single entity. SSMEDC had a structure with three divisions beneath it (Operations, Business Enterprises, and Tourism), while SSMIC had six divisions (Development, Business Development, Finance and Administration, Marketing & Communications, Community Geomatics Centre, and Information Technology). The new structure emerges as a consolidated entity with four divisions.



## Organizational Structure

As noted above, a new organizational structure is recommended for the consolidated economic development organization. The structure brings together all components of SSMEDC and SSMIC into a single, four-division entity.

At the head of the structure is a Joint Board of Directors, which represents the governance mechanisms of the organization. Beneath the board is a temporary place holder for an Innovation Board of Directors (signified by the blue hash-mark line). The reason it is temporary is because if possible, the Innovation Board of Directors would be eliminated completely. Because SSMIC is part of the Regional Innovation Centre (RIC) Network that is funded by the Ministry of Research, Innovation and Science, the precedent is that each RIC is headed its own Board of Directors. Case studies such as Invest Ottawa have shown that a larger organization can function with both a RIC Board of Directors and another, broader Board of Directors, but this model is cumbersome and the primary recommendation of this Review has been to examine the legal feasibility of having a single Board instead of two.

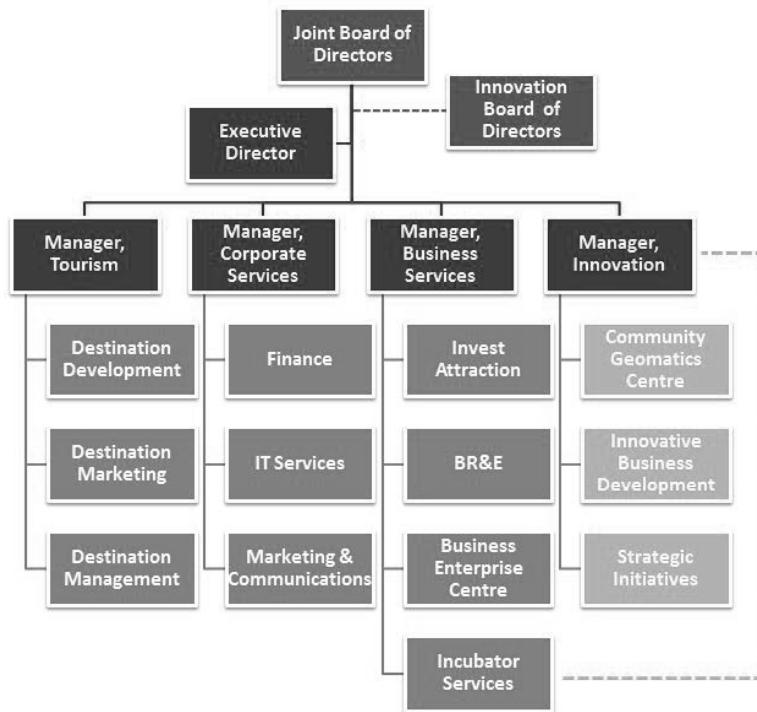
Since the recommendation to bring SSMEDC and SSMIC completely together is a novel one, there is currently no existing example of a single Board of Directors governing both economic development and RIC activities. This new structure, if legally feasible, would see the Joint Board of Directors take on the legal responsibility of governing all aspects of the organization, including the RIC components. If a legal consultation with the Ministry determines the Joint Board of Directors is sufficient to serve as the sole body of governance, no Innovation Board of Directors will be required; however, if it is found that one must be created, the structure has taken this into consideration as a possibility. In the event that an Innovation Board of Directors is required, it would be subordinate to the Joint Board of Directors, and would have representation on it.



The Executive Director oversees the operations, programming and services of the new organization, including its four divisions (coloured in red below). With the exception of Corporate Services, which has several previously independent divisions of SSMIC being integrated within a single division, all previous aspects of the Innovation Centre have been consolidated into one division (coloured yellow) representing the RIC component of the organization.

A final note relates to Incubator Services, which come as a result of consolidating the previous incubation entities of SSMEDC and SSMIC. Notably, although the Incubator will be administered by the Business Services division, it will have two streams of clientele (innovation and small business). The innovation stream will have connections to advisory and technical expertise available in the Innovation Division of the organization to ensure their specific needs are met (as shown by the yellow hash-mark line).

CONSOLIDATED CORPORATE ORGANIZATION CHART EXAMPLE



## Implementation Timeline

A timeline has been developed to guide the process of establishing a consolidated organization and making adjustments to the Economic Development Fund's governance structure. The timeline has three categories of priority:

- **Immediate (i.e. as soon as possible)**
- **Within 6 months**
- **Within 12 months**

The figure below outlines the implementation timeline. Key considerations include the following:

- **Update the Economic Development Fund** – The four tasks are equally divided between requiring immediate attention and completion within six months
- **Consolidate the SSMEDC and SSMIC into One Economic Development Entity**
  - With the exception of forming the Transition Committee and identifying a Transition Manager, which require immediate attention, the tasks should be completed within six months



- **Review and Revise the Memorandum of Understanding (MOU)** – This item should take less than 12 months to complete all tasks, because it is contingent on the new Corporation being formed and a new MOU negotiation process
- **Corporate Restructuring Process (Transition Committee/Manager)** – This item should have all tasks completed as soon as possible, except for forming the new Board of Directors and selecting executive leadership, which should be completed within six months

In sum, it is the recommendation of this report that the entire review and restructuring process be completed within one year of initial implementation of the report itself.

The following table provides an easy to reference implementation timeline for the restructuring process. Subject to Council approval, the Gantt chart below illustrates the suggested timing associated with the recommendations put forward in this report.

#### IMPLEMENTATION TIMELINE FOR RECOMMENDATIONS

Recommendation	Immediate	6 Months	12 Months
<b>Update the Economic Development Fund</b>			
Undertake and complete a systematic review of the Economic Development Fund (EDF)			
Implement a new, formal annual review process that is subject to accounting audit to determine return on investment (ROI)			
Implement a clear Terms of Reference for the EDF which includes defined eligibility and evaluation criteria with recipient conditions			
Remove conflict of interest from external parties and assign City staff to administration of the City Council fund (no party should have advisory and applicant privileges)			
<b>Consolidate the SSMEDC and SSMIC into One Economic Development Entity</b>			
Enact a Transition Committee and Transition Manager to guide the reconfiguration process (to include discussions with funders and provincial Ministries as to legalities and considerations)			
Undertake a corporate strategic planning process to establish a vision, mission, goals, and objectives along with clear action plans			
Establish a Balanced Scorecard performance measurement system			
<b>Review and Revise the Memorandum of Understanding (MOU)</b>			
Construct the new MOU in a manner that captures the newly incorporated structure and its roles and responsibilities			
Specify a threshold for discretionary spending which will serve as a mechanism for seeking Council approval on expenditures exceeding a given amount			



Recommendation	Immediate	6 Months	12 Months
Clearly articulate connections to performance measures, expected outcomes for funding, and return on investment criteria			
<b>Corporate Restructuring Process (Transition Committee/Manager)</b>			
Undertake the necessary business administration, due diligence, and legal processes to incorporate and consolidate operations			
Undertake a comprehensive examination of assets and liabilities (including lease arrangements)			
Examine human resources implications and develop a transition strategy			
Examine the potential for consolidated and/or coexisting office, incubation, and work space to maximize assets and reduce overhead			
Begin the recruitment process for the new Board of Directors and executive leadership positions			
Identify and adopt a new formal organizational framework			



# 1 Introduction

As a practice and profession, the field of economic development has changed significantly over the years. Through a progression to its current state it has evolved from traditional practices rooted in attracting large employers focused on real estate investment, to supporting local business expansion and growth of skilled workforces, to facilitating entrepreneurship, incubation, and enabling innovation. It has many facets including tourism and destination development, foreign direct investment, and talent attraction that are also closely tied to community building and leveraging social, heritage, and cultural assets. One thing has remained constant throughout these phases – the efforts may change, but the approach is cumulative, and almost always, a team sport.

The purpose of this report is not to provide an economic development strategy to the City of Sault Ste. Marie, nor is it to assess whether one activity is better than another in the grand scheme of economic development practices. It is grounded in a thorough examination of two organizations that are fundamentally at the core of economic development service delivery in the city. These services, as was described above in relation to the field of economic development, have evolved over time to meet the ever changing needs of the community and the marketplace. The City of Sault Ste. Marie is now at a juncture where it is prudent to review and assess these organizations and develop a better understanding of how its economic development programming can potentially be improved and streamlined.

In order to achieve this, the Consulting Team met with the senior management teams and staff of the organizations, and the City administration. Interviews were conducted with the Mayor and select Councillors, including those who represent the City on Committees for the organizations under examination. The economic development ecosystem was examined and a series of one-on-one interviews with industry and past service delivery recipients were performed. A facilitated workshop with community and business stakeholders was held that allowed for knowledge sharing and prioritizing of actions and directions the City and its economic development organizations can take to improve the service delivery environment. Finally, a critical assessment of operations was performed, which included a financial analysis with a mind toward uncovering efficiencies, and an exploration of governance mechanisms and performance measurement systems.

Ultimately, this combination of primary and secondary research and analysis is captured in a Technical Appendix and underpins the content of this report. The report itself is categorized into five distinct, yet interrelated sections: Governance, Ecosystem, Revenue Generators, Consolidation, and Moving Forward.

Each section provides strong rationalized arguments for the direction that MDB Insight believes the City of Sault Ste. Marie can take in order to increase its accountability, efficiency, and effectiveness in economic development service delivery. The recommendations contained in this report, along with the proposed timeline, are suggestions that the City's elected officials and administrative leadership will need to



translate into meaningful dialogue and the necessary legislative action in order to move the agenda forward. It is here that the hard work begins.

## 2 Governing Economic Development Enablers

In order to support economic development in the municipality, over time the City of Sault Ste. Marie has created three distinct tools, or economic enablers: The Sault Ste. Marie Economic Development Fund, The Sault Ste. Marie Economic Development Corporation, and the Sault Ste. Marie Innovation Centre. The reason these are referred to here as enablers, is that they exist to provide the city with the means to stimulate economic opportunity. The nature in which they make this goal possible is through a variety of different forms. However, they are similar in that the City provides necessary funding that supports their operation. In this respect, they are in essence investments of the City.

As investments, and as economic enablers which are established for the purpose of delivering economic development programs and services which benefit the community, the manner in which they are governed is of great importance. As such, it is also prudent that lines of accountability are in place and maintained with the City in order to provide confidence that the investments being made are providing an adequate return on investment.

The following section outlines the various economic development enablers (or investments) that the City has at its disposal in order to effect positive economic change. A detailed examination is provided of the governance related to each of these investments, and key considerations associated with their current state and what could be done to improve governance over time. The Memorandum of Understanding plays an important role in this endeavour, and is a central component to the discussion below.

### 2.1 Enablers Under Examination

The section below provides a brief overview of the three economic enablers (described in the section above) which are the focus of this report. They are as follows:

#### **Sault Ste. Marie Economic Development Corporation (SSMEDC)**

It is an arm's length corporation that manages, promotes, and enhances economic development in Sault Ste. Marie and in the Algoma region. SSMEDC is governed by a board of directors, which includes representation from City Council, and receives funding from the City as well as from other sources. City funding has constituted between 20% and 43% of SSMEDC's annual revenue stream. Within SSMEDC there are staff dedicated to supporting small business development and entrepreneurship,



recruitment of new businesses, retention and expansion of existing companies, as well as providing incubation space, and tourism destination marketing and development supports. SSMEDC has operated under a memorandum of understanding (MOU) with the City since 2008.

#### **Sault Ste. Marie Innovation Centre (SSMIC):**

It is an arm's length corporation that specializes in supporting and growing innovative business enterprises in key sectors including information technologies and advanced manufacturing. SSMIC is also governed by its own (separate) board of directors, which also includes representation from City Council. SSMIC receives funding from the City, constituting on average 10% of its annual revenue. SSMIC also has an incubator, but its focus is specifically on businesses entering innovation or technology based sectors. SSMIC also has an MOU in place with the City since 2008.

#### **Sault Ste. Marie City Economic Development Fund (EDF):**

The EDF is administered directly by the City and is accessible to local non-profits and City departments, but is also available to private sector applicants if they partner with non-profits or City departments. The Fund values \$500,000 annually and is controlled by City Council, with SSMEDC serving as an advisor. SSMEDC and SSMIC are both eligible to apply for funding from the EDF.

## **2.2 Economic Development Fund**

The Economic Development Fund (EDF) differs from the SSMEDC and the SSMIC not only in that it is not an organization, but, that it is completely funded by the City of Sault Ste. Marie. Where the SSMEDC and SSMIC have additional funding partners, the EDF does not. It is also prudent to examine the EDF before the arm's length organizations, as there is a connection to the SSMEDC.

### **Background**

The EDF began in 2006 with an initial City investment of \$1 million, and fluctuated in amounts until becoming a fixed rate of \$500,000 beginning in 2009.<sup>1</sup>

The EDF selection criteria were updated in 2007, following consultation with various local economic development and community organizations, as well as through a public session.<sup>2</sup> Council evaluates applications based on three factors:

- Net job creation
- Increased tax assessment
- Projects consistent with Destiny Sault Ste. Marie (now defunct) priorities or that support new economic engines

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<sup>1</sup> Sault Ste. Marie Economic Development Corporation, 2012, "Sault Ste. Marie Economic Development Fund Review 2006-2011," January 23.

<sup>2</sup> See City of Sault Ste. Marie, 2007, Economic Development Fund (EDF) – Criteria, July 10.



The fund is geared primarily toward non-profits and City departments that require special funding for economic development projects. Private sector applicants must work with a non-profit or City department serving as the lead applicant, so as to adhere to stringent legislation designed to prevent “bonusing” of the private sector, as identified in the Municipal Act, 2001.<sup>3</sup>

Applicants to the fund are expected to provide a detailed business plan or project plan that identifies basic applicant information, project information, costs and financing, economic benefits and community benefits.

### 2.2.1 Critical Assessment

A review of the EDF funding criteria illustrates a number of potential challenges associated with the Fund. First, Destiny Sault Ste. Marie was a joint initiative undertaken by the City and a variety of stakeholder organizations, but is now a defunct initiative (having first folded into the SSMEDC, and remained stagnant in recent years). It must be understood, therefore, that the third evaluation criteria may be out of date.

Second, the criteria do not recognize that, based on a Memorandum of Understanding (MOU), SSMEDC fulfils a technical advisor role on behalf of Council, to help Council better understand and evaluate projects.<sup>4</sup> This role essentially enables SSMEDC to make recommendations to Council about funding applicants, which is not acknowledged in the funding criteria reference sheet. With SSMEDC being able to evaluate and make recommendations on applications as well as apply for applications, there may be some degree of conflict of interest. In short, SSMEDC should not be in a position to perform both roles in order to avoid conflict and maintain its organizational integrity.

Overall, the Fund may benefit from an updated selection criteria guide.

In 2012 a review of the EDF was conducted, where it was concluded:<sup>5</sup>

*Sault Ste. Marie's Economic Development Fund is City Council's tool to make important economic development investments for the future benefit of this community. These funds have been used by a variety of organizations in the community to lever funds from other public and private organizations to facilitate the growth and sustainability of the community.*

*Based on SSMEDC estimates and on the assumption that current EDF annual allocations of \$500,000 remains unchanged over the next three years, Council will have less capacity, i.e. smaller EDF budget (less than half than in previous years), to*

<sup>3</sup> Municipal Act, 2001, 2016, c. 5, Sched. 16. Section 106 reads: “Despite any Act, a municipality shall not assist directly or indirectly any manufacturing business or other industrial or commercial enterprise through the granting of bonuses for that purpose.”

<sup>4</sup> City of Sault Ste. Marie and Sault Ste. Marie Economic Development Corporation, 2008, Memorandum of Understanding between the City of Sault Ste. Marie and the Sault Ste. Marie Economic Development Corporation for Accountability: pp.4.

<sup>5</sup> Sault Ste. Marie Economic Development Corporation, 2012, “Sault Ste. Marie Economic Development Fund Review 2006-2011,” January 23: pp. 4.



*support the demand for projects that target job creation, new tax assessment through new investment; and, economic development.*

The above assessment from SSMEDC indicates that there is doubt as to the ability of the existing funding level to be as effective as in previous years due to the standardized rate that took effect in 2009. The review also demonstrated that the EDF had an average uptake of 92%. That is, on average the fund was almost always used to capacity by organizations in the community. The implicit threat outlined in the review is that the reduction would affect user-organizations' abilities to lever additional funds from other sources of government and the private sector.

The review makes for a persuasive argument to consider increasing the annual amount allocated to the fund. If this is not explicitly desired by the City, some consideration may instead be given to expanding the scope of the fund to include other areas of strategic benefit such as community development, and putting additional funding into a joint fund for community economic development more broadly. After all, building a strong community is an important consideration in economic gardening, so as to foster quality of life and quality of place attributes that will attract and/or retain residents and businesses.

What becomes apparent, particularly in a circumstance where the EDF may expand in scope to include community based initiatives in its eligibility criteria, is the need to entrench the governance and administration of the Fund in a dedicated City resource. It is, after all, a City Council fund. Further, through the examination of the EDF, it was also identified that in addition to updating the EDF eligibility criteria and administrative policy, it would also serve to enhance transparency and accountability to establish a formal system of ongoing evaluation to clearly identify return on investment, be it in social, economic, or a combination of both terms. This would allow City Administration to report back more effectively to Council on the outcomes of EDF investments and evaluate the benefits bestowed upon the community.

## 2.3 Arm's Length Organizations

SSMEDC and SSMIC are both administered by Boards of Directors, to which they are ultimately accountable. Because they are corporations, governance of SSMEDC and SSMIC resides within their boards, and each corporation is liable for its actions and can be pursued by either the Municipality or privately for damages.

Formally speaking, in the absence of an MOU or Service Agreement, the corporation has discretionary control over resource allocation, priorities, and actions, and this is what traditionally would render such organizations "arm's length". This is because under the traditional economic development corporation model, the Municipality's only direct influence is through its representation on the Board of Directors.

Consequently, the Municipality would not be able to unilaterally control or change the policies of either organization, but instead work within the board structure to have the City's perspective heard and included in formal decisions. Since SSMEDC and SSMIC



operate under MOUs with the City of Sault Ste. Marie, the traditional arm's length nature of the corporation is altered, and the City has negotiated a formal agreement, which serves as a contract.

### 2.3.1 Memoranda of Understanding

As noted above, the City has a Memorandum of Understanding (MOU) in place with each arm's length organization. As these items are already in place, it is notable that the City and these organizations already surpass a level of formal accountability which is lacking in many other communities. In this sense, MOUs with SSMIC and SSMEDC represent a positive development and something that other cities may look to as a best practice.

In theory, the MOU should be the essential cornerstone of accountability between the City and the organizations.<sup>6</sup> While in the private sector, MOUs serve the purpose of a soft-agreement in principle as a critical first step in formulating a contract,<sup>7</sup> in the public sector, MOUs instead carry legal gravity and both parties to the agreement can be held to account for shortcomings or violations of the agreements.<sup>8</sup> In the section below, the MOUs of SSMEDC and SSMIC are discussed in turn.

#### SSMEDC Memorandum of Understanding

A detailed overview of the content of SSMEDC's MOU is available in the Technical Appendix. This section will draw on key aspects of it, instead focussing on its role in relation to governance.

The MOU is an agreement between the City and SSMEDC which outlines key deliverables expected of SSMEDC, responsibilities of the City, cost-sharing arrangements, reporting and monitoring arrangements, and performance measurement items, in addition to some other formalities.

A common concern voiced during consultations held with community stakeholders was in regard to the reliability and level of attribution that can be awarded to particular performance measures. The MOU lists the following performance measures as being central to reporting:

- Creation of new jobs or retention of endangered jobs
- Creation of new tax assessment or retention of endangered businesses
- Addition/retention of businesses that have diversified the community's business base

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<sup>6</sup> Nonprofit Risk Management Centre, 2007, "Drafting a Memorandum of Understanding," May 23: <http://www.nonprofitrisk.org/library/enews/2007/enews052307.htm>

<sup>7</sup> Babwani, Sakina, 2013, "How a memorandum of understanding differs from an agreement," The Economic Times, February 4: [http://articles.economictimes.indiatimes.com/2013-02-04/news/36743089\\_1\\_mou-document-parties](http://articles.economictimes.indiatimes.com/2013-02-04/news/36743089_1_mou-document-parties).

<sup>8</sup> Bourns, Owen, 2014, "Enforceability of Letters of Intent and Memorandums of Understanding," Perley-Robertson, Hill & McDougall LLP. March 13: <http://www.perlaw.ca/en/newsroom/publications/2014/3/13/enforceability-of-letters-of-intent-and-memorandums>



- Attraction of more tourists and/or more visitor spending dollars
- Investing in planning for long-term initiatives that are most likely to lead to growth
- Client satisfaction

Notably, there are no measures that identify return on investment (ROI) details. In light of questions as to the performance of SSMEDC and the value its activities may generate, claims for greater clarity over such value can be expected to cause challenges because they are not consistent with the measures specified in the MOU. That is to say, if ROI is something that the Municipality has an interest in understanding, these expectations would be better served if the MOU spoke to them specifically.

Consultations indicated that City Council expects stronger attribution and substantiation of SSMEDC's reported performance. Annual reports to Council by SSMEDC have presented results on the following:<sup>9</sup>

- Start-ups and expansions (directly attributed)
- Jobs created and retained (directly attributed)
- Total Visitor Days (directly attributed)
- Direct Visitor Spending (directly attributed)
- Number of on-site consultations with local businesses, and conversions into expansions and/or retained jobs (directly attributed)
- Youth client companies aided (direct participation)
- Summer Company student participation rates (direct participation)
- Starter Company program participation (for non-students) (direct participation)
- Key investments and conversion of investments into long-term initiatives (e.g. Port of Algoma, Data Centre for SSMIC, etc.) (select projects highlighted)
- Economic Development Fund due-diligence (based on review and recommendations provided to Council)
- Newsletter publications, news stories generated in media, press releases released (directly attributed)
- Social media followers (directly attributed)
- Client and partner testimonials (selection of key statements)
- Tax base increases (general trends, not directly attributed)
- Building permits (general trends, not directly attributed)

A review of these performance measures indicates that while the majority are stated as directly attributable to SSMEDC and its divisions' activities, several (e.g. tax base increases and building permits) are general in nature, pertaining to the entire city.

Other indicators, such as client and partner testimonials, are clearly designed to highlight positive cases of client satisfaction or good news stories, but, lack the objectivity and nuance of a more robust methodology. For instance, while it is clear that client and partner testimonials are designed to speak to the MOU requirement to

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<sup>9</sup> Sault Ste. Marie Economic Development Corporation, 2015, Highlights on the Memorandum of Understanding (MOU) for Accountability between the City of Sault Ste. Marie and Sault Ste. Marie Economic Development Corporation. March 23.



assess client satisfaction, a client satisfaction survey may have produced more reliable results.

Furthermore, enlisting a third party organization to undertake an independent review of client satisfaction, as well as ground-truth claims of attribution regarding other performance measures, would hold stronger validity and reduce ambiguity.

SSMEDC's annual reports go above and beyond the performance metrics outlined in the MOU, and while their methodology may leave room for improvement, this is a direct result of the ambiguous language of the MOU's stated performance measures. Therefore, it is understandable that some members of Council may view reports on performance measures with a dose of skepticism, because the agreement is not sufficiently specific. Ironically, there is a lack of agreement on the meaning of the terms of the MOU agreement, further illustrating the need for a more scientific approach.

SSMEDC's Customer Relationship Management (CRM) software allows for tracking of performance measures attached to different parameters. This software represents an important tool that can help to produce more reliable performance measure results, while personal identifiers and other potentially sensitive information can be redacted so as to ensure client confidentiality is respected.

In addition, output from CRM software can be shared with a contracted third party, who, under an agreement of confidentiality, could then fact-check results and administer client satisfaction outreach. Because this kind of third-party audit can be potentially costly, arrangements may be made to conduct such procedures on a bi-annual basis, with SSMEDC otherwise reporting on deliverables through output from the CRM software and additional sources, such as online surveys or client interviews.

Critical review of the MOU also reveals there is no fixed amount of funding the City is to provide. Nor does the MOU identify specifically how funding is to be used once it is received by SSMEDC. It may be inferred from the list of performance measures that funding may be contingent on performance measurement results, but this is not explicitly stated in the document. Since City Council appears to place an emphasis on performance measurement, particularly in regard to areas related to job creation and retention and tax assessment figures, a future MOU may be better served if funding is more directly tied to performance results.

A final observation about SSMEDC's MOU pertains to its role in recommending expenditures of the EDF in accordance with criteria established by Council. The item provides SSMEDC a role in evaluating EDF funding requests and making recommendations to Council regarding applicants. Yet, SSMEDC is also eligible to apply for EDF funding because it is a non-profit corporation. These two positions make for a precarious relationship, with SSMEDC contributing to the Fund's stewardship and also being a client of the same fund.

Given that the City has now established a Deputy Chief Administrative Officer (CAO) of Community and Economic Development position, going forward this office may be a better arbiter of the EDF. Moreover, if the EDF were to change in scope, such as through inclusion of community development projects, such a transition would further



be suited to someone within the City that has an expertise in both community and economic development.

### **SSMIC Memorandum of Understanding**

The SSMIC MOU is similar in composition and structure to that of SSMEDC. An overview of the SSMIC MOU is also in the Technical Appendix. The MOU has sections dealing with the roles and responsibilities of SSMIC and the City, about reporting and monitoring (including performance measures), and other formalities.

Of note, and in contrast to SSMEDC's MOU, the SSMIC MOU contains a clause stating:<sup>10</sup>

*The City of Sault Ste. Marie will maintain core funding to ensure SSMIC can operate. It is expected that SSMIC will work proactively to attract additional funding and revenue streams that will decrease City of Sault Ste. Marie funding over time.*

The interesting aspect of the item is that it indicates funding will decrease over time. By contrast, the SSMEDC MOU only notes that the City will maintain core funding and supplemental funding for its operations. It does not carry a provision for decreasing funding. In truth, though the SSMIC MOU has the above clause, the City has not decreased its funding to SSMIC over time, despite SSMIC's success in continually leveraging additional funding.

The SSMIC MOU has generally different performance measures than that of SSMEDC:

- Job creation (similar to SSMEDC)
- Program funding leveraging (Similar to SSMEDC)
- Business Incubation maintenance and growth
- Value added services provided
- Continued youth outreach activities with presentation
- Increase GIS related business in Sault Ste. Marie
- Raise the profile of the IT sector locally and externally
- Create the environment for growth in IT

Areas of similarity to SSMEDC include job creation and program funding leveraging, with all other measures being unique to SSMIC. In review of these measures, some points emerge that lack clarity, such as for value added services provided, increase GIS related business in Sault Ste. Marie, raise the profile of the IT sector, and create the environment for growth in IT. The reason why these measures may be problematic is that they are quite vague, and instead of being stated in terms of something concrete that can be measured they are worded as though they are goals.

Words such as *increase*, *raise*, and *continued* imply that the measures are goals. While it can be appreciated that goals are what stand behind performance measures,

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<sup>10</sup> City of Sault Ste. Marie and Sault Ste. Marie Innovation Centre, 2010. Memorandum of Understanding Between the City of Sault Ste. Marie and the Sault Ste. Marie Innovation Centre for Accountability. April 12: pp. 4.



the goals themselves cannot be the unit of measure. Taking the GIS item as an example, a clearer measure could be “number of new GIS-related clients.” Reporting on such a measure would indicate whether there has been an increase or not, and instead of simply treating the result as a mere “yes” or “no” response, the measure would be able to capture the magnitude of progress made toward a stated goal.

In reviewing SSMIC’s 2015 Annual Report,<sup>11</sup> immediately striking is that the report addresses each performance measure from the MOU in turn, with both targeted numbers and actual results. This method of reporting under-scores how SSMIC has translated the various measures from the MOU into measurable results, and for added value it contrasts the results with the anticipated target. That being said, items such as *providing value added services* (e.g. referral, advice, business plan review, etc.) and others lack clarity as to how these different things were done and how many times each occurred. For example, how many times did SSMIC refer a client to a specific resource or service? How many business plans did it review? For this reason, measures that are vaguely articulated in the MOU would function more effectively if they were broken-out into specific and quantifiable outcomes in a series of measures as opposed to a broader statement.

### 2.3.2 Revisiting the Memorandum of Understanding

Having discussed the MOUs associated with SSMEDC and SSMIC, what emerges of commonality between the two are challenges related to the specificity of performance measures.

In 2008, a review was conducted of SSMEDC by Millier Dickinson Blais (now MDB Insight). The review evaluated SSMEDC’s activities, performance, and collaborative relationships. While the report concluded that SSMEDC was overall a positive benefit, with key contributions to the local economy, it did also highlight the importance of implementing a rigid performance measurement system centred on calculating a return on investment (ROI). That is, for the funding provided by Sault Ste. Marie, this amount was compared to the value of new and retained jobs and assessment increases in the broader economy through direct engagement with clients.

On top of this, an attribution metric was added that indicated on a scale of 1 to 10 the extent to which SSMEDC’s divisions had direct involvement, based on direct stakeholder evaluations. The ROI calculations were able to demonstrate how dollars invested by the City resulted in specific returns on investment by clients of the organization, while the attribution metric served to ground-truth the extent of involvement by SSMEDC in the process. This process can be duplicated for SSMEDC and SSMIC in their respective key activities.

Gaining an attribution metric is a straight forward exercise that involves client engagement by the organization or a third party independent organization. In both cases a survey of clients that have been served over the last year is used to gauge the

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<sup>11</sup> Sault Ste. Marie Innovation Centre, 2015, Report to Council 2015 Results.



level of attribution each business would ascribe to the organization for its role in producing an outcome. By combining all the scores given by each business an average can be obtained that can then be used in conjunction with any numbers the organization is reporting on, be they hard numbers or ROI calculations.

Bringing stronger and clearer forms of performance measurement that include considerations of attribution into future MOUs would help to demonstrate the effect City investments are having on the local economy, while also resolving concerns over the extent to which SSMEDC or SSMIC were involved. In this sense, such actions serve to increase the confidence level of the funder. These details can be further broken-out by division and core tasks within the organizations so as to increase clarity over where investments are best resulting in returns, while also allowing for examination of areas that may not be performing as well as anticipated. Such mechanisms of accountability can only be effective, however, if they are clearly defined and operationalized. That is, there needs to be a direct connection between a stated goal and the unit of measure used to evaluate progress toward that goal. These details need to be addressed in MOUs to relieve ambiguity and ensure both City Council and the organizations they provide funding to are looking at and understanding the same results.

#### **Key Best Practice: Grand Rapids, Michigan, Economic Development Department**

The City of Grand Rapids, Michigan, operates an in-house economic development department.<sup>12</sup> On the department's webpage is a summary table of return on investment dating back to 2003. The table shows the year, the number of projects (i.e. clients served); the amount of investment by clients, the number of new jobs created, and total new taxes. Looking at individual archived annual reports, which are also available on the webpage, even greater detail is provided. The content is generated in the form of output data from the organization's CRM software package. This output serves to demonstrate the return on investment by acknowledging the value generated each year by the organization through its supportive services, with a line-by-line breakdown of each enterprise that was helped, the nature of help provided, as well as the values for new and retained jobs, grant funding received, and tax details.

<sup>12</sup> City of Grand Rapids, n/d, Economic Development: <http://grcity.us/design-and-development-services/economic-development/pages/default.aspx>



Year		City of Grand Rapids Economic Development Office							
Private Investment	Jobs Retained	Current Results			Outcomes*			ROI	
		New Jobs Created	Average Wage	Yearly Property and Income Taxes					
				Abated	Paid				
\$ 1,761,929	0	21	\$ 26.56	\$ 5,774	\$ 11,601				
\$ 2,500,000	0	21	\$ 12.50	\$ 11,440	\$ 5,460				
\$ 2,608,126	19	34	\$ 24.23	\$ 6,027	\$ 23,162				
<i>which time the project will be complete.</i>									
\$ 1,644,435	154	1	\$ 19.73	\$ 3,800	\$ 4,210				
\$ 2,880,000	54	3	\$ 15.00	\$ 6,655	\$ 7,591				
<i>ness currently improving and new investment is planned.</i>									
\$ 396,902	48	2	\$ 16.82	\$ 917	\$ 1,617				
\$ 231,353	18	3.5	\$ 16.50	\$ 535	\$ 1,736				
<i>nated glass. Investment still planned when company manages growth.</i>									
\$ 953,579	1	9	\$ 24.57	\$ 3,094	\$ 4,600				
<i>care reimbursement. This unforeseen change delays growth by approx. 3 years.</i>									
\$ 1,977,000	0	155.5	\$ 12.83	\$ 7,294	\$ 41,497				
<i>that 2015 will be a growth year and that employment numbers will be met.</i>									
\$ 7,100,000	0	16	\$ 29.40	\$ 32,489	\$ 9,784				
\$ 10,719	23	0	\$ 29.65	\$ 49	\$ (6,176)				
<i>ed the company to downsize. No future expansion is planned at this time.</i>									
\$ 2,998,000	10	0	\$ 33.56	\$ 13,719	\$ -				
<i>et acceptance that was anticipated resulting in slower growth than planned.</i>									
\$ 3,420,000	0	43	\$ 21.80	\$ 15,650	\$ 19,498				
<b>\$ 28,482,043</b>	<b>327</b>	<b>309</b>		<b>\$ 107,442</b>	<b>\$ 124,581</b>	<b>16%</b>			

Source: Excerpt from 2014 Annual Tax Abatement Survey Results, City of Grand Rapids Economic Development Office: <http://grcity.us/design-and-development-services/Economic-Development/Documents/2014%20Tax%20Abatement%20Report.pdf>

The image above captures results of an outreach survey that was used to confirm attribution of jobs retained, new jobs created, and average wages, and to provide a bulk ROI result in the form of a percentage. In the case provided, economic development efforts generated a 16% return on investment for the City for the year in question.

As an added bonus, making such documents easily available online adds to the transparency of the organization so that stakeholders can easily see how the department is making a difference in the community.

SSMEDC already tracks client engagement in a similar CRM, and this data can easily be converted into indicators to be displayed online and in annual reports. Furthermore, Grand Rapids also displays the actual companies it has served or helped, and that information is also publicly available. There are times when this kind of information can prove to be especially sensitive, and businesses themselves may not wish to have such information accessible by the general public. There is an opportunity for a compromise, where under a formal confidentiality agreement between the two organizations and the City, the organizations would be able to share the CRM output that includes business information on the understanding that the results will only be used by City Council to validate either organization's claims and that these data will not be made public.

As such the Grand Rapids example demonstrates an opportunity for SSMEDC and SSMIC to increase transparency while demonstrating the return on investment for some key indicators.



### 2.3.3 Approaching Performance Measurement

The Technical Appendix provides an overview of two different models of performance measurement. They are the Logic Model (also referred to as the Input-Output model) and the Balanced Scorecard.<sup>13</sup> There are some distinct differences between these two models.

First, the Logic Model focusses on the flow of money and resources and their conversion into outcomes toward a strategic goal. This makes the model more in touch with long-term objectives, while connecting individual activities and actions with anticipated results. Performance can be measured as a result of comparing the inputs going into specific projects or activities (e.g. finances, staff time, etc.), and the outputs generated by them toward a specific strategic goal. Here is where ROI is typically used in performance measurement.

The Balanced Scorecard approach is a more introspective tool for performance measurement that goes deeper than the Logic Model. It focusses on four dimensions of the organization:

- Financial Stewardship: How it is managing finances
- Internal Business Process: How it is managing business processes (i.e. programs and services in place, outreach, strategic objectives and progress)
- Organizational Capacity: How it is managing organizational capacity (i.e. innovative approaches, staff training and development, corporate culture attitudes)
- Stakeholders: How it is managing stakeholder relationships and perspectives (i.e. client satisfaction and public perception)

It should be noted that these four categories are not set in stone, and various alternatives have emerged over the years as well. For example, the City of Nanaimo uses the balanced score card approach and it categorizes its components as customer, environment, service and program delivery, employee, financial, and social considerations.<sup>14</sup>

Under the traditional approach, specific goals are identified within each of the above categories, to which performance measures can be applied. It is called a “score card” because a series of points are applied to each of the four components, to which the performance measurement results contribute towards. By tallying the results, the score card serves as a report-card on organizational performance. A key benefit of the “Balanced Scorecard” is that the stakeholder component can serve as a validation point for activities associated with other areas, thereby allowing for attribution. For example, client feedback can be used to attribute the extent to which the organization was involved in a given outcome, such as business expansions and new employees.

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<sup>13</sup> For examples and visuals of the Logic Model and the Balanced Score-Card Model, see: Ontario Ministry of Agriculture, Food and Rural Affairs, “Measuring Up! Performance Measurement for Economic Development”, 2013, pg. 15; The Balanced Scorecard Institute, <http://balancedscorecard.org/Resources/About-the-Balanced-Scorecard>, adapted from Robert S. Kaplan and David P. Norton, “Using the Balanced Scorecard as a Strategic Management System,” Harvard Business Review (January–February 1996): pg. 76

<sup>14</sup> City of Nanaimo, n/d, “Balanced Scorecard”: <http://www.nanaimo.ca/PerformanceMeasurement/BalancedScorecard/Description>



As a real world example, below is an extract from the Charlotte Regional Partnership. The example illustrates how the balanced scorecard need not be overly complicated, while still conveying key information about targets and results, and showing how different components contributed to the final score.

#### Charlotte Regional Partnership FY 2012-2013 Balanced Scorecard: Q4

I. To aggressively market the Charlotte USA region as a superior business location to develop qualified business projects and to encourage site and community visits by executive decision makers and local business leaders.

Weight: 70%	Sub-Weight	11-12 Actual	3-Year Average	Market Adjustment	12-13 Target	Quarter I	Quarter II	Quarter III	Quarter IV	12-13 Actual	FY12-13 % to target
1. Qualified Projects Generated (1)	30%	74	79	-2%	77	17	13	20	16	66	85%
a. 25% of Internationally oriented	5%	21	26	-2%	25	6	7	5	9	27	106%
2. Total Site Visits by Qualified Projects	30%	36	35	+2%	36	3	15	10	11	39	109%
3. Customer Service Surveys (2)											
a. Site Consultants	15%	85%	87%	0%	87%		84%			84%	97%
4. Generate positive revenue from FTZ (3)	5%	\$25,518	\$17,000	0%	\$17,000	n/a	n/a	\$7,000	\$10,000	\$17,000	100%
5. Qualified Inquiries responded to by Film Office (4)	15%	237	226	+2%	231	64	50	62	82	258	112%
WEIGHTED SUBTOTAL (70% of total score) =											70%

II. To engage private and public stakeholders in an effort to improve the efforts to market the region, and to maintain adequate funding and support for the program regionally.

Weight: 20%	Sub-Weight	11-12 Actual	12-13 Target	Quarter I	Quarter II	Quarter III	Quarter IV	12-13 Actual	FY12-13 % to target	12-13 Result (to sub-weight)
6. Private Sector Funding Increase (5)	30%	\$253,650	\$380,900	\$926	\$35,824	\$99,000	\$31,000	\$166,750	44%	13%
7. Private Sector Funding - 90% Retained (6)	30%	\$994,825	\$1,091,565	\$230,797	\$246,078	\$320,325	\$195,000	\$992,200	93%	27%
8. Maintain State of North Carolina funding (7)	30%	\$501,983	\$482,710	\$0	\$211,935	\$169,548	\$127,157	\$508,640	105%	32%
9. Annual Meeting Revenue (8)	10%	\$178,010	\$160,000		\$16,000	\$70,500	\$91,900	\$162,400	102%	10%
WEIGHTED SUBTOTAL (20% of total score) =										16%

III. To act responsibly and to be accountable for the funds provided to us by the private and public sector investors, and to create a high-performance work team for the important mission that we serve.

Weight: 10%	Sub-Weight	11-12 Actual	12-13 Target	Quarter I	Quarter II	Quarter III	Quarter IV	12-13 Actual	FY12-13 % to target	12-13 Result (to sub-weight)
10. End fiscal year with 1% reserve (9)	50%	\$82,000	\$35,010	n/a	n/a	n/a	50	50	0%	0%
11. End fiscal year with no debt (10)	50%	\$0	\$0	n/a	n/a	n/a	50	50	100%	50%
WEIGHTED SUBTOTAL (10% of total score) =										5%

Total FY12-13 Score (target = 100%) = 91%

Source: Image captured from Charlotte Regional Partnership, 2014, Charlotte Regional Partnership Annual Report – Fiscal Year 2012-2013, February 15: Tab 4.

#### Adopting a Customized Approach

As a tool, the Balanced Scorecard typically holds a great deal of value for the organization itself because it allows for improving the organization over time. On the other hand, the Logic Model has the added value of linking inputs with outcomes. It makes for a simplified means of following the money. There is of course a benefit in using strong elements of both of these models. For example, for certain key indicators included in the Balanced Scorecard, there could also be information that links the input and output.

As an example, within the balanced score card structure, there may be a goal pertaining to increasing jobs in the community, and the performance measure may simply be “number of new jobs created”. In addition to this however a logic model could also be applied to determine the number of jobs created (i.e. output) relative to the amount of funding provided by the City earmarked for a specific division or program (i.e. input). By using the Balanced Scorecard and embedding aspects of the Logic Model for key indicators, not only does the tool improve organizational performance over time, but it allows for a report framework for sharing. Used in



conjunction with a CRM system, some key indicators can also be extracted and built into the model, saving time and resources in compiling reports.

Another consideration is accounting for attribution, but this need not be a difficult task. With a CRM in place, attribution rates can be tied to each client of the organization and assigned codes to different divisions or programs within the organization. From there, an aggregated score can be calculated (as a percentage), which can then be used in formulas applied to a variety of indicators. For example, if business retention and expansion (BR&E) efforts generated \$1.2 million in additional assessment, but the average attribution score for BR&E clients was 70%, the total attributable value in new assessment would be \$840,000. If the attribution rate were 85%, the new assessment value would be \$1.02 million. Taking this a step further, if BR&E programming received \$450,000 (including staff and administration) and the program generated \$1.02 million in attributed value, then the ROI would be \$2.20 in new assessment dollars for every \$1 invested in BR&E.

With an example from SSMEDC, the same logic can be applied. In 2014, Sault Ste. Marie invested \$1,760,652 into SSMEDC, of which \$364,000 had been earmarked specifically for tourism marketing, leaving an estimated \$1.37 million for business service and corporate operation needs. Comparing \$1.37 million in investment by the City in the SSMEDC, excluding tourism marketing, according to SSMEDC CRM output, investment attained via SSMEDC's guidance in BR&E activities totalled \$21.9 million. That represents nearly a \$20 to \$1 return on investment. Even if a conservative estimate that only half of the investment revenue accessed by these enterprises had been attributed to SSMEDC's assistance, this would nonetheless represent a return on investment of \$10 to \$1 in new investment from BR&E efforts.

### **Refining Existing Methods and the MOU**

Of course, organizing and developing a series of performance measures can be a time consuming and resource intensive task of its own. It takes time to build out a framework and even more time to ensure ongoing collection and monitoring of measures is being conducted. For this reason, it is advised that future MOUs have a limited set of key performance measures built around clear strategic goals.

If the City is most interested in understanding how it is getting value for money, a specific set of indicators that best capture these details are of the most importance to the MOU. This could include measures such as:

- Jobs created (based on attribution rates) and ROI
- Jobs retained (based on attribution rates) and ROI
- Private investment generated (based on attribution rates) and ROI
- Number of new businesses attracted (based on attribution rates) and ROI
- New assessment generated (based on attribution rates) and ROI
- Funds leveraged by the organization (total value, by program or division)

Note that for many measures, a value amount and an ROI amount is given. This ensures that continuity between inputs and outputs is captured in addition to raw numbers. Certainly, for some divisions, certain performance measures may also be



relevant to the MOU in addition to those outlined above. For example, key tourism indicators are typically viewed as reliable and do not require attribution because the measures themselves are often derived directly from external sources, such as hotels, travel associations, motor-coach companies, website hits and others. Some key tourism measures may therefore be of interest to the MOU; most probably number of visitor days and direct visitor spending. Incubators are another example that may require attention in the MOU, but there need not be a large amount of indicators either.

There may be several more measures that may be of importance to the organization itself, but these need not be captured in the MOU. That being said, even for internal use, performance measures should be linked mainly to key goals or strategic targets. It should also be understood that as important as measures are, spending too much time on collecting and evaluating performance may take away from actual performance.

### 2.3.4 Value for Money

This last component on governance again applies to both SSMEDC and SSMIC. It draws a link between finances and governance.

A review of audited financial statements indicates that City of Sault Ste. Marie funding toward SSMIC has remained steady at \$277,890 between 2010 and 2014 (inclusive). Over that period the proportion of City funding steadily declined from 11% to 8%, due to increases in other funding sources, but the proportion increased again to its highest on record in 2015 at 18%. In 2015, SSMIC's primary funders were actually FedNor and Northern Ontario Heritage Fund Corporation (NOHFC), who respectively provided \$575,890 and \$1,026,982.

For SSMEDC, funding has steadily increased from the City, from \$1,413,729 in 2010 to \$1,673,961 in 2015. City funding has constituted between 20% and 43% of SSMEDC's revenue in the last six years.

The results, therefore, indicate that the City controls a larger share of SSMEDC's funding than SSMIC. Followed to a logical conclusion, if the degree of control over the organizations is proportionate to the amount of funding allocated to them, the City should be expected to have more control over SSMEDC than SSMIC. Furthermore, these proportions indicate that the City is not the only stakeholder to which either organization is accountable. In particular, the degree of accountability to other stakeholders is greater for SSMIC than SSMEDC, but both are answerable to other funders. With these considerations in mind, it must also be acknowledged that SSMEDC and SSMIC both rely on City funds for their core operations. In addition, both also make use of City funding in leveraging additional revenue from other funders to which they also become accountable to.

Because both SSMEDC and SSMIC have MOUs with the City, their accountability is outlined in predetermined deliverables representing formal expectations. These expectations can only be truly applied to aspects of the organization which its funding is expected to be used for (such as operations or specific projects or programs). That is to say, funding from the City comes with strings attached, which can be specified in



an MOU. The challenge is that these strings do not have direct and specific connections in the current MOU, such as business retention and expansion or tourism. The use of revenue is to the discretion of the organizations, subject to any agreements they may have with other funding stakeholders. When only 10% of funding is being provided to an organization, other parties with larger commitments may hold controlling shares and governance becomes a multi-party operation, and control over the organization may be leveraged more profoundly by other members that hold controlling interests.

Consultations with municipal staff and elected officials revealed an ongoing challenge in governance over SSMEDC and SSMIC centred on performance measurement. This has already been discussed in great detail. These sources made clear that there is an interest in stronger evidence provided by SSMEDC and SSMIC about the return on investment for the City. There are two ideas connected with this notion.

First, if money is provided to these organizations under the provisions of their respective MOUs, greater clarity is required in the City's expectations for results in exchange for money (in essence, what one could consider as "fees-for-service"). A means of achieving this has already been discussed in regard to specifying clearer performance measures that relate to deliverables specified in the MOU. The MOU must indicate how monies invested into SSMEDC and SSMIC are tied to expected outcomes and how those outcomes will be measured so as to demonstrate a return on investment for the City.

Second, attribution again becomes a consideration, in that some stakeholders may doubt the validity of claims made by SSMEDC and SSMIC. Again turning to the language of the MOUs, addressing how each organization will attribute its role in the outcomes becomes a key consideration. In terms of finance, this means ensuring the results reported on reflect the correct level of attribution each organization can claim, so that ROI calculations are more accurate and acceptable.

### Key Considerations on Governing Economic Development Enablers

**There are numerous key ideas and discoveries that bear summarizing in a single space. From the above discussions the following key considerations have emerged:**

- **There are three key economic development enablers that stem from City of Sault Ste. Marie Funding. Two of them are investments in external organizations, while the third is an internal tool for strategic investments by the City in economic development opportunities and projects. These enablers are:**
  - **Sault Ste. Marie Economic Development Corporation (SSMEDC)**
  - **Sault Ste. Marie Innovation Centre (SSMIC)**
  - **Sault Ste. Marie Economic Development Fund (EDF)**
- **The EDF is a tool that is controlled by City Council, with SSMEDC also**



## Key Considerations on Governing Economic Development Enablers

- providing recommendations on applicants to the fund. At the same time, SSMEDC has received funding from EDF for projects and initiatives. The simultaneous ability to both influence City Council through its recommendations and also be a beneficiary of the fund presents a conflict of interest that needs to be addressed in updated fund management.
- The City is best suited to wholly administer and make decisions about the EDF and its applicants.
  - Both SSMEDC and SSMIC are incorporated entities with their own respective Board of Directors. These Boards represent the primary centre of governance for the two organizations, but both also have a Memorandum of Understanding (MOU) in place with the City of Sault Ste. Marie. The MOUs make for relationships of accountability between the City and each organization. Several challenges have emerged as a result of MOU content and language, including:
    - There is no discussion of what funding from the City can or cannot be used for, which contributes to conflicting understandings of the discretionary spending or investments of SSMEDC and SSMIC
    - There are unclear linkages between deliverables and specific performance measures. This results in challenges in interpreting and assigning results to the appropriate deliverable.
    - The performance measures are sometimes phrased as goals as opposed to units of measure used to evaluate progress toward goals
    - The performance measures do not include considerations for return on investment (ROI) and the role this plays in linking deliverables to outcomes or results
    - City Council is sometimes challenged to understand the level of attribution associated with performance results SSMIC and SSMEDC present. This can create a sense of doubt over the accuracy of results presented and decrease trust in the respective organizations
  - Two models of performance management and measurement were reviewed; the Logic Model (or input-output model) and the Balanced Scorecard:
    - The Logic Model has the benefit of looking at results and outcomes over short, medium and long term impact, and typically accounts for ROI
    - The Balanced Scorecard allows for a more holistic assessment of organizational performance through consideration of finances, business processes, organizational capacity, and stakeholder perspectives and feedback
    - By integrating ROI components of the Logic Model a hybrid



### Key Considerations on Governing Economic Development Enablers

version of the Balanced Scorecard would be beneficial to SSMEDC or SSMIC, as it would allow for reporting to the City as well as critical reflection and evaluation of other key aspects of organizational health for their own respective development.

Client Relationship Management (CRM) software can facilitate data collection and tracking for populating aspects of the Balanced Scorecard

- A confidentiality agreement between the City and each organization would enable the City to view CRM data that includes the names of businesses, while ensuring this potentially sensitive information does not become publicly accessible. The result would be increased faith in the results presented by each organization.
- SSMEDC and SSMIC are beholden to other funders in addition to the City itself, and these stakeholders also have preferences for how the organizations make decisions or operate. This is especially the case for SSMIC, for whom City funding has averaged 10% of its total revenue.
- Proportionately speaking, if funding were reduced drastically to either or both organizations there is a danger that the City may in fact wield less influence over the organizations, and also harm their ability to pay for core operational activities and lever additional revenue.

## 3 The Economic Development Ecosystem

In nearly every community there are a series of different agencies and organizations that play an important role in the economic development support network. These range from Chambers of Commerce, to Post-Secondary Institutions, to Economic Development Organizations – they are commonly referred to as an area's economic development ecosystem. The purpose of this section was to identify where certain areas of service delivery overlap may exist in the network, and in particular between the SSMEDC and SSMIC.

The Technical Appendix provides an overview of Sault Ste. Marie's economic development ecosystem. In this analysis, different organizations were studied to identify their areas of activity in given aspects of economic development. The key organizations studied were:

- City of Sault Ste. Marie
- Sault Ste. Marie Economic Development Corporation (SSMEDC)
- Sault Ste. Marie Innovation Centre (SSMIC)



- Sault Ste. Marie Chamber of Commerce
- Sault Ste. Marie Community Development Corporation
- Start-up Sault Ste. Marie
- Algoma University
- Sault College

Areas studied include:

- Scope of operation (i.e. local in Sault Ste. Marie, or regional)
- Target Audiences (by company stage of development and by sector focus)
- Services (facility-based services including incubators, advisory services, financing and access to capital, small business /start-up and innovation support)
- Other support services (marketing and branding, investment attraction, BR&E, workforce development, and tourism)

Analysis of the different ecosystem actors' websites, annual reports, and discussions with key staff allowed for identification of where each organization is involved in different activities.

With regard to SSMEDC and SSMIC, a great deal of overlap exists in services offered; however, in some instances the specificity of the services themselves are unique to each organization. That is, SSMEDC and SSMIC are often operating in the same categories of activities, but their approaches and target audiences are not always the same. For example, both organizations are deeply involved in advisory services. Types of activity in this area include:

- Business Idea Feasibility Analysis
- Business Strategy / Plan Assistance
- Technology Commercialization Assistance
- IP Protection and Licensing Assistance
- General Legal Assistance
- General Tax and Accounting Assistance
- Export Assistance
- Sales Assistance
- Human Resources Assistance
- Marketing Assistance
- Licensing and Business Registration

Stakeholder consultations with clients of SSMEDC and SSMIC reinforce an understanding that advice in these areas (including making introductions and referrals) are among some of these organizations' greatest strengths and have resulted in strong and trustworthy relationships. Positive feedback aside, the needs of the two organization's key clientele dictate to a certain extent that different approaches need to be used in assisting them in some areas.

The core clientele of SSMIC are businesses engaged in innovative areas in technology and science. By contrast, SSMEDC's clientele come from all manners of industry, with the only exclusions being the areas of jurisdiction held by SSMIC.



In many ways businesses such as retail and personal services, professional services (e.g. accountants, lawyers, financial advisors etc.), and traditional manufacturing have the same basic business needs as technology-oriented companies and advanced manufacturers. All new businesses may require advice and guidance about developing a business plan, about meeting with an attorney, about figuring out accounting principles or finding an accountant, or about preparing a product for export. That being said, there are also situations where the stakeholders of each require different forms of expertise.

For example, while the approach taken to developing a business plan is largely similar for any kind of business, technology commercialization for a technology-oriented company would require a greater degree of sophistication than for a more traditional sector, such as primary manufacturing. Bringing new technology to market is more difficult and requires a different kind of competitive positioning than creating a new widget. Therefore, technology commercialization needs and solutions require different approaches. The findings of the ecosystem analysis in regard to SSMEDC and SSMIC point to a potential for bringing the organizations together. This is most evident in the similar areas of activity in which the two organizations operate overall. While there are many aspects of their activities that share similarities, there are also some ways in which each organization has developed unique ways of helping stakeholders. These unique approaches do not exclude the possibility that they can continue to be used within a single, consolidated organization. Certainly, there would be benefits to bringing the two together and considering streamlined approaches for certain aspects that do not vary in substantial ways, while also ensuring that some approaches still maintain customized for different stakeholder needs.

In addition to the considerations above, one further note relates to the network relationships between SSMEDC, SSMIC, the Chamber of Commerce, and Community Development Corporation. These relationships share overlap with specific areas of activity, but, analysis shows that these aspects are also varied.

For example, SSMEDC has developed collaborative, strong relationships with these other actors. Each relationship is different and suited for different client needs, referrals, or outreach. SSMEDC works with the Chamber to arrange workshops or speaker-series. The same is possible through SSMIC. Similarly, SSMEDC and SSMIC have worked together in areas that represent mutual importance, such as lottery and gaming, but their roles are distinct. For lottery and gaming, SSMIC has a dedicated staff member working toward growing investment in lottery and gaming knowledge economy and developing new technologies related to the sector, while at a broader strategic level, SSMEDC works in BR&E to ensure the Ontario Lottery and Gaming Corporation headquarters remains in Sault Ste. Marie, and that existing businesses have capacity to succeed or grow. Despite shared overlap at the conceptual level, tactically both organizations are working with different components of the sector.

Again, in the case of lotteries and gaming, there would be a tactical benefit to having SSMEDC and SSMIC come together. For one thing, a single organization could better coordinate efforts to address sector needs and opportunities. Also, from the stakeholders' perspectives, it would be easier to manage relationships because there



would be less ambiguity about who to contact. This would reduce ecosystem clutter and fragmentation.

SSMEDC and SSMIC also engage with the Community Development Corporation (CDC) for various client needs, such as access to loans and other financing. This relationship is largely referral-based, although both SSMIC and SSMECD offer guidance to their respective clients about how to prepare for and work with the CDC. Again, the notion of having a single entity be in contact with the CDC may reduce ecosystem clutter.

In sum, the ecosystem is diverse, with many organizations being involved with economic development to varying degrees. SSMEDC and SSMIC are the most active in the space, and this makes intuitive sense given their respective mandates and clientele. Nonetheless, there are many areas of activity that point to an opportunity for consolidating SSMEDC and SSMIC so as to streamline some approaches, while still being able to ensure that any specific needs of their various stakeholders can be addressed in unique ways where appropriate. Consolidation may also help to reduce ecosystem clutter, minimizing ambiguity over which of the two lead organizations should be approached or worked with.

### Key Considerations on the Economic Development Ecosystem

- **Economic development ecosystems are characterised by the various actors that are involved in economic development activities. In Sault Ste. Marie there are various actors involved in different facets of promoting and building a fertile economic landscape. The ecosystem is primarily composed of the following:**
  - City of Sault Ste. Marie
  - Sault Ste. Marie Economic Development Corporation (SSMEDC)
  - Sault Ste. Marie Innovation Centre (SSMIC)
  - Sault Ste. Marie Chamber of Commerce
  - Sault Ste. Marie Community Development Corporation
  - Start-up Sault Ste. Marie
  - Algoma University
  - Sault College
- **In consideration of the above discussion, the following key observations emerge:**
  - At face value, the economic landscape appears cluttered or chaotic, but closer examination reveals many of the actors fulfill specific needs for stakeholders. Referrals and collaborations are common so as to leverage the respective strengths of different organizations. Nonetheless, to the casual observer there is much activity happening in the ecosystem, which results in an impression of clutter.



### Key Considerations on the Economic Development Ecosystem

- **SSMEDC and SSMIC have many shared areas of activity in regard to programs and services, many of which suit a consolidated approach because they do not require very different tools or expertise. Nonetheless, their audiences are distinct and some services provided require customized approaches to meet client needs. Consolidation of SSMEDC and SSMIC would reduce the perception of a cluttered ecosystem.**

## 4 Revenue Generators

In studying SSMEDC and SSMIC's programs and services, a number of them represent intentional mechanisms for revenue generation. These activities help to generate income which allows for project operations to continue and grow. They also provide revenue sources distinct from government funding of various kinds. Three key revenue generators are discussed below; the Community Geomatics Centre, Tourism Sault Ste. Marie (various mechanisms), and Incubators.

### 4.1.1 Community Geomatics Centre

In SSMIC's 2015 Business Plan, the organization stated that it "continues to take proactive steps to build long term sustainability in its operations so that it isn't dependent solely on government funding."<sup>15</sup> One way SSMIC has been able to work toward this goal is through the Community Geomatics Centre (CGC).

In studying reports presented to City Council between 2013 and 2015 (for previous calendar years), the CGC has been able to remain on target for revenue generation. The trend, however, indicates a modest reduction in annual targets since 2012.

The prospect of the CGC contributing to SSMIC's financial independence is positive, but the trend ideally would be one of increased targets being more aggressively pursued.

FIGURE 1: SAULT STE. MARIE INNOVATION CENTRE COMMUNITY GEOMATICS CENTRE REVENUE TARGETS AND RESULTS, 2012-2014.

SSMIC	2012	2013	2014
Revenue Generated from CGC - Target	\$ 1,400,000	\$ 1,300,000	\$ 1,300,000
Revenue Generated from CGC - Actual	\$ 1,400,000	\$ 1,300,000	\$ 1,300,000

Source: Sault Ste. Marie Innovation Centre – Report to Council, 2013 to 2015.

The CGC is capable of being a lead revenue generator for SSMIC. While most projects under CGC have traditionally applied to utilities and site selection in Sault Ste. Marie, the CGC has in recent years seen expansion into community health and social

<sup>15</sup> Sault Ste. Marie Innovation Centre, 2015, Business Plan – 2015: pp. 4.



services, as well as expanding into other parts of the country to provide services for other communities seeking solutions.

A number of case studies investigated for this review have identified how a non-profit entity can generate revenues through specific projects that can then be recirculated into the community in various ways. These case studies are outlined in detail in the Technical Appendix, with summaries provided below. The key take-away from the case studies is that non-profit organizations can find means to generate revenue that make them less dependent on different forms of government funding. The revenues generated through these activities can then be re-invested into SSMIC programs and services, contributing further to its operational mandate to support growth in innovation in Sault Ste. Marie and the surrounding region.

It has been learned through consultation with management and staff at SSMIC that the CGC will be relocating to the Civic Centre premises, where SSMEDC and City Hall are located. Currently, the CGC pays SSMIC approximately \$56,000 per year for space, which SSMIC then uses to pay Algoma University for the CGC's space along with other SSMIC space. At the Civic Centre, the CGC will pay rent for the space at a below-market rate. The exact amount has not been confirmed; however, consultation revealed an anecdotal amount of approximately \$14 per square foot. Given that CGC will continue to be required to pay for rent in its new space the need to increase revenue development at the CGC may be more pressing depending on the overall cost.

#### **Key Best Practice: Makivik Corporation (Nunavik and Nunavut) and Chicanos Por La Causa (Arizona, New Mexico, and Nevada)**

Makivik Corporation is a non-profit organization which invests its financial resources to fulfill its commitments to economic development and job creation for the Inuit of Nunavik. Politically, culturally and economically, Makivik has led in the building and development of a vibrant region called Nunavik, where, between the dualistic nations of Canada and Quebec, Inuit have established their own distinct place and identity. It protects the rights, interest and financial compensation provided by the 1975 James Bay and Northern Quebec Agreement and the offshore Nunavik Inuit Land Claim Agreement that came into effect in 2008..

Makivik Corporation acquired Air Inuit in 1978 and First Air in 1990. The Corporation also has a construction division that works on civic, residential and commercial construction as well as crushing. The revenues received through these subsidiaries are used to fund economic and resource development, political development, community infrastructure investment and scientific and environmental research. They also pay for their operations and staff. In Northern Canada, where private investment is lacking in many areas, Makivik Corporation provides much needed public goods that would otherwise not exist.

Chicanos Por La Causa (CPLA) is a non-profit organization that promotes stronger and healthier communities throughout Arizona, New Mexico and Nevada. CPLA owns



and manages four subsidiaries which help to sustain the charitable initiatives of the organization. Currently 55% of CPLA's revenues are self-generated, and the organization has a goal of reaching 77% by 2022. Two examples of its subsidiaries are Prestamos CDFI and Tiempo Inc. Prestamos CDFI, a wholly owned CPLC subsidiary, offers economic opportunities for small and emerging businesses in Arizona and Nevada. Tiempo Inc. is another subsidiary designed for job creation and expansion of economic development ventures through construction, renovation and management of buildings. All revenues generated by these subsidiaries feed back into the communities through CPLC's charitable operations and projects.

The two case studies demonstrate that a subsidiary of a non-profit can be used to generate revenue that increases the organization's ability to fulfil its mandate. They therefore validate the current operational model of SSMIC's CGC division and indicate that, if desired, the organization can be even more aggressive in its expansion of fee-for-service activities as a means of contributing toward SSMIC's financial sustainability. This would continue to reduce its dependence on various sources of government funding, and providing revenue streams that can be fed back into SSMIC programming and services.

#### 4.1.2 Tourism Sault Ste. Marie

Tourism Sault Ste. Marie (TSSM) is a division of SSMEDC. In a similar manner as the CGC, TSSM generates some of its own income through various streams, such as the Destination Marketing Fund (DMF), advertising sales, Sault Ste. Marie Guide sales, Meridian Administration revenue, and Canyon Tour Train revenue. Three of these components bear further comment.

First the Canyon Tour Train is a train route that runs between Sault Ste. Marie and Hearst, which is operated by CN Rail. It runs throughout the summer, with peak season occurring during the fall colour change. Revenues generated from that tourism asset, after CN Rail had taken its portion, totalled \$26,435 in 2014. This money was raised by TSSM through ticket and souvenir sales. Revenues can be re-invested into various TSSM needs.

The DMF is a fund that is contributed toward by hospitality organizations, earmarked to be re-invested into marketing of the region to visitors. The DMF functions as a visitor levy excised on people that stay in local accommodations. Though the DMF comes with strings attached, it allows for stronger buying power through a consolidated fund. This model is common in many communities as a supplement to marketing expenses.

Finally, Meridian Administration revenue is derived through online bookings of visitors that use TSSM's online booking portal. A portion of each sale is converted into a commission that TSSM is able to collect.

These novel approaches help TSSM in its various activities by bringing additional revenue streams into the organization that would otherwise deplete resources allocated to other components of SSMEDC or result in an underfunded component of tourism marketing or asset management. The funds also increase the pool of available



revenue to leverage for other grant funding available from provincial or federal governments.

#### 4.1.3 Incubators and Accelerators

Both SSMIC and SSMEDC operate individual incubator spaces. SSMIC has two locations where its incubators exist; one at the current SSMIC corporate location on Algoma University's campus, and one on Queen Street called the Accelerator Hub. SSMIC's incubation program is geared toward start-up operations in the innovation sector, concentrated in science and technology. The incubator/accelerator constitutes a mix of private office suites and pods (desks that are grouped together in an open space). There is also a virtual incubator, serving as an additional source of revenue in addition to physical tenants.

SSMEDC also has an incubator space located in the recently converted paper mill called The Millworks Centre for Entrepreneurship. The incubator is geared toward small businesses not involved in the innovation sector. It targets several key demographics including young entrepreneurs, newcomer entrepreneurs, entrepreneurs returning to the workforce post-retirement, women entrepreneurs, and entrepreneurs with disabilities or receiving social support. It should be noted that the term entrepreneur, in the case of SSMEDC, pertains to small, self-made businesses, as opposed to the formal definition, which posits that entrepreneurship is the result of innovation and new revenue. Not all small businesses are innovators. SSMEDC's small business incubator is already nearing capacity, demonstrating a strong uptake and potential for future expansion if desired. In addition, SSMEDC also hosts a virtual incubator. The fact that both SSMEDC and SSMIC both have virtual incubators points toward a potential opportunity for synergy and collaboration in administering that service.

Both entities are currently in part or completely located on private properties, where they pay rent. For SSMEDC, the entire operation pays rent (projected \$22,929 for 2016), and must depend on its incubator tenants to afford the space. But it also receives rent from tenants (projected \$28,872 for 2016).<sup>16</sup> This means that in balancing revenue over expenditure for 2016, SSMEDC's incubator should produce more income from rentals than it pays for renting the space. The surplus is likely to cover other overhead costs such as utilities and insurance for the location.

For SSMIC, the location on Queen Street is the one where it pays rent, in addition to SSMIC itself paying rent to Algoma University for the various spaces it occupies on campus, including the incubator space. Although specific budget breakdowns are not available to an extent that allows for a forensic understanding of rent to be paid by SSMIC versus rent owed to SSMIC by incubator tenants, it can be assumed that SSMIC is also generating sufficient rent from tenants so as to make due on its own rental payments.

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<sup>16</sup> Sault Ste. Marie Economic Development Corporation, 2015, Master Budget – 2016.



It is clear that SSMEDC and SSMIC's incubators/accelerators are meeting recognized needs in the broader community and providing locations for soft-start-ups with reduced overhead costs for their clients. It is also clear that the two sets of facilities are targeting different kinds of businesses. Despite these benefits, stakeholder consultations also reveal confusion about the different organizations. In the first place, some people do not understand why there are so many, and it is perceived that the two incubators are duplicating efforts and there may be some redundancy. Second, the fact that the locations are scattered across the city has also contributed to confusion.

A solution to these identified challenges may be a co-location arrangement or even amalgamation of the two.

Bringing them together, preferably within the same building and under the same banner, would facilitate a reduced overall cost for space rentals, which may translate into reduced individual costs. If a landlord is approached collectively, the organizations can work together to negotiate a more competitive rate overall. Co-location may also allow for some shared or pooled resources. Common areas, kitchen facilities, office equipment, and possibly even some administrative staff can be shared between the two organizations to further reduce overhead costs and save both entities money. Finally, bringing the two entities together would help to promote a unified brand and serve as a focal point for attention, which could be marketed globally.

A case study presented below relates to the Communitech incubator cluster in the Waterloo Region. This case study is summarized below, with a more detailed overview provided in the Technical Appendix. The more salient points brought out by it point toward the benefits of sharing and pooling resources and building a universal brand, while still maintaining enough autonomy so as to address their various stakeholders and clientele. The recommendation to bring SSMIC and SSMEDC's incubators into a consolidated unit therefore goes a step further than the Communitech model to better suit the opportunity that exists in Sault Ste. Marie.

### **Key Best Practice: Communitech, Waterloo Region**

Communitech has long stood at the epicenter of innovation in Ontario's Waterloo Region. It is an innovation and incubation hub. The concept of innovation relates to the missions of the organizations that come together under the Communitech Corporation umbrella, as they drive local businesses into the global economy through their entrepreneurial pursuits. It is an incubation hub because it brings together two incubators and two accelerators under a larger umbrella which also includes business services. The concept of a hub also holds parallels to the notion of a communal space and place of idea and knowledge exchange. In fact, the term Communitech Hub is used to represent a shared space where convergence and integration are encouraged.

Communitech is a member-driven innovation centre that supports a tech cluster of nearly 1,000 companies, employing 30,000 people. It works with technology companies at all stages of their growth and development; from startups to rapidly growing mid-size companies and large global players. A member of the Ontario



Network of Excellence (the body that has initiated the Regional Innovation Centre network), which is funded by the Ontario Government, Communitech supports companies in commercializing innovation and technology, with the goal of creating a greater number of successful global businesses.

Communitech functions as an overarching umbrella under which numerous other organizations operate. It is comprised of an 50,000 sq. ft. space, dedicated to world-leading collaboration and innovation. It brings together key players, including start-ups, global brands, government, academic institutions, and tech incubators and accelerators to support economic development and tech growth within the Waterloo Region. Communitech supports start-ups, SMEs and Enterprise clients with targeted programming through its various organizations.<sup>17</sup> Because the organization receives funding from all levels of government, a financial team determines where funding is allocated depending on the program or Ministry it has come from. Within Communitech are two incubators and two accelerators. These organizations function independently from each other, but they do also work together.

As an example of how the various organizations within Communitech work together, in 2013 Communitech Corporation received \$9.7 million from the Canadian Accelerator and Incubator Program. This was designed to provide local entrepreneurs with the resources and expertise needed to launch their businesses. The fund were divided among the various incubators and accelerators according their areas of expertise, with Communitech itself providing programming and services for scaling companies, Velocity Lab providing programming for hardware developers, LaunchPad offering mentorship assistance, and Accelerator Centre offering momentum programming. Moreover, each of the accelerators run by Communitech was developed by Communitech staff. This ensured that there is no duplication of services between the initiatives. Instead, they all work in their own areas, but are nonetheless capable of helping businesses together.

The umbrella also works to ensure that the services provided to clients meet their needs, with an emphasis on increased efficiency and decreasing redundancy. Communitech Corporation has some staff resources that provide services used by all the incubators and accelerators, which reduces the need of each individual organization to do similar activities.

An additional benefit is that the various entities exist in a hub structure of well-connected and proximate locations that provide for cross-pollination among clients, so that networks can be enhanced and new ideas generated.

The Communitech case illustrates how different incubator, accelerator, and other business services can cohabit under a larger formalized structure. They co-exist together to enhance the innovative cluster more, but users are able to benefit from each other's respective areas of expertise. Moreover, their colocation allows for a

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<sup>17</sup> Start-ups are businesses with 1-19 employees, SMEs are businesses with 20-499 employees, and Enterprises are businesses with over 500 employees



unified brand that can be projected outward. This concentrates attention more broadly, rather than having various fragmented messages and brands.

Overall, a review of SSMIC and SSMEDC's incubator programming suggests synergies that can be amplified through consolidation, and it is viewed as an eventuality that the two should come together beneath a larger banner. Not only would this result in savings, but it would also help to reduce confusion about the various entities that currently exist scattered across the city. That said, within the consolidated structure, there still needs to be two dedicated streams, so that any specific needs of clientele can be met effectively. Therefore, if a consolidated incubator is created, within it there needs to be two divisions.

#### 4.1.4 Other Strategic Investments

During the course of operating organizations such as SSMIC and SSMEDC opportunities can emerge that require investment attention. In some ways, the examples above illustrate how this is so. For instance, neither organization was compelled to open an incubator, but both organizations recognized specific needs for certain services their stakeholders required. These entities are now successful operations with strong uptake.

As discussed in a previous section, in 2008 Millier Dickinson Blais (now MDB Insight) conducted a review of SSMEDC. In that review, Millier Dickinson Blais observed that it is common for Councils and economic development organizations to encounter some friction over strategic decisions that may be viewed as "risky".<sup>18</sup> This is because the organizational culture of a Municipality is fundamentally risk-averse, while economic development organizations must sometimes shoulder some form of risk in order to produce economic opportunities, maintain strategic assets, or prevent potentially catastrophic declines. It can be difficult for the Municipality to rationalize risk taking, while for the economic development organization risk is viewed as a necessary evil. As the report observes, "...great businesses (economic development organizations in this case) need to take risks. Mediocre economic development organizations do not take risks and produce mediocre results". The statement underpins the logic of risk taking as something that can lead to rewards or benefits, as opposed to mediocrity.

As such, it can be expected that periodically, risks that are pursued may ultimately not produce the intended results. That is to say, sometimes they fail. In the 2008 report a risk that was viewed with considerable discomfort from Council and even the general public was the Gateway Borealis Project. More recently, the Searchmont ski facility acquisition by SSMEDC has produced considerable controversy. Both of these examples are arguably risky. However, from the perspective of the economic development organization they were viewed as necessary risks, given the broader consequences of not pursuing them.

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<sup>18</sup> Millier Dickinson Blais, 2008, Sault Ste. Marie Economic Development Corporation Review, March 19: pp. 53.



To be clear, this discussion is not meant to absolve SSMEDC for risks it has taken, but it must be recognized that given the arm's length nature of these two organizations as separate and largely autonomous entities, it is entirely within the capacity of Boards of Directors of SSMEDC and SSMIC to approve or decline such opportunities. Moreover, as the existing MOUs of both organizations do not address limits to be applied to large expenditures, there is currently no mechanism for City Council to exercise control over either organization's discretionary spending. For this reason, within the principal-agent structure that is produced as a result of the City being a key funder of SSMEDC, and to a lesser extent SSMIC, some Councillors may view these organizations as *moral hazards*. The term moral hazard pertains to an agent (i.e. SSMEDC or SSMIC) that will have reason to shirk responsibility or engage in risk taking behaviour because of the principal's inability to directly control the agent's behaviour.<sup>19</sup> This essentially means that because SSMEDC and SSMIC are funded by the City, the City may view their behavior as inherently risk-seeking, and therefore become apprehensive over their behavior.

A possible solution to the moral hazard challenge is for MOUs to provide a threshold for expenditures that are expected to exceed a given amount, and to make those expenditures subject to the approval of City Council in addition to the Boards of the organizations. This may add a level of insurance for larger expenses that may be viewed as risky. With this in mind, it would become necessary for SSMEDC or SSMIC to substantiate the risk and identify a persuasive argument that explains in unambiguous terms why the risk is warranted. This may be for any number of reasons, but a key one is often rooted in the overall public good that may result from the investment.

From the perspective of SSMEDC or SSMIC, investment in a given opportunity may be to reduce the risk of unemployment or layoffs, as well as to maintain a given quality of life or ensure continued availability of a tourism asset. Setting a threshold on discretionary spending will require sensitive negotiations and willingness between the MOU parties to find a common area of consensus. The threshold should not be so low so as to allow for an overly invasive form of micro-management, but instead, to serve as a safe-guard to investments that are of a particular magnitude or greater, and which reflect the potential for substantial risk.

In doing this through an MOU, the City would be wise to investigate the legal ramifications associated with such a mechanism. There may be understandable concerns that because the City is making certain levels of spending contingent on City Council approval, then the City may become liable by extension for spending decisions of either organization that it has approved. As legal expertise is beyond the scope of expertise of this investigation, this question has been left open for further exploration by the City.

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<sup>19</sup> Innes, Robert D., 1990, "Limited liability and incentive contracting with ex-ante action choices," Journal of Economic Theory, Vol. 52 (1), October: p. 45-67. The notion of moral hazard has its origin in the insurance sector, where it had been argued that by allowing agents to have access to insurance there would be increases in risk-taking because they are aware that insurance will protect them in the event of an accident.



In closing, another important aspect when considering the negotiation of checks and balances and limitations on decision making powers of relatively autonomous governing bodies (i.e. Boards of Directors), is their relation to the level of funding. As discussed in previous sections, arm's length organizations such as the SSMEDC and SSMIC have a number of different funders, of which the City of Sault Ste. Marie is one. Examining the type of funding (core versus project) and level of funding (percentage or apportioned share) should also be considered and their relationship to the level of control that can be exercised over decision making processes. It is important that the MOU parties remain committed to the shared goals and values of the organizations and the mandated purpose they have to improve the communities they serve. It is of equal importance to observe the need for established decision making bodies to be afforded the latitude necessary to maintain and uphold the confidence placed in them.

### Key Considerations on Revenue Generators

This section looked at some alternative revenue generation tools used by SSMIC or SSMEDC. Three key sources were discussed:

- **Community Geomatics Centre (CGC):** It was shown that the SSMEDC's CGC is a valuable asset to SSMIC. It provides local geographic information (GIS) services for the City and many local community organizations, but also provides services and develops new applications for external communities and community organizations. The CGC has consistently brought over \$1.25 Million annually in revenue into SSMIC between 2012 and 2014 (latest year available).
  - A case study of the Makivik Corporation and Chicanoes Por La Causa demonstrated that subsidiaries of a non-profit can generate revenue that increases the organization's ability to fulfill its mandate. Money raised through revenue generating activities is recirculated into the organization to both further improve the revenue generator and increase the ability of the organization to improve other programs or services that have an impact on the community.
- **Tourism Sault Ste. Marie (TSSM)** has various means of bringing additional revenue into the SSMEDC. These efforts result in additional funding that is used for TSSM marketing activities. Examples of revenue generation tools include:
  - ACR Train route which brings in direct tourism revenue to SSMEDC through ticket sales and concession materials sold on the train.
  - Destination Management Fund, which operates as a visitor levy at local accommodations. Funding from this source goes directly into regional marketing efforts, reducing the cost to local hotels



### Key Considerations on Revenue Generators

- and other tourism assets and the out-of-pocket cost to TSSM.
- Meridian Administration which is an online booking service which generates a royalty-based commission for every reservation booked through the service by people and groups that look to book their stays and other vacation package materials online via the service.
  - The Innovation Incubator (SSMIC) and Small Business Incubator (SSMEDC) represent key assets designed with different client-bases in mind. There are benefits to seeking a consolidation of the two entities and shared space in the same building. That said, the two organizations should maintain separate streams to ensure their respective clientele receive the specific care they require.
    - A case study about Communitech illustrated how two incubators and two accelerators can cohabitiate beneath a larger umbrella organization, but it was suggested that an amalgamated approach goes one step farther than the Communitech model . Key benefits of Communitech include the coordination and sharing of some resources, and the value of projecting a unified brand, which allows for a larger voice in marketing the organization and its clientele.
  - A final component of the chapter addressed the idea of strategic investments and risk taking. Cities are more likely to be risk averse, while economic organizations may feel compelled to take risks at the threat of a larger or more severe outcome that may occur as a consequence of inaction. These differing perspectives contribute to a sense of tension and impact relationships of trust.
  - A solution provided is the mutual identification of a threshold in MOUs for expenditures that exceed a given amount, for which the organizations would require City Council approval. The threshold should not be so low so as to allow for an overly invasive form of micro-management, but instead, serve as a safe-guard to investments that are of a particular magnitude or greater, and which reflect the potential for substantial risk. The legal ramifications for the City in such an exercise require additional investigation by the City.

## 5 Consolidation

Building off the previous section, the logical progression would indicate that the City of Sault Ste. Marie and its community would be best served with the SSMEDC and SSMIC being organized under a single umbrella organization and structure. There are undeniable synergies that make for a persuasive argument for amalgamation. These are based on the following observations:



- Both organizations each have separate MOUs with the City, and consolidation would reduce the need for the City to manage multiple relationships, including aspects of accountability and performance monitoring
- The ecosystem is cluttered with various entities, and consolidation would reduce this clutter and related questions about jurisdiction and branding
- Both organizations have strong synergies in the kinds of services they provide, which under a consolidated structure would allow for streamlined approaches to dealing with similar client needs, while still being able to address unique needs of different stakeholders
- Financially, and this will be elaborated below, there are opportunities to reduce some costs through consolidation, which would translate into savings

The Technical Appendix provides an overview of Invest Ottawa, a success story of a consolidated economic development organization. Some key take-aways from the case study are summarized below.

#### **Key Best Practice: Invest Ottawa**

Invest Ottawa is the primary economic development organization in the City of Ottawa and broader region. It delivers collaborative economic development programs and initiatives that support the entrepreneurial culture in the City of Ottawa and the surrounding areas. It runs a number of economic development programs and initiatives around entrepreneurial mentorship, start-up development, business incubation services, commercialization, targeted sector development, investment attraction, BR&E, and global trade development.

A key attribute of Invest Ottawa is that it brought together the Regional Innovation Centre (RIC) and the Investment and Trade division, which includes the Small Business Enterprise Centre (SBEC) all under a single umbrella. The organization is characterized by these two distinct and autonomous divisions, each with its own key funding sources which dictate governance. Furthermore, each has its own Board of Directors that gather monthly. The way the components are brought together is through an additional overarching Board that meets quarterly, with representatives from each sub-board. This is where organization-wide decisions are made concerning the overall organization. It also becomes the venue through which coordination efforts are managed.

A potential challenge that can be improved upon in comparison to the Invest Ottawa model relates to the two autonomous divisions and their respective Boards of Directors. If possible, a means of reducing

Within the umbrella structure are numerous shared staff resources, including roles such as public relations, marketing, finance and administration. These shared roles allow for a reduction in duplication.



This case study is not perfect, but it is currently the closest example of consolidation in Ontario. Furthermore, it speaks to the importance of bringing together the RIC and SBEC in as much of a contained structure as possible. Building on this model, while acknowledging its weaknesses (e.g. two separate Boards, etc.), in Sault Ste. Marie, further attempts to integrate organizations even more closely than the Invest Ottawa example may become the new model others look to in the future for best practices.

## 5.1 Consolidation Opportunities

The structures of SSMEDC and SSMIC themselves have similarities that would make for a smooth transition into a single organization. Both have their own areas of expertise, but even within each organization there is variation in the kinds of divisions they have and the expertise required to operate them. Whether two organizations each have a variety of divisions serving different stakeholder needs or a single, amalgamated organization has a greater variety of divisions there should not be any change to the level service delivery or number of overall programs or projects.

Instead, the single organization can benefit from having all manner of expertise and services self-contained, rather than spread across two organizations. This would reduce confusion in the broader public, while enhancing the focal point for economic development stakeholders and potential clients. In addition, it would create an environment where collaboration and referral services are more efficient. Finally, it would result in cost savings derived from a variety of sources, including the elimination or phasing out of redundant roles, reductions in administrative and operating overhead, and computer/software savings. Savings can be leveraged as a result of either greater purchasing power or reduced duplication.

### 5.1.1 Areas of Potential Cost Savings

There are synergies and repetition between both organizations in regard to corporate services that, if shared, would see some overall savings. Furthermore, they would contribute to a universal brand that stakeholders can identify more easily with.

#### Reduced Administration/Overhead Costs

SSMEDC and SSMIC have some areas of duplicity that could result in cost-savings if the two organizations were to be consolidated. These are summarized in the figure below.

The first key savings may stem from changes in rent-structure. Currently, SSMEDC does not pay rent for its Civic Centre space. Meanwhile, in 2014 SSMIC paid approximately \$152,000 annually for its various spaces, including incubation and the CGC.<sup>20</sup> It generated rent revenues from tenants totaling over \$192,000. In other words,

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<sup>20</sup>BDO Chartered Accountants, Sault Ste. Marie Innovation Centre Audited Financial Statements – 2014.



rents generated by tenants were able to cover all of SSMIC's rent costs, and also resulted in a surplus.

If the new structure results in the cohabitation of administrative offices of both organizations within the current office space occupied by SSMEDC, the \$152,000 that SSMIC currently pays for rent could be reduced significantly. This amount does not include considerations for paying rent for the Innovation Incubator. Assuming a conservative estimate of half of the \$152,000 amount being allocated to Innovation Incubator rent, \$76,000 would remain as potential savings.

In studying SSMEDC's 2015 master budget, a few other areas also come forward that may allow for some reductions due to the likelihood that SSMIC also pays for similar items. It must be noted that the review team did not have access to the same level of budget detail from SSMIC as was the case for SSMEDC. Therefore, all costs for administration or overhead identified in the SSMEDC model are treated similarly for SSMIC. The savings suggested are based on target percentages applied to the pooled total of SSMEDC and SSMIC costs. The savings are expected due to a reduction in duplicated costs, with the understanding that the end result will not be a total reduction, but more likely a reduction in overall costs of approximately 20%. These costs and potential savings are outlined in the figure below.

FIGURE 2: AREAS OF POTENTIAL COST SAVINGS DUE TO REDUCTIONS IN DUPLICATION BASED ON SAVINGS TARGETS OF 20%.

	SSMEDC Actual	SSMIC Estimate*	Sub-Total	% Savings Estimate	Total Savings
<b>Insurance</b>	\$ 21,063	\$ 21,063 *	\$ 42,126	20%	\$ 8,425
<b>Telecommunications</b>	\$ 29,665	\$ 29,665*	\$ 59,330	20%	\$ 11,866
<b>Professional fees</b>	\$ 13,003	\$ 13,003*	\$ 26,006	20%	\$ 5,201
<b>Rent</b>	\$ -	\$ 152,000	\$ 152,000	50%	\$ 76,000
<b>Total</b>	\$ 63,731	\$ 215,731	\$ 279,462		\$ 101,492

Source: Sault Ste. Marie Economic Development Corporation, 2015, Master Budget – 2015. \* Actual budget breakdown not received from Sault Ste. Marie Innovation Centre at the time completion of this report. Costs have been based on duplication of SSMEDC actual amounts.

Estimated annual savings under the identified targets of 20% reduction for overhead and administrative costs (i.e. for insurance, telecommunications, and professional fees) total \$25,429 annually. Taken together with anticipated savings in rent under colocation of administrative office space of SSMIC and SSMEDC (\$76,000) a total savings of \$101,492 per year is estimated.



## Reduced Wages/Benefits Costs

There are opportunities to generate efficiencies in wage and benefit costs, but these must not come at a cost to organizational performance. Careful consideration has therefore been given to the potential of eliminating one duplicated role and the subsequent need to pay the remaining individual a larger wage than before and/or hire additional subordinate staff to accommodate the expanded scope and workload. Savings are therefore not expected on a one-for-one basis, but instead calculated as a percentage (30%). This is explained in greater detail below.

The data used in compiling these estimates requires some attention. Estimates for costs of employment are based on information from the Government of Canada's Explore Careers – Job Market Report to the greatest extent that it was available.<sup>21</sup> The resource allows for researching the average wage of different occupations (classified by National Occupation Category code). Hourly wages were converted to annual salaries based on a 37.5 hour work week estimate. Because these averages are based on industry averages for Ontario, the respective salaries are likely to be higher in actuality in Sault Ste. Marie, particularly for management roles. This is because Sault Ste. Marie is farther away from southern Ontario and Toronto, more specifically. Consequently an organization may have to invest more in attracting and retaining the skilled talent required.

Furthermore, it is standard that in addition to wages, organizations pay various additional amounts toward Federal and Provincial programs or other contributions (e.g. WSIB, CPP, health benefits, etc.). This amount typically represents an additional 25% cost to the employer, in addition to salary. For example, the salary of a manager averages \$95,160 per year; however, bearing in mind the additional costs to be paid by the employer (at 25%), a cost of \$23,790 is added. The total actual cost would therefore be \$118,950 per year.

The Technical Appendix provides organization charts for SSMIC and SSMEDC respectively. SSMIC currently has a broad organizational structure. Beneath the executive director position there are six nodes representing senior or program management of different divisions. Three of these nodes could be considered operational functions, including finance & administration, marketing & communications, and IT-related services.

By contrast, SSMEDC has similar functions plus some others not listed in SSMIC's chart (General Manager and Receptionist), but these are all within a single division called "corporate services". Both organizations also have an Executive Director. It has also been learned that both organizations in fact do have receptionists; however, for SSMIC that role had been titled Administrative Assistant. The Executive Director is the only role that is not expected to generate the kind of effect that consolidating other positions may result in in terms of requiring more subordinate staff. This is because there should still be ample management staff at the top of each new division of the organization to shoulder any delegation burdens. Nonetheless, the conversion does

<sup>21</sup> Government of Canada, "Explore Careers – Job Market Report" n/d:  
<http://www.jobbank.gc.ca/explorecareers.do?selectExploreCareerBy=ec-occupation>



not make sense at a total one-for-one rate either, as there is likely to be consideration for a wage increase. A conversion rate of 80%, as opposed to 30%, should suffice to meet this consideration.

As for other roles in corporate services, if brought together under a single organization, some efficiency may be gained in the elimination of some duplication. As noted previously, this would not result in a one-for-one reduction in human resources because of the increased workload and responsibility of remaining individuals. Even if savings are made in the direct cost of paying two people of similar salaries, it is likely that more junior staff will be required in order to balance the workload or the salary of the remaining person be increased to accommodate the expanded scope and workload.

For the above reasons, the roles that are recommended as being consolidated for organizational efficiency are estimated as saving 30% of the duplicated salary for key operations, and 80% for the Executive Director. That is, if two managers each cost \$118,950 (including health and benefits costs), the estimated savings would be \$35,685 (because  $\$97,500 \times 0.3 = \$35,685$ ) through the elimination of the duplicated role. By contrast, for the Executive Director, the conversion of \$156,125 for both roles results in \$125,000 in estimated savings ( $\$156,250 \times 0.80 = \$125,000$ ). These methodological considerations have been applied to the following roles which are currently duplicated:

- Senior Management (30%)
- Information Technology (30%)
- Financial Supports (30%)
- Administrative Supports (30%)
- Executive Director (80%)

These are all shown in Figure 3, along with the estimated savings totals. The results demonstrate that in factoring in the above considerations, an estimated \$220,253 may be gained through consolidation. This result includes consideration of salary increases and additional subordinate staff to accommodate workload and expanded scope.



FIGURE 3: AVERAGE COSTS FOR VARIOUS PROFESSIONAL ROLES.

	Average Annual Salary	Additional Expenses	Total Cost	Potential Savings %	Potential Savings Total
<b>Senior Management</b>	\$ 95,160	\$ 23,790	\$ 118,950	30%	\$ 35,685
<b>IT Support</b>	\$ 74,997	\$ 18,749	\$ 93,746	30%	\$ 28,124
<b>Finance Supports</b>	\$ 39,000	\$ 9,750	\$ 48,750	30%	\$ 14,625
<b>Administrative Support</b>	\$ 44,850	\$ 11,213	\$ 56,063	30%	\$ 16,819
<b>Executive Director</b>	\$ 125,000	\$ 31,250	\$ 156,250	80%	\$ 125,000
<b>Total</b>	<b>\$ 379,007</b>	<b>\$ 94,752</b>	<b>\$ 473,759</b>		<b>\$ 220,253</b>

Source: Government of Canada, "Explore Careers – Job Market Report" n/d: <http://www.jobbank.gc.ca/explorecareers.do?selectExploreCareerBy=ec-occupation>. All additional expenses estimated based on a 25% multiplier applied to Average Annual Salary. Potential Savings multiplier of 30% is used in conjunction with Total Cost in order to provide estimated total savings. Note: Executive Director average annual salary was not derived from Government of Canada tool but all other average salaries are under the Ontario average of the Government of Canada tool.

### 5.1.1 Bringing Together Potential Savings

The various discussions above allow for some projected saving that may be derived through consolidation of SSMEDC and SSMIC. Bringing together considerations of human resource and savings related with reduced overhead costs suggests an estimated savings of \$321,745 annually. Further attention to other areas of savings through synergies and pooling of resources may also lead to some additional savings. It should also be noted that these estimated savings have been brought forward as intentionally conservative, which means they have opted to err on the side of caution rather than present a best-case scenario.

### 5.1.2 Incubation Cluster

The incubators of SSMIC and SSMEDC have already been discussed in a previous section; however, it is worthwhile to bring the discussion forward in the context of consolidation. Though both organizations serve specific clientele, there is tremendous benefit to consolidating the two as much as possible into a single entity. That said, within that entity, there should be two streams of clientele, and these should be clearly demarcated.

It is anticipated that the consolidated incubators will remain financially sustainable and contribute to the revenue stream of the amalgamated organization.



## 5.2 A New Memorandum of Understanding

A consolidated organization constituting the convergence of SSMEDC and SSMIC into a single entity will naturally require the creation of a new corporate entity. As that entity takes shape, it will require renewed negotiations with the City of Sault Ste. Marie to outline a new framework of accountability. The form and content at the heart of the MOU can in fact remain much the same as it is now, but, there are some key areas which have emerged throughout the course of this review, which need to be addressed. These include:

- Developing a component outlining how the City will be represented in the new Board structure
- Specifying a direct link between expected deliverables and associated performance measures, including return on investment (where appropriate) in addition to raw values
- Identifying a mechanism for measuring and justifying attribution of the organization, program, or project in performance measurement outcomes
- Pending formal legal advice on the matter, if desired and agreed by both parties, specifying a threshold for discretionary spending which will serve as a mechanism for seeking Council approval on expenditures exceeding a given amount
- Avoiding ambiguity of language for items that may result in different interpretations over the meaning and method of a given deliverable or responsibility
- Removing any language that allows for the new organization to simultaneously benefit from, as well as contribute to, the evaluation or recommendation process associated with the Economic Development Fund or future iterations of that Fund
- Identifying and clearly articulating how the City's allocation can or cannot be used by the organization by specifying the operations, programs, projects and/or services to which the funding applies

### 5.2.1 Revisiting Performance Measures

Much has been discussed related to this topic in earlier sections of the review, but given the discussion of a new MOU, revisiting performance measures is also a pertinent endeavor. It has already been advocated that a Balanced Scorecard model be applied that draws in some components of the Logic Model (also known as the Input-Output Model). This hybrid allows for demonstrating the ROI in addition to raw values of programs and services along with operations. The discussion below presents an example of how such a model can work for evaluating organizational performance.

The benefit of the Balanced Scorecard is that it allows for a 360 degree evaluation of an organization. That is, it looks at more than mere financial performance, so that the organization can continue to improve in multiple ways. In this way, only some aspects of it may be of interest to the City, while others may be more fitting for internal use by the organization itself.



Before outlining the example below there are some important considerations to bear in mind. First, it is a hypothetical example, where targets and values are fabricated and are provided to illustrate how the model works. Second, the mathematics that underpin the model (i.e. conversions to percentages, comparisons to total points, etc.) are real. That is, even though the numbers are fictional, the math applied to them is real.

Finally, the strategic questions, though most likely applicable to the amalgamated organization, are only provided as examples. A formal scorecard may have some of those listed below, or many others not listed. The list, therefore, is not meant to be exhaustive, but instead is illustrative. A formal scorecard should be the result of careful matching between strategic goals or objectives and their appropriate measures.

Recall that the balanced scorecard model is based on the evaluation of the following:

- Financial stewardship: How it is managing finances and generating results based on investment
- Internal Business Process: How it is managing business processes (i.e. programs and services in place, outreach, strategic objectives and progress)
- Organizational Capacity: How it is managing organizational capacity (i.e. innovative approaches, staff training and development, corporate culture attitudes)
- Stakeholders: How it is managing stakeholder relationships and perspectives (i.e. client satisfaction)

Building on the four traditional perspectives, strategic goals of the organization find their way into the model by a series of questions aimed at measuring progress on them. These are called “strategic questions”. Performance measures are assigned to indicate how each item will be measured. With measuring being clearly defined, a target is identified, and the actual outcome is recorded for comparative purposes.

The difference between targeted value and the actual result is born-out as a percentage (% of target). Only the actual amount and percentage should be sufficient for reporting purposes (especially for an MOU); however, there are more steps to the calculation that allow for a performance score to be allocated to each item being measured. The value of this is that it serves as a report card.

The four perspective areas of the model work on a points-allocation system of subdivided percentages that is up to 100%. Within each perspective, the indicators constitute a proportion of the total percentage that the perspective in question represents. In the example below, the distribution is as follows:

- Financial stewardship – 60%
- Internal Business – 20%
- Organizational Capacity – 10%
- Stakeholders – 10%

There are several key headers in the table: strategic question, performance measure, target, actual, % of target, weight, and score. To help illustrate how the scorecard works to award points an example has been used from the table below.



Taking the Financial Stewardship Perspective aspect as the example, a strategic question is “has the organization increased employment levels within the city?” The measure applied to it is “attributed employment values.” In the real world, these are values that would already have been weighted by an attribution metric prior to entering them into the scorecard.

The hypothetical target value was 400 jobs, while the actual number of jobs was 325. This constitutes 81% of the identified target (under the *% of target* column). The weight of the indicator in question (attributed employment values) is 5%. By multiplying the *% of target* value (0.81) by the weight (0.05) a score is obtained which goes into the final column of the table (0.041, or 4.1%).

The same process is applied to all strategic questions under a given category, and the scores are summed at the bottom of each section in a weighted sub-total score. In the hypothetical example provided, the Financial Stewardship component generated a sub-total of 57.6 out of 60%. Impressive!

Notably, the model includes return on investment (ROI) calculations for some strategic questions in addition to actual values. The result of comparing the target ROI to the actual duplicates the same percentage value as is the case when the target value and actual value are compared directly, rendering the scoring of ROI within the scorecard redundant. As a result, when ROI is provided merely as additional information which draws a connection between money allocated to the organization and the return it has generated.

For the example, below ROI was calculated for various key indicators that may ultimately be of benefit to future reporting under the Memorandum of Understanding. It used a hypothetical City budget allocation of \$1.5 million. Taking the median individual income in Sault Ste. Marie from the 2011 National Household Survey (\$30,140), a dollar figure was obtained which could be multiplied by the targeted and actual jobs created. Bear in mind that the actual number of jobs created would have already been vetted to include only attributed jobs.

From the target, the dollar value was obtained through the following:

- $400 \times \$30,140 = \$12,056,000$
- By dividing \$12,056,000 from \$1,500,000, a theoretical ROI of 8.04 was obtained.
- The same approach was used to obtain the *actual* ROI by replacing target jobs (400) with actual jobs (325)
- This resulted in a ratio of 6.53
- When 6.53 is divided from 8.04, the *% of target* result is 0.81 (81%), which is identical to the value obtained from dividing 400 jobs from 325 (81%)

This example has served both to explain how ROI can be calculated and put into the model for display purposes, while also demonstrating why it should not count toward the final score. Its result is redundant.



FIGURE 4: AMALGAMATED ECONOMIC AND INNOVATION ORGANIZATION KEY PERFORMANCE MEASURES BASED ON THE ADAPTED BALANCED SCORECARD METHOD OF PERFORMANCE MEASUREMENT.

Strategic Question(s)	Performance Measure(s)	Target	Actual	% of target	Weight	Score
<b>Financial Stewardship Perspective (60%)</b>						
Has the organization increased assessment revenues in the city?	■ Attributed assessment revenues (total from program or division tracking)	\$1.6M	\$1.7M	1.06	.10	0.100
Same question as above.	■ ROI calculation	1.06	1.13	1.06	NA	0.000
Has the organization increased employment in the city?						
Has the organization increased employment in the city?	■ Attributed employment values (total from program and division tracking)	400	325	0.81	.05	0.041
Same question as above.	■ ROI calculation	8.04	6.53	0.81	NA	0.000
Has the organization helped to retain jobs in the city?	■ Attributable jobs saved (totals from program and division tracking)	N/A	255	1	.05	0.050
Has the organization increased private investment in the city?	■ Attributed investment values	\$10M	\$8.5M	0.85	.10	0.085
Same question as above.	■ ROI calculation	6.67	5.67	0.85	NA	0.000
Has the organization leveraged funds from other public sources?	■ Amount leveraged (total from program and division tracking)	\$2.25M	\$3M	1.3	.10	0.100
Same question as above	■ ROI calculation	1.5	2.0	1.3	NA	0.000
Has the innovation incubator generated profits?	■ Revenue over expenses	\$25K	\$30K	1.2	.05	0.060
Has the small business incubator generated profits?	■ Revenue over expenses	\$25K	\$20K	0.8	.05	0.040
Have tourism visitor days increased?	■ Number of visitor days	25K	27K	1.08	.10	0.100
<b>Weighted Sub-Total Score</b>						<b>60%</b>
<b>Internal Business Process Perspective (20%)</b>						
Have we increased our number of Twitter followers?	■ Number of followers	6K	6.3K	1.05	0.02	0.020
Have we increased our number of Facebook followers?	■ Number of followers	2.5K	2.8K	1.12	0.02	0.020
Have we increased our number of LinkedIn followers?	■ Number of followers	4.5K	3K	0.67	0.02	0.013
Has newsletter uptake grown?	■ Number of Newsletter	4K	2.5K	0.63	0.02	0.013



	subscribers						
Have we increased our media coverage in external media organizations?	■ Number of news items across all print, television, and web media (other than social media)	55	45	0.82	0.02	0.016	
How many workshops, seminars, or speaker series were hosted?	■ Number of events hosted	15	15	1.00	0.02	0.020	
How many attendees were at workshops, seminars, or speaker series?	■ Number of attendees at events	300	266	0.89	0.02	0.018	
Have we increased the number of leads being converted into attracted businesses?	■ Ratio of leads to conversions	30%	44%	1.47	0.02	0.029	
How many site visitations were conducted?	■ Number of visitations	60	55	0.92	0.02	0.018	
How many leads were generated from tradeshows?	■ Number of leads	40	33	0.83	0.02	0.017	
<b>Weighted Sub-Total Score</b>						<b>20%</b>	<b>18.4%</b>
<b>Organizational Capacity Perspective (10%)</b>							
Have all new employees received an orientation session within one week of starting?	■ Proportion of new hires that have received orientations	100%	100%	1.0	0.025	0.025	
Have training and/or skills-development opportunities been provided by or paid for by the organization for employees?	■ Proportion of workforce that have received professional development training within last 12 months	20%	12%	0.6	0.025	0.015	
Have exit interviews been conducted for every employee that leaves the organization?	■ Proportion of exit interviews for employees that leave the organization	80%	50%	0.62	0.025	0.016	
All employees have received health and safety training	■ Percentage of workforce trained in health and safety	100%	88%	0.88	0.025	0.022	
<b>Weighted Sub-Total Score</b>						<b>10%</b>	<b>7.8%</b>
<b>Stakeholders Perspective (10%)</b>							
How many client satisfaction surveys were participated in?	■ Number of participants	200	177	0.885	0.025	0.022	
What are the satisfaction rates?	■ Satisfaction rates	75%	60%	0.800	0.025	0.020	
How attributable was the division/program to outcomes?	■ Attribution metrics (for each division/program)	65%	70%	1.077	0.025	0.027	
How many business visitations were conducted?	■ Number of Visitations	60	60	1.000	0.025	0.025	
<b>Weighted Sub-Total Score</b>						<b>10%</b>	<b>9.4%</b>
<b>Weighted Total Score</b>						<b>100%</b>	<b>93.1%</b>



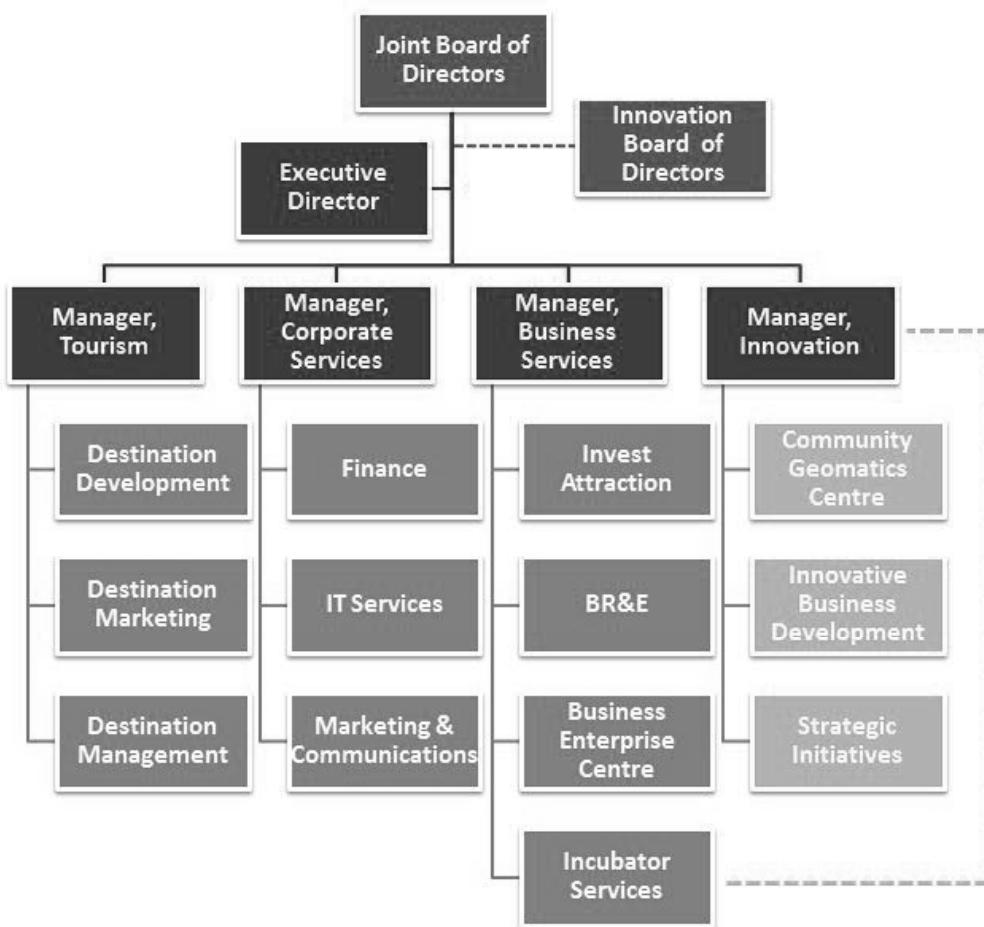
## 5.3 Corporate Structure

Bringing the organizations together will require a consolidated organization structure. The following key components are suggestions for a new configuration. They are also shown in an organizational chart in the subsequent figure.

- **Joint Board of Directors:** Amalgamated composition representative of three SSMIC sector representatives, three SSMEDC sector representatives, and three external representatives (including Deputy CAO, and elected official).
- **Innovation Board of Directors:** Depending on legal requirements that are beyond the scope and expert capacity of this review, the RIC may require a board structure of its own. If this is required, the Innovation Board would report to the Joint Board of Directors through the SSMIC representative sub-set. If it is not legally required and the Joint Board of Directors is sufficient to meet the requirements of RIC programming, there need not be an Innovation Board of Directors.
- **Executive Director:** Centralized role overseeing the operations of the entire organization.
- **Manager, Tourism:** Oversees all destination development, marketing, and management activities, and subordinate staff.
- **Manager, Business Services:** Oversees all investment attraction and BR&E programming, as well as the regionally mandated Business Enterprise Centre and the small business incubator. The role would also manage the Innovation Incubator space and resources, with programming of the Innovation Incubator itself remaining under the jurisdiction of the Manager of Innovation. The Manager of Business Services oversees all subordinate staff.
- **Manager, Innovation:** Oversees the Community Geomatics Centre, innovative business development, and strategic initiatives (i.e. lottery & gaming, Algoma Games for Health, Rural Agri-Innovation Network, Smart Grid / Smart Energy, and youth entrepreneurship programming). The Manager would also oversee Innovation Incubator's client-relations and staff. The manager oversees all subordinate staff.
- **Manager, Corporate Services:** Oversees a consolidated arm representing finance, IT services and marketing & communications components of the organization, and all subordinate staff.



FIGURE 5: CONSOLIDATED CORPORATE ORGANIZATION CHART EXAMPLE.



The previous SSMIC organizational structure was horizontally structured. Many of the nodes that constituted the management structure of the previous model have been consolidated under a single management role in the new model under the Manager of Innovation. The exception being those management roles that fit under IT, Marketing & Communications, and Finance & Administration, which have been consolidated into their own division along with similar roles from SSMECD.

Some additional clarity is also in order regarding incubator services. As the diagram shows, the component falls under the Business Services division, but there is also a dash-line connecting the program to the Innovation division. This is because even after the two incubators are amalgamated, it is still crucial that within the structure itself there are two streams of clientele.

As such, while many clientele will have similar needs and requirements, they may also have some specific needs that can only be met by the services of one the two divisions. For those businesses in the innovation stream, it is essential that they still have strong ties to experts and services in the Innovation division. That said, for programs and services that are not unique to each stream, there is room for Business



Services to handle them, as well as the overall administration of the incubator space or spaces (i.e. office equipment, shared spaces, lease developments, receptionist/help-desk resources, etc.),

### Key Considerations on Organizational Consolidation

**Deep synergies exist between the organizations that allow for a fruitful opportunity for consolidation and enhanced universal brand. Key learnings from this section include:**

- **Consolidating the organizations would result in savings derived from reduced administrative and overhead costs, rent, and wages/benefits.**  
Consolidation of roles was weighed carefully so as not to come at a cost to organizational performance or compromise the level of service these organizations currently provide.
- **Bringing together considerations of human resource and savings related with reduced overhead costs suggests an estimated savings of \$321,745 annually.**
- **To reiterate, the two incubators should seek consolidation, but also maintain specialized focuses on their respective stakeholder groups through two dedicated streams of clientele and appropriate services. Because a new corporate organization is expected to emerge, a new MOU will be in order. A series of recommendations provided a base for improving the forthcoming agreement.**
- **A key theme of the recommendations related to clarity. This theme emerged in relation to definitions, roles, deliverables, performance measures, accountability, and attribution. In addition, it was also recommended that the future document remove any formal role for the consolidated organization that simultaneously allows it to benefit and make recommendations regarding the Economic Development Fund.**
- **A formal model and example framework is provided for the Balanced Scorecard method of performance measurement. The framework can serve as a starting-point in building a customized version for the future economic organization.**
- **A new organizational structure is presented based on a consolidated organization. The structure accounts for a new Joint Board of Directors, while also allowing for the possibility that the Innovation Centre may also still require a Board of Directors. This legal question must be probed prior to forming the new corporation.**
- **The new organization will have one executive director with four divisions operating below that office; Tourism, Corporate Services, Business Services, and Innovation. An organizational chart was provided as a visual reference.**



# 6 Moving Forward

Taking into account the discussions outlined above, this section is focused on consolidating the various suggestions and considerations into a single set of recommendations. These recommendations reflect the cumulative findings from the quantitative and qualitative research conducted in this report. It is important to understand that successful implementation will require cooperation of all vested stakeholders. Although this exercise has not been focused on cost cutting, there are certain elements of right-sizing that may need to occur in order to consolidate the organizations into a leaner, more streamlined entity. There must be a level of commitment on the part of the City, its elected officials, administrative management, and the executive leadership and management of the organizations under examination to effect change in the most expeditious and sensitive manner.

## 6.1 Strategic Recommendations

In order to achieve a more accountable, transparent, and outcomes based relationship between the City of Sault Ste. Marie and its economic development investments, this report recommends the following:

- Update the Economic Development Fund
  - Undertake and complete a systematic review of the Economic Development Fund (EDF)
  - Implement a new, formal annual review process that is subject to accounting audit to determine return on investment (ROI)
  - Implement a clear Terms of Reference for the EDF which includes defined eligibility and evaluation criteria with recipient conditions
  - Remove conflict of interest from external parties and assign City staff to administration of the City Council fund (no party should have advisory and applicant privileges)

### Rationale for Recommendation:

The EDF is a municipally controlled fund which is administered by City Council. Analysis found that the fund requires a deeper level of ownership on the part of the City in terms of managing and deciding on funding recipients.

The existing Memorandum of Understanding for Sault Ste. Marie Economic Development Corporation (SSMEDC) positions the organization as both a beneficiary of and advisor to City Council on the EDF.

The relationship places SSMEDC in a conflict of interest with the City, and a future MOU must therefore distance the new organization from any role of influence on the Fund. Instead, the fund must be completely self-contained within the municipal government with no outside influence on how it is awarded.



- Consolidate the SSMEDC and SSMIC into One Economic Development Entity
  - Enact a Transition Committee and Transition Manager to guide the reconfiguration process (to include discussions with funders and provincial Ministries as to legalities and considerations)
  - Undertake a corporate strategic planning process to establish a vision, mission, goals, and objectives along with clear action plans
  - Establish a Balanced Scorecard performance measurement system

#### **Rationale for Recommendation:**

There are various reasons underpinning the recommendation to consolidate.

First, a consolidated organization would result in a simplified Memorandum of Understanding (MOU) relationship for the City, and any mechanisms of accountability and performance monitoring would be streamlined within a single organization.

Second, from a user and service perspective, consolidation would present a unified brand and central location for directing stakeholder attention. This would help “de-clutter” the existing landscape and reduce confusion over who does what.

Third, both organizations share many services and activities that if consolidated would lead to a reduction in duplication or redundancy.

Finally, consolidation would reduce costs and pool resources resulting in financial savings. These savings include considerations of reduced over-head costs and duplicated roles.

A Transition Committee and Transition Manager are needed to steer the planning and implementation process of developing the new organization. A corporate strategic plan will ensure the forthcoming organization is able to understand its purpose, scope, and plans for operating in the future, so that performance monitoring can show if progress is being made and in what ways.

The balanced scorecard method of performance monitoring works like a report card on activities that are important to the new organization and its stakeholders. A detailed example is provided in the report, which can be used as a starting point in developing a template once the corporate strategic plan is finalized.

- Review and Revise the Memorandum of Understanding (MOU)
  - Construct the new MOU in a manner that captures the newly incorporated structure and its roles and responsibilities
  - Pending legal advice concerning hypothetical liabilities for the City, the MOU must specify a threshold for discretionary spending which will serve as a mechanism for seeking Council approval on expenditures exceeding a given amount



#### Rationale for Recommendation:

Given that a new Corporation will be created, a new MOU is required to formalize the relationship of accountability between the City and the new Corporation. Previous MOUs for SSMEDC and SSMIC lack clarity in (a) linking deliverables to their respective performance measures, (b) defining the performance measures themselves, and (c) articulating any fee-for-service components which would establish how the funding can be used.

Because there has been concern in the past over the level of risk that some project investments may result in, there is a recommendation for a threshold to be identified above which the new organization would require City Council approval for expenditures exceeding a given amount.

It is recommended that the legal ramifications also be investigated, due to the requirement of City Council to sign-off on certain expenses that may induce liability. This legal question is beyond the scope and purview of this report but should be examined nonetheless.

The threshold, if agreed upon, would serve as a form of insurance that the City is satisfied with the due diligence, reason, and potential outcomes of action and inaction associated with investments that exceed a given amount. The mechanism also allows the City to intervene on high expenses that it believes are too risky, if it is not satisfied with the arguments put forward by the new organization.

#### ■ Corporate Restructuring Process (Transition Committee/Manager)

- Undertake the necessary business administration, due diligence, and legal processes to incorporate and consolidate operations
- Undertake a comprehensive examination of assets and liabilities (including lease arrangements)
- Examine the potential for consolidated and/or coexisting office, incubation, and work space to maximize assets and reduce overhead
- Examine human resources implications and develop a transition strategy
- Begin the recruitment process for the new Board of Directors and executive leadership positions
- Identify and adopt a new formal organizational framework (refer to Figure 6)

#### Rationale for Recommendation:

A rationale has been outlined above for organizational consolidation. It is, however, necessary and equally important to rationalize considerations of the corporate restructuring process itself that will see the new organization come to life.



Business administration, due diligence, and legal processes need to be undertaken in order to ensure the Corporation can be formed as a legal person. Business administration is important to understanding what is going to happen to the existing structures, while ensuring a plan is in place to facilitate the transition.

Due diligence is important to ensure all forms, applications and necessary supporting materials are prepared for the incorporation processes. Legal processes are important to formalize the new structure and to seek guidance from legal experts on how to go about different aspects of incorporating. A comprehensive examination of assets and liabilities is needed in order to understand who owns what and who owes what to whom. A sound understanding of how each organization is functioning is needed as a basis for planning the future financial structure of the organization and its detailed budget items.

A number of recommendations were made for consolidation, collocation and reducing overhead. These require specific attention from the Transition Committee so that the necessary space arrangements can be made. Consolidation will yield savings in overhead costs once amalgamation is complete, but decisions will need to be made about what to keep, what to alter, and what to let go of or cancel.

The report identified that there are various ways in which consolidating the organization would result in redundancies in roles. These redundancies cannot be wholly eliminated, but instead must take into consideration the expanded workload and responsibility of remaining staff and possible requirements for support staff to shoulder additional work. Making decisions about how this process will occur and on what timeline requires a plan of action to ensure the process roles out smoothly.

Because the recommendation is for a new Corporation to be formed, a new Board of Directors will be a legal requirement. The Board will naturally need to be populated, and the Transition Committee needs to guide that process. Furthermore, senior management will need to be chosen to run the new organization.

Consolidating the two existing organizations, each with their own current organizational structures, requires adapting both into a single entity. SSMEDC had a structure with three divisions beneath it (Operations, Business Enterprises, and Tourism), while SSMIC had six divisions (Development, Business Development, Finance and Administration, Marketing & Communications, Community Geomatics Centre, and Information Technology). The new structure emerges as a consolidated entity with four divisions.

## 6.2 Implementation Plan

The following table provides an easy reference guide of the suggested timing associated with each recommendation and its various actions. Each recommendation is accompanied by its various actions and a series of priority levels. The timeline has three categories of priority:

- **Immediate (i.e. as soon as possible)**



- **Within 6 months**
- **Within 12 months**

It is fully recognized that additional planning and tactical level activities will be required; however, the implementation plan is meant to assist the City of Sault Ste. Marie with identifying when certain actions should commence in relation to each other and achieving desired goals in a timely fashion. It is not meant that an action should be achieved in the priority timeline, but, that it should be started at that point.

Further, the report itself is intended to be a starting point, and to exist as a living document to be reviewed and revised as necessary throughout the restructuring process.

FIGURE 6: IMPLEMENTATION TIMELINE FOR RECOMMENDATIONS

Recommendation	Immediate	6 Months	12 Months
<b>Update the Economic Development Fund</b>			
Undertake and complete a systematic review of the Economic Development Fund (EDF)			
Implement a new, formal annual review process that is subject to accounting audit to determine return on investment (ROI)			
Implement a clear Terms of Reference for the EDF which includes defined eligibility and evaluation criteria with recipient conditions			
Remove conflict of interest from external parties and assign City staff to administration of the City Council fund (no party should have advisory and applicant privileges)			
<b>Consolidate the SSMEDC and SSMIC into One Economic Development Entity</b>			
Enact a Transition Committee and Transition Manager to guide the reconfiguration process (to include discussions with funders and provincial Ministries as to legalities and considerations)			
Undertake a corporate strategic planning process to establish a vision, mission, goals, and objectives along with clear action plans			
Establish a Balanced Scorecard performance measurement system			
<b>Review and Revise the Memorandum of Understanding (MOU)</b>			



<b>Recommendation</b>	<b>Immediate</b>	<b>6 Months</b>	<b>12 Months</b>
Construct the new MOU in a manner that captures the newly incorporated structure and its roles and responsibilities			
Specify a threshold for discretionary spending which will serve as a mechanism for seeking Council approval on expenditures exceeding a given amount			
Clearly articulate connections to performance measures, expected outcomes for funding, and return on investment criteria			
<b>Corporate Restructuring Process (Transition Committee/Manager)</b>			
Undertake the necessary business administration, due diligence, and legal processes to incorporate and consolidate operations			
Undertake a comprehensive examination of assets and liabilities (including lease arrangements)			
Examine human resources implications and develop a transition strategy			
Examine the potential for consolidated and/or coexisting office, incubation, and work space to maximize assets and reduce overhead			
Begin the recruitment process for the new Board of Directors and executive leadership positions			
Identify and adopt a new formal organizational framework (refer to Figure 6)			



## Technical Appendix

Review of Sault Ste. Marie's Economic Development  
Enablers and Investments

December 1<sup>st</sup>, 2016





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# Introducing the Technical Appendix

This document represents the relevant theoretical and background research that has underpinned the Review of Sault Ste. Marie's Economic Development Enablers and Investments.

It represents expanded discussions of key ideas, concepts and learnings present in the Review. This technical appendix is not designed as a stand-alone document, but rather as a tool for supplemental information.



# 1 Key Background Research

## 1.1 Fundamental Considerations in Economic Development – Economic Development Primer

**Economic development** can apply to many things. It is at once a concept, an activity and a professional practice or occupation. It therefore represents simultaneously an idea or end-goal, something that is done to achieve that end-goal, as well as the role of specific people that help this process along as part of their job. At their cores, all three of these meanings can share some ownership of the fact that economic development can be defined as the “sustained, concerted actions of communities and policy-makers to improve the standard of living and economic health of a specific locality.”<sup>1</sup>

This has taken on a number of forms over the last century or so. Economic development has evolved from a focus on **investment attraction**, to concentrating more on **business retention and expansion** (BR&E), to promoting **entrepreneurialism**.<sup>2</sup> As time has gone on, these new paths did not completely replace their predecessors, but instead built or expanded on top of them.

These considerations mainly revolve around creating, maintaining and nurturing jobs, but as time has gone on, economic development as a concept has also grown to include broader acknowledgement of social health and regard for the environment. This more holistic approach is referred to as **community economic development**.<sup>3</sup>

Traditionally, economies are comprised of two types of industry, “basic” and “non-basic”, as summarized in Figure 1.

FIGURE 1: BASIC AND NON-BASIC INDUSTRIES THAT COMPOSE LOCAL ECONOMIES.

<b>Basic</b>	<b>Economic wealth generators that result in exported goods and services</b>
	<b>Examples:</b> manufacturing, agriculture, resources extraction, knowledge or expertise, tourism, etc.
<b>Non-Basic</b>	<b>Economic activities that support basic economic wealth generators</b>
	<b>Examples:</b> retail, construction, primary and secondary education, public health and social services, specialized services, etc.

Source: Adapted from Eliahu Romanoff, “The Economic Base Model: A Very Special Case of Input-Output Analysis,” Journal of Regional Science 14, no. 1 (April 1, 1974): 121–29

<sup>1</sup> Whatiseconomics.org, “What is economics?”: <http://www.whatiseconomics.org/economic-development>

<sup>2</sup> Dickinson, Brock, “The Three Ages of Economic Development,” Municipal World, (February 2015); pp.27-29.

<sup>3</sup> Canadian CED Network, “What is CED?: [https://ccednet-rcdec.ca/en/what\\_is\\_ced](https://ccednet-rcdec.ca/en/what_is_ced)



Basic industries create enough of a product or services that they can be exported to other places outside of the community, while non-basic activities represent industries that provide products or services consumed only locally. When more people are employed in basic industries, the spin-off effect in the local economy is that there are even more people employed in non-basic industries.

### **The Importance of Basic and Non-Basic Industries in Sault Ste. Marie**

In Sault Ste. Marie there was concern over declining forestry jobs. Forestry products manufacturing, such as paper production, was an area of significant employment and source of local pride.

As paper-production declined, the spin-off would translate into declines in the need for help in other sectors that service the sector directly and indirectly. For example, direct impacts include reduced business for local suppliers, business-oriented enterprises (such as legal or insurance services), or transportation and logistics companies. For indirect impacts, businesses that do not directly support the sector but are dependent on people's disposable income in the community stand to be affected, such as restaurants, new and used cars dealers, recreational amenities, or movie theatres.

Similarly, the ongoing challenges of the steel mill and its impact on local basic and non-basic jobs equally hold similar cascading effects in the local economy. These two examples explain why solutions to such problems become important to policymakers and the community more broadly, because the loss of even a handful of jobs in a basic industry can have serious impacts on the broader health of the local economy.

Even though studying basic and non-basic industries in a community provides some insight into an economy, they must also be viewed in light of their limitations. For one thing, basic and non-basic components may vary from one community to another. For example, a sector that may normally be considered export-oriented may be highly localized. Also, as the modern global economy evolves, the lines blur between the two traditional concepts. For example, creative industries in particular represent a diverse cross-section of the work force from architects to graphic designers, to software developers, all of which may be producing goods for export, even though their industries may not be traditionally classified as 'basic.'

### **Helping the Local Economy**

In most communities there are organizations that steward economic development in some form. It is unusual for a community to have no organization at all that does not at least address some aspects of economic development. Sometimes it is one central organization that oversees the majority of economic development activity, while others there are a variety of organizations attending to different aspects of the local economy.

Regardless of the structure or number of organizations, economic developers typically fulfill the following roles:



- **Investment attraction:** ensuring institutional structures are streamlined so as to make the process of land selection and acquisition easy on investors (including navigation of the bureaucracy); ensuring an accurate inventory of available investment properties is available and easy to search; and ensuring there is adequate service infrastructure and land to satisfy projected growth in populations and land use
- **Investment aftercare:** ensuring the needs of new investment are being met (may include labour force advice, connections with local networks and suppliers, help with municipal processes)
- **Business retention and expansion:** ensuring existing businesses are willing to stay in the community, understanding their challenges and barriers to growth, helping them to meet their development and expansion goals
- **Economic gardening:** ensuring targeted, timely and meaningful support structures and programs exist for businesses already in a community
- **Entrepreneurial support:** enabling new businesses to get started and off the ground through help in business planning, networking, and accessing resources (either those offered by the organization or those of another entity, agency or level of government)
- **Workforce development:** ensuring stakeholders are aware of the labour force needs of local businesses, possible shortages or surpluses in different sectors, possible gaps in availability or knowledge (i.e. skills), and supporting skills development and talent attraction to an area
- **Incubation, acceleration & technology transfer:** ensuring communities remain competitive by encouraging and supporting institutional structures that facilitate innovation and knowledge sharing; finding locations that serve as ecosystems for resource-sharing, networking and scaling-up of operations; providing training or guidance to innovators that possess an entrepreneurial spirit
- **Tourism development:** ensuring support in destination development, destination management, and/or destination marketing in an effort to increase the capacity and value proposition of tourism assets and the community as a place to visit

In Sault Ste. Marie there are a host of organizations that contribute to the above activities. Some of them are highly specialized, while others cover multiple categories. In some ways the list above can be even further reduced, by combining similar activities, such as investment attraction and investment after-care, BR+E and economic gardening, and entrepreneurial support, incubation, acceleration & technology transfer. Therefore, now that each component is understood because of the above summaries, a streamlined list resembles the following:

- Investment attraction and aftercare
- BR&E and economic gardening
- Business start-up and entrepreneurship enablement (including incubation, acceleration, & technology transfer)
- Workforce development and talent attraction
- Tourism development



## 1.2 Economic Governance Structures

There are three archetypes of economic development structure:<sup>4</sup>

- **Municipal Department or Office** – The organization is housed within the formal municipality as a line department, office or single actor, and is answerable directly to the municipality
- **Development Corporation** – The organization is a “joint power” institution involving varying degrees of government, business and community representation and support within an incorporated body serving at arm’s length from the municipality, and is answerable to a board of directors
- **Private Development Associations** – The organization is sponsored by local/regional businesses and operates in economic development with permission or endorsement of local government (for example, through chambers of commerce or business associations), and is also answerable to a board of directors

It is not uncommon for communities to have more than one of the above types involved in the economic development ecosystem. Sault Ste. Marie has the Economic Development Organization and the Innovation Centre, both of which are arm’s length organizations that fall under the development corporation model.

Since SSMEDC and SSMIC are arm’s length corporations, they are governed by their own boards of directors. It is the board of each organization that holds responsibility for the organization and assumes accountability for the organization’s actions. It is also the board that is liable for any damages or violations of contracts perpetrated by the organization.

SSMEDC and SSMIC are both corporations that hold Memoranda of Understandings (MOU). The MOU serves as a contract assigning areas of accountability to both parties. Since MOU’s are in place, these make the City and the two organizations mutually accountable for items agreed to in the MOUs. An overview of each MOU is provided below.

### 1.2.1 SSMEDC Memorandum of Understanding Agreement (2008)

The MOU identifies SSMEDC’s mission as:

*The Sault Ste. Marie Economic Development Corporation is a non-profit organization funded by public and private partners whose goal is to be the community’s leader in supporting and promoting an environment which generates sustainable employment in a health, growing and diversified economy.*

SSMEDC Deliverables:

- Carry out its mission

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<sup>4</sup> Blakely, Edward J., N. Green Leigh, Planning Local Economic Development: Theories and Practices, Sage Publications (2009).



- Execute programs and services as outlined in annual business plans for its divisions (Tourism Sault Ste. Marie, Business Sault Ste. Marie, and Corporate Services), which will produce strategic outcomes
- Operate with best practices on governance, management and public relations, and ensure that funding provided by the City to the SSMEDC is spent wisely and effectively in the pursuit of economic development
- Report quarterly on strategic outcomes as driven by the SSMEDC programs and services (according to identified performance measures) and as required by Council on specific projects or Economic Development Fund criteria
- Work in good faith, integrity, remain non-political and maintain positive relations with identified stakeholders
- Work with other community economic development agencies and partners in a positive and collaborative manner

#### City Responsibilities:

- Go to SSMEDC as the lead agency on economic development, strategic advice, policy, implementation of projects, economic development fund recommendations etc., pertaining to economic development and private sector relations
- Provide SSMEDC moral support and recognition for its efforts
- Provide continued financial support for SSMEDC's operations as approved in the City's annual budget, and also consideration of special financial requests (including from the Economic Development Fund and other City financial tools)
- Work in lead role with SSMEDC as a partner on City infrastructure, regulations, and special projects that would support priority economic development enablers that would attract and support new and existing private and public sector investment

The MOU establishes provisions for cost sharing arrangements, including operating costs and expenditures, and the elimination of overlap and waste.

#### Reporting and Monitoring:

- SSMEDC will provide an annual Business Plan and annual report, as well as quarterly reports, as well as any other report "reasonably" requested
- SSMEDC will provide annual financial statements, but with assurance that confidential nature of client, partner and individual relationships is respected
- A City Councillor will be nominated to the SSMEDC Board of Directors
- SSMEDC will respond to Council resolutions and requests for information on a timely basis
- SSMEDC Board of Directors and City Council will present business plans to Council annually (by year end)
- SSMEDC will recommend expenditures of the City Economic Development Fund according to criteria set out by Council
- Key Performance Measures:
  - Creation of new jobs or retention of endangered jobs



- Creation of new tax assessment or retention of endangered businesses
  - Addition/retention of businesses that have diversified the community's business base
  - Attraction of more tourists and/or more visitor spending dollars
  - Investing in planning for long-term initiatives that are most likely to lead to growth
  - Client satisfaction
- Note: that none of these measures relate to ROI reporting or leveraging of dollars

## 1.2.2 SSMIC Memorandum of Understanding Agreement (2008)

SSMIC is established with the goal of serving as a catalyst for economic development and diversification in the information technology and knowledge-based sectors.

The SSMIC shall:

- Adhere to its mission: to drive business growth, facilitate research and commercialize innovation in globally significant areas of science and technology through partnerships, expert advice, community development, business incubation, youth outreach and sector development activities
- Deliver programs and services outlined in its annual Business Plan in accordance with its strategic outcomes
- Operate with best practices in governance, management and public relations, and ensure funding provided by the City is spent wisely and effectively
- Report bi-annually on strategic outcomes as driven by SSMIC programs and services
- Work in good faith integrity, remain non-political, and maintain positive relations with the City (Mayor, Council etc.)
- Work with other community and economic development agencies and partners in a positive and collaborative manner to best service the community and to avoid overlap and duplication of services as outline din the Small Business Support Partnership agreement

The City shall:

- Go to SSMIC as the lead agency of economic development in information technology and science based sectors for strategic advice, policy, implementation of protect, etc. pertaining to growth and development and private sector relations
- Provide SSMIC moral support and recognition for its efforts
- Provide financial support as approved in the City's annual budget, and in special financial considerations (above and beyond the existing agreement)
- Work in a lead role with SSMIC as a partner on City infrastructure, regulations and projects that would support priority economic development enablers



#### Reporting and Monitoring:

- An Annual Business plan and Annual Report will be issued to the City, as well as bi-annual reports and other reports as reasonably requested by the City
- Provision of financial statements to the City, with necessary protections of confidential information about clients, partners, or individuals
- A Councillor will be nominated to the SSMIC Board of Directors
- SSMIC will respond to City Council Resolutions and requests for information on a timely basis
- SSMIC Board of Directors and City Council will present business plans to Council annually (by year end)
- Performance Measures:
  - Job creation
  - Program funding leveraging
  - Business Incubation maintenance and growth
  - Value added services provided
  - Continued youth outreach activities with presentation
  - Increase GIS related business in Sault Ste. Marie
  - Raise the profile of the IT sector locally and externally
  - Create the environment for growth in IT

The City will maintain core funding to SSMIC, and that SSMIC will proactively attract additional funding

## 1.3 Understanding the Economic Ecosystem

Almost all economies are comprised of actors and organizations that try to support and attract industry, help businesses, encourage entrepreneurship, build tourism capacity, and facilitate workforce development. The **economic ecosystem** concept is used to represent the variety of actors and organizations engaged in economic development activities in some form. In the same way that a natural ecosystem represents the interplay of various organisms and processes in a specific geographic environment, the economic ecosystem represents a web of interconnected organizations performing various roles in the pursuit of a healthy economy in a specific place.

In an ideal ecosystem, each organization brings some value into the mix, avoids duplication of activities, and clearly understands its role in the broader network, as well as the roles of others. While these are important aspirations, in reality the divisions, distinctions, and roles are not always as clearly defined or mutually understood.

As actors in the ecosystem, it is important that operations are conducted as smoothly as possible, and that a cooperative and collaborative approach is adopted for economic development. Not only is this beneficial to end-recipients of services, it also sends a strong message to potential investors, industries, and talent that the



community is unified behind its goals (which can generally include growth, prosperity, and increased quality of life). By the same token, not all activities require a multitude of partners. Sometimes one main organization is enough.

### 1.3.1 Zeroing-in on Ecosystem Attributes

The economic ecosystem can be a crowded space to operate within. Sault Ste. Marie is a northern hub. It is the location of various offices of different levels of government beyond the municipal government; some of which have an impact on economic development activities or their funding, others of which are key local employers. Some of the organizations, such as Community Development Corporation and SSMIC, have broader geographic catchments than the municipal boundary itself. This means that in some ways the economic ecosystem spans beyond traditional boundaries, and may vary depending on the organization. Moreover, even within an organization there may be variation in the boundaries. For example, SSMEDC has a business enterprise centre, whose scope pertains to the Algoma District, but also has some programs that are for within the City such as trade, investment and community marketing activities.

There are also arm's length organizations that enjoy funding from the City of Sault Ste. Marie and other sources, such as the Economic Development Corporation and the Innovation Centre. Additionally, there are non-profit organizations such as the Chamber of Commerce that contributes to economic development activities in the city. As another example, there are local post-secondary institutions such as Algoma University and Sault College that are contributing to innovation and developing potential leaders and workforce components for the future.

Finally, the City of Sault Ste. Marie is engaged in the ecosystem as well. Departments like the Planning department often work closely with land development needs. Elected officials enact policies that may influence the business climate, investment readiness, or other determinants of economic health. The City must also uphold contractual agreements, such as memorandum of understanding agreements that render agents accountable to the City as a principle funder, as well as work with Provincial and Federal departments or legislation that may also impact the local economy.

Therefore, there is a diversity of organizations active in the economic development ecosystem, and it becomes apparent that they must all be identified and that their roles, activities, programs and services be specified. From that point it becomes possible to examine the ecosystem for areas of similarity, to identify opportunities for collaboration, or find ways to reduce un-necessary duplication.

### 1.3.2 Ecosystem Matrix

The simplest way to understand how the ecosystem functions is to develop a framework that identifies all the economic development-related organizations in the region and understand what kinds of economic development activities are being handled and in what way by each of the organizations.



The matrix below shows the key economic development ecosystem actors along with a summary of results stemming from a more detailed assessment of different resources and services provided in regard to economic development. They are captured in the matrix below by three broader categories, which are target audience, services, and other business support or economic development functions. Each category has additional sub-categories.

FIGURE 2: CONDENSED ECONOMIC ECOSYSTEM MATRIX FOR SAULT STE. MARIE AND AREA.

Ecosystem Categories	City of Sault Ste. Marie	SSMEDC	SSMIC	SSM Chamber of Commerce	SSM and Area Community Development Corporation	NOHFC	Start-Up Sault Ste. Marie	Algoma University	Sault College
<b>SCOPE OF OPERATION</b>									
Sault Ste. Marie	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Algoma District and First Nations Communities		Yes	Yes		Yes	Yes	Yes	Yes	Yes
<b>TARGET AUDIENCE</b>									
<b>By Company Stage (out of 7)</b>	1	7	5	3	2	6	5	0	0
Concept (idea)		Yes	Yes				Yes		
Pre-Seed (prototype)		Yes	Yes			Yes	Yes		
Seed (customer validation)		Yes	Yes		Yes	Yes	Yes		
Early Stage (revenues)		Yes	Yes	Yes	Yes	Yes	Yes		
Growth (market extension)		Yes	Yes	Yes		Yes	Yes		
Maturity (profitability)		Yes		Yes		Yes			
Decline (succession, retention)	Yes (special cases)	Yes				Yes (special cases)			
<b>By Sector Focus (out of 4)</b>	0	3	2	2	4	2	4	4	4
Sector "Agnostic"		Yes		Yes	Yes		Yes	Yes	Yes
Main Street Businesses - e.g. Retail, Services		Yes			Yes		Yes	Yes	Yes
Innovation-oriented businesses (ICT, life sciences, professional scientific, clean tech, advanced manufacturing)			Yes		Yes	Yes	Yes	Yes	Yes
Youth Entrepreneurs		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>SERVICES</b>									
<b>Facility Based Services (out of 7)</b>	1	7	7	2	2	0	0	3	3
Reception/Admin Asst.		Yes	Yes						
Co-working Space - Hot Desk etc.		Yes - incubator	Yes - incubator						
Resource Centre - Printing, Copying		Yes - incubator	Yes - incubator						
WiFi	Yes	Yes	Yes	Yes	Yes			Yes	Yes



Ecosystem Categories	City of Sault Ste. Marie	SSMEDC	SSMIC	SSM Chamber of Commerce	SSM and Area Community Development Corporation	NOHFC	Start-Up Sault Ste. Marie	Algoma University	Sault College
Office Space		Yes - incubator	Yes - incubator						
Training/Conference Rooms		Yes	Yes	Yes	Yes			Yes	Yes
Incubator/accelerator services		Yes	Yes					Referral	Referral
<b>Advisory (out of 11)</b>	<b>1</b>	<b>11</b>	<b>11</b>	<b>2</b>	<b>5</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>
Business Idea Feasibility Analysis		Yes	Yes		Yes				
Business Strategy / Plan Assistance		Yes	Yes		Yes				
Technology Commercialization Assistance		Referral	Funding / referral						
IP Protection and Licensing Assistance		Referral	Funding / referral						
General Legal Assistance		Referral	Referral	Referral	Referral				
General Tax and Accounting Assistance		Referral	Referral	Referral	Referral				
Export Assistance		Referral	Referral		Referral				
Sales Assistance		Yes	Yes						
Human Resources Assistance		Referral	Referral				Referral		
Marketing Assistance		Yes	Yes				Referral		
Licensing and Business Registration	Yes	Yes and Referral	Yes and Referral						
<b>Financing and Access to Capital (out of 4)</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
General Information on Govt. Grants & Loans		Yes	Yes		Yes				
Administer or Provide Govt. Grants, Loans or Programs	Yes	Advisor for EDF and referral	Funder	Referral	Yes				
Fundraising and/or Referral to Angel Investors, VC			Yes						
"Concierge" Access to Provincial & Federal funding programs		Yes	Yes						
<b>Small business / Start-up business (out of 13)</b>	<b>2</b>	<b>11</b>	<b>11</b>	<b>8</b>	<b>2</b>	<b>0</b>	<b>5</b>	<b>6</b>	<b>7</b>
People Connectivity and Networking		Yes	Yes	Yes					
Mentoring / Referral to Mentor Network		Referral	Referral					Yes	Yes
Coaching		Yes	Yes						



Ecosystem Categories	City of Sault Ste. Marie	SSMEDC	SSMIC	SSM Chamber of Commerce	SSM and Area Community Development Corporation	NOHFC	Start-Up Sault Ste. Marie	Algoma University	Sault College
Peer to Peer Support		Yes	Yes	Yes			Yes		
Entrepreneur in Residence									Yes
Linkages to Strategic Partners		Yes	Yes	Yes				Yes	Yes
B2B Networking - Lead Generation		Yes	Yes	Yes					
Regular Networking Events and Meetups		Yes	Yes	Yes			Yes		
Host Trade Shows, Business Showcases & Conferences		Yes	Yes	Yes			Yes		
Career Fairs	Yes							Yes	Yes
Entrepreneurship Recognition & Award Events	Yes	Yes	Yes	Yes			Yes	Yes	Yes
Skills development resources		Yes / Referral	Yes / Referral	Yes	Yes			Yes	Yes
E-Learning (Webinars, Interactive Presentations, etc.)		Referral	Referral		Referral		Yes	Yes	Yes
<b>OTHER BUSINESS SUPPORT / EC DEV FUNCTIONS</b>									
<b>Marketing and Branding (out of 2)</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>
Strategic Sector / Innovation Branding & Campaigns		Yes	Yes				Yes	Yes	
Foreign Direct Investment Marketing & Service		Yes	Yes						
<b>Investment Attraction (out of 4)</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Site Selection Assistance	Yes	Yes	Yes (GIS)						
Investment Readiness (land, infrastructure, etc.)	Yes	Yes	Yes						
Investment attraction trade missions	Yes	Yes							
B2B trade missions		Yes							
<b>Business Retention &amp; Expansion Assistance (out of 5)</b>	<b>1</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>3</b>
Development Approvals Assistance	Yes	Yes	Referral						



Ecosystem Categories	City of Sault Ste. Marie	SSMEDC	SSMIC	SSM Chamber of Commerce	SSM and Area Community Development Corporation	NOHFC	Start-Up Sault Ste. Marie	Algoma University	Sault College
Economic Research (e.g. Industry, Market, Community)		Yes	Yes	Yes				Yes	Yes
Business Surveys		Yes		Yes					Yes
Business Advocacy				Yes			Yes		
Apprenticeship Opportunities		Yes				Yes		Yes	Yes
<b>Workforce Development (out of 2)</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>2</b>
Talent attraction, planning, coordination	Yes	Yes	Yes					Yes	Yes
Quality of Life / Place Capital Investment	Yes	Yes (strategic investment)				Yes		Yes	Yes
<b>Tourism (out of 3)</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
Destination Development	Municipal facilities	Yes				Yes			
Destination Management	Municipal facilities	Yes		Yes					
Destination Marketing	Yes	Yes		Yes					

Key observations about the ecosystem matrix:

- Overall, a very active ecosystem
- Even the municipality is involved in some components of economic development. As an example, under tourism (which includes destination development, destination management, and destination marketing) the City is the owner of several key tourism assets (such as the arena), and is responsible for their management and for coordinating with Tourism Sault Ste. Marie (within SSMEDC) for marketing.
- There are a lot of similarities between SSMEDC and SSMIC; particularly in business services. Despite these similarities in areas of activity, the ways in which services are provided and the clientele of each organization are distinct. The result is minimal duplication of actual work, but instead different ways of servicing client needs.
- SSMEDC is active in more areas overall because of its role in areas such as investment attraction and tourism. This is not surprising given SSMIC's narrower scope of clientele
- The CDC also shares some territory with both SSMEDC and SSMIC, mainly because it is a conduit to funding and a partner for workshops, seminars, and other related activities that relate to start-up or small businesses. Importantly, both SSMIC and SSMEDC are active in referrals toward the CDC for specific help.



## 1.4 Performance Measurement and Evaluation

From an economic development perspective, performance measurement is a tool to determine how well a job has been done using both qualitative and quantitative information and activities. It is a useful exercise whether it is for the purposes of accountability or for internal organizational development. Generally, performance measurement aims to:

- Provide public accountability
- Assist with human resources management
- Improve performance, and
- Identify a return on investment

An effective economic development organization must perform, measure, and communicate these results appropriately.

Two different models of performance measurement are reviewed:

- The Logic Model
- The Balanced Scorecard Model

It will be demonstrated that components of the Logic Model, particularly as they pertain to return on investment (ROI), can be integrated into the Balanced Scorecard approach for a more robust reporting tool.

### 1.4.1 The Logic Model of Performance Measurement

The “logic model” is a commonly used economic development performance measurement tool that creates a graphic illustration highlighting the connections and relationships between inputs, activities, outputs, and outcomes of economic development work (shown below).

The logic model is useful for illustrating the connection between what is invested (i.e. inputs), how that investment is used (i.e. activities), what products/services emerge from the investment and what groups it helps to reach (i.e. outputs), and what the overall changes in the system are from that investment (i.e. outcomes).

The logic model identifies short-term, intermediate, and long-term outcomes to help track the various stages of change that may occur due to the input, activities, and outputs. Outcomes are based on broader targets, to which activities contribute a measurable result. Take as an example a BR&E program with the following Logic Model components:

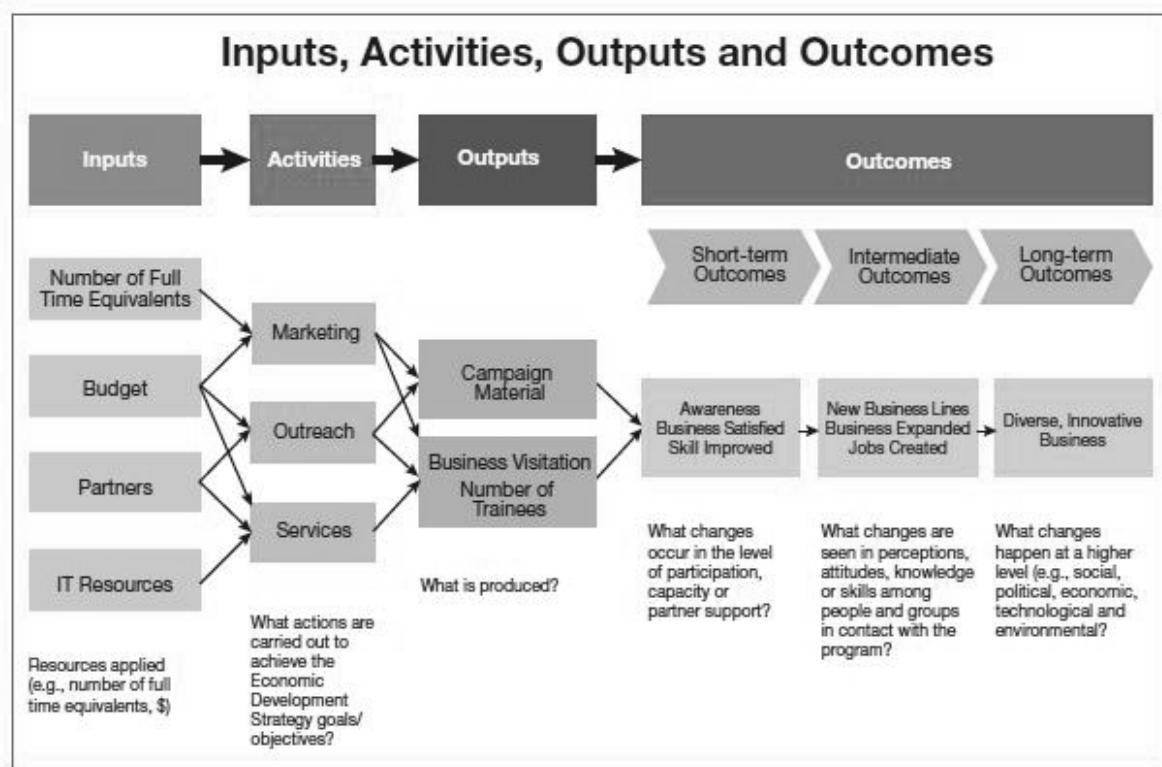
- The program’s inputs are staff time as a subset of budget dollars
- An activity may be stewarding business access to government funding through guidance in the application process
- The output is number of successful applicants to granting programs



- A short-term outcome may be increased business expansion through BR&E activities
- A medium-term outcome may be more jobs added via expansions
- A long-term outcome may be more assessment revenue for the City because of larger property development

For each of the above outcomes, an ROI calculation can show in terms of percentage the amount of return the organization, or an identified funder, receives for the activity carried out.

#### THE LOGIC MODEL OF PERFORMANCE MEASUREMENT



Source: Ontario Ministry of Agriculture, Food and Rural Affairs, "Measuring Up! Performance Measurement for Economic Development", 2013, pg. 15

Typically measures are quantifiable representations of timeliness, cost effectiveness and compliance with standards. Ideally, these economic development performance measures have a strong connection to the output measures and outcomes that the community have defined. Demonstrating the link between an economic development department's performance measures and the broader community outputs and outcomes measures is often challenging, but is necessary to provide evidence that economic development activity is delivering on the goals of the community.

In short, outcomes and outputs have to do with the ends the community is trying to achieve; performance measures have to do with the means by which the economic development offices are seeking to achieve them.



## 1.4.2 The Balanced Scorecard<sup>5</sup>

The Balanced Scorecard is a strategic planning and management system used by business, industry, government, and non-profit organizations to align internal business activities to the vision and strategy of the organization. The balanced scorecard gives managers and executives a “balanced” view of organizational performance by exploring a variety of areas important to the success of the organization (not simply the financial performance as has often been the focus for organizations).

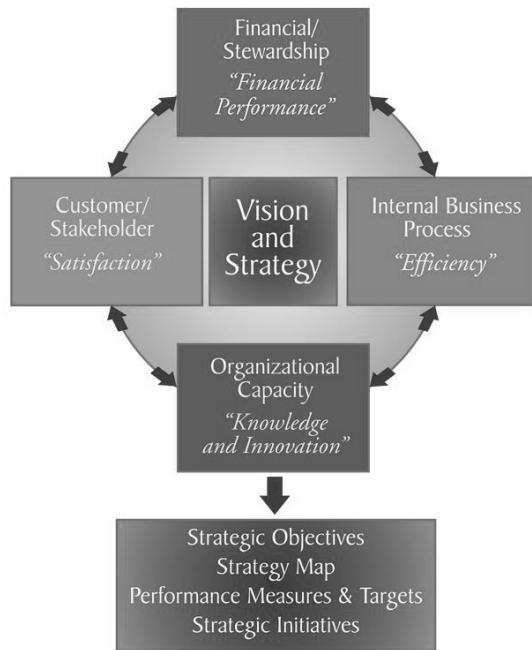
In many respects the Balanced Score card is a more sophisticated tool because it can be used for both introspective performance evaluation and can also integrate components of the input-out-put model. This helps to answer the proverbial “so what?” question, in terms of the larger picture. That is, the impact of a stated goal and result can be built into reporting materials for internal and external use.

The balanced scorecard has four main perspectives from which to measure organizational performance (as seen in Figure 9):

- **The Financial/Stewardship Perspective** – including metrics based on the timely and accurate analysis of financial data
- **The Internal Business Process Perspective** – including metrics based on organizational efficiency and whether products and services are meeting customer requirements
- **The Organizational Capacity Perspective** – including metrics based on organizational knowledge and innovation, such as employee training and corporate cultural attitudes related to both individual and corporate self-improvement
- **The Customer/Stakeholder Perspective** – including metrics based on customer satisfaction and the importance of customers to the success of the organization

Under the balanced scorecard method the different calculation categories are awarded a series of targets for each measure to be

FIGURE 3: THE BALANCED SCORECARD FOR INTERNAL PERFORMANCE MEASUREMENT



Source: The Balanced Scorecard Institute, <http://balancedscorecard.org/Resources/About-the-Balanced-Scorecard>, adapted from Robert S. Kaplan and David P. Norton, “Using the Balanced Scorecard as a Strategic Management System,” Harvard Business Review (January–February 1996): pg. 76

<sup>5</sup> The Balanced Scorecard Institute, <http://balancedscorecard.org/Resources/About-the-Balanced-Scorecard>



compared with based on actual results. The difference between targeted value and the actual result is born-out as a percentage (% of target). This number can establish what percentage of the target was reached. Just the actual amount and percentage should be sufficient for reporting purposes; however, there are more steps to the calculation that allow for a performance score to be allocated to each item being measured and based on the extent to which the target was achieved. As an internal tool, it therefore allows for a detailed assessment and scoring of key areas identified as priorities for organizational development. A hypothetical example has been developed in Figure 4 below.

Before outlining the example below there are some important considerations to bear in mind. First, it is a hypothetical example, where targets and values are fabricated and are provided to illustrate how the model works. Second, the mathematics that underpin the model (i.e. conversions to percentages, comparisons to total points, etc.) are real. That is, even though the numbers are fictional the math applied to them is real.

Finally, the strategic questions, though most likely applicable to the amalgamated organization, are only provided as examples. A formal scorecard may have some of those listed below, or many others not listed. The list, therefore, is not meant to be exhaustive, but instead is illustrative. A formal scorecard should be the result of careful matching between strategic goals or objectives and their appropriate measures.

Recall that the balanced scorecard model is based on the evaluation of the following:

- Financial stewardship: How it is managing finances and generating results based on investment
- Internal Business Process: How it is managing business processes (i.e. programs and services in place, outreach, strategic objectives and progress)
- Organizational Capacity: How it is managing organizational capacity (i.e. innovative approaches, staff training and development, corporate culture attitudes)
- Stakeholders: How it is managing stakeholder relationships and perspectives (i.e. client satisfaction)

Building on the four traditional perspectives, strategic goals of the organization find their way into the model by a series of questions aimed at measuring progress on them. These are called “strategic questions”. Performance measures are assigned to indicate how each item will be measured. With measuring being clearly defined, a target is identified, and the actual outcome is recorded for comparative purposes.

The difference between targeted value and the actual result is born-out as a percentage (% of target). Only the actual amount and percentage should be sufficient for reporting purposes (especially for an MOU); however, there are more steps to the calculation that allow for a performance score to be allocated to each item being measured. The value of this is that it serves as a report card.

The four perspective areas of the model work on a points-allocation system of subdivided percentages that is up to 100%. Within each perspective, the indicators constitute a proportion of the total percentage that the perspective in question represents. In the example below, the distribution is as follows:



- Financial stewardship – 60%
- Internal Business – 20%
- Organizational Capacity – 10%
- Stakeholders – 10%

There are several key headers in the table: strategic question, performance measure, target, actual, % of target, weight, and score. To help illustrate how the scorecard works to award points an example has been used from the table below.

Taking the Financial Stewardship Perspective aspect as the example, a strategic question is “has the organization increased employment levels within the city?” The measure applied to it is “attributed employment values.” In the real world, these are values that would already have been weighted by an attribution metric prior to entering them into the scorecard.

The hypothetical target value was 400 jobs, while the actual number of jobs was 325. This constitutes 81% of the identified target (under the *% of target* column). The weight of the indicator in question (attributed employment values) is 5%. By multiplying the *% of target* value (0.81) by the weight (0.05) a score is obtained which goes into the final column of the table (0.041, or 4.1%).

The same process is applied to all strategic questions under a given category, and the scores are summed at the bottom of each section in a weighted sub-total score. In the hypothetical example provided, the Financial Stewardship component generated a sub-total of 57.6 out of 60%. Impressive!

Notably, the model includes return on investment (ROI) calculations for some strategic questions in addition to actual values. The result of comparing the target ROI to the actual duplicates the same percentage value as is the case when the target value and actual value are compared directly, rendering the scoring of ROI within the scorecard redundant. As a result, when ROI is provided merely as additional information which draws a connection between money allocated to the organization and the return it has generated.

For the example, ROI was calculated for various key indicators that may ultimately be of benefit to future reporting under the Memorandum of Understanding. It used a hypothetical City budget allocation of \$1.5 million. Taking the median individual income in Sault Ste. Marie from the 2011 National Household Survey (\$30,140), a dollar figure was obtained which could be multiplied by the targeted and actual jobs created. Bear in mind that the actual number of jobs created would have already been vetted to include only attributed jobs.

From the target, the dollar value was obtained through the following:

- $400 \times \$30,140 = \$12,056,000$
- By dividing \$12,056,000 from \$1,500,000, a theoretical ROI of 8.04 was obtained.
- The same approach was used to obtain the *actual* ROI by replacing target jobs (400) with actual jobs (325)
- This resulted in a ratio of 6.53



- When 6.53 is divided from 8.04, the % of target result is 0.81 (81%), which is identical to the value obtained from dividing 400 jobs from 325 (81%)

This example has served both to explain how ROI can be calculated and put into the model for display purposes, while also demonstrating why it should not count toward the final score. Its result is redundant.

FIGURE 4: CONSOLIDATED ECONOMIC DEVELOPMENT AND INNOVATION ORGANIZATION KEY PERFORMANCE MEASURES BASED ON THE ADAPTED BALANCED SCORECARD METHOD OF PERFORMANCE MEASUREMENT.

Strategic Question(s)	Performance Measure(s)	Target	Actual	% of target	Weight	Score
<b>Financial Stewardship Perspective (60%)</b>						
Has the organization increased assessment revenues in the city?	■ Attributed assessment revenues (total from program or division tracking)	\$1.6M	\$1.7M	1.06	.10	0.100
Same question as above.	■ ROI calculation	1.06	1.13	1.06	NA	0.000
Has the organization increased employment in the city?	■ Attributed employment values (total from program and division tracking)	400	325	0.81	.05	0.041
Same question as above.	■ ROI calculation	8.04	6.53	0.81	NA	0.000
Has the organization helped to retain jobs in the city?	■ Attributable jobs saved (totals from program and division tracking)	N/A	255	1	.05	0.050
Has the organization increased private investment in the city?	■ Attributed investment values	\$10M	\$8.5M	0.85	.10	0.085
Same question as above.	■ ROI calculation	6.67	5.67	0.85	NA	0.000
Has the organization leveraged funds from other public sources?	■ Amount leveraged (total from program and division tracking)	\$2.25M	\$3M	1.3	.10	0.100
Same question as above	■ ROI calculation	1.5	2.0	1.3	NA	0.000
Has the innovation incubator generated profits?	■ Revenue over expenses	\$25K	\$30K	1.2	.05	0.060
Has the small business incubator generated profits?	■ Revenue over expenses	\$25K	\$20K	0.8	.05	0.040
Have tourism visitor days increased?	■ Number of visitor days	25K	27K	1.08	.10	0.100
<b>Weighted Sub-Total Score</b>						<b>60%</b>
<b>Internal Business Process Perspective (20%)</b>						



Have we increased our number of Twitter followers?	■ Number of followers	6K	6.3K	1.05	0.02	0.020
Have we increased our number of Facebook followers?	■ Number of followers	2.5K	2.8K	1.12	0.02	0.020
Have we increased our number of Linkedin followers?	■ Number of followers	4.5K	3K	0.67	0.02	0.013
Has newsletter uptake grown?	■ Number of Newsletter subscribers	4K	2.5K	0.63	0.02	0.013
Have we increased our media coverage in external media organizations?	■ Number of news items across all print, television, and web media (other than social media)	55	45	0.82	0.02	0.016
How many workshops, seminars, or speaker series were hosted?	■ Number of events hosted	15	15	1.00	0.02	0.020
How many attendees were at workshops, seminars, or speaker series?	■ Number of attendees at events	300	266	0.89	0.02	0.018
Have we increased the number of leads being converted into attracted businesses?	■ Ratio of leads to conversions	30%	44%	1.47	0.02	0.029
How many site visitations were conducted?	■ Number of visitations	60	55	0.92	0.02	0.018
How many leads were generated from tradeshows?	■ Number of leads	40	33	0.83	0.02	0.017
<b>Weighted Sub-Total Score</b>					<b>20%</b>	<b>18.4%</b>

#### Organizational Capacity Perspective (10%)

Have all new employees received an orientation session within one week of starting?	■ Proportion of new hires that have received orientations	100%	100%	1.0	0.025	0.025
Have training and/or skills-development opportunities been provided by or paid for by the organization for employees?	■ Proportion of workforce that have received professional development training within last 12 months	20%	12%	0.6	0.025	0.015
Have exit interviews been conducted for every employee that leaves the organization?	■ Proportion of exit interviews for employees that leave the organization	80%	50%	0.62	0.025	0.016
All employees have received health and safety training	■ Percentage of workforce trained in health and safety	100%	88%	0.88	0.025	0.022
<b>Weighted Sub-Total Score</b>					<b>10%</b>	<b>7.8%</b>

#### Stakeholders Perspective (10%)

How many client satisfaction surveys were participated in?	■ Number of participants	200	177	0.885	0.025	0.022
What are the satisfaction rates?	■ Satisfaction rates	75%	60%	0.800	0.025	0.020
How attributable was the division/program to outcomes?	■ Attribution metrics (for each)	65%	70%	1.077	0.025	0.027



	division/program)						
How many business visitations were conducted?	■ Number of Visitations	60	60	1.000	0.025	0.025	
			<b>Weighted Sub-Total Score</b>	<b>10%</b>	<b>9.4%</b>		
			<b>Weighted Total Score</b>	<b>100%</b>	<b>93.1%</b>		

In developing a balanced scorecard it is essential to assign weighted score values to the different categories, which the individual measures can be calculated toward. This allows for determining performance based on sub-total and final scores. The model is not as common in Economic Development circles as the Input-Output model because it takes a longer amount of time to develop a scoring framework and reporting mechanisms. There are some communities or regions that have implemented Balanced Scorecard model. The City of Nanaimo, as an example, has built the scorecard for its entire 2012-2015 corporate strategic plan.<sup>6</sup>

Another example, shown below, is from the Charlotte Regional Partnership in the United States. The example shows the scorecard broken out into quarterly results with sub-total % of target reached being summed to provide a formal score. As the example demonstrates, the organization had built its model around three strategic goals, including marketing the region, engaging with private and public sectors, and acting responsibly and accounting for funding use. Under each of these areas are a series of specific performance measures, with their respective targeted and actual results.

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<sup>6</sup> City of Nanaimo, Balanced Scorecard, n/d:  
<http://www.nanaimo.ca/PerformanceMeasurement/BalancedScorecard/Description>



FIGURE 5: CHARLOTTE REGIONAL PARTNERSHIP BALANCED SCORECARD, 2012-2013.

## Charlotte Regional Partnership FY 2012-2013 Balanced Scorecard: Q4

*I. To aggressively market the Charlotte USA region as a superior business location to develop qualified business projects and to encourage site and community visits by executive decision makers and key business leaders.*

Weight:	Sub-Weight	11-12 Actual	12-13 Target	Market Adjustment	12-13 Target	Quarter I	Quarter II	Quarter III	Quarter IV	12-13 Actual	FY12-13 % to target
<b>1. Qualified Projects Generated (1)</b>	30%	<b>74</b>	<b>79</b>	-2%	<b>77</b>	17	13	20	16	66	85%
a. 25% of Internationally oriented Total Site Visits by Qualified Projects	5%	<b>21</b>	<b>26</b>	-2%	<b>25</b>	6	7	5	9	27	100%
<b>2. Total Site Visits by Qualified Projects</b>	30%	<b>36</b>	<b>35</b>	+2%	<b>36</b>	3	15	10	11	39	109%
<b>3. Customer Service Surveys (2)</b>											
a. Site Consultants	15%	<b>85%</b>	<b>87%</b>	0%	<b>87%</b>	n/a	n/a	n/a	n/a	84%	97%
<b>4. Generate positive revenue from FTZ (3)</b>	5%	<b>\$25,518</b>	<b>\$17,000</b>	0%	<b>\$17,000</b>	n/a	n/a	n/a	n/a	\$10,000	100%
<b>5. Qualified Inquiries responded to by Film Office (4)</b>	15%	<b>237</b>	<b>226</b>	+2%	<b>231</b>	64	50	62	82	258	112%
<b>WEIGHTED SUBTOTAL (70% of total score) =</b>											<b>70%</b>

*II. To engage private and public stakeholders in an effort to improve the efforts to market the region, and to maintain adequate funding and support for the program regionally.*

Weight:	Sub-Weight	11-12 Actual	12-13 Target	Quarter I	Quarter II	Quarter III	Quarter IV	12-13 Actual	FY12-13 % to target	12-13 Result (to sub-weight)
<b>6. Private Sector Funding Increase (5)</b>	30%	<b>\$253,650</b>	<b>\$380,900</b>	<b>\$926</b>	<b>\$35,824</b>	<b>\$99,000</b>	<b>\$31,000</b>	<b>\$166,750</b>	44%	13%
<b>7. Private Sector Funding - 30% Retained (6)</b>	30%	<b>\$994,825</b>	<b>\$1,091,565</b>	<b>\$230,797</b>	<b>\$246,078</b>	<b>\$320,325</b>	<b>\$195,000</b>	<b>\$992,200</b>	91%	27%
<b>8. Maintain State of North Carolina funding (7)</b>	30%	<b>\$501,983</b>	<b>\$482,710</b>	<b>\$0</b>	<b>\$211,935</b>	<b>\$169,548</b>	<b>\$127,157</b>	<b>\$508,640</b>	105%	32%
<b>9. Annual Meeting Revenue (8)</b>	10%	<b>\$178,010</b>	<b>\$160,000</b>		<b>\$16,000</b>	<b>\$70,500</b>	<b>\$91,900</b>	<b>\$162,400</b>	102%	10%
<b>WEIGHTED SUBTOTAL (20% of total score) =</b>										<b>15%</b>

*III. To act responsibly and to be accountable for the funds provided to us by the private and public sector investors, and to create a high-performance work team for the important mission that we serve.*

Weight:	Sub-Weight	11-12 Actual	12-13 Target	Quarter I	Quarter II	Quarter III	Quarter IV	12-13 Actual	FY12-13 % to target	12-13 Result (to sub-weight)
<b>10. End fiscal year with 1% reserve (9)</b>	50%	<b>\$82,000</b>	<b>\$35,010</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$0</b>	<b>\$0</b>	0%	0%
<b>11. End fiscal year with no debt (10)</b>	50%	<b>\$0</b>	<b>\$0</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>\$0</b>	<b>\$0</b>	100%	50%
<b>WEIGHTED SUBTOTAL (10% of total score) =</b>										<b>5%</b>

**Total FY12-13 Score (target = 100%) = 91%**

Source: Image captured from Charlotte Regional Partnership, 2014, Charlotte Regional Partnership Annual Report – Fiscal Year 2012-2013, February 15; Tab 4.



## 1.5 Financial Assessment

A financial review was conducted of SSMEDC and SSMIC on audited financial statements for the two organizations. The sub-sections below discuss the results of each assessment.

### 1.5.1 SSMEDC Financial Review

SSMEDC's audited financial statements were studied from 2010 to 2015 (inclusive). Items reviewed were financial position (assets vs liabilities), cashflow, and revenue-expense balances. In regard to financial position, no year on record presented any disparity between assets and liabilities, meaning they always balanced (Figure 2).

FIGURE 6: ECONOMIC DEVELOPMENT CORPORATION (SSMEDC) FINANCIAL POSITION TRENDS, 2010-2015 (INCLUSIVE).

SSMEDC Financial Position Trends	2010	2011	2012	2013	2014	2015
Assets	\$ 6,994,977	\$ 6,484,065	\$ 5,673,008	\$ 4,999,878	\$ 6,874,200	\$ 5,994,387
Liabilities	\$ 6,994,997	\$ 6,484,065	\$ 5,673,008	\$ 4,999,878	\$ 6,874,200	\$ 5,994,387

Source: KPMG, Independent Auditor's Report, 2011, 2012, and 2013 (where 2011 also contains comparator equivalents from 2010); BDO Chartered Accountants, Independent Auditor's Report, 2014 and 2015.

In regard to cashflow, SSMEDC recorded no years where it was ever in the negative at the beginning or end of a particular year (Figure 3). The result reflects a cushion of surplus that has counter-acted any periods where a calendar year had larger expenses than revenues, such as 2014 where expenditures netted a deficit of \$146,660. As can be seen by studying years 2010 through 2013 a cumulative surplus over those years added insurance for 2014's poorer result.

FIGURE 7: ECONOMIC DEVELOPMENT CORPORATION CASHFLOW AND REVENUE OVER EXPENSES BALANCES, 2010-2015 (INCLUSIVE).

Trends	2010	2011	2012	2013	2014	2015
Beginning of Year	\$ 546,817	\$ 725,161	\$ 938,196	\$ 906,950	\$ 801,040	\$ 1,883,302
End of Year	\$ 725,161	\$ 938,196	\$ 906,950	\$ 801,040	\$ 1,883,302	\$ 1,048,935
Revenue over Expenses	\$ 195,474	\$ 589,787	\$ 437,483	\$ 162,446	\$ (146,660)	\$ 73,816

Source: KPMG, Independent Auditor's Report, 2011, 2012, and 2013 (where 2011 also contains comparator equivalents from 2010); BDO Chartered Accountants, Independent Auditor's Report, 2014 and 2015.

Figure 4 shows detailed breakdowns of revenue and expenses for 2013 through 2015. The results show a net surplus in 2013 (+ \$155,446), a net deficit in 2014 (- \$146,660), and another surplus in 2015 (\$73,816). These demonstrate that the loss in 2014 is relatively close to the surplus of the previous year. Looking more deeply at the expenses in 2014, in comparison to budgeted amounts that had initially been expected for that year, over-runs in expenses were predominantly in the "development" and "advertising and promotion" components.

In regard to revenue, the City of Sault Ste. Marie constituted 39% of SSMEDC's revenue in 2015 and 43% the previous year. These revenues are essential to the core



operations of the organization, including key staff, and are used to lever additional funding from other levels of government.

FIGURE 8: BREAKDOWN OF ECONOMIC DEVELOPMENT CORPORATION REVENUE AND EXPENSES, 2013 TO 2015 (INCLUSIVE).

	2015	2014	2013
<b>Revenue</b>			
Province of Ontario	\$ 989,354	\$ 737,155	\$ 1,061,215
City of Sault Ste. Marie	\$ 1,673,961	\$ 1,760,652	\$ 1,618,967
Government of Canada	\$ 138,542	\$ 117,410	\$ 69,699
Private partnership contributions	\$ 143,692	\$ 119,840	\$ 103,418
Advertising	\$ 52,268	\$ 50,800	\$ 54,517
Destination marketing	\$ 386,245	\$ 229,318	\$ 25,752
Interest income	\$ 11,447	\$ 27,032	\$ 38,968
Amortization of deferred capital contributions	\$ 503,065	\$ 543,916	\$ 543,916
Other income	\$ 444,167	\$ 509,927	\$ 470,628
<b>Total Revenue</b>	<b>\$ 4,342,741</b>	<b>\$ 4,096,050</b>	<b>\$ 3,987,080</b>
<b>Expenses</b>			
Administration	\$ 166,718	\$ 138,426	\$ 150,219
Advertising and promotion	\$ 751,718	\$ 664,480	\$ 735,711
Amortization of capital assets	\$ 570,064	\$ 573,474	\$ 565,651
Development	\$ 961,801	\$ 1,129,386	\$ 714,618
Interest on long term debt	\$ 60,688	\$ 24,410	\$ 44,335
Networks and subscriptions	\$ 36,486	\$ 35,864	\$ 33,083
Professional fees	\$ 52,405	\$ 16,737	\$ 26,648
Salaries and benefits	\$ 1,669,453	\$ 1,659,933	\$ 1,561,369
<b>Total Expenses</b>	<b>\$ 4,269,333</b>	<b>\$ 4,242,710</b>	<b>\$ 3,831,634</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 73,408</b>	<b>\$ (146,660)</b>	<b>\$ 155,446</b>

Source: BDO Chartered Accountants, Independent Auditor's Report, 2014 and 2015.

Taking Figure 5 below as an example of business services provided by SSMEDC during 2014, data output indicates the organization aided local start-up and existing businesses in accessing over \$22 million in investment funding. These investments allowed for a forecasted total of 124 new jobs and more importantly 87 full time jobs created during 2014.

In addition, the funding also led to an estimated 301 retained jobs; that is 301 jobs that otherwise may have been lost. While the type and name of companies supported by SSMEDC have been suppressed to protect confidentiality, 7 out of 15 businesses that received BR&E assistance were export oriented companies. Export-oriented businesses require skilled labour, which also translates to higher wages than local retail and service industries.

The CRM output helps to articulate where SSMEDC is active in producing outcomes. On the other hand there are also some methodological challenges associated with the data because it does not include the degree of attribution toward SSMEDC's involvement. Attribution must be tracked within the CRM to ensure results are not



overly inflated. An annual client satisfaction survey could easily provide a means of validating the degree of influence SSMEDC had on a particular result such as new jobs or private investment. If done transparently, the survey could be monitored by an external organization or the City.

A further safeguard is to develop a confidentiality agreement with the City of Sault Ste. Marie which would enable the City to view the CRM output (and organizations) but not disclose any of the specific information publicly. This would provide another layer of accountability, while also ensuring potentially sensitive information does not find its way into the broader public.

The notion of counterfactual arguments becomes a useful thought experiment for SSMEDC's impact. Counterfactuals are a means of hypothesis testing applied to qualitative data in the absence of a statistical test which would otherwise determine the correlation in a cause and effect relationship.<sup>7</sup> The approach simply explores whether a given outcome would have happened in the absence of a particular cause. In this case, the outcome is positive economic impact, and the cause is SSMEDC BR&E activities. Counterfactual evidence indicates that, in the absence of SSMEDC, it is unlikely that similar results in sustained and new job creation by these businesses would have occurred to the extent that they have with SSMEDC as a steward to business support and guidance. Therefore, SSMEDC's activities can be understood to have resulted in an overall positive economic impact.

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<sup>7</sup> Fearon, James D. 1991. "Counterfactuals and Hypothesis Testing in Political Science," *World Politics*, vol. 34 (2), January: pp. 169-195.



FIGURE 9: ECONOMIC DEVELOPMENT CORPORATION KEY PERFORMANCE TRACKING FOR 2014.

Business Coding	Business Name	Description	SSMEDC Role	Total Investment	Export (Y/N)	Projected Job Creation	Created PT Jobs (.5/FT)	Created FT Jobs	Estimated Jobs Retained
<b>Small Business Development (SBD)</b>									
SBD1	Redacted	Redacted	Facilitated assistance with funding requests.	\$30,371.00	N	2		2	0
SBD2	Redacted	Redacted	Facilitated assistance with funding requests.	\$51,704.00	N	1		1	0
SBD3	Redacted	Redacted	Facilitated assistance with funding requests.	\$6,315.00	N	1	0	1	0
SBD4	Redacted	Redacted	Facilitated assistance with Business Registration	\$68.00	N	1	0	1	0
<b>Total SBD</b>				<b>\$88,458</b>		<b>5</b>	<b>0</b>	<b>5</b>	<b>0</b>
<b>Business Retention and Expansion(BRE)</b>									
BRE1	Redacted	Redacted	Facilitated assistance with funding requests.	\$42,195	N	1		1	0
BRE2	Redacted	Redacted	Facilitated assistance with funding requests.	\$5,000	N	2		2	1
BRE3	Redacted	Redacted	Facilitated assistance with funding requests.	\$7,625.00	N	1		1	1
BRE4	Redacted	Redacted	Facilitated assistance through information and with funding requests.	\$260,000	Y	5	0	3	2
BRE5	Redacted	Redacted	Facilitated assistance through information and with funding requests.	\$2,000,000	Y	10	0	5	200
BRE6	Redacted	Redacted	Facilitated assistance through information and with funding requests.	\$28,080	N	1	0	1	1
BRE7	Redacted	Redacted	Facilitated assistance through information and with funding requests.	\$249,725	N	0	4	0	0
BRE8	Redacted	Redacted	Facilitated assistance through information and with funding requests.	\$50,000	N	60	0	60	10
BRE9	Redacted	Redacted	Facilitated assistance through information and with funding requests.	\$4,539,341	N	2	0	2	8
BRE10	Redacted	Redacted	Facilitated assistance through information and with funding requests.	\$5,121,000	Y	5	0	2	8
BRE11	Redacted	Redacted	Facilitated assistance through information and with funding requests.	\$3,085,405	N	8	0	2	16
BRE12	Redacted	Redacted	Facilitated assistance through information and with funding requests.	\$255,845	Y	3	0	0	0
BRE13	Redacted	Redacted	Facilitated assistance through information and with funding requests.	\$2,001,500	Y	6	4	1	32
BRE14	Redacted	Redacted	Facilitated assistance through information and with funding requests.	\$3,557,000	Y	15	0	0	1
BRE15	Redacted	Redacted	Facilitated assistance through information and with funding requests.	\$770,409	Y	5	0	2	21
<b>Total BRE</b>				<b>\$21,973,125</b>		<b>124</b>	<b>8</b>	<b>82</b>	<b>301</b>
<b>Grand Total</b>				<b>\$22,061,583</b>		<b>129</b>	<b>8</b>	<b>87</b>	<b>301</b>

Source: Sault Ste. Marie Economic Development Corporation, Executive Pulse output data, 2014. For confidentiality purposes some data has been redacted. Additional data about SSMEDC's Summer Company program has been removed.

In 2014, Sault Ste. Marie invested \$1,760,652 into SSMEDC, of which \$364,000 had been earmarked specifically for tourism marketing, leaving an estimated \$1.37 million for business service and corporate finance needs. Comparing \$1.37 million in investment by the City in the SSMEDC, excluding tourism marketing, investment attained via SSMEDC's guidance in BR&E activities totalling \$21.9 million indicate a nearly 20 to 1 return on investment. Moreover, even if a conservative estimate that only half of the investment revenue accessed by these enterprises had been a result of SSMEDC's assistance, this would nonetheless represent a return on investment of 10 to 1.

A further consideration is the estimated economic impact of the new jobs on the economy, which is not able to be calculated here due to lack of sufficient data about the types of occupations being filled, but it does bear noting that even a conservative estimate of \$40,000 per person multiplied by 82 individuals would yield a net gain of \$3.4 million per year into the Sault Ste. Marie and area economy. Moreover, using the same \$40,000 hypothetical value, had the 302 jobs that were retained been lost, the



result would have been a net drop of approximately \$12 million dollars in annual revenue that has been able to remain in the local and regional economy.

### 1.5.2 SSMIC Financial Review

The SSMIC had audited financial statements up to and including 2015. SSMIC did not have any years on record where assets and liabilities were unbalanced (Figure 6).

FIGURE 10: INNOVATION CENTRE (SSMIC) FINANCIAL POSITION TRENDS, 2010-2014 (INCLUSIVE).

SSMIC Financial Position						
Trends	2010	2011	2012	2013	2014	2015
Assets	\$ 1,067,231	\$ 167,930	\$ 1,570,480	\$ 1,383,532	\$ 1,694,981	\$ 1,889,440
Liabilities	\$ 1,067,231	\$ 167,930	\$ 1,570,480	\$ 1,383,532	\$ 1,694,981	\$ 1,889,440

Source: Grant Thorton, Independent Auditor's Report, 2011, 2012, and 2013 (where 2011 also contains comparator equivalents from 2010); BDO Chartered Accountants, Independent Auditor's Report, 2014 and 2015.

Figure 7 below indicates that cashflow has not seen any year-to-year deficits, while half of the years did see periods where expenses out-paced revenues. Despite these results, SSMIC has managed to maintain a cumulative surplus of over half a million dollars.

FIGURE 11: INNOVATION CENTRE CASHFLOW AND REVENUE OVER EXPENSES BALANCES, 2010-2014 (INCLUSIVE).

Trends	2010	2011	2012	2013	2014	2015
Beginning of Year	\$ 816,501	\$ 353,453	\$ 413,927	\$ 482,413	\$ 571,560	\$ 545,464
End of Year	\$ 353,453	\$ 413,927	\$ 482,413	\$ 571,560	\$ 545,464	\$ 362,697
Revenue over Expenses	\$ (70,864)	\$ 194,843	\$ 466,713	\$ (82,185)	\$ (13,116)	\$ 10,156

Source: Grant Thorton, Independent Auditor's Report, 2011, 2012, and 2013 (where 2011 also contains comparator equivalents from 2010); BDO Chartered Accountants, Independent Auditor's Report, 2014 and 2015.

Deeper analysis of revenue and expenses at SSMIC are shown in Figure 8. Results indicate that Sault Ste. Marie's investment of \$277,890 represented approximately 19% of SSMIC's total revenue stream in 2015. The SSMIC's projects (such as the GIS lab) generated approximately \$1.4 million in revenue for SSMIC, constituting the largest single source of revenue for the organization at 31%.



FIGURE 12: BREAKING DOWN INNOVATION CENTRE REVENUE AND EXPENSES, 2013 AND 2014 (INCLUSIVE).

	2015	2014	2013
<b>Revenue</b>			
Project	\$ 1,443,641	\$ 1,357,412	\$ 1,302,443
Grants and Contributions			
City of Sault Ste. Marie	\$ 277,890	\$ 277,890	\$ 277,890
Industry Canada - FedNor	\$ 575,005	\$ 760,039	\$ 303,145
NOHFC	\$ 1,026,982	\$ 778,044	\$ 351,218
Trillium	\$ 11,650	\$ 48,527	\$ 40,000
Industrial Research Assistance Program	\$ 74,441	\$ 128,140	\$ 105,360
MaRS	\$ 176,421	\$ 134,750	\$ 119,750
Ministry of Research and Innovation	\$ 182,000	\$ 182,000	\$ 173,438
Rent	\$ 190,988	\$ 192,089	\$ 154,412
Program and services	\$ 685,526	\$ 699,498	\$ 588,703
Miscellaneous	\$ 35,352	\$ 35,226	\$ 5,422
<b>Total Revenue</b>	<b>\$ 4,679,896</b>	<b>\$ 4,593,615</b>	<b>\$ 3,421,781</b>
<b>Expenses</b>			
Administration and overhead	\$ 1,471,843	\$ 1,554,348	\$ 721,197
Amortization	\$ 117,187	\$ 95,970	\$ 77,717
Computer and software	\$ 197,191	\$ 142,965	\$ 155,833
Rent	\$ 167,655	\$ 152,992	\$ 103,420
Provision for doubtful accounts	\$ 18,891	\$ 945	\$ 21,329
Travel	\$ 26,161	\$ 21,128	\$ 23,964
Wages and benefits	\$ 2,670,812	\$ 2,638,383	\$ 2,400,506
<b>Total Expenses</b>	<b>\$ 4,669,740</b>	<b>\$ 4,606,731</b>	<b>\$ 3,503,966</b>
Deficiency of revenue over expenses	\$ 10,156	\$ (13,116)	\$ (82,185)

Source: BDO Chartered Accountants, Independent Auditor's Report, 2014 and 2015.

For SSMIC, on average 90% of its revenue has come from outside sources other than the City. That 90% of revenue translates to a majority share in terms of to whom the organization is accountable to. The findings indicate that SSMIC is beholden more to the Federal and Provincial programs from which it derives the majority of its revenue. It must be understood however, that even though the City's share only constitutes a small amount of the organization's overall revenue, this stream is essential to some of SSMIC's core operations and serves as a lever for additional funding it obtains. Therefore, although the amount may be comparatively smaller than NOHFC and FedNor, it is a nucleus for much other funding. This understanding must also be taken into consideration in rationalizing any potential organizations SSMIC is also accountable to; the simple fact being, if it did not receive the amount it does from the City, it may not be able to obtain as much as it does from other sources.

Also notable is the amount of rent the organization derives from tenant clients, at \$190,988. The organization also pays rent, which only costs \$167,655. It is assumed that the additional revenue from rent covers overhead expenses associated with space such as insurance and utilities.



The figure below contrasts City of Sault Ste. Marie funding for SSMEDC with SSMIC. The trends for SSMEDC indicate it has received between 20 and 41% of its funding from the City, while for SSMIC the amount has remained constant at \$277,890 on a decline trend of proportion from 11% in 2010 to 6% by 2014. On the other hand, by 2015 SSMIC's share from the City had climbed to a record high of 19%.

FIGURE 13: COMPARISON OF CITY OF SAULT STE MARIE FUNDING TOWARD SSMEDC AND SSMIC, 2010-2015.

	2010	2011	2012	2013	2014	2015
<b>SSMEDC</b>						
City funding	\$ 1,413,729	\$ 1,543,289	\$ 1,645,831	\$ 1,618,967	\$ 1,760,652	\$ 1,673,961
% of Revenue	20%	24%	33%	41%	43%	39%
<b>SSMIC</b>						
City funding	\$ 277,890	\$ 277,890	\$ 277,890	\$ 277,890	\$ 277,890	\$ 277,890
% of Revenue	11%	8%	8%	8%	6%	19%

## 1.6 Accountability and Transparency

The notion of accountability has already been broached in regard to discussions above pertaining to the governance structures in place for SSMEDC and SSMIC, and their respective MOU agreements. These need not be revisited except to reiterate that:

- SSMEDC and SSMIC each have Boards of Directors that represent the centre of governance and accountability within each organization
- SSMEDC and SSMIC each have MOUs in place with the City of Sault Ste. Marie, which define the respective responsibilities between the City and each organization

The MOUs have resulted in the following considerations, which need to be addressed in subsequent versions (for either the individual organizations or a consolidated organization as the case may be). These include:

- Specifying a direct link between expected deliverables and associated performance measures, including return on investment (where appropriate) in addition to raw values
- Identifying a mechanism for measuring and justifying attribution of the organization, program, or project in performance measurement outcomes
- Specifying a threshold for discretionary spending which will serve as a mechanism for seeking Council approval on expenditures exceeding a given amount
- Avoiding ambiguity of language for items that may result in different interpretations over the meaning and method of a given deliverable or responsibility
- Removing any language that allows for an organization to simultaneously benefit from, as well as contribute to, the evaluation or recommendation process associated with the Economic Development Fund or future iterations of that Fund
- Given that the amount of influence over the organization should be proportionate to the amount of funding provided to the organization, the MOU should identify



how the City's allocation can or cannot be used by the organization by specifying the operations, programs, projects and/or services to which the funding applies

### 1.6.1 Transparency Report Card

Transparency is at the heart of most challenges between an organization and stakeholders that it may engage with. *Transparency* is the process of making accountability measures available to stakeholders or publics.<sup>8</sup> Traditionally the concept has pertained mainly to financial dimensions (i.e. where and how money is being spent), but it has evolved to include:<sup>9</sup>

- Ethics
- Public complaints
- Leadership
- Performance
- Human resources
- Budgeting
- Procurement
- Audit results

The key is that the mechanisms for evaluating accountability are made visible to the identified stakeholders.

Transparency can be achieved in different ways. There are different tools that individually and collectively add to an organization's transparency. The tools have traditionally been applied to municipal governments more broadly, but are equally fitting for SSMEDC and SSMIC. Some examples of tools to enhancing transparency include:

- **Municipal or Organizational Checklists** – The process of verifying or documenting behaviour via completion of a checklist of investigative questions centred on understanding abidance to an ethical framework, responsiveness to complaints, leadership accountability, human resources management, budgeting, procurement, and auditing
- **Report Cards** – A survey conducted among the recipients or beneficiaries of the service is conducted, wherein questions are designed to result in a rating score. Often report cards can indicate where improvements are needed, offering a starting point for calibration of programs, methodologies, or approaches. The survey should be based on a random sample, so as to avoid bias
- **Public Record of Operations and Finance (PROOF)** – This tool is used in performance reporting to monitor potential occurrences of maladministration or

<sup>8</sup> Note: The term "publics" pertains to all stakeholders the organization deals with. It is used specifically because while stakeholders are synonymous with groups of people an organization recognizes as legitimate parties of interest, publics represent the potential of other groups not recognized to have reason to engage with the economic organization.

<sup>9</sup> Transparency International and United Nations Human Settlements Programme, "Tools to Support Transparency in Local Governance," 2004.



misappropriation of funds by comparing revenue and expenditure statements to original budget figures as well as current and long-term assets and liabilities via a balance sheet

- **Public Meetings** – Meetings held which are open to the public to attend and which include a summary of the issue under deliberation, an agenda for the meeting, date and location details, sufficient public notification, options for participation in the meeting, and contact details for further information
- **Open Meeting Legislation** – The process of making meeting proceedings open to attendance of the general public by law. It allows the public a recognized right to attend specific meetings. In such cases, bylaws are issued which indicate how and where open meetings can occur regarding municipal council. For corporations, open meeting policies can either be formal (via corporate bylaw) or informal (discretionary)
- **Records Management and Computerization** – This tool pertains simply to documentation, categorization, and storage of information and its accessibility by the general public. It places an emphasis on formal processes that ensure the organization does not lose track of information and that information can easily be found if required
- **Online Access** – Similar to records management and computerization, online provision of information is a tool of increasing transparency. The information are expected to be easy to find and accessed online. Online access also facilitates a two-way exchange of information, by providing stakeholders a means of sharing concerns or complaints they wish to express
- **Public Education Tools** – Building on the notion that public education builds trust, public education tools address formal education about the rights and obligations of stakeholders as well as building awareness about the problems and solutions relating to governance. Outreach may be via different channels including media and social media, school programming, public speaking or other public engagement events, and publications. Such tools often identify a whistle-blower approach to reporting wrongdoings
- **Public Participation Tools** – This tool centres on engagement of the public via inclusion in decision-making processes, particularly via consultation in planning and evaluation processes. Having public involved in consultation demystifies planning processes, increases transparency, and enhances community buy-in
- **Conflict of Interest Laws (or bylaws)** – It is highly common to have conflict of interest provisions that ensure favoritism is avoided in procurement. Such conflict of interest regulations place the onus on the agent to ensure it is not in a position of conflict with the Principal when they enter into a contractual agreement, whether it is with a municipality or corporation. The laws obligate the disclosure of any eminent or potential conflict of interest at the risk of legal liability
- **Codes of ethics** – The tool codifies values of transparency within a formalized document for obligated behaviour on matters of accountability and transparency. The code typically includes provisions for impartiality, objectivity, anti-discrimination, confidentiality, due diligence, fidelity to responsibilities, avoidance of



conflict of interest, legality, organizational values, efficiency, equality, and responsibility

The items in the list above were used in a matrix for SSMEDC and SSMIC to identify where the respective organizations are maximizing transparency. Generally, both organizations did not perform well in any of the categories. This master list should be used as a framework in the future for ensuring transparency is maximized. Building a transparent relationship is a fundamental component of ensuring a bond of trust exists between the organization and different stakeholders, including the City and general public.

FIGURE 14: MECHANISMS OF TRANSPARENCY REPORT CARD.

Tool	SSMEDC	SSMIC
<b>Municipal or Organizational Checklists</b>	Minor checklists used in developing and reporting on performance metrics. Challenges identified in regard to attribution.	Minor checklists used in developing and reporting on performance metrics. Challenges identified in attribution and clarity of measurement.
<b>Report Cards</b>	Follow-up with clients is handled internally and is not through a formal survey mechanism. No report card structure exists.	Follow-up with clients is handled internally and is not through a formal survey mechanism. No report card structure exists.
<b>Public Record of Operations and Finance</b>	No finances are available online directly from the organization, but they are a matter of public record in their report forms as presented to Council.	No finances are available online, directly from the organization, but they are a matter of public record in their report forms as presented to Council.
<b>Public Meetings</b>	The organization has hosted public meetings during stakeholder consultation components of strategic planning. Public meetings are not a regular or even annual event with the exception of annual general meetings.	The organization has hosted public meetings during stakeholder consultation components of strategic planning. Public meetings are not a regular or even annual event with the exception of annual general meetings.
<b>Open Meeting Legislation</b>	No formal document pertaining to open meeting legislation	No formal document pertaining to open meeting legislation
<b>Records Management and Computerization</b>	SSMEDC has up to date computerized records management, including a CRM software package.	SSMIC has an up to date computerized records management.



Tool	SSMEDC	SSMIC
<b>Online Access</b>	Strategies and related documents are easily located online, but business plans and annual budgets are not visibly available. Audited financial statements are not available, nor are archives for previous versions of existing documents posted online. Public records of City Council sessions include such reports.	Strategies and business plans are available online, but annual budgets, audited financial statements or archived documents are not provided. Public records of City Council sessions include formally presented documents and reports.
<b>Public Education Tools</b>	Most social media interaction invites stakeholder commentary, and SSMEDC is responsive and engaging to posts made by individuals.	Most social media interaction invites stakeholder commentary, and SSMIC is responsive and engaging to posts made by individuals.
<b>Public Participation Tools</b>	The organization has included stakeholder consultations in strategic planning activities. No online discussion boards on website. Email access for engagement with SSMEDC through generic <a href="mailto:info@ssmedc.ca">info@ssmedc.ca</a> address.	The organization has included stakeholder consultations in strategic planning activities. No online discussion boards on website. Accessible through generic email ( <a href="mailto:info@ssmic.com">info@ssmic.com</a> ) and through Community Geomatics Centre ( <a href="mailto:gisinfo@ssmic.com">gisinfo@ssmic.com</a> ) and Marketing and Communications manager ( <a href="mailto:acorcoran@ssmic.com">acorcoran@ssmic.com</a> )
<b>Conflict of Interest bylaws</b>	Board meetings include provisions for acknowledging potential conflicts of interest and abstention. The bylaws however are not publicly available.	Board meetings include provisions for acknowledging potential conflicts of interest and abstention. The bylaws however are not publicly available.
<b>Code of Ethics</b>	No publicly available code of ethics.	No publicly available code of ethics.



## 2 Engagement Activities and Themes

### 2.1 Economic Development Ecosystem Workshop

The workshop brought together economic and community development stakeholders to discuss Sault Ste. Marie's economic development ecosystem. Participants shared their vision for the future state of economic development in the City. While economic development in Sault Ste. Marie is seen as successful, more could be done to support it. This includes:

- Increased growth in entrepreneurship and an entrepreneurial culture
- Increased population growth and diversity
- Increase collaboration between government and community stakeholders to enable economic development

The participants also discussed the strengths and weaknesses of the economy in the City. Strengths include the educational infrastructure, the focus on health infrastructure and quality of life and affordability, all working to attract knowledge-based workers and industries. Weaknesses discussed included:

- Lack of collaboration and unified community vision, with too many groups and mandates
- Lack of policy at all levels of government which enables economic diversification & growth
- Lack of entrepreneurial spirit/culture, fostered by a paternalistic culture that inhibits entrepreneurial spirit

Recommendations developed through the workshop include:

- Further market and promote the City to increase awareness in the local and external markets
  - Work to rebrand the City to attract businesses, students, and investments
- Map out all the economic development players, their roles and linkages, and their reporting structure to identify overlaps, gaps, and changes needed
- Appoint an economic development liaison within the city (i.e. one business service unit that unifies all agencies) spearheaded by the Mayor/CAO Offices. This is a step in developing a common mandate with all economic development agencies.
  - Participants highlighted that this should be accomplished at a timely pace.
- Develop performance measurement to assess progress



- Investment in post-secondary education, including recruiting, housing for students, research infrastructure, work placements)

The key themes which emerged from this workshop include the need to support increase cooperation and collaboration between economic development organization, increase investment in post-secondary education to increase population and attract businesses and investments and to support a more entrepreneurial culture within Sault Ste. Marie.

### **2.1.1 Economic Ecosystem Workshop Overflow**

In October 2016, MDB Insight invited the economic ecosystem stakeholders to participate in a workshop with the aim of understanding the current state of the systems, developing a vision for the ecosystem and developing recommendations for moving forward. A number of stakeholders were unable to attend the workshop and were thus interviewed separately.

Overall, interviewees discussed the fact that there are too many people involved in the ecosystem, not working in collaboration with each other. Interviewees pointed to the need to increase efficiencies within organizations. While each interviewee saw the need for increased collaboration between organizations, not all agreed that the City would be best served by an amalgamated economic development organization. The information gathered from the interviews is analyzed below.

Interviewees were asked to discuss their vision for the economic development ecosystem in the City. Interviewees discussed the need for better lines of communications and coordinated efforts, highlighting the need to create a one-stop-shop for support and for organizations to work together to leverage their respective strengths to grow the economy. One interviewee pointed to the need to organize programming based on which organization is the best fit based on its strengths, discussing the need to decrease competition between organizations. One interviewee also highlighted the need to clearer performance metrics for all organization to ensure that they are meeting their targets. Another interviewee discussed the need to develop an overarching strategy, focused on strategic decision making, which will focus and govern all economic ecosystem partners. The interviewee highlighted the need for an updated Destiny Sault Ste. Marie to support cooperation and collaboration between organizations.

Another key theme which emerged was the need to diversify the economy. Interviewees pointed to the need to be less reliant on large anchor businesses, support post-secondary education growth within the City, and to further support and develop entrepreneurs and small businesses. One interviewee highlighted the need to move away from a cyclical single-industry town perspective by being progressive, innovative, and diversified.

A number of themes emerged in terms of what was working well in Sault Ste. Marie. Interviewees discussed the quality of life and the downtown and community development in the City as an asset for attracting businesses and residents. Another



interviewee discussed the good job that the economic ecosystem has had in business retention and small business development, working cooperatively with the private sector. While some interviewees stated that the ecosystem was working well together, a number highlighted the lack of cohesion between organization, discussing the confusion that the public had with the role of each organization and what is being accomplished by each.

When asked what was not working well, one interviewee highlighted the issues with having too many organizations, working from a top-down approach. A number of interviewees pointed to the friction which exists between the City and the economic development organizations, specifically discussing the tensions following the Ski hill purchase. Other interviewees pointed to the fact that Sault Ste. Marie was too reliant on big industries and that there is not enough recognition of the benefits associated with the tourism industry. Yet another interviewee discussed the need to reinvigorate the Port Strategy and the Post-Secondary Institution strategies to better support economic growth and development within the City.

Interviewees were also asked about gaps which exist. They discussed a number of issues including:

- The “turf wars” between organizations that could be working together
- The need for an accountability agreement, where each organization has a specified mandate
- The need for a round-table which brings together the leads of the organizations along with the political representatives of the City
- The need for more strategic investment in infrastructure
- The need for more “group hugs” between organization, with organizations coming to the table to discuss current projects and initiatives

Similar to the workshop discussion, interviewees were also asked about recommendations to position the City for more effective economic growth. Interviewees discussed the possibility of combining that Economic Development Corporation and the Innovation Centre. While some interviewees pointed to the need to develop a “one-stop-shop” for all economic development and business needs, this didn’t necessarily mean for a centralized organization within the City itself. In fact, interviews indicate a preference for the economic development organizations to remain at an arm’s length from the City. . A couple of interviewees discussed the importance of Destiny Sault Ste. M, as it brought organizations together and assigned organizations to different tasks. All interviewees recognized the need to develop more operational efficiencies between the two organizations, fostered by a more collaborative spirit. One interviewee discussed the need to formalize the roles of each organization. Another interviewee highlighted the need to jointly develop a pan-organizational economic development strategy.

Another theme which emerged was the need to change how the City is marketed. Interviewees pointed to the need to market Sault Ste. Marie from a variety of viewpoints (e.g. post-secondary, employer) highlighting the City’s strategic location,



new infrastructure funding opportunities, and the growth of the University. One interviewee pointed to the availability of vacant land and the labour pool within the City which could be used to attract Call Centers.

Interviewees also discussed a new organizational structure for the economic ecosystem. As highlighted in the previous discussion, interviewees have mixed feelings on how the ecosystem should be structured. One interviewee highlighted the fact that a combined, amalgamated approach would send a message that Sault Ste. Marie was open for business. However, interviewees also discussed that a single organization, under the umbrella of the City, may not be able to work as effectively with private sector partners.

Another option discussed was sharing and pooling resources between organization while maintaining separate functions. The interviewee discussed the possibility of developing a shared website between the Economic development Corporation, the CDC, and the Innovation Centre. Again, there was some interest in a total amalgamation of these three organizations as a means of internalizing and resource distribution concerns.

Interviewees discussed the desire to see increased cooperation, information sharing, and collaboration to improve efficiencies between organizations. It was highlighted that forced coordination would not work. The ecosystem stakeholders and the City need to engrain coordination within their internal practices, working to develop mutual respect and cooperation, celebrating successes together. One interviewee pointed to the role of City needs to be more visible, taking on more of a leadership role and bringing all actors together.

## 2.2 Service Recipient Consultations

### 2.2.1 Economic Development Corporation Users

Recent users of the Sault Ste. Marie Economic Development Corporation were interviewed to understand the types and quality of services available for businesses. The businesses interviewed are generally larger firms, with some operating across different provinces. The interviewees discussed how they developed a relationship with the Corporation once they moved into the City, one highlighting how it helps to introduce the firm to the community as a whole. Each of the companies continues to have some form of relationship with the Corporation.

Key areas of support include relocation, funding, networking, and tourism. Interviewees discussed how the Economic Development Corporation has been hands on in terms of updating firms on funding opportunities available. One interviewee pointed to the level of experience of the staff in supporting the desires of businesses and in making meaningful business contacts, while another remarked that the Corporation was deeply involved in understanding the needs of the firm. One negative comment indicated that the SSMEDC could attempt to be more involved in ongoing



conversations with firms. Though the SSMEDC has a positive “open-door” approach, it does not take the initiative to reach out and follow up as much as it could.

However, one interviewee felt that the Corporation may be better at supporting smaller businesses, as larger firms may not need as many hands on support. The interviewee went on to discuss the opportunity to develop a concierge service, where a representative would meet on a semi-annual basis to discuss issues, challenges and opportunities faced by all larger firms within the City, thereby being able to more directly support them. One interviewee raised the point that the Economic Development Corporation needs to share success stories with other businesses so that all firms understand what opportunities may exist. One interviewee discussed the lack of coordination between the City and the Corporation, where firms have to work to get both originations on the same page.

Each of the interviewees said that they would recommend the services of the Economic Development Corporation to others. One interviewee highlighted the importance of this relationship for the Corporation to understand the issues within all businesses and to share funding success stories. Another interviewee discussed the need for better internal coordination and cooperation within the Corporation, stating that sometimes internal conflicts are brought public.

## 2.2.2 Innovation Center Users

Five businesses who recently received support for the Sault Ste. Marie Innovation Center were interviewed to understand the what services are being offered as well as to identify what is working well and gaps which may exist. While each of the businesses is from different sectors of the economy, each is tech focused in nature. Overall, interviewees were very supportive of the Innovation centre. It is especially helpful in serving as a portal to navigating all the information, programs and opportunities that exist, and in putting in touch with them. When asked what aspects of the Innovation Centre was the host helpful, interviewees discussed the decrease in overhead, the variety of people with different skill sets and expertise working together, the support for bringing products to market, and the opportunity to connect with a broader network of economic development organizations and funders. All interviewees highlighted the support they're received in navigating through the grant process, including writing support. A couple of interviewees pointed to the existence of the Innovation Center as the reason for their businesses existence. Other highlights discussed included:

- Funding, grants and loan information as a key support function from the Centre
- Useful Research and Development related assistance focusing on the coaching, seminars and networking opportunities, and knowledge transfers
- Support for expanding established businesses

A number of gaps were identified by the former users of the Innovation Centre. Interviewees discussed the lack of knowledge in exporting and the need to simplify the



funding process for website development. A number of interviewees highlighted the fact that other Innovation Center support companies further into the market, supporting early and later stages of business development. One interviewee pointed to the lack of entrepreneurs in residence, stating that it is difficult for a single person to provide sufficient support for all companies using the Innovation Centre. Another interviewee discussed the need to have a greater focus on entrepreneurialism, supporting job creation in the private sector. The discussion of a merger between the Innovation Center and the Economic Development Corporation was raised as an opportunity to decrease redundancies and to re-invest in areas where capacity is lacking. Other issues discussed include:

- The sense that there is a “turf war” between the Innovation Centre and the Economic Development Corporation.
- The need for a mentoring organization or increase support in that area
- The need to have more businesses working together to broaden the market and learn from each other, particularly in terms of local export-oriented companies
- The lack of capacity to help businesses scale up within the region

Each of the interviewees indicated that they would recommend the Innovation Centre to other businesses. Interviewees pointed to the ability of the Innovation Centre to step in and get companies developing at the speed they wanted and that the quality of service was great. One interviewee highlighted the need to better promote the Innovation Centre, stating that they need to raise their public profile as a place to go for help with ideas and to share success stories.



# 3 Key Case Study Review

This section outlines key case studies that were either consulted or used directly in the report.

Two kinds of case studies were conducted:

- Case studies related to economic development organization operations, activities, funding and partnerships
- Case studies related to specific components of economic development practice (e.g. revenue generation in non-profits, cohabitation/colocation, and municipal economic development funding mechanisms)

## 3.1 Economic Development Organizations

Seven medium- sized cities were investigated to understand how they have transitioned their economy over the last 10-15 years. In most of the cases, the economies shifted away from a natural resource-based economy to a knowledge-based economy. In some cases, the knowledge-based economy has developed to support the existing natural resource based economy.

Across the cities investigated there are a number of actors involved in economic development. Their ecosystems were therefore diverse. The investigation revealed that the municipalities' economic development office or department was primarily responsible for investment attraction and businesses retention with some efforts in entrepreneur support or workforce development. The offices/departments worked in conjunction with partner organizations to support a full array of economic development programs and services, often working with local post-secondary institutions, regional business centers, and regional innovation centers. In all cases, the city's economic development arm provides program funding or funds initiatives in partnership with other organizations, rather than providing core funding for other economic development-related organizations. That is, government funding is allocated to direct programs or services, which can then be monitored for progress.

### 3.1.1 Areas with a similar geography

#### 3.1.1.1 Sudbury, Ontario

Sudbury, Ontario	
Overview	
Background	
	<ul style="list-style-type: none"><li>■ Greater Sudbury, commonly known as Sudbury had a population of 160,274 residents in 2011</li><li>■ The economy is dominated by the mining industry and by the 1970s Inco employed a quarter of the local workforce</li><li>■ Sudbury has been able to parlay its mining expertise into research and development in new mining technologies such as the <a href="#">Northern Centre for</a></li></ul>



## Sudbury, Ontario

<p><u>Advanced Technology (NORCAT)</u>, and the <u>Centre for Excellence in Mining Innovation (CEMI)</u></p>	
<ul style="list-style-type: none"><li>■ The economy now supports health services (Health Sciences North), government services (federal, provincial, and local), retail, and science and technology</li></ul>	
<b>Funding Allocation</b>	
<b>City Funding Overview for Economic Development<sup>10</sup></b>	The Greater Sudbury Development Corporation receives \$1 million in funding
<b>Distribution of Programs and Services</b>	
<b>Investment attraction and aftercare</b>	<ul style="list-style-type: none"><li>■ The Greater Sudbury Development Corporation highlights location advantages as well as workforce and city facts<ul style="list-style-type: none"><li>● It also offers a site selection support</li></ul></li></ul>
<b>Business retention and expansion and economic gardening</b>	<ul style="list-style-type: none"><li>■ The Greater Sudbury Development Corporation runs a BR and E program<ul style="list-style-type: none"><li>● There are current efforts to implement a BR and E program targeting businesses in the downtown and key economic sectors</li></ul></li></ul>
<b>Entrepreneurial support</b>	<ul style="list-style-type: none"><li>■ The Regional Business Centre offers seminars, one-on-one consultations, business plan support, and programs which encourage youth to explore entrepreneurship</li><li>■ The Greater Sudbury Chamber of Commerce offers workshops, speaker series, and networking events to its members</li></ul>
<b>Workforce development</b>	<ul style="list-style-type: none"><li>■ Laurentian University, Collège Boréal, Cambrian College, and the University of Sudbury offer employment services for the students and alumni</li><li>■ The City, the local Chamber of Commerce and other partners work to support labor market integration for newcomers and outline the workforce needs in the community</li><li>■ Sudbury and Manitoulin Workforce Planning provides apprenticeship, workforce, and employment training</li></ul>
<b>Incubation, acceleration, technology transfer</b>	<ul style="list-style-type: none"><li>■ Cambrian Innovates helps students, faculty, and industry partners connect and develop new technologies</li><li>■ The Northern Centre for Advanced Technology offers co-working spaces and innovation services in Sudbury. It runs an incubator</li></ul>
<b>Tourism</b>	<ul style="list-style-type: none"><li>■ Sudbury Tourism supports and markets the tourism assets in Sudbury</li></ul>
<b>Partnerships</b>	

<sup>10</sup> Source: Interview with Greater Sudbury Development Corporation, Staff



## Sudbury, Ontario

<b>Greater Sudbury Development Corporation<sup>11</sup></b>	This is the economic development arm of the City. It receives funding from the City
<b>The Regional Business Centre<sup>12</sup></b>	The Centre is hosted by the Economic Development Division of the City along with 17 other community partners to support entrepreneurs and small businesses
<b>Cambrian Innovates<sup>13</sup></b>	This is Cambrian College's research development arm, which brings together industry partners, students, and faculty to solve problems and develop new technologies
<b>Greater Sudbury Chamber of Commerce<sup>14</sup></b>	The Chamber is a not-for-profit organization financed through membership investment, events and special projects
<b>Sudbury and Manitoulin Workforce Planning<sup>15</sup></b>	The organization supports economic stability and prosperity within the Districts of Sudbury & Manitoulin by addressing the many factors that impact on the labour market
<b>Northern Research Centre for Advanced Technology<sup>16</sup></b>	The non-profit organization empowers clients, staff, and community partners to drive a culture of productivity, innovation, and life-long learning

Sudbury's economy is rooted in mining. Rather than looking to develop new expertise, the City has reinvigorated its mining sector with innovation, transforming its opportunities for solely operating mines and smelters to become one of the most dynamic supply and services mining cluster in the world. Not only is the City a center of excellence for Mining, it has also become northern Ontario's hub for health care, with Health Sciences North providing leading regional programs in cardiac care, oncology, trauma, and rehabilitation. Sudbury's three post-secondary institutions have also helped transform the City into the educational capital of Northern Ontario. Laurentian University is home to both the eastern campus of the Northern Ontario School of Medicine, the Goodman School of Mines, and the Bharti School of Engineering.

In the 1970s, Sudbury's largest employers were the two big mining companies – Inco and Falconbridge. By the mid-1970s, the mining companies began to downsize, laying off employees and outsourcing various aspects of their operations, to the point where today the companies employ only 5,000 people.

<sup>11</sup> Greater Sudbury Development Corporation (2013), homepage. Retrieved from: <http://www.investsudbury.ca/>

<sup>12</sup> Regional Business Centre (2016), homepage. Retrieved from: <http://www.regionalbusiness.ca/>

<sup>13</sup> Cambrian Innovates (2016), homepage. Retrieved from: <https://cambrianinnovates.ca/>

<sup>14</sup> Greater Sudbury Chamber of Commerce (n.d.), homepage. Retrieved from: <http://sudburychamber.ca/>

<sup>15</sup> Sudbury and Manitoulin Workforce Planning (n.d.), homepage. Retrieved from: <http://www.planningourworkforce.ca/index.html>

<sup>16</sup> NORCAT (2016), homepage: Retrieved from: <http://www.norcat.org/>



As the mining companies started to outsource, new small businesses began to emerge to meet the companies' needs (in some cases these businesses were founded by former Inco and Falconbridge employees). Over time, Sudbury recognized that an entirely new sector/cluster was forming, the Mining Supply and Services sector. This sector consists of more than 300 firms. Due to the cyclical nature of the mining industry, Sudbury recognized the importance of market diversification for the Mining Supply and Services sector, and as a result have begun working with these firms to identify opportunities to export their goods and services beyond the Sudbury Basin, and now, more and more of these companies are selling their products and services internationally. This is thanks in large part to Greater Sudbury Development Corporations own export promotion activities and the Northern Ontario Exports program, delivered by ONEDC (with significant financial support from the NOHFC and FedNor).

Coinciding with the layoffs in the mining industry, was the implementation of government regulations to reduce industrial pollution to combat acid rain amongst other things. This resulted in the construction of Inco's Super Stack and the establishment of one of the most ambitious environmental remediation efforts. Inco and Falconbridge worked with the City of Sudbury, the Province, and the federal government to hire both summer students and laid off miners to spread lime throughout the region (to reduce the acidity levels in the soil) and plant trees. This land reclamation initiative has led to the creation of some boutique environmental engineering and consulting firms.

Beyond Mining Supply and Services, Sudbury has also seen significant development as northeastern Ontario's service hub for a range of public services (education, health sciences, government services) and retail and business services (legal, finance, insurance, etc.). Not unlike other industrial cities facing change such as Hamilton or Pittsburgh, education and health sciences has begun to play an increasingly significant role in the local economy. The City has recognized the importance of these other sectors to support a strong economy. For example, Health Sciences North is northeastern Ontario's only tertiary care center servicing local residents as well as patients from throughout northeastern Ontario who travel to access specialist services (e.g. cancer care, pediatrics, medical research, etc.).

Greater Sudbury's Development Corporation has recognized the important of support entrepreneurship and innovation, working with local partners to support new businesses. The economic ecosystem works collaboratively, with staff meeting regularly to share information on projects and initiatives.

From the Ground Up outlines the economic development goals for Sudbury over a 10 year period, ending in 2025.<sup>17</sup> A key aspect of this plan is to become a global leading in mining supply and services industry. This will be achieved through increased partnerships between institutions and with increased support between educational programming and industry partners.

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<sup>17</sup> Greater Sudbury Community Development Corporation (2015), From the Ground Up. Retrieved from: <http://www.investsudbury.ca/ftgu.pdf>



## Key takeaways

- Rather than looking to develop a new expertise, Sudbury looked to its existing knowledge-base to develop new economic growth opportunities
- The City recognized the need to develop a diversified economy, working to develop a Mining Supply and Services sector, supporting Sudbury and the wider region
- Sudbury has also recognized the importance of the education and healthcare sectors to their economy, developing a diverse economy

### 3.1.2 Thunder Bay, Ontario

Thunder Bay, Ontario	
Overview	
<b>Background</b>	<ul style="list-style-type: none"><li>■ Thunder Bay is the most populated municipality in Northwestern Ontario, with a population of 108,359 residents in 2011</li><li>■ Traditionally, the economy was based on forestry products, grain transportation as well as rail and boat shipping<ul style="list-style-type: none"><li>● Lack of innovation in the traditional industries, along with high labour costs reduced the industrial base by almost 60%</li></ul></li><li>■ The Port of Thunder Bay remains an important part of the St. Lawrence Seaway</li><li>■ Bombardier Transportation operated a 553,000 sq. ft. manufacturing facility, which produces mass transit vehicles and equipment</li><li>■ Major industries include film, transportation, mining, forestry, and manufacturing</li><li>■ The economy is supported by a Hospital and a large number of public sector jobs</li><li>■ The Thunder Bay Regional Health Sciences Centre is seen as a key economic driver</li></ul>
Funding Allocation	
<b>City Funding Overview for Economic Development<sup>18</sup></b>	The City's financial contribution includes operating funding, a \$300,000 project fund and a \$1 million investment fund
Distribution of Programs and Services	
<b>Investment attraction and aftercare</b>	<ul style="list-style-type: none"><li>■ The Community Economic Development Commission supports opportunity development by highlights property listings, outlining information on investing or purchasing existing businesses, and in other business opportunities available in the community</li><li>■ Thunder Bay Ventures helps finance new businesses and funds economic development projects</li></ul>

<sup>18</sup> City of Thunder Bay (2016) Economic Development. Retrieved from:  
[http://www.thunderbay.ca/Doing\\_Business/Economic\\_Development\\_\\_CEDC\\_.htm](http://www.thunderbay.ca/Doing_Business/Economic_Development__CEDC_.htm)



## Thunder Bay, Ontario

<b>Business retention and expansion and economic gardening</b>	<ul style="list-style-type: none"><li>■ The Community Economic Development Commission supports business development as well as business retention and expansion by enhancing awareness of business development opportunities</li><li>■ Thunder Bay Ventures finances business expansion and provides business services</li></ul>
<b>Entrepreneurial support</b>	<ul style="list-style-type: none"><li>■ The Thunder Bay and District Entrepreneur Centre supports small businesses and entrepreneurs by offering workshops and seminars, import and export information, mentoring and networking opportunities, general consultations, and much more</li><li>■ The Northwestern Ontario Innovation Centre supports businesses make connections, assessing technology, as well as access funding and training</li></ul>
<b>Workforce development</b>	<ul style="list-style-type: none"><li>■ The City of Thunder Bay maintains an employment opportunities website for those working for full-time work, Co-op and summer placements, as well as recruitment opportunities for EMS, Fire, and Police and with Homes for the Aged</li><li>■ Northeast Ontario Planning Board, the Northwest Employment Works and the Thunder Bay Multicultural Association, along with a number of aboriginal organizing, support workforce development in the City</li></ul>
<b>Incubation, acceleration, technology transfer</b>	<ul style="list-style-type: none"><li>■ The Northwest Innovation Centre provides support to tech-based start-ups in Thunder Bay and the region</li></ul>
<b>Tourism</b>	<ul style="list-style-type: none"><li>■ Tourism Thunder Bay supports tourism marketing, product development and provides visitor serves</li></ul>
<b>Partnerships</b>	
<b>Community Economic Development Commission<sup>19</sup></b>	The Commission is led by an independent board with core funding from the City of Thunder Bay  Culture and tourism are not located with the mandate of the Commission
<b>Thunder Bay and District Entrepreneur Centre<sup>20</sup></b>	The Centre is funded by the Province of Ontario and the City of Thunder Bay
<b>Thunder Bay Ventures<sup>21</sup></b>	The organization supports businesses in the Thunder Bay Census Metropolitan Area and is one of 61 Community Futures Development Corporations across Ontario
<b>Northwestern Ontario</b>	Begun in 1999, the goal of the organization is to support information technology start-

<sup>19</sup> Thunder Bay (2016), Community Economic Development Commission. Retrieved from: [http://www.thunderbay.ca/Doing\\_Business/Economic\\_Development\\_CEDC\\_.htm](http://www.thunderbay.ca/Doing_Business/Economic_Development_CEDC_.htm)

<sup>20</sup> Thunder Bay (2009), Thunder Bay & District Entrepreneur Centre. Retrieved from:

[http://www.thunderbay.ca/CEDC/Starting\\_and\\_Expanding/Thunder\\_Bay\\_and\\_District\\_Entrepreneur\\_Centre.htm](http://www.thunderbay.ca/CEDC/Starting_and_Expanding/Thunder_Bay_and_District_Entrepreneur_Centre.htm)

<sup>21</sup> Thunder Bay Ventures (2016), homepage. Retrieved from: <http://www.thunderbayventures.com/>



## Thunder Bay, Ontario

Innovation Centre<sup>22</sup>

ups in Northwestern Ontario

In 2006, Thunder Bay City Council saw a need to develop an economic commission to focus and respond to economic development issues, including business retention and expansion, investment attraction, and partnership development. It operates as an arm's length organization.

Over the past 10 years, the City has seen a shift from its blue-collar economic base, characterized by forestry, to an economy based in the public sector, including the Hospital, the City of Thunder Bay and local school boards. The Thunder Bay Regional Research Institute, Lakehead University, Confederation College, the hospital and the Commission are working cooperatively to develop the knowledge economy in the City. The City is working with Lakehead University and Confederation College to bring in international students, attracting roughly 1,800 students recently. The Commission is also focused on talent acquisition, working with location educational institutions and the Thunder Bay Multicultural Centre. These shifts in the economy were largely brought on by more focus on the collaboration between organizations, with the Commission working the breakdown silos and reach out to partners to find synergies.

While there are no mines in the City, Thunder Bay is a mining sector supply hub. The Commission has a mining and exploration specialist. In order to support this sector, the City has partnered with Fort William First Nations and the CEDC to develop a Mining Readiness Strategy, helping to guide mining development opportunities in Northwestern Ontario.

The 2015-2018 Strategic Plan proposes to continue to invest in the Thunder Bay Community Economic Development Commission as a way to support its activities, particularly in those related to manufacturing and attracting and retaining youth.

### Key takeaways

- Thunder Bay has been able to leverage its position as a regional service centre and hub to continue to support economic development opportunities and growth
- The Commission has realized the value of reaching out to economic development partners, to develop synergies between organization, to decrease the possibility of duplication of services, and to leverage government funding
- Similar to Sudbury, Thunder Bay has worked to diversify its economy, supporting the development of strong health and education sectors

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<sup>22</sup> Northwestern Ontario Innovation Centre (2016), homepage. Retrieved from: <https://www.nwoinnovation.ca>



### 3.1.3 Strong regional centres that have experienced changing economies

#### 3.1.3.1 Kamloops, British Columbia

Kamloops, British Columbia	
<b>Overview</b>	
<b>Background</b>	<ul style="list-style-type: none"><li>■ As of 2011, the City had a population of 85,678</li><li>■ Historically, the economy relied on resource processing such as pulp and paper as well as mining</li><li>■ Kamloops is strategically located at the intersection of four major highways and is served by both national railways</li><li>■ Education and tourism are key sectors of the economy.</li><li>■ The Royal Inland Hospital is the largest employer in the City</li><li>■ Thompson Rivers University, located in Richmond, is the biggest distance education provider in the province</li></ul>
<b>Funding Allocation</b>	
<b>City Funding Overview for Economic Development<sup>23</sup></b>	<p>In 2015, Venture Kamloops sent \$145,219 on business attraction and \$334,062 on businesses retention and expansion</p> <p>Venture Kamloops receives \$802,264 in funding from the City, government grants, and other revenues</p>
<b>Distribution of Programs and Services</b>	
<b>Investment attraction and aftercare</b>	<ul style="list-style-type: none"><li>■ Venture Kamloops works with companies from around the world to expand or relocate them to the city of Kamloops<ul style="list-style-type: none"><li>● Methods include site tours, familiarization tours, tradeshows and personal introductions to local business and community leaders</li><li>● It also provides business information and location advantages for businesses looking to expand into Kamloops as well as incentives information and site selection services</li></ul></li></ul>
<b>Business retention and expansion and economic gardening</b>	<ul style="list-style-type: none"><li>■ Venture Kamloops monitors the health and the expectations of existing businesses in Kamloops. They work with companies to help facilitate access to programs, individuals, and partners to improve their chances of success</li><li>■ Venture Kamloops also works to promote existing businesses on a local, regional, national and international scale. They perform a comprehensive survey of businesses every three years to identify issues and challenges</li></ul>

<sup>23</sup> Venture Kamloops, 2015 Annual Report. Retrieved from: <http://venturekamloops.com/brochures/annual-report/#page/26>



## Kamloops, British Columbia

within the business community

<b>Entrepreneurial support</b>	<ul style="list-style-type: none"><li>■ Kamloops Innovations supports tech entrepreneurs by offering programs which guide, coach and mentor start-ups and offer networking and seminar events<ul style="list-style-type: none"><li>● It also supports the Generator, an on-campus entrepreneurial community at Thompson Rivers University. The Generators offers mentorship, education, venture creation and funding for alumni, students, faculty, and staff</li></ul></li><li>■ Venture Kamloops provides small business loans along with entrepreneurs with disabilities and self-employment programs assistance</li></ul>
<b>Workforce development</b>	<ul style="list-style-type: none"><li>■ The Venture Kamloops website highlights job training programs available from the Canadian and Provincial governments</li><li>■ Open Door Group runs WorkBC programs which match job seekers with employers and does some training</li></ul>
<b>Incubation, acceleration, technology transfer</b>	<ul style="list-style-type: none"><li>■ The Generator, through Thompson Rivers University, provides mentorship, education, venture creation, and seed funding support for TRU alumni, students, faculty, and staff</li><li>■ Kamloops innovation supports the Generator and runs the Venture Acceleration program, supporting local entrepreneurs</li></ul>
<b>Tourism</b>	<ul style="list-style-type: none"><li>■ Tourism Kamloops markets and supports the tourism sector in Kamloops through destination development and marketing</li><li>■ Venture Kamloops also promotes tourism in both Kamloops and the Thompson-Nicola region</li></ul>
<b>Partnerships</b>	
<b>Venture Kamloops<sup>24</sup></b>	Venture Kamloops is the economic development arm of the City
<b>Kamloops Innovations<sup>25</sup></b>	Kamloops Innovation is a non-profit society that serves the Central Interior region of British Columbia and is a BCIC Acceleration Network partner
<b>Thompson Rivers University<sup>26</sup></b>	The University runs an incubator program, the Generator
<b>Open Door Group<sup>27</sup></b>	This is a not-for-profit organization that provided employment and leisure

<sup>24</sup> Venture Kamloops (2013), Homepage. Retrieved from: <http://venturekamloops.com/>

<sup>25</sup> Kamloops Innovation (2016), Homepage. Retrieved from: <http://kamloopsinnovation.ca/>

<sup>26</sup> Thompson Rivers University (2016), Thompson Rivers University Generator. Retrieved from: <http://generator.sites.tru.ca/>

<sup>27</sup> Open Door Group (2016), Homepage. Retrieved from: <http://www.opendoorgroup.org/>



## Kamloops, British Columbia

programs and focuses on building strong partnerships within BC communities

### Tourism Kamloops

Tourism Kamloops supports the tourism industry in the City

Kamloops has effectively transitioned towards a knowledge-based economy. As tech-based companies are forming, they are developing a working partnership with natural resource-based firms, improving on the traditional economy. Venture Kamloops (VK) was created ten years ago as a way to attract a new mill to the town. However, after its creation, the organization shifted away from this mission, to support a more knowledge-based, entrepreneurial, diversified economy. VK recognized that economic development support is more than just measuring job growth; it also requires a focus on outcomes, such as business development and support. This shift is seen in VK's strategic plan with the creation of the VK Advisors Program, where the organization brings in nine entrepreneurs to get top support from both the organization and local successful business people. This program provides VK with key success stories, helping to provide the organization with license and credibility to support other entrepreneurs. VK develops a customized report for each attraction inquiry. This helps to develop a more personal connection between the organization and interested businesses and is believed to be more effective at making the final sale. On the VK website, interested businesses are also able to develop a customized report.

In order to keep tabs on what other organizations are doing, the Executive Directors of KV, the two Kamloops BIAs, Tourism Kamloops and the Chamber of Commerce meet regularly to share information and update others on projects. The staff at VK and partner organization have ad-hoc conversations to update each other on programs and innovative.

The single biggest change in Kamloops was the creation of Thompson Rivers University. Significant investment and job growth followed the creation of the University. It is now a key employer in the City, training a new generation of knowledge workers and supporting local businesses with programming. The University has created a position who works to connect the business community with the services at the University, adding a new layer of entrepreneurial and workforce development supports.

According to the Official Community Plan, both the tourism and value-added wood manufacturing industries have the most potential for expansion.<sup>28</sup> Both industries are transforming towards more niche-oriented development. Kamloops was recognized as the Tournament Capital of Canada. While Kamloops has some manufacturing presence, the sector largely lacks a manufacturing cluster of related companies. This is not true for the value-added wood manufacturers which have started to cluster in the community, leading to the potential development of a strong economic cluster.

### Key takeaways

<sup>28</sup>Kamloops (n.d.), Kamplan- Official Community Plan. Retrieved from: <http://www.kamloops.ca/kamplan/>



- Venture Kamloops has recognized the need to entrepreneur support, working to develop internal programs and working cohesively with partner organizations
- Kamloops has been able to tap into its existing natural resource base to develop tech-based firms which support the traditional economy, including value-added wood manufacturing
- The transition of Thompson Rivers from a college to a university re-animated the economic ecosystem in Kamloops, helping to attract investment, businesses, and students to the area

### 3.1.4 Strong regional centres that have experienced changing economies

#### 3.1.4.1 Buffalo, New York

Buffalo, New York	
Overview	
<b>Background</b>	<ul style="list-style-type: none"><li>■ New York State's second most populated city, with 258,703 residents (2014)</li><li>■ Historically, the economy was based on steel manufacturing, automobile production, aircraft/aerospace design, Great Lakes shipping and grain storage</li><li>■ Over the last decade, the City has seen renewed economic development through increased focus on life sciences, banking, and food-related businesses</li><li>■ The economy is supported by the Buffalo Niagara Medical Campus, Buffalo State, M&amp;T Bank, Labatt, and Rich Products</li></ul>
Funding Allocation	
<b>City Funding Overview for Economic Development</b>	Online documents have errors and will not open. Unresponsive to phone and email.
Distribution of Programs and Services	
<b>Investment attraction and aftercare</b>	<ul style="list-style-type: none"><li>■ Economic Development Division does some work in this field</li><li>■ The Buffalo Urban Development Corporation website showcases available business sites and highlights downtown development policies and programs</li><li>■ Invest Buffalo Niagara works to attract employers to the Buffalo Niagara region through outreach to growing companies from around the world through marketing and offers back office support such as data collection and research and site development opportunities</li></ul>



## Buffalo, New York

<b>Business retention and expansion and economic gardening</b>	<ul style="list-style-type: none"><li>■ Economic Development Division does some work in this field</li><li>■ Invest Buffalo Niagara offers back office support such as data collection, research</li><li>■ Buffalo Niagara Partnership works to support economic growth and expansions of existing businesses with programs and initiatives aimed at increasing jobs and investment in the region<ul style="list-style-type: none"><li>● Programs include Employer Outreach Program, Buffalo Building Reuse Project, One Region Forward, and workforce development initiatives</li></ul></li></ul>
<b>Entrepreneurial support</b>	<ul style="list-style-type: none"><li>■ Buffalo State operates a Small Business Development Centre which provides support to start-ups and existing small businesses throughout Erie County and the Niagara Frontier<ul style="list-style-type: none"><li>● The Centre brings together university resources, private sector partners, and government agencies to small businesses</li><li>● It offers seminars, classes, and training as well as networking opportunities</li></ul></li></ul>
<b>Workforce development</b>	<ul style="list-style-type: none"><li>■ Buffalo Employment and Training Centre brings together workforce development organizations and partner agencies with the goal of assisting residents of both Buffalo and Erie County to gain employment and to assist employers with finding qualified workers</li><li>■ Buffalo Niagara Partnership supports employers' workforce development needs through Employer Outreach Program, working with the WNY Regional Economic Development Council and the <b>Buffalo Niagara Regional Workforce Development Coalition</b></li></ul>
<b>Incubation, acceleration, technology transfer</b>	<ul style="list-style-type: none"><li>■ The Innovation Centre houses over 100 companies related to life sciences, biotech and social innovation as well as businesses offering support services like IP attorneys, talent acquisition, sales and marketing<ul style="list-style-type: none"><li>● It offers educational events and networking opportunities for member businesses</li></ul></li><li>■ Bright Buffalo Niagara pairs start-ups and business ideas with funding sources. It also provides mentoring opportunities and annual investors events</li></ul>
<b>Tourism</b>	<ul style="list-style-type: none"><li>■ Visit Buffalo Niagara sells and markets assets and attractions to visitors as a convention, tourism, and leisure destination<ul style="list-style-type: none"><li>● It is the leading marketing organizations for conventions, meetings, amateur sporting events, cultural and heritage tourism and consumer travel in Erie County</li></ul></li></ul>



## Buffalo, New York

Partnerships	
<b>Buffalo Employment and Training Centre<sup>29</sup></b>	The Center works to conveniently bring employment, training, and other workforce services to residents and employers in a one-stop environment.
<b>Buffalo Niagara Partnership<sup>30</sup></b>	The Partnership is a privately-funded, economic development organization and the largest regional chamber of commerce in Western New York.
<b>Invest Buffalo Niagara/ Buffalo Niagara Enterprise (BNE)<sup>31</sup></b>	Invest Buffalo Niagara supports business attraction, expansion, and entrepreneurship in the Buffalo Niagara region. When BNE was first established, it was envisioned that it could possibly provide these services to economic development organizations in Niagara
<b>The Buffalo Urban Development Corporation<sup>32</sup></b>	Buffalo Urban Development Corporation is Buffalo's not-for-profit development agency, reclaiming distressed land and buildings for future development.
<b>The Innovation Center of Buffalo<sup>33</sup></b>	Housed in the Buffalo Niagara Medical Campus, the Center is a self-contained ecosystem of pre-incubation projects, start-ups, and rapidly growing businesses
<b>Bright Buffalo Niagara<sup>34</sup></b>	The organization promotes investment, business partnering and entrepreneurial services in life sciences, energy, IT, and advanced manufacturing sectors in Buffalo
<b>Visit Buffalo Niagara<sup>35</sup></b>	The organization supports the tourism industry and related services in the Buffalo Niagara region

The economic development ecosystems in Buffalo weave together the efforts of a number of partners, including the Buffalo Niagara Partnership and Buffalo Niagara Enterprise. The back office role that BNE plays helps to standardize the support and reporting across the region, leading to a clearer comparison for companies looking to expand and grow. This has allowed the area to develop a long-term vision for the delivery and deployment of economic development services.

While several attempts were made to reach out to the Economic Development Division, Buffalo Niagara Partnership, and Buffalo Niagara Enterprise, no connections were made.

<sup>29</sup> Buffalo Employment and Training Centre (n.d.), Homepage. Retrieved from: <http://www.workforcebuffalo.org/>

<sup>30</sup> Buffalo Niagara Partnership (2016), Homepage. Retrieved from: <http://www.thepartnership.org/>

<sup>31</sup> Invest Buffalo Niagara (n.d.), Homepage. Retrieved from: <http://www.buffaloniagara.org/About-Us/About-Invest-Buffalo-Niagara.aspx>

<sup>32</sup> Buffalo Urban Development Corporation (2011), Homepage. Retrieved from: <http://www.buffalourbandevelopment.com/>

<sup>33</sup> The Innovation Centre in Buffalo (2014), Homepage. Retrieved from: <http://digibuffalo.org/>

<sup>34</sup> Bright Buffalo Niagara (n.d.), About us. Retrieved from: <http://www.brightbuffaloniagara.com/about-bbn/>

<sup>35</sup> Visit Buffalo Niagara (n.d.), Homepage. Retrieved from: <http://www.visitbuffaloniagara.com/>



## Key takeaways

- Working with local partners to develop a long-term vision to support economic development programming and delivery of services

### 3.1.4.2 Hamilton, Ontario

Hamilton, Ontario	
Overview	
<b>Background</b>	<ul style="list-style-type: none"><li>■ Hamilton is a port city, with a population of 519,949 in 2011</li><li>■ Hamilton became a key centre of manufacturing in Ontario, with a large concentration of steel production</li><li>■ The municipality has transformed its largely traditional economy into a knowledge-based economy, with advanced manufacturing, life sciences, clean tech, and ICT sector growth among others</li><li>■ The economy is supported by McMaster University and Mohawk College</li></ul>
Funding Allocation	
<b>City Funding Overview for Economic Development<sup>36</sup></b>	Economic Development net operating budget: 6,210,590 Tourism and Culture net operating budget: 8,320,220
Distribution of Programs and Services	
<b>Investment attraction and aftercare</b>	<ul style="list-style-type: none"><li>■ The Economic Development Office supports corporate relocations and investment attraction by highlighting available properties and providing information on the nine business parks/districts, key location advantages as well as the costs associated with development on their website<ul style="list-style-type: none"><li>● It also works through existing lead generation networks and local businesses to target key sectors</li></ul></li><li>■ The McMaster Innovation Park is a key asset, used to attract investment to the area.</li></ul>
<b>Business retention and expansion and economic gardening</b>	<ul style="list-style-type: none"><li>■ The Deporting works on business retention and expansion. This is done through both the Business Development and Urban Renewal branch.</li></ul>
<b>Entrepreneurial support</b>	<ul style="list-style-type: none"><li>■ Hamilton Small Business Enterprise Centre provides information and tools for</li></ul>

<sup>36</sup> Hamilton (2015), 2015 Approved Net Tax Operating Budget. Retrieved from:  
[https://d3fpillf1m7bbt3.cloudfront.net/sites/default/files/media/browser/2015-06-23/final\\_book.pdf](https://d3fpillf1m7bbt3.cloudfront.net/sites/default/files/media/browser/2015-06-23/final_book.pdf)



	entrepreneurs and small businesses, acting as a one-stop shop for business information, professional advice, and guidance on starting and running businesses
<b>Workforce development</b>	<ul style="list-style-type: none"><li>■ Workforce Planning Hamilton researches local labour force needs and works as a catalyst for economic and labour market development</li><li>■ The Mayer has a blue ribbon task force, which brings together the private sector and educational institutions, to elevate the efforts developed through Workforce Planning Hamilton</li></ul>
<b>Incubation, acceleration, technology transfer</b>	<ul style="list-style-type: none"><li>■ The Hamilton Innovation Factory offers workshops, programming, mentoring, and aids with access to funding from small and medium sized businesses</li></ul>
<b>Tourism</b>	<ul style="list-style-type: none"><li>■ Tourism Hamilton supports the tourism sector in the community by marketing and promoting attractions, accommodations, and restaurants</li></ul>
<b>Partnerships</b>	
<b>McMaster Innovation Park<sup>37</sup></b>	The Park provides incubation space as well as a soft landing platform for high technology start-up and expansions by innovators and firms looking for entry into the Canadian market, while still in close proximity to Toronto
<b>Hamilton Small Business Enterprise Centre<sup>38</sup></b>	The Centre operates as an arm of the Economic Development Division of the City and is a source for business information, guidance and professional advice on starting and running a successful business – for both start-up and growing businesses
<b>Workforce Planning Hamilton<sup>39</sup></b>	WPH is a not for profit organization and is funded by the Ontario Ministry of Training, Colleges, and Universities
<b>Innovation Factory<sup>40</sup></b>	The Innovation Factory is a not-for-profit Regional Innovation Centre funded by the Ontario Network of Entrepreneurs and located in Hamilton, Ontario since 2011
<b>Tourism Hamilton<sup>41</sup></b>	Tourism Hamilton supports the tourism industry, working with partners to attract conventions, visitors, sport tourism opportunities, and music and film opportunities

Hamilton has managed to transform its economy with strong internal coordination, communication, and maximizing its comparative advantages compared to other areas. A critical element of developing a strong economy was working closely with educational institutions, bringing students, stakeholders, researchers, and industry together.

<sup>37</sup> McMaster Innovation Park (n.d.), Home. Retrieved from: <https://mcmasterinnovationpark.ca/>

<sup>38</sup> Invest Hamilton (2013), Small Business. Retrieved from: <http://www.investinhamilton.ca/small-business/>

<sup>39</sup> Workforce Planning Hamilton (2010). About us. Retrieved from: <http://workforceplanninghamilton.ca/about>

<sup>40</sup> Innovation Factory (n.d.) Homepage. Retrieved from: <http://innovationfactory.ca/>

<sup>41</sup> Tourism Hamilton (n.d.). Homepage. Retrieved from: <http://tourismhamilton.com/>



Critical to the City's transition was the amalgamation of Hamilton and its five neighboring municipalities. The amalgamation made it easier for the City to attract investment and reduce the political noise related to economic development. The City has also benefited from its proximity to Toronto, being a logical location outside of the GTA for residential, commercial, and industrial growth. Hamilton also has access to a large labour pool, pulling for a large geographic area.

Hamilton adopted a sector approach for economic development. This started in the first strategic plan following amalgamation, where the cluster based approach for economic development was supported by sector specialists.

For investment attraction the City works with existing partners, including Ontario Clean Tech Alliance (OCTA) and the Ontario Food Cluster, to attract businesses to the area. Hamilton has also worked with Niagara to attract industry by leveraging the Pan-Am games, with the creation of the Pan-Am Playbook

#### Key Takeaways:

- The City has integrated its planning and economic development departments, as a way to ensure greater cohesion, understanding, and cooperation between staff
- Making relationships with stakeholders, industry partners, and regional associations have helped Hamilton build its economy
- The City developed a strategy to ensure that if and when opportunities arose, it would be able to capture them

#### 3.1.4.3 Pittsburgh, Pennsylvania

Pittsburgh, Pennsylvania	
Overview	
<b>Background</b>	<ul style="list-style-type: none"><li>■ Pennsylvania's second largest City, with a population of 304,391 in 2015</li><li>■ Steel, aluminum, shipbuilding, and automobiles, among other manufacturing sectors, dominated Pittsburgh's economy in the 19<sup>th</sup> and 20<sup>th</sup> century</li><li>■ Following the collapse of the steel industry, the region shifted toward high-tech, robotics, healthcare, and biomedical technology</li><li>■ Pittsburgh is home to the University of Pittsburgh, Carnegie Mellon University, and Duquesne University, among others</li></ul>
<b>Funding Allocation</b>	
<b>City Funding Overview for Economic Development</b>	Not available
<b>Distribution of Programs and Services</b>	
<b>Investment attraction and aftercare</b>	<ul style="list-style-type: none"><li>■ The Pittsburgh Urban Renewal Agency has the ability to provide loans and grants to organizations and businesses that will achieve community objectives of</li></ul>



	<p>renewal, business growth, or job growth</p> <ul style="list-style-type: none"><li>■ The Pittsburgh Regional Alliance supports economic development opportunities by providing site selection services, international business development opportunities, and maintains a database of available business sites</li><li>■ The Economic Development Transition Team works on expanding investment of private capital into the city and establishes procedures to optimize public investment in development</li></ul>
<b>Business retention and expansion and economic gardening</b>	<ul style="list-style-type: none"><li>■ The Pittsburgh Urban Renewal Agency and the Philadelphia Industrial Development Corporation offer traditional economic development services, including deal making, business support and marketing</li></ul>
<b>Entrepreneurial support</b>	<ul style="list-style-type: none"><li>■ The Department of Innovation and performance works to foster entrepreneurship and innovations for residents of Pittsburgh</li><li>■ The Universities, including Carnegie Mellon University and <u>Deakin University</u>, offer small business supports through their Small Business Development Centers, aimed to support all businesses in the City</li><li>■ Innovation Works supports tech-based businesses within the City</li></ul>
<b>Workforce development</b>	<ul style="list-style-type: none"><li>■ The City of Pittsburgh maintains an online employment centre , supporting both job and employee seekers</li><li>■ Economic Development Transition Team recommends policies and opportunities for workforce development including vocational training opportunities, summer internship programs and a 'Pittsburgh Ready' conference</li><li>■ Allegheny Conference on Community Development supports workforce development within the region, supporting both employers and job-seekers, working to attract talent and build a globally competitive workforce</li></ul>
<b>Incubation, acceleration, technology transfer</b>	<ul style="list-style-type: none"><li>■ The University of Pittsburgh and Carnegie Mellon University has strong tech transfer offices and student incubators</li></ul>
<b>Tourism</b>	<ul style="list-style-type: none"><li>■ Visit Pittsburgh is responsible for tourism promotion, working to support convention, trade show and leisure travel business for the Pittsburgh region</li></ul>
<b>Financial Partnerships</b>	
<b>Pittsburgh Urban Renewal Authority<sup>42</sup></b>	The Authority is a non-profit organization and acts as the economic development agency in the City
<b>Economic Development Transition Team<sup>43</sup></b>	The team was charged with offering recommendations to strengthen the City of Pittsburgh as the continued economic engine of our region
<b>Pittsburgh Regional</b>	The Alliance markets the benefits of conducting business in southwestern

<sup>42</sup>Pittsburgh Urban Redevelopment Authority (2016), About us. Retrieved from:  
[http://www.ura.org/about/about\\_us.php](http://www.ura.org/about/about_us.php)

<sup>43</sup>City of Pittsburgh (2016), Economic Development Transition Team. Retrieved from:  
<http://pittsburghpa.gov/mayor/transition/economic-development>



Alliance <sup>44</sup>	Pennsylvania to companies all over the world that are growing, relocating or expanding. The PRA also works to support the growth of existing regional employers
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Similar to Hamilton, Pittsburgh has been able to transform its economy from one based on steel production to a knowledge-based economy. In the early 1980s, the steel industry collapsed, leading to both job and business loss. While this could have been devastating to the City, active cooperation managed to keep the City afloat. Four main ingredients lead to Pittsburgh's success. First, the Universities within the City acted as economic engines supporting R&D, generating interest and investment, and developing a knowledge-based workforce. Second, due to the history of industrialism in the US, Pittsburgh had a number of very wealthy families like the Fricks and the Carnegie, who created endowments to support the City. There remains a tremendous amount of philanthropic dollars in the City. Third, a number of corporate anchors remained, including US Steel and BNY Carnegie. Finally, each municipal government since the fall of steel have had a vision for the City, working actively to keep the City alive. Each of these assets worked together and continue to work together to support the economy of the City.

Over the last 5 years, Pittsburgh has experienced growth which it hasn't seen in 40 years. The economy is more diverse than it was previously, with a number of high-tech, medical device, and life science businesses, financial institutions, and Universities which continue to attract interest and investment into the City.

The Urban Renewal Agency, the economic development commission for the City shifted its priorities to support the economy. This meant that the URA did not just focus on brownfield development and land development but also on business attraction and business support, working to nurture both home-grown businesses as well as businesses moving to the City. While the economic development actors largely haven't changed, there has been an increase in organizations which support the tech-based businesses in the City.

#### Key Takeaways:

- The City capitalized on existing assets and worked to develop strong partnerships over time
- Pittsburgh worked to develop an environment of cooperation between government, academia, and industry, which is critical for the lasting success of the City

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<sup>44</sup> Pittsburgh Regional Alliance, (2016). About us.  
<http://www.allegenyconference.org/PittsburghRegionalAlliance/AboutUs.php>



### 3.1.5 Strong regional centres that use an interesting economic development model

#### 3.1.5.1 Ottawa, Ontario

Ottawa, Ontario	
Overview	
<b>Background</b>	<ul style="list-style-type: none"><li>■ Canada's 4<sup>th</sup> largest city, with a population of 883,391 in 2011</li><li>■ The Federal Government is the city's largest employer, employing over 110,000 individuals in the region</li><li>■ The City is also a technological centre, with over 1,800 tech-based companies</li><li>■ Key industries include aerospace, security and defense, cleantech, digital media, film and TV, communications technology, software, and life sciences</li><li>■ The City is home to a number of colleges and universities, including Carleton University, the University of Ottawa, and Algonquin College</li></ul>
Funding Allocation	
<b>City Funding Overview for Economic Development<sup>45</sup></b>	Expenditures- 10,218 thousand Revenues- 10,218 thousand
Distribution of Programs and Services	
<b>Investment attraction and aftercare</b>	<ul style="list-style-type: none"><li>■ Invest Ottawa works to attract investment to the City by providing market analysis and intelligence for companies wishing to locate in the City</li><li>■ The City of Ottawa maintains a list of City properties for sale and lease, supporting investment attraction to the City</li></ul>
<b>Business retention and expansion and economic gardening</b>	<ul style="list-style-type: none"><li>■ Invest Ottawa supports business retention and expansion through its business seminars and workshops and mentorship and business advice</li><li>■ The Department of Economic Development and Innovation supports business retention and expansion by offering local businesses events, providing funding for businesses, and offering business assistance tools</li></ul>
<b>Entrepreneurial support</b>	<ul style="list-style-type: none"><li>■ Invest Ottawa provides workshops and business supports for new businesses. It functions as the Small Business Enterprise Centre for the City</li><li>■ The Universities and Colleges support student entrepreneurs through internal and external collaboration as well and mentorship and skill development opportunities</li></ul>
<b>Workforce development</b>	<ul style="list-style-type: none"><li>■ The Universities and Colleges maintain a job postings site for both internal and external positions</li></ul>

<sup>45</sup>City of Ottawa (2015), Adopted Budget 2016. Retrieved from: <http://ottawa.ca/en/city-hall/budget-and-taxes/budget/adopted-budget-2016>



<b>Incubation, acceleration, technology transfer</b>	<ul style="list-style-type: none"><li>■ Invest Ottawa runs accelerator program</li><li>■ There are 65 Federal Research Labs located within the City, helping with technology development and transfer</li><li>■ The University of Ottawa's Startup Garage supports student-lead ventures the opportunity to accelerate their businesses by working full-time over the course of three months during the summer<ul style="list-style-type: none"><li>● The University also houses a Technology Transfer and Business Enterprise Centre</li></ul></li></ul>
<b>Tourism</b>	<ul style="list-style-type: none"><li>■ Ottawa Tourism supports tourism opportunities within the City, working to attract visitors, tours, and conventions to the City</li></ul>
<b>Partnerships</b>	
<b>Invest Ottawa<sup>46</sup></b>	Invest Ottawa delivers collaborative economic development programs and initiatives that support entrepreneurship, wealth and job creation, and markets Ottawa as a good place to do business
<b>Department of Economic Development and Innovation<sup>47</sup></b>	The Department provides funding, supports BIAs, and provides business assistance programming to businesses within the City
<b>Startup Garage<sup>48</sup></b>	Startup Garage, operating through the University of Ottawa's Tech Transfer and Business Enterprise office, offers student-lead ventures the opportunity to accelerate their businesses by working full-time over the course of three months during the summer
<b>Tourism Ottawa<sup>49</sup></b>	Tourism Ottawa is a not-for-profit, membership-based organization, working with more than 330 tourism-related member businesses to profile Ottawa and Canada's Capital Region as a diverse place to visit.

While many may preserve Ottawa as a sleepy, government town, Ottawa is home to several key high-tech sectors, including ICT, aerospace, cleantech, and life sciences. The co-location of industry, government, and research institutions has helped Ottawa to remain a hub for high-tech industries. This co-location coupled with a robust economic ecosystem had led to higher levels of interdisciplinary collaboration, cross-fertilization, and innovation.

Invest Ottawa is the primary economic development organization in the City of Ottawa. It delivers collaborative economic development programs and initiatives that support the entrepreneurial culture in the City of Ottawa and the surrounding areas. It runs a

<sup>46</sup> Invest Ottawa (2016), About us. Retrieved from: <http://investottawa.ca/about-us/>

<sup>47</sup> City of Ottawa (2015), About us. Retrieved from: <http://ottawa.ca/en/business/business-resources>

<sup>48</sup> Startup Garage (2014), Homepage. Retrieved from: <http://www.startupgarage.ca/>

<sup>49</sup> Ottawa Tourism (2016), About us. Retrieved from: <https://www.ottawatourism.ca/members/about-ottawa-tourism/>



number of economic development programs and initiatives around entrepreneurial mentorship, start-up development, business incubation services, commercialization, targeted sector development, investment attraction, business retention, expansion, and global trade development.

Unlike other economic development agencies, Invest Ottawa is home to both a Regional Innovation Centre (RIC) and business retention and expansion (BR&E) and investment attraction services, through the Investment and Trade Branch. Invest Ottawa is one of the few organizations which houses both aspects under one roof. It is a best practice of amalgamated service delivery, each with strong autonomy from one another while also having opportunities to facilitate internal collaboration. The RIC's primary funding is from the Government of Ontario and its main performance metrics reflect this relationship. Meanwhile, the Investment and Trade arm of the organization, receives funding primarily from the City of Ottawa. The Investment and Trade Branch of Invest Ottawa reports to a couple of members of the Board of Directors on a regular basis, reporting on jobs facilitated, the number of contacts made, the number of speaking opportunities and the amount of funding brought in among others. The Branch reports on a quarterly basis to the full Board of Directors.

Invest Ottawa has 37 staff members, including senior business development managers in a number of sectors (i.g. Film and Television, Cleantech and Life Science, Communications Technologies). The staff is split between the RIC and the BR&E and Investment Attraction Branch. The management team is made up of three people, including the Managing Director of Innovation, the Managing Director of Investment and Trade, and the Director of Marketing and Trade.

The RIC and the Branch work in cooperation to support business development, supporting businesses as they mature out of the start-up phase. Additionally, given that the RIC does not have as formal international partnerships as the Investment and Trade Branch, the Investment and Trade Branch help to facilitate international opportunities for start-up companies. The upcoming Ontario Government's Scale-Up program will mark one of the few times where the RIC and the BR&E and investment attraction branch will receive joint funding. In most cases, the two branches of Invest Ottawa provide their own funding to develop joint programming.

Every three to four years the Investment and Trade Branch reviews and redefines their target sectors, to ensure that they are keeping up with the changing nature of the technology-based firms it supports.

Invest Ottawa and the City's Department of Economic Development and Innovation work cooperatively to support the needs of clients, with the Department expediting internal approvals and providing municipal information to businesses operating in Ottawa and those hoping to locate in Ottawa. The two organizations also work collaboratively to support Ottawa's Smart City agenda. The Department also supports BIAs and Chambers of Commerce, and developing targeted programs, with the exception of the Business Outreach Program, the Department runs four primary programs:



- Innovation Pilot Program intended to introduce City staff to innovative technologies, products or services that can improve either internal business processes or programs/services offered to residents while also fostering a supportive environment for innovation companies that are in their late stages of testing
- Business Assistance Program, assisting businesses wishing to improve client services in English and French
- Business Outreach Program, with staff meeting one-on-one with businesses to provide strategic advice, information, and the resources necessary to expand and prosper, including business expansion and growth, issue resolution, and market research
- Capital Investment Track Program- guiding investments deemed a priority by the Economic Development and Innovation Department through all aspects of City approvals and requirements in order to ensure timely and customer-sensitive service

#### Key Takeaways:

- Investment attraction is carried out through Invest Ottawa, the arms-length economic development organization. This provides a layer of separation between the City and investment attraction initiatives which are more easily scrutinized from a budgetary perspective compared to other economic development services
- While Invest Ottawa houses both the Regional Innovation Centre and Investment and Trade services, both operate with autonomy from the City and from each other
  - The two branches of Invest Ottawa do, however, work in collaboration to support the growth of businesses and to connect businesses with international opportunities

## 3.2 Other best practices

### 3.2.1 Communitech, Waterloo

Communitech is an innovation and incubation hub. Communitech is an industry-led innovation centre that supports, fosters and celebrates nearly 1,000 tech companies. The Communitech Hub, a Sector Innovation Centre, is an 80,000 sq. ft. space, dedicated to world-leading collaboration and innovation. It brings together key players, including start-ups, global brands government, academic institutions, and tech incubators and accelerators to support economic development and tech growth within the Waterloo region. The organization support start-ups, SMEs and Enterprise clients<sup>50</sup> with targeted programming. Communitech offers one-on-one trailerd programming for each business for SMEs and provides the opportunity for Enterprises to integrate within the larger ecosystem, among other programs.

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<sup>50</sup> Start-ups are businesses with 1-19 employees, SMEs are businesses with 20-499 employees, and Enterprises are businesses with over 500 employees



The organization has a contribution agreement with the province, outlining milestones and financial obligations. Communitech reports quarterly to the province and the CEO reports to the Board of Directors on a regular basis. The organization receives funding from all levels of government. The financial team determines where the funding is allocated depending on which program or Ministry the funding comes. For example, the Fierce Founders Accelerator for women-led startups received funding from FedDev Ontario. The funds go to support the program as well as Communitech personnel support. Communitech hosts two incubators: the University of Waterloo's Velocity garage and Wilfred Laurier University's Lanchpad. It also runs the sales accelerator-Communitech Rev.

In 2013, Communitech Corporation received \$9.7 million from the Canadian Accelerator and Incubator Program, to provide local entrepreneurs with the resources and expertise needed to launch their businesses.<sup>51</sup> The funds support a number of services between partner organizations. Communitech provides programming and services for scaling companies, the University of Waterloo Velocity's provides programming for hardware developers, the Laurier LaunchPad offers mentorship assistance and Waterloo's Accelerator Centre offers momentum programming. The organizations work together to ensure that the services provided to clients meets their needs, increasing efficiency and decreasing redundancy. Communitech has partnered with the University of Waterloo's Velocity program and Google to increase support for local entrepreneurs within the Waterloo region. Each of the accelerators run by Communitech are developed by Communitech staff. This helps to ensure that there is no duplication of services between initiatives.

Services offered include:

- Workspaces across a number of locations across the Canadian Digital Media Network, in the Communitech Hub, or other participating hubs and Google campuses
- Career development including peer-to-peer networking, training for tech firms, and mentorship opportunities
- National and global connections with participating tech firms and member companies
- Business support with talks Monday to Thursday to advise for start-ups and SMEs
- Accessing capital with loans, grants, and funding, and connections with investors

Communitech clients can use space within the building for meetings and high potential companies are able to rent space. Staff which support each accelerator are Communitech Staff and receive benefits and HR support from the organization as a whole. Clients are able to tap into the Executives in Residents to get advice on HR, financial decision, and talent acquisition.

Communitech has worked with regional partners to support local economic development efforts. The organization helped advocate for two-way all day Go Transit

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<sup>51</sup> Government of Canada (2015), Archived - Canada Accelerator and Incubator Program (CAIP) Communitech Corporation. Retrieved from: <http://news.gc.ca/web/article-en.do?nid=1003859>



service between Waterloo and Toronto and has launched a campaign in Silicon Valley to attract tech workers back to Ontario to address the talent shortage in the area. Communitech has benefited from being in an ecosystem where actors want to achieve the same outcome and work cooperatively to achieve it.

### 3.2.2 Cases Applicable to Community Geomatics Centre/GIS

#### Background Context

The Community Geomatics Centre (CGC) is unique in Canada. It is a not-for-profit organization which promotes and establishes the partnerships and technology means to efficiently share geospatial data, tools and knowledge between community organizations. The Centre delivers a community-based GIS solution to more than a dozen organizations. Data is being shared by all organizations to solve enterprise and inter-enterprise issues. The Centre has expanded the municipal and utility GIS, in order to address health and social issues within the Community. Using the CGC GIS solution and the municipal dataset as background data, social and health agencies were approached to join the CGC partnership to improve the community's overall operation and health. Current partners include:

- Algoma University
- The City of Sault Ste. Marie
- Algoma Public Health
- The Sault St. Marie Economic Development Corporation
- Sault Area Hospital

The Centre has partnered with the Sault Ste. Marie Economic Development Corporation since 2004 to create and support an Economic Site Locator for Sault Ste. Marie.<sup>52</sup> This Locator is used to search and evaluate the available commercial and industrial land in the City. The Centre also assists with creating specialized site location maps for potential new companies interested in coming to the City. The maps provide a detailed illustration of information needed for perspective companies. This is particularly helpful for the Corporation, providing an analysis tool to help with business attraction, retention and expansion. This project shows how the Sault Ste. Marie Innovation Center is directly supporting the efforts of the Economic Development Corporation.

#### Case Studies Suitable for CGC

It is suggested that the CGC remain part of the Innovation Centre as a potential revenue generating opportunity. There are a number of best practice case studies of non-profit organizations owning companies and raising revenues to support broader

<sup>52</sup> Sault Ste. Marie Innovation Centre, CGC Sault Ste. Marie Economic Development Corporation. Retrieved from: <http://www.ssmic.com/index.cfm?fuseaction=content&menuid=15&pageid=1143&CFID=91857&CFTOKEN=334fdcca40da6774-F5F22B68-C867-C35C-9D6CE5DED4C4A3F4>



community and economic development goals. Both the Makivik Corporation and the Chicanoes Por La Causa run revenue-driven businesses to support broader community, economic and political development within the communities they serve. The revenue raised by the enterprises supports the charitable or other service initiatives run by each organization.

### **3.2.2.1 Makivik Corporation**

Makivik Corporation is a non-profit organization which invests its financial resources to fulfill its commitments to economic development and job creation for the Inuit of Nunavik. It protects the rights, interest and financial compensation provided by the 1975 James Bay and Northern Quebec Agreement and the offshore Nunavik Inuit Land Claim Agreement that came into effect in 2008. The compensation funds from the Land Claims Agreements are invested into a number of companies to influence economic, political, and community development as well as scientific and environmental research. Makavik owns six companies and is part of four joint ventures to support its community development efforts. The profits received through these companies are used to fund economic and resource development, political development, community infrastructure investment and scientific and environmental research.

First Air, acquired by Makivik in 1990, is the 3<sup>rd</sup> largest airline in Canada with over 1,000 employees.<sup>53</sup> Air Inuit, another company owned by the Corporation, has becoming a lifeline for 14 communities in Nunavik, with daily passenger and freight series between the communities and southern Ontario. Air Inuit employs 300 people.<sup>54</sup> These firms create jobs for Inuit and raise funds to pursue development of other businesses.

Makivik also has a construction division within its organization which works on civil construction and crushing, as well as residential and commercial construction in the area.<sup>55</sup> One of the joint ventures that the Corporation is involved with is the NEAS group which provides maritime transportation of goods to communities in Nunavik and Nunavut.<sup>56</sup> The Corporation has also contributed millions in infrastructure funding for recreation centres, arenas, and daycare centres. It negotiates with businesses like the mining company Falconbridge, to receive royalties from natural resource extraction.<sup>57</sup> This revenue helps to fund the Corporation's activities, including political and economic development within Nunavik. The Corporation continues to look for opportunities that will support job creation and strengthen the economy of Nunavik.

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<sup>53</sup> Makivik Corporatino (2015), First Air. Retrieved from: <http://www.makivik.org/first-air/>

<sup>54</sup> Makivik Corporatino (2015), Air Inuit. Retrieved from: <http://www.makivik.org/air-inuit/>

<sup>55</sup> Makivik Corporatino (2015), Kautaq Construction. Retrieved from: <http://www.makivik.org/kautaq-construction/>

<sup>56</sup> Makivik Corporatino (2015), NEAS Group. Retrieved from: <http://www.makivik.org/neas-group/>

<sup>57</sup> Makivik Corporation (n.d.) Nunavik, A Changing Economy. Retrieved from: <http://www.makivik.org/wp-content/uploads/2013/02/Nunavik8.pdf>



### 3.2.2.2 Chicanos Por La Causa

Another example is the Arizona based Chicanos Por La Causa (CPLA), a non-profit organization which promotes stronger and healthier communities throughout the Arizona, New Mexico and Nevada. CPLA supports over 200,000 people annually through its programs and services.<sup>58</sup> Services include: economic development, education, health and human services, and housing. Unlike most non-profits and similar to Makivik Corp. CPLA owns and manages for profit businesses, which help to sustain the charitable initiatives of the organization. Currently 55% of CPLA's revenues are self-generated, and the organization has a goal of reaching 77% by 2022.<sup>59</sup> CPLA receives individual donations and government grants to fund its operations. In terms of economic development, CPLC works to build wealth, provide opportunity and promote sustainability in each community it serves. Prestamos CDFI, a wholly owned CPLC subsidiary, offers economic opportunities for small and emerging businesses in Arizona and Nevada.<sup>60</sup> It provides business loans and technical assistance to small businesses which cannot access traditional bank financing. Prestamos has provided \$50 million in loans to over 400 businesses since its creation.<sup>61</sup> In 2015, Prestamos lent \$5,450,000 to small businesses and managed \$40,910,000 in small business loans.<sup>62</sup>

Another subsidiary is Tiempo, Inc. It is an economic engine for job creation and expansion of economic development ventures through the construction, renovation, and management of buildings.<sup>63</sup> Housing related subsidiaries include Tiempo Inc., La Causa Development LLC, La Causa Construction LLC, and La Causa Realty LLC, which bring extensive management capabilities to guide the design and construction of any project.<sup>64</sup> Real estate services include “multi-housing and apartment investment advisement, property development, domestic and international project marketing, residential asset management, acquisition, sales, and leasing.”<sup>65</sup> The housing related subsidiaries help to provide funding for other initiatives run by the charity.

### 3.2.3 Economic Development Fund

An Economic Development Fund finances projects and programs that create and retain jobs, improve the tax base, or enhance the quality of life in the community. They can come in several forms including:

- Private financial institutions such as the Co-operatives

<sup>58</sup> CPLA. (2016a), About us. Retrieved from: <http://www.cplc.org/AboutUs>

<sup>59</sup> CPLA. (2016a)

<sup>60</sup> CPLA. (2016b), Economic Development. Retrieved from: <http://www.cplc.org/Programs/EconomicDev>

<sup>61</sup> CPLA. (2016b)

<sup>62</sup> CPLA. (2016c), 2015 Annual Report. Retrieved from: [http://www.cplc.org/AboutUs#Annual\\_Report](http://www.cplc.org/AboutUs#Annual_Report)

<sup>63</sup> CPLA. (2016d), Housing. Retrieved from: <http://www.cplc.org/Programs/Housing>

<sup>64</sup> CPLA. (2016d)

<sup>65</sup> CPLA. (2016d)



- Crown Corporations such as the Community Economic Development Fund in Manitoba
- A community run initiative through the Economic Development Office or Government Department, as is the case in Onondaga County, USA or the Housing and Economic Development Department in Massachusetts

In the case of Onandaga County, New York, the Economic Growth Fund (EGF), supported by fee revenues from the Onondaga County Industrial Development Agency (OCIDA) and the Onondaga Civic Development Corporation projects (OCDC), serves as a funding source for business retention and attraction projects and programs.

Applicants for the EGF have to submit an application form and a project description of three pages which provides insight into the project and the impact on residents of the County.<sup>66</sup> The Office of Economic Development reviews applications on a rolling basis, with funding decisions being made within six weeks of receipt of application.<sup>67</sup>

Projects are evaluated based their likelihood to create/retain jobs, improve quality of life, generate prosperity and contribution to the economic vibrancy of the County.<sup>68</sup> More specifically applications are further evaluated on:

- Job creation and retention based on the likelihood of the project to create or retain jobs in Onondaga County
- Quality of life based on the likelihood of the project to improve the quality of life of Onondaga County citizens, generate prosperity, and/or encourage economic vibrancy
- Qualified project personnel
- Capital contribution based on whether the project sponsor is a significant contributor to the project's budget

The Office of Economic Development selects the projects to fund. This is one way to ensure that efforts are not duplicated between organizations or the Office. This also helps the Office to understand what needs exist within the County, helping to develop opportunities for future emphasis in the future.

Jasper, Alberta also runs an Economic Development Fund for non-profit groups and individuals with the goals of improving the quality of life, assisting community economic enhancement and promotion of the municipality, as well as encouraging community support of Council's Strategic Priorities. Jasper's Council combined the Economic Development Fund and the Community Development Fund in 2016, to streamline the application process and to simplify the selection process. Eligible applicants, non-profit groups, residents and local organizations, can apply for funding either under \$500.00

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<sup>66</sup> Onanadaga County (n.d.a), Economic Growth Fund, Application. Retrieved from: <http://www.syracusecentral.com/Onondaga/media/Onondaga/Downloads/OEDFunding-Application.pdf?ext=.pdf>

<sup>67</sup> Onandaga County (n.d.b), Economic Growth Fund. Retrieved from: <http://www.syracusecentral.com/Our-Services/Economic-Growth-Fund.aspx>

<sup>68</sup> Onandaga County (n.d.b)



or over \$500.00.<sup>69</sup> Applicants must include a statement of benefit that the project will provide to residents of Jasper, including cost-benefit illustrations, how it supports Council's Strategic Priorities, how many people will be positively affected and how, and the need for the project.<sup>70</sup> Grant recipients of \$500.00 are required to report in writing within 90 days of completion of the project. The report includes:

- a project evaluation
- a Financial Statement for the project
- a description of the project performance against the original objectives
- a description of community benefits accruing from the project.

The selection process is done at the Council table, allowing Councillors to be accountable and to understand the needs of the community. Jasper accepts applications twice a year with a total of \$25,000 to be awarded annually, split between the two periods. In 2015, the Jasper Pride Festival Society received \$3,500 to hire a contractor to develop a business plan for the festival.<sup>71</sup> Unlike the Onondaga County fund, the Jasper fund particularly targets initiatives which align with the Council's Strategic Priorities. This is one way to ensure that the community vision developed by Council trickles down into efforts of community organizations and businesses.

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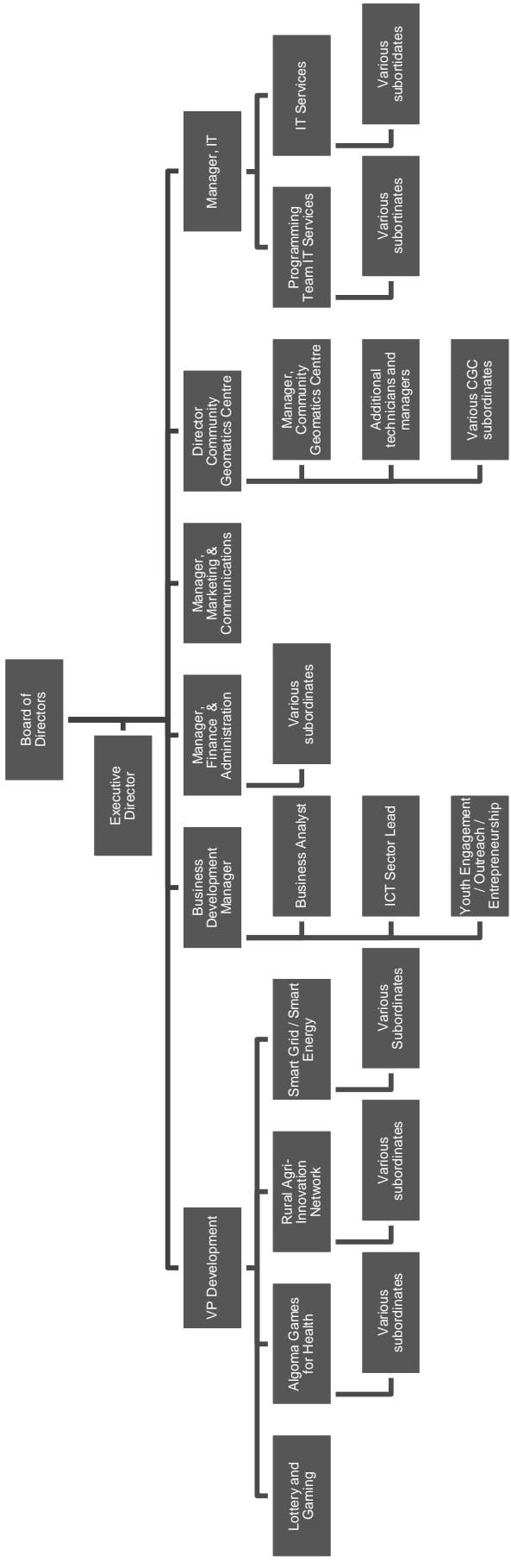
<sup>69</sup> Jasper (n.d), Community and Economic Development Fund. Retrieved from: <http://jasper-alberta.com/2316/Community-Economic-Development-Fund>

<sup>70</sup> Jasper (n.d.) Community and Economic Development Fund, Application Checklist. Retrieved from: <http://jasper-alberta.com/DocumentCenter/Home/View/932>

<sup>71</sup> Verman, N. (2016), Jasper Council Considers Changes to Grant Policy. Retrieved from: <http://www.fitzhugh.ca/jasper-council-considers-changes-to-grant-policy/>

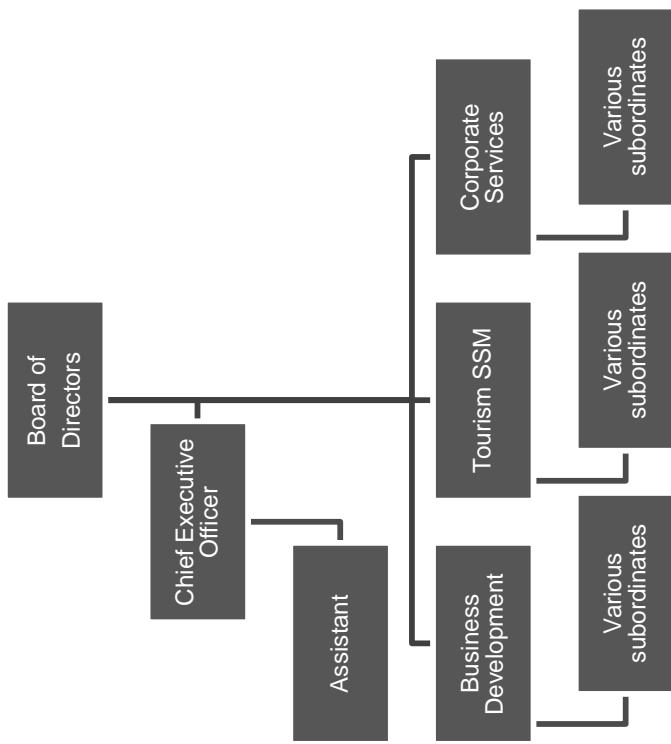


# SSMIC Organization Chart





# SSMEDC Organization Chart





December 11<sup>th</sup> 2016

**The Corporation of the City of Sault Ste. Marie**

**Attn: M. White, Deputy CAO / City Clerk**

99 Foster Drive

Sault Ste. Marie, Ontario P6A 5X6

**Re: Council Meeting December 12<sup>th</sup> 2016**

**Agenda Item 7.2.1 Economic Development Review**

**MDB Final Report, "Review of Sault Ste. Marie's Economic Development Enablers and Investments," and the accompanying proposed motions**

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His Worship Mayor Provenzano and Council:

On behalf of the Sault Ste. Marie Economic Development Corporation ("SSMEDC"), I am writing to express some initial thoughts regarding this agenda item. I felt it prudent to provide a response now so that it is considered during this Monday's Council meeting, when this agenda item will be discussed.

I apologize for the lateness of our response but, SSMEDC Staff and Board first received the MDB Insight Report as a final report on December 7, 2016. Our only formal engagement with the consultants has been to provide documents and information to the consultants in early October and participate in the economic ecosystem workshop organized by the city and presented by the consultants. Our staff have been reviewing the report since its release and we will have a complete analysis available shortly.

In February of this year, the SSMEDC expressed support for an economic development review that focused on the SSMEDC, SSMIC and EDF. We have been looking forward to reviewing this report for some time. We welcome the opportunity to work with City Council, staff and other community stakeholders involved in economic development to ensure that we have best-in-class community economic development capacity that is executing this profession's best practices.

Our Memorandum of Understanding with the City of Sault Ste. Marie was designed to increase mutual and collaborative support for economic development in Sault Ste. Marie. As this MDB Insight report states, it has been effective in the past and with thoughtful consideration of this report, it can be even more effective in the future. Consistent with that approach, we would be grateful for an enhanced and consistent level of communication and engagement with City Council and staff, on matters related to our organization and the community's economic development, particularly at this critical and challenging moment in the life of our community.

The questions that we can provide at this time are as follows:

1. **City Administration** - With the introduction of the new organizational structure within the City of Sault Ste. Marie's administration, the role of "Community Development and Enterprise Services Division" has not been fully communicated. The functional responsibility of this area needs to be fully communicated so we can determine any potential areas of overlap. That would provide clarity to the "enabling" organizations.
2. **Transition Committee** - Should Council accept the recommendations in the report and proceed with the transition process, we need to understand the composition of the Transition Committee, the appointment of the Transition Manager and how the process will be funded. Who would be the employer of the Transition Manager and what role will the SSMEDC play in the process moving forward? We need to ensure that the process accounts for the fact that the SSMEDC and SSMIC Boards must approve any proposed changes in organizational structure or governance.
3. **Cost Reduction** - The MDB report identified some possible opportunities to reduce costs through the implementation of a merged entity. It failed to acknowledge the likely costs and legal issues associated with "winding up" the two existing entities (e.g. severance pay). To get a true reflection of the savings to the City and taxpayers, these costs must be considered. Who will be completing this cost/benefit analysis?
4. **Timelines** - The timing and role of SSMEDC in the City process is not understood from the report. The report recommends many of the "merged" entity steps be completed within six months, with an implementation plan being brought to Council in January. As the Board of Directors for an independent not-for-profit corporation, we will need to be engaged in a meaningful and measured process to achieve the support of our Board for any decisions affecting our Corporation.
5. **Future Investment** – At this point in the review process there has been no mention of increased investment in Economic Development. Given the state of the economy in Sault Ste. Marie we believe strategic investment will be required to continue the diversification that has been underway for the past decade. Why was this not included in the MDB scope of work?
6. **Level of Investment** – The amount of investment by the City of Sault Ste. Marie in Economic Development activities and the value received for that investment has been a dominant theme during this initial review. Was MDB asked to provide benchmarking comparisons, on a per capita basis, to determine what an appropriate level of investment might be for a community dealing with the economic challenges that we face?
7. **Kick Off Meeting** - The SSMEDC supports the request of the SSMIC to have a meeting convened with the appropriate City staff, SSMEDC and SSMIC representatives to discuss the contents of the report and to begin this process. We also support the request to meet before the Christmas break.

We are hopeful that this continuing review of Economic Development will be addressed during a meaningful engagement of the SSMEDC and the SSMIC during the next few weeks. The target of January 2017 to have a report back to Council seems optimistic but, you have my assurance that our staff will work diligently and cooperatively to try to achieve whatever schedule is developed.



The Executive Committee of our Board, with me as the Chair, will be the main point of contact as we move through this yet to be determined process. Until a work plan has been put in place and the various roles defined, please consider me to be the primary point of contact with the SSMEDC.

The SSMEDC is requesting your support to ensure our questions are answered and that a comprehensive process will be completed to achieve the best outcomes for the Community that we all serve.

While I understand that this letter will become public record and may be viewed by the media, I want to assure you that the SSMEDC did not release it to the media. We prefer to work directly with all the affected stakeholders in a productive and meaningful manner.

Respectfully Submitted,



Robert W. Reid, P.Eng. MBA  
Chair – Board of Directors

CC: SSMEDC Board of Directors, T. Dodds (CEO - SSMEDC), C. Wray (Chair – SSMIC BoD), A. Horsman (CAO), T. Vair (Deputy CAO)





December 9, 2016

Dear Mayor Provenzano and Sault Ste. Marie City Councillors:

The Board of Directors for the Sault Ste. Marie Innovation Centre (SSMIC) has had the opportunity to review the MDB Final Report, “Review of Sault Ste. Marie’s Economic Development Enablers and Investments,” as well as the proposed motion by Deputy CAO Tom Vair to give notice to SSMIC to cancel the Memorandum of Understanding (MOU) with the City.

As the Board for SSMIC, we have a fiduciary duty to act in the best interests of our organization and in that context we respectfully would like to respond to the report initially with a few comments and questions that can be used as a starting point for future discussions.

Firstly, the key objectives that we see based on our interpretation of the report are:

- The City wants to have more direct control of the decisions related to the use of City funding dollars for economic development
- The City wants stronger and clearer forms of performance measurement and accountability, which might involve the implementation of a balanced scorecard method of performance monitoring and better defining deliverables linked to the various performance measures
- The City wants to see reporting related to its investment that provides detailed feedback to allow for a return on investment to be computed
- The City hopes to find ways to reduce duplication in services and redundancy in roles by the economic development enablers that it funds
- The consultant was asked to complete a critical assessment of the operations of the EDC and SSMIC, which included a financial analysis with a mind toward uncovering efficiencies, and an exploration of governance mechanisms and performance measurement systems
- Address the “confusion” in who is responsible for what aspects of economic development in the City

This has led to four critical observations/questions:

1) Why is a “merged” entity the only possible solution being explored and evaluated by the consultant, and why were other options not explored that would meet the objectives of the City in ensuring prudent investment in economic development?

Many of the aspects of the consultant’s views in the report are presented on the basis of not having a Memorandum of Understanding with the entities being funded; however, there is an MOU with SSMIC and that legal agreement can be amended to meet many of the objectives noted above without the need to merge the two entities.

Consideration could be given to other structures that may also achieve the desired outcomes. For

example, a structure similar to the Group Health Centre where there is a Governance Board that oversees the operation of the whole Centre but includes representation from the Algoma District Medical Group (the doctors) and the Group Health Association (the owner of assets and the support employees) who make all decisions related to the organization; both are separate corporations. This joint board structure, along with legal strategic partnership agreements for services between the EDC and SSMIC, could be used to remove duplication of services, allow for decisions to be made that both entities will be aware of and could result in one point of contact for those looking for support in the community.

Many alternatives exist that may help to meet the objectives of the City, and none were explored as possible solutions. Resource sharing, or service-level, agreements can be entered into between the EDC and SSMIC to remove duplication, and provide for administration efficiencies (e.g. SSMIC could use the software systems of the EDC to track the key metrics measures needed to provide the City with the information it needs to measure the performance and have accountability for targets that can be set through the revised MOU).

Further, SSMIC moving to the Civic Centre and being in the same building as the EDC will address some of the noted “confusion” and could allow for joint reception for incoming phone calls or physical attendance to best direct the person to the correct economic entity within City Hall, whether it is the Economic Development Fund, EDC or SSMIC. We could work together to promote our city with a unified economic development voice for Sault Ste. Marie, while establishing a clear brand and identity that points to our strengths, service offerings and distinct sector development opportunities.

We would like to work with the EDC and the City to further explore those opportunities.

2) One of the concerns appears to be the City’s ability to control the economic development funds and how they are spent once they are given to the two economic “enablers.” There is very little in the report about what the ownership structure and nature of what the merged entity would look like. Should this merger move forward, our view would be that any new entity would not be a municipally owned entity, and would need to be a private entity to ensure continued access to Federal and Provincial funding programs. This does not address the objective of getting control over the funds any differently than in the current structure, except the City would be dealing with one entity instead of two. This on its own does not seem sufficient to conclude a merged entity is the correct solution.

3) The consultant’s report identified some possible opportunities to reduce costs through the implementation of a merged entity, however, it failed to acknowledge the likely costs associated with “winding up” the two existing entities (e.g. severance pay). Many legal issues would also have to be addressed in addition to these costs required to move to a merged entity. Costs associated with severance of employees, breaking existing contracts with funding agencies or customers, terminating lease agreements, etc. To get a true reflection of the savings, these costs must be considered.

4) The timing and role of SSMIC in the City process is not understood from the report. The report recommends many of the “merged” entity steps be completed within six months, with an implementation plan being brought to Council in January.

As the Board of Directors for a private corporation, we will need to be engaged in a meaningful and measured process required to achieve support of our Board for any decisions affecting the entity. We

would hope to have our Executive of the Board and our Acting Executive Director involved, working with the City, in developing the process and plan to be provided to City Council in January.

We would also want to ensure that timelines for SSMIC being presented to Council are achievable. We need to understand the composition of the Transition Committee and understand who is the employer of the Transition Manager and what role will the SSMIC play in the process moving forward? We need to understand how, when and with whom will the City engage with representatives from SSMIC in the action plan moving forward and how will the City ensure that it accounts for the fact that the EDC and SSMIC Boards have to approve any proposed changes in organizational structure or governance.

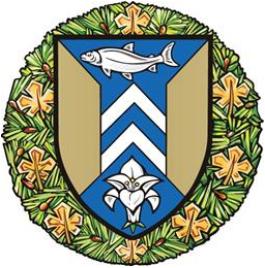
It continues to be our interest to ensure we have the ability to participate in a careful and measured way, through a constructive process designed to address the objectives stated above.

We would appreciate your support for answering our questions and considering additional alternative solutions. We would like the opportunity to convene a meeting with City, EDC and SSMIC representatives to discuss the contents of the report and to address the questions/observations outlined above. Time is of the essence given the short time frame until the January Council meeting so we would appreciate the ability to meet before the Christmas break.

Thanks for your consideration,

Board of Directors  
Sault Ste. Marie Innovation Centre

cc: Al Horsman, CAO  
Tom Vair, Deputy CAO  
Malcolm White, City Clerk



## The Corporation of the City of Sault Ste. Marie

### C O U N C I L   R E P O R T

December 12, 2016

**TO:** Mayor Christian Provenzano and Members of City Council

**AUTHOR:** Peter Tonazzo RPP, Senior Planner

**DEPARTMENT:** Community Development and Enterprise Services

**RE:** A-17-16-Z – 1044 Great Northern Road

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#### PURPOSE

The applicant is seeking Council's approval to amend the zoning to permit the existing Bliss Spa beauty salon on the second floor of the auto body shop (Guy's Auto Body).

#### PROPOSED CHANGE

The applicant, Nello Iannelli, is seeking Council's approval to rezone the subject property from Highway Zone (HZ.S336) with Special Exception 336 to Highway Zone with an amended Special Exception 336 to permit *Personal Services* as an additional permitted use.

#### Subject Property:

- Location – The subject property is located on the east side of Great Northern Road, approximately 570m (1870') north of its intersection with Third Line, civic no. 1044 Great Northern Road
- Size – 77m frontage by 106m depth (253' x 348') totalling approximately 0.8ha (2acres)
- Present Use – Automobile Body Shop and Hair Salon Spa
- Owner - 2236288 Ontario Ltd., (c/o Nello Iannelli)

#### BACKGROUND

In 1990 Council approved a combined Rezoning/Official Plan Amendment application to rezone the front 107m (350') of the subject property to '*Highway Commercial*', and to permit the creation of additional rural lots at the rear of the property.

In 2014 Council rezoned the subject property to permit an auto body repair establishment as an additional use, subject to a number of conditions related to outdoor storage and buffering.

## **ANALYSIS**

### **Conformity with the Official Plan (OP)**

The subject property is designated ‘Commercial’ on Land Use Schedule ‘C’ of the Official Plan. The applicant’s request to legalize the existing Bliss Beauty Salon conforms to the Commercial Policies within the OP, and as such, an Official Plan Amendment is not required.

### **Comments**

The applicant is seeking Council’s approval to legalize the existing Beauty Salon occupying approximately 83m<sup>2</sup> (893sq.ft.) of the second floor of the existing building. *Personal Services*, which includes beauty salons, are not permitted under the current zoning. The Highway Zone was established to service travelers moving along the highway corridor. The zone also includes uses geared towards servicing the commercial transportation business and commercial uses that require large supporting lots. Personal Services, such as beauty salons are permitted in all other commercial zones.

Having said this, the Beauty Salon was in part established based upon a miscommunication between Building Staff and the Applicant.

Notwithstanding the peculiar auto body shop/beauty salon combination, from a land use perspective the use can be accommodated with no offsite impacts.

### **Consultation**

The following departments/agencies commented on the application as part of the consultation process:

- See attached letters – Conservation Authority
- No objections/comments – Building Division, Engineering Services, Municipal Heritage Committee, Public Works, PUC Services, Fire Services

Correspondence from the Conservation Authority notes the property is subject to Ontario Regulation 176/06 and as such, a permit will be required prior to any development or site alteration. It is worth noting that no exterior development is required to legalize the use which currently exists.

Up to the drafting of this report, no public comments have been received.

## **FINANCIAL IMPLICATIONS**

Approval of this application will not impact Municipal finances.

## **STRATEGIC PLAN / POLICY IMPACT**

Approval of this application is not directly linked to any policies contained within the Corporate Strategic Plan.

**RECOMMENDATION**

It is therefore recommended that Council take the following action:

Resolved that the Report of the Senior Planner dated 2016 12 12 be received and that Council rezone the subject property from Highway Zone (HZ.S336) to Highway Zone with an amended Special Exception 336 to permit Personal Services as an additional permitted use.

Respectfully submitted,



Peter Tonazzo, RPP  
Senior Planner  
705.759.2780  
[p.tonazzo@cityssm.on.ca](mailto:p.tonazzo@cityssm.on.ca)

PT/ps

Attachment(s)

## **Pat Schinners**

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**From:** Marlene McKinnon <mmckinnon@ssmrca.ca>  
**Sent:** Monday, November 07, 2016 3:01 PM  
**To:** Pat Schinners  
**Subject:** SSMRCA Response - A-17-16-Z - 1044 Great Northern Road

November 7, 2016

Donald B. McConnell, MCIP, RPP,  
Planning Director  
City of Sault Ste. Marie  
P.O. Box 580  
Sault Ste. Marie, ON P6A 5N1

### **Conservation Authority Comments:**

**Application # A-17-16-Z**  
**2236288 Ontario Limited**  
**1044 Great Northern Road**  
**Sault Ste. Marie**

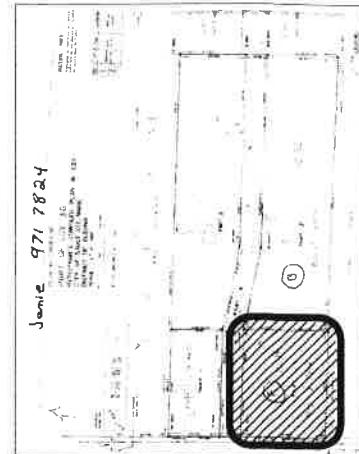
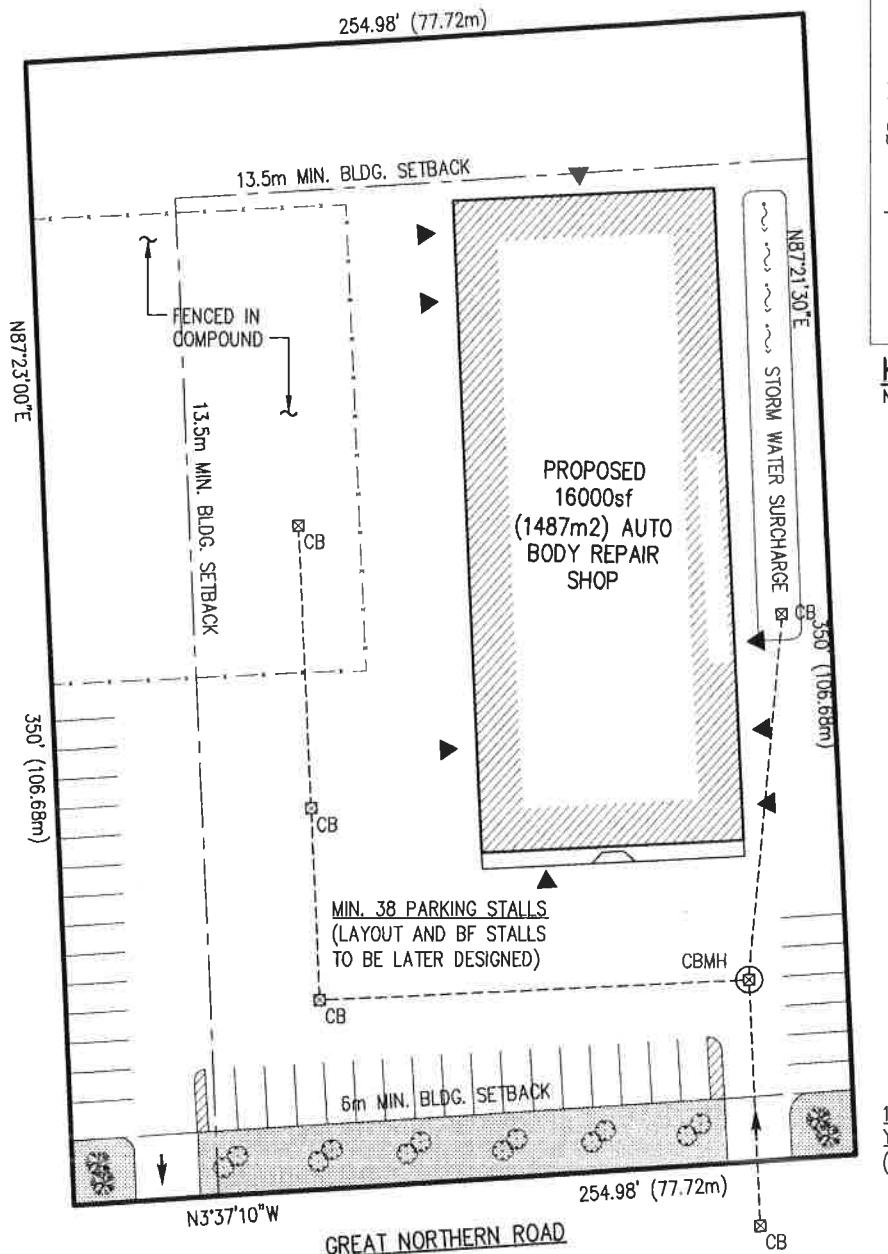
The subject property is located in an area under the jurisdiction of the Conservation Authority with regard to the Ont. Reg. 176/06 Development, Interference with Wetlands and Alterations to Shoreline and Watercourses. The extent of the regulated area on this property is in both the southeast and northeast corners.

Any development on the subject property will require a site plan review and may require a permit by SSMRCA under Ont. Reg. 176/06.

Sincerely,

M. A. McKinnon, CGS  
GIS Specialist  
Sault Ste. Marie Region Conservation Authority  
1100 Fifth Line East  
Sault Ste. Marie ON P6A 6J8  
[mmckinnon@ssmrca.ca](mailto:mmckinnon@ssmrca.ca)  
[www.ssmrca.ca](http://www.ssmrca.ca)  
Phone 705-946-8530  
Fax 705-946-8533

Member of Canadian Institute of Geomatics



**KEY PLAN of LOT 36**  
N.T.S.

AREA OF PROPOSED  
DEVELOPMENT, SEE  
ENLARGED PLAN

## SITE PLAN

SCALE 1:750

CURRENT PROPERTY ZONING = HIGHWAY (HZ)  
PROPOSED ZONING = HIGHWAY (HZ) w/EXCEPTIONS  
OBC CLASSIFICATION = MEDIUM HAZARD INDUSTRIAL (F2)

PARCEL OF LAND (PART 2) SHOWN  
IS BASED ON PLAN OF SURVEY OF  
PART OF LOT 36 REGISTRAR'S  
COMPILED PLAN H-737 PREPARED  
BY Wm. E. BOLAN LTD. - OLS



**STEM**  
ENGINEERING GROUP

CLIENT/PROJECT DESCRIPTION:  
PROPOSED GUY'S AUTO BODY  
1044 GREAT NORTHERN ROAD  
SAULT STE MARIE, ON  
DRAWING DESCRIPTION:  
PROPOSED SITE PLAN for  
REZONING APPLICATION

SCALE: 1:750  
PLOT SCALE: 1  
PROJECT#: 14021  
DATE: 20 FEB 2014  
CAD FILE: 14021-SP1  
DRAWN: STEM  
CHECKED:

FORM SIZE: Letter 8.5"x11"  
SHEET: 1 OF 1  
REVISION: B  
DRAWING#:

SP1



## 2016 ORTHO PHOTO

PLANNING APPLICATION A-16-16-Z  
1044 GREAT NORTHERN ROAD



METRIC SCALE  
1 : 3000

ROLL NUMBER  
030-085-040-10

MAP NUMBERS  
113 & 1-142

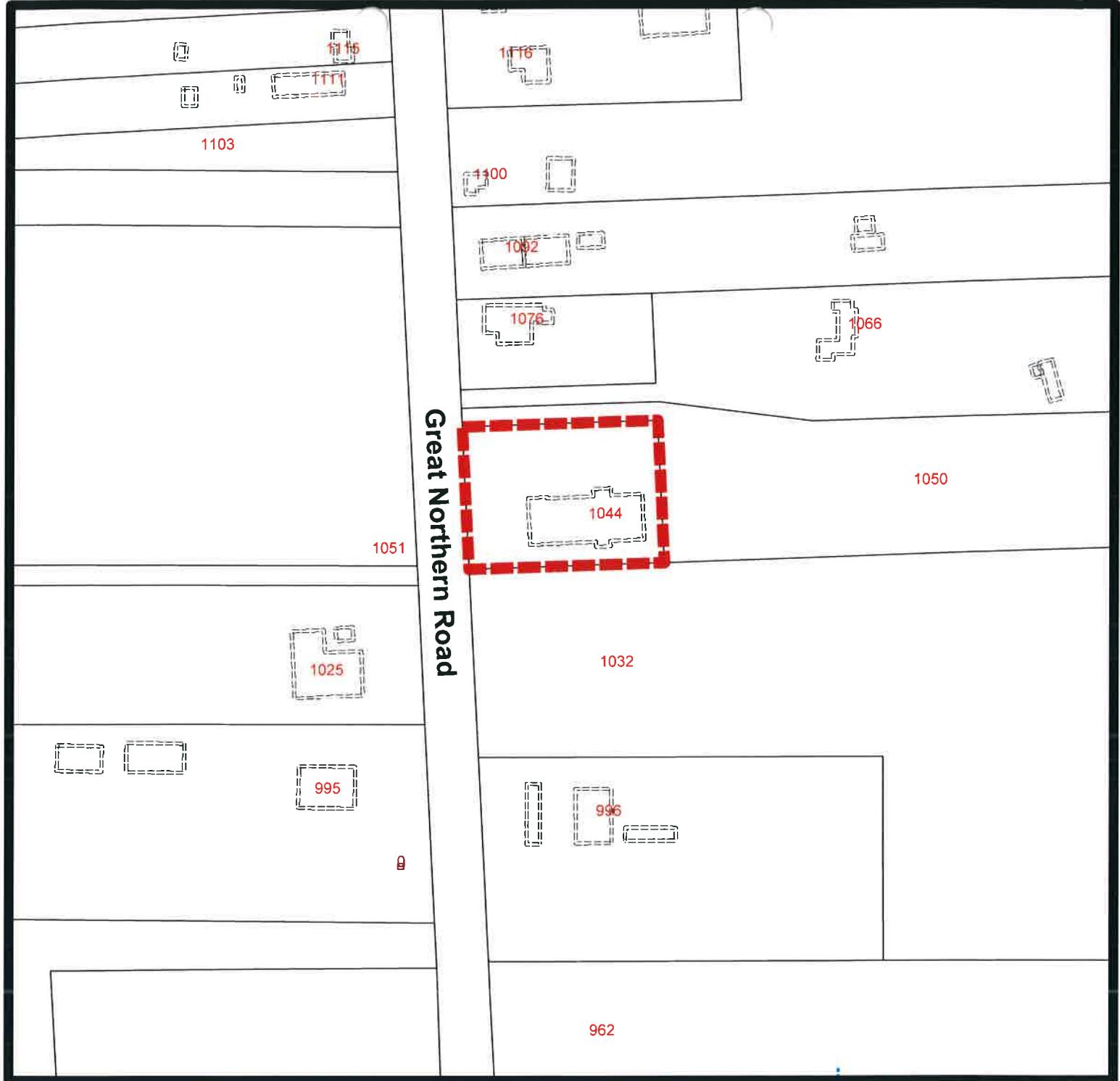
### Legend



Subject Property = 1044 Great Northern Road

Page 254 of 408

MAIL LABEL  
A-17-16-Z



# SUBJECT PROPERTY MAP

PLANNING APPLICATION A-17-16-Z

1044 GREAT NORTHERN ROAD



METRIC SCALE  
1 : 3000

ROLL NUMBER  
030-085-040-10

MAP NUMBERS  
113 & 1-142

## Legend



Subject Property = 1044 Great Northern Road

MAIL LABEL  
A-17-16-Z



## SUBJECT PROPERTY MAP

PLANNING APPLICATION A-17-16-Z  
1044 GREAT NORTHERN ROAD



METRIC SCALE  
1 : 3000

ROLL NUMBER  
030-085-040-10

MAP NUMBERS  
113 & 1-142

### Legend

Subject Property = 1044 Great Northern Road  
 RA - Rural Area Zone



HZ - Highway Zone

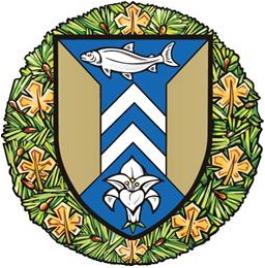


M2 - Medium Industrial Zone; M2hp

Page 256 of 408

S# = Special Exception Zoning

MAIL LABEL  
A-17-16-Z



## The Corporation of the City of Sault Ste. Marie

### C O U N C I L   R E P O R T

December 12, 2016

**TO:** Mayor Christian Provenzano and Members of City Council

**AUTHOR:** Steve Turco RPP, Senior Planner

**DEPARTMENT:** Community Development and Enterprise Services

**RE:** A-18-16-Z – 65 Simon Avenue (Queen Street Frontage)

---

#### **PURPOSE**

The applicant is seeking Council's approval to utilize the portion of the property along the Queen Street frontage for a personal storage facility that will be used to store personal vehicles, all-terrain vehicles, power sports vehicles etc., both within a new storage building, and within visually buffered outdoor storage areas.

#### **PROPOSED CHANGE**

The applicant, Sault North Holdings, is seeking to rezone the subject property from "C.4.S.162", (General Commercial with a Special Exception) to 'C.4.S" (General Commercial), amending the existing Special Exception to allow personal storage in association with a Motor Vehicle Sales and Parts Dealer, subject to a number of conditions, including visual buffer requirements and certain restrictions on outdoor storage.

#### **Subject Property:**

- Location – The subject property is located on the north side of Queen Street East, approximately 220 meters (721') east of Boundary Road.
- Size – Approximately 173m (567') frontage, by 89m (294') depth, 1.53ha (3.8 acres) Area.
- Present Use – Vacant Land
- Owner – 920939 Ontario Inc.
- Applicant – Sault North Holdings

#### **BACKGROUND**

The subject property is located on the north side of Queen Street East, across from the East End Waste Water Treatment Facility. Due to its proximity from the

waste water facility, this property (along with the entire Queen Street frontage opposite the waste water facility) is designated Commercial in the City's Official Plan, and is also zoned Commercial in Zoning By-law 2005-150.

Development on the lands across from to the waste water facility has historically been difficult. Residential development is prohibited because of the environmental separation requirements, and commercial uses have not gained traction here because this stretch of Queen Street East is not a typical "commercial" area.

The property at the northwest corner of Queen Street East and Millwood Street had a Mac's Convenience store, however, that store has recently closed. The developer of the property between the former Mac's and the subject property also had difficulty developing that site, eventually requesting and receiving Council's approval to construct a personal storage facility.

The applicant for this request is seeking Council's approval for a similar type of operation, as the proposed used is not identified in the General Commercial zoning for this property.

At present, the property is a larger parcel, with the front portion of the property (along Queen Street) zoned for commercial uses, while the rear is zoned for residential. An application to sever to front portion was recently approved (but not yet finalized) by the Committee of Adjustment. It is this front portion that is the subject of this current application.

## **ANALYSIS**

### **Conformity with the Official Plan (OP)**

The property is designated Commercial on Schedule "C" of the City's Official Plan. The Commercial policies of the Official Plan identify a number of general commercial uses, including "personal or household service industries". As such, it was determined that an Official Plan amendment was not required.

Although the Official Plan outlines policies for Neighbourhood Commercial Areas which stipulates that uses in these areas be limited to those uses "intended to serve the needs of the immediate neighbourhood", it should be noted that the property currently enjoys a C4, General Commercial zone. This zone permits a wide variety of commercial uses that would go beyond the intent of serving the needs of the immediate neighbourhood.

The westerly portion of the subject property has been identified as an area of archeological potential. Although this potential is recognized, the proposed development area is well outside of this area of archeological potential. For this reason, an archeological impact assessment was not required. However, Planning staff recommends that should any future development be proposed for this portion of the property, that an archeological impact assessment will be

required prior to development. This will be addressed either through a future land use application (i.e. re-zoning, consent application) or through the Site Plan review process.

### **Comments**

The subject property is zoned C4, General Commercial, which permits a variety of commercial uses. Special Exception 162 also applies to this property and prescribes a minimum 7.62m (25') setback from any lot line, except where the lot line abuts commercially zoned lands. In this case, the setback is reduced to 3m (10'). As well, the maximum lot coverage for a building is 25% and a minimum of 2% of the site needs to be landscaped.

The property is also subject to Site Plan Control. Prior to the construction, the applicant will require an agreement with the City. The Site Plan review process will serve to further assess the layout of the proposed operation, as well as buffering, landscaping and access points in an effort to mitigate any potential impacts to surrounding residential land uses.

The applicant is seeking Council's approval to add a personal storage facility as an additional permitted use. This facility will operate in conjunction with Great Lakes Honda, located on Pim Street, and will be used to store personal vehicles, all-terrain vehicles, power sports vehicles, etc.

Personal storage facilities are defined in Zoning By-law 2005-150 as establishments engaged in the operation of public self-storage, or mini-storage facilities on a contract basis. The use immediately to the east of this property is used as a personal storage facility.

Personal storage facilities are permitted in a number of commercial zones, however, they are not permitted in a C4 zone. In addition, while the proposed use is similar to a personal storage facility, it differs as the public will not have access to the site or building. Only Great Lakes Honda employees will be able to access the property and building. For these reasons, it was determined that a rezoning was required to facilitate the establishment of the proposed use.

In reviewing this current proposal, one of the main considerations that must be assessed is impact to the surrounding residential area. The subject property abuts the Denwood subdivision, which was approved by City Council in 1988. Once fully developed, residential lots within this subdivision (to be developed on the future Crestwood Avenue) will back onto the proposed use. (See attached map showing subject property in relation to the Draft Approved Subdivision).

Staff is of the opinion that the proposed use is compatible with the surrounding residential area as these types of operations traditionally generate very low volumes of visits. However, Staff recommends a series of landscaping and

design measures to ensure that the use is visually buffered from residential uses, and adds visual character to this section of Queen Street East.

These design recommendations are informed by the Urban Design policies of the Official Plan, which encourages development that is “designed to integrate with the existing urban fabric” and “responds to existing colour, texture, scale, and massing in order to harmonize with the existing rhythm and the relationship of uses”.

First, the front yard of the proposed use should be landscaped in a manner that is consistent with recent commercial developments located throughout the community. This should include the installation of sod, as well as planting a variety of urban tolerant shade and ornamental trees.

In addition, enhanced landscaping should be provided along the rear of the property to ensure any visual impacts of the operation will be mitigated. These include a visually solid fence along the length of the property in the rear yard, as well as tree plantings which will add visually screening, as well as provide aesthetic improvements.

These landscaping measures can be implemented through a Site Plan agreement, which will be required prior to any future development. As part of the Site Plan review process, a landscape plan, prepared by a landscape design professional, will be required.

Currently, outdoor storage is not permitted in a C4 zone; however, it is envisioned that some outdoor storage will be required. The site plan submitted with this application does not indicate where the outdoor storage area is to be located. As such, Planning staff recommends that a condition of approval, any outdoor storage areas be visually screened from all streets and residential buildings.

In addition, Planning staff recommends that the nature of outdoor storage be limited to automobiles, boats, and recreational vehicles. Planning staff also recommend that automobiles, boats or recreational vehicles that are wrecked, discarded, dismantled or in an in-operative condition shall not be permitted.

The applicant has also provided preliminary elevation plans for the proposed building. Again, in an effort to encourage a development that is aesthetically compatible with the surrounding area, Staff recommends that the front elevation (facing Queen Street) be designed in a manner that is consistent with a commercial building. This will include avoiding large blank walls, using a variety of building materials, such as bricks, stonework and/or stucco, and windows proportionately sized to the overall façade. As part of the Site Plan review

process, elevation plans will be reviewed to ensure that the front façade of the building is treated in a manner that will ensure a high quality design.

As indicated earlier in this report, the development on Queen Street abuts future residential to the north. As part of the Denwood Draft Plan of Subdivision, a walkway was planned that would eventually connect into the commercial lands. For this reason, a walkway should be provided on the subject property that would extend from the residential lands, through the subject property, to Queen Street (see attached subdivision plan). This walkway can be provided on an “if and when” basis, to align its construction with the development of the subdivision walkway. This will be coordinated as part of a Site Plan agreement.

### **Consultation**

The following departments/agencies commented on the application as part of the consultation process:

- See attached letters – Engineering
- No objections/comments – Public Works, Municipal Heritage Committee, EDC, Fire Services, Conservation Authority, Building Division, PUC Services

Engineering Division has commented that the sanitary sewer must be extended easterly in direct alignment with existing sanitary sewer, and terminate with a new maintenance hole in line with the west property line of the subject property.

Building Division has no objections but has commented that a portion of the subject property is within a Well-head protection zone. Any future development will be reviewed by the City’s Well-head protection coordinator and any mitigation measures required will be implemented through the Site Plan agreement process.

Staff did receive comments from two neighbours. One neighbour is in opposition to this request, however, this neighbour did suggest that a number of landscaping provisions to assist in making the development more compatible, including planting trees along the frontage. Staff did speak with this neighbour and discussed other provisions, including setting the fence back from the front property line, landscaping the front yard, and addressing the aesthetics of the building so it does not look like an industrial building. The concerns can be accommodated as part of the Site Plan review process, and have been echoed by staff in this report.

A second neighbour also expressed concern but provided input on the development of this commercial operation. The neighbour suggested that the green space bordering on the south west side of the subject property be maintained and that maintaining this green space shall prevent undue hardship. Staff is in agreement and will include this provision as a condition of approval.

Staff will stipulate in a future Site Plan agreement that the existing tree stand to the west of the building be maintained.

Planning staff will also recommend that the tree stand to the east of the proposed building be maintained as well. Should a future development opportunity arise on the easterly portion of the property, staff will require a landscape plan illustrating trees which could be preserved and/or new trees that can be planted as part of that development.

This second neighbour has also stated a concern about vehicles entering the site at all hours of the night. The applicant has advised that the hours of operation will be mainly between 8am and 6pm, with occasional seasonal extensions.

### **FINANCIAL IMPLICATIONS**

Although this application will not have any direct financial impact to municipal resources, it should be noted that this is an infill development, on an under-utilized vacant parcel. Infill development is encouraged as this form of development creates efficiencies by utilizing a number of existing municipal services, as opposed to expanding services elsewhere in the community.

### **STRATEGIC PLAN / POLICY IMPACT**

Approval of this application is not directly linked to any policies outlined in the Corporate Strategic Plan.

### **SUMMARY**

This application represents an appropriate development as the use is compatible with neighbouring land uses, and is an infill opportunity on a historically under-utilized site.

To ensure that the development complements the surrounding neighbourhood, planning staff are recommending a number of landscaping and design measures that should be included in the development of this site. These landscaping and design measures encourage a development that is more in keeping with the surrounding built form, and mitigates any visual impact the development may have on near-by residences.

### **RECOMMENDATION**

It is therefore recommended that Council take the following action:

Resolved that the Report of the Senior Planner, dated 2016 12 12, concerning application A-18-16-Z, be received, and that Council rezone the subject property from "C4.S.162" (General Commercial with a Special Exception) to "C4.S" (General Commercial), amending the S.162 to allow as an additional permitted use: personal storage in association with a Motor Vehicles Sales and Parts Dealer, subject to the following:

1. That the provisions of S.162, relating to setbacks, landscaping and coverage be maintained;
2. That outdoor storage shall be 100% visually screened from all streets and residential buildings using a combination of landscaping and building components to visually screen outdoor storage areas;
3. That outdoor storage shall be limited to the storage of automobiles, boats and recreational vehicles;
4. That no automobiles, boats or recreational vehicles that are wrecked, dismantled or inoperative shall be permitted on site.
5. That the existing tree stand to the west of the proposed building be maintained
6. That the existing tree stand to the east of the proposed building be maintained until such time as a future development occurs
  - a. And that as part of that development, a tree retention and planting plan shall be provided, showing which trees can be preserved and/or planted as part a new development
7. That the applicant agrees to provide a walkway connection within the subject property, connecting the Denwood subdivision to Queen Street East.

Respectfully submitted,



Steve Turco, RPP  
Senior Planner  
705.759.5279  
[s.turco@cityssm.on.ca](mailto:s.turco@cityssm.on.ca)

ST/ps

Attachment(s)



2016 11 24

**MEMO TO:** Don McConnell, RPP  
Planning Director

**RE: A-18-16-Z  
65 SIMON AVENUE (QUEEN STREET FRONTAGE)  
SAULT NORTH HOLDINGS**

The Engineering and Construction Division has reviewed the above noted application and provides the following:

- The sanitary sewer must be extended easterly in direct alignment with the existing sanitary sewer, and terminate with a new maintenance hole in line with the west property line of the Subject Property; and
- It is recommended that the property be subject to Site Plan Control to ensure any servicing and drainage requirements are met.

If you have any questions, please do not hesitate to contact the undersigned.

A handwritten signature in black ink, appearing to read "D. Perri".

D. Perri, P. Eng.  
Municipal Services Engineer  
Public Works & Engineering Services  
705.759.5385  
[d.perri@cityssm.on.ca](mailto:d.perri@cityssm.on.ca)

DP/

- c. Susan Hamilton Beach, Public Works  
Pat Schinnlers, Planning  
Don Elliott, Engineering

## **Pat Schinners**

---

**From:** Don McConnell  
**Sent:** Tuesday, November 22, 2016 3:14 PM  
**To:** Pat Schinners; Steve Turco  
**Subject:** FW: 65 Simon Avenue - Application No. A-18-16-Z  
**Attachments:** 20161122141935.pdf

---

**From:** Francois Couture  
**Sent:** Tuesday, November 22, 2016 3:08 PM  
**To:** Don McConnell  
**Subject:** 65 Simon Avenue - Application No. A-18-16-Z

Good afternoon Don, We would like to make note that a portion of the above noted property is located in the wellhead protection area, I am not sure if it makes a difference as a severance application has been submitted. The Building division has no objections to the application.

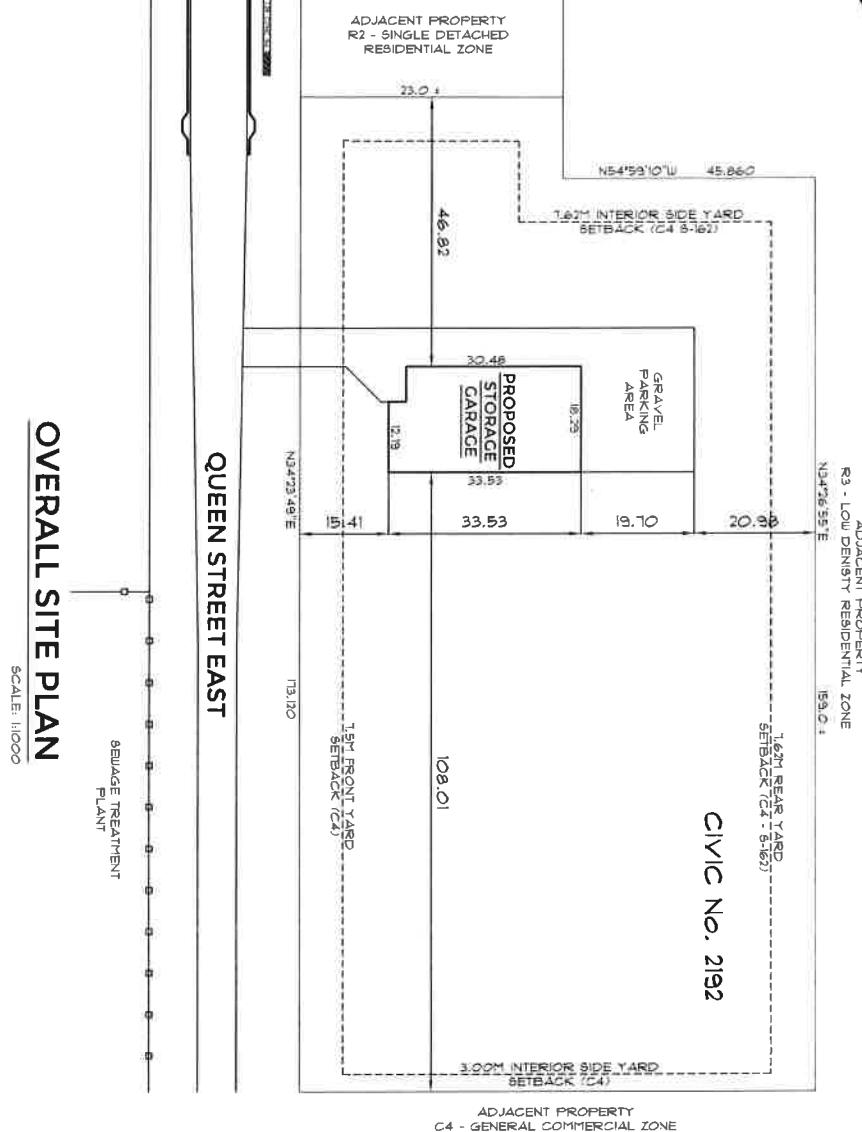
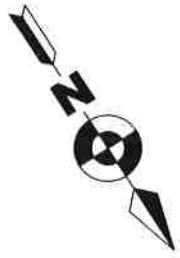
Sincerely,

Francois.

Francois Couture, CBCO  
Co-ordinator of Plans Examination &  
By-Law Enforcement Officer for  
The Corporation of the City of  
Sault Ste. Marie, Ontario

99 Foster Drive  
5th Floor, Building Division  
Sault Ste. Marie, Ontario  
Canada, P6A 5X6

Tel: (705) 541-7335  
Fax: (705) 541-7165  
E-mail: [f.couture@cityssm.on.ca](mailto:f.couture@cityssm.on.ca)



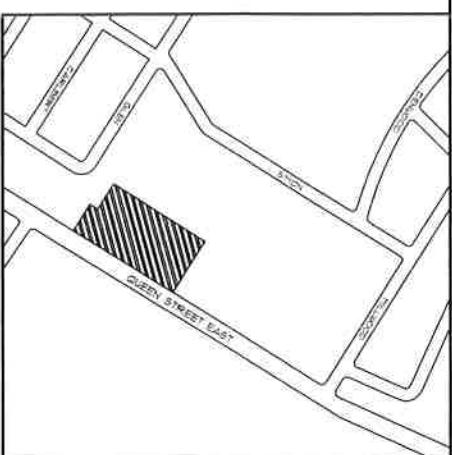
### PROPOSED AREAS

TOTAL LOT AREA	14,695 SQ. METERS
BUILDING AREA	594 SQ. METERS
GRAVEL PARKING AREA	3,995 SQ. METERS
LANDSCAPED AREA	13,435 SQ. METERS

90.2%  
3.95%  
5.6%

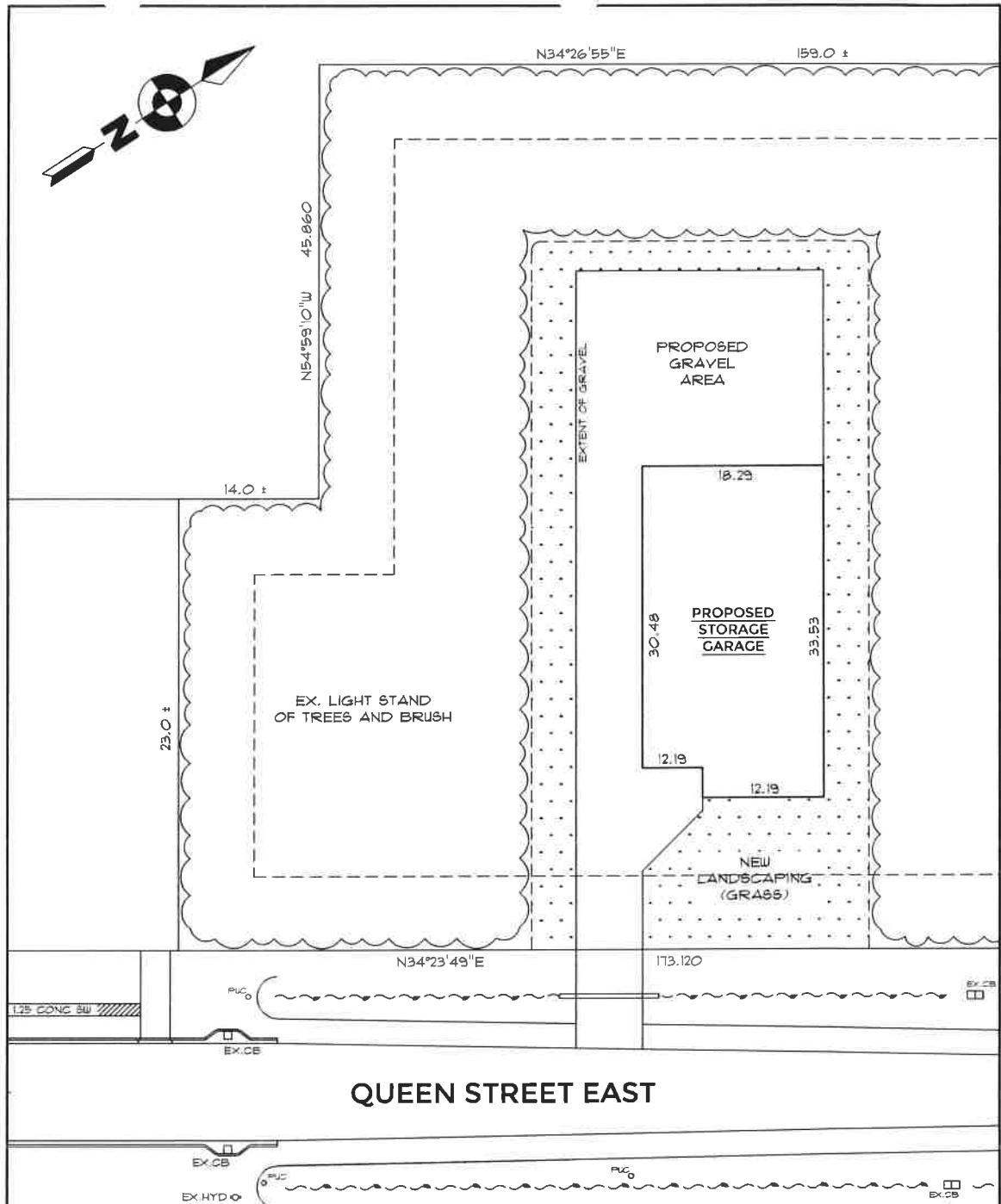
S-162 THE MAXIMUM BUILDING COVERAGE SHALL NOT EXCEED 25% OF THE GROSS AREA

### KEY PLAN



PROPOSED FLOREANI STORAGE GARAGE					
OVERALL SITE PLAN					
ADDRESS:		SCALE:	1:1000	JOB NO.	16054
2192 QUEEN STREET EAST, SUITE 100, MARIE, ONTARIO		BY:	A.D. NICHOLSON	DATE:	AUGUST 15, 2016
P.S. BEAUMONT		CKD BY:		NO. DESCRIPTION	DATE INITIAL
PHONE - (105) 343-2753 EMAIL - NORQUAY@GMAIL.COM					

**NORQUAY**  
**ENGINEERING**



FRONTAGE LANDSCAPING (C4 ZONING) S-162		
LANDSCAPED AREA	195 m <sup>2</sup>	15.0%
DRIVEWAY AREA	50 m <sup>2</sup>	3.5%
EX. LIGHT BUSH	1053 m <sup>2</sup>	81.1%
ZONING REQUIREMENT (C4) S-162 SPECIAL EXEMPTION S-162 REQUIRES A MINIMUM OF 2% OF THE AREA IS TO BE LANDSCAPED.		
<u>LEGEND</u>		
• • •	NEW LANDSCAPED AREA	
( )	EX. LIGHT STAND OF TREES AND BRUSH	



### LANDSCAPING PLAN PLAN

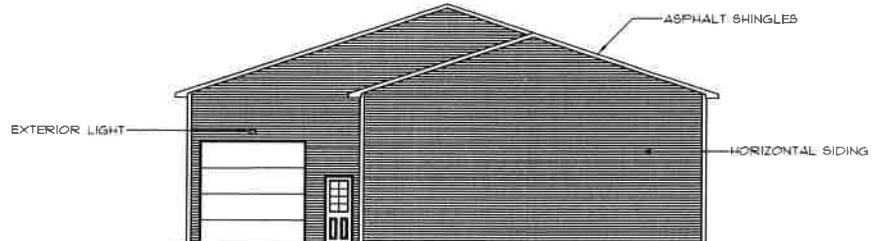
SCALE: 1:500

JOB TITLE: PROPOSED FLOREANI STORAGE GARAGE  
DRAWING TITLE: LANDSCAPING PLAN

ADDRESS:	2192 QUEEN STREET EAST, SAULT STE MARIE, ONTARIO	SCALE:	1:500	JOB NO.	NQ-16054
DRN BY:	A.D. NICHOLSON	DATE:			
CKD BY:	P.S. BEAUMONT	DATE:			
NO. DESCRIPTION		DATE		INITIAL	

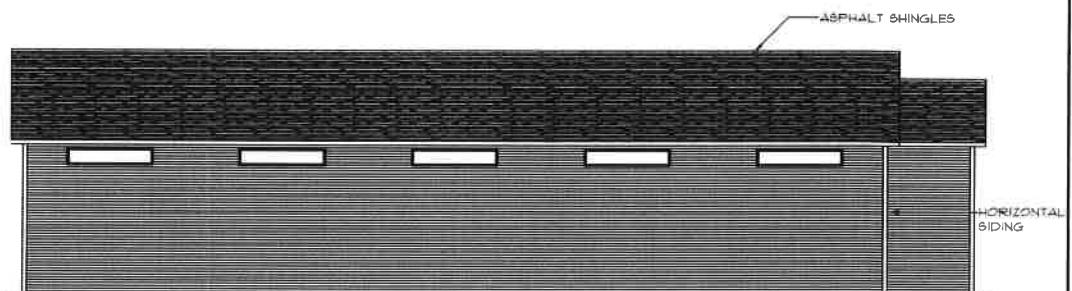
LP.1

**NORQUAY  
ENGINEERING**



FRONT ELEVATION

SCALE: 1 = 200



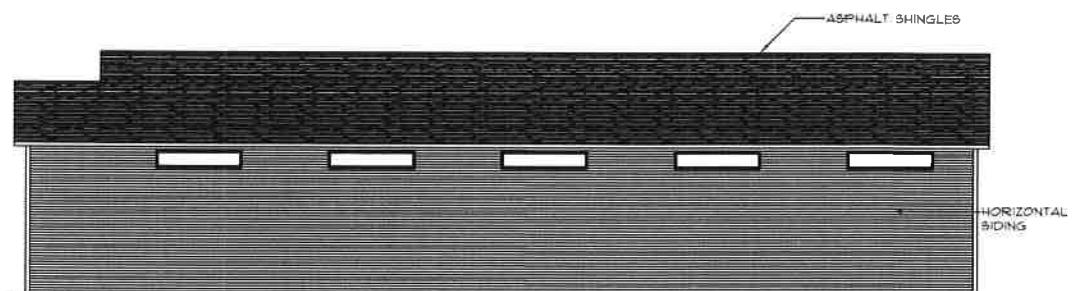
LEFT ELEVATION

SCALE: 1 = 200



REAR ELEVATION

SCALE: 1 = 200



RIGHT ELEVATION

SCALE: 1 = 200



**NORQUAY  
ENGINEERING**

500 WELLINGTON STREET WEST, SAULT STE MARIE, ONTARIO,  
PHONE - (705) 943-2153 EMAIL - INFO@NORQUAYENG.COM

JOB TITLE: <b>PROPOSED FLOREANI STORAGE GARAGE</b>		
DRAWING TITLE: <b>PRELIMINARY BUILDING ELEVATIONS</b>		
ADDRESS:	2152 QUEEN STREET EAST, SAULT STE MARIE, ONTARIO	
DRN BY:	A.D. NICHOLSON	SCALE:
CKD BY:	P.S. BEAUMONT	DATE:
NO.	DESCRIPTION	DATE INITIAL
D.1		
6 OF 6		

**Mr. and Mrs. Jacques and Ellie Mallette**  
199 Louise Ave.  
Sault Ste. Marie, ON  
P6A 5X1

**Mr. Steve Turco**  
99 Foster Drive  
Sault Ste Marie, ON  
P6A 5X6

**RE: Application File # A-18-16-Z**  
**Applicant Sault North Holdings**

**Dear Mr. Turco:**

**Please accept the following as input for the proposed changes to said property that can be clearly seen through our back yard.**

**We have two concerns about the proposed commercial use of this property:**

- 1. We hope that the applicant will maintain the green space bordering the South West side of the subject property. This should not cause any undue hardship if the current green space is preserved.**
- 2. It is our hope that vehicles will not be entering or exiting the property at all hours of the night as this would cause a considerable amount of noise disturbance.**

**Thank you and the city of Sault Ste. Marie for your consideration of this matter.**

  
Jacques Mallette

  
Ellie Mallette

November 22, 2016

Mr. Steve Turco  
99 Foster Drive  
Sault Ste. Marie, Ontario

Dear Sir:

This letter is in regards to application No: A-18-16-Z, the re-zoning of property on Queen Street East to use for storage facilities. I own the last home on Queen Street past Barber Boulevard on the opposite side of the street across from the subject property. I built my home in 1975 and have spent my entire adult life improving it and building up the property value for my retirement fund and later years. I have been a real estate salesperson for 30 years and there is no doubt that this will negatively affect the market value of my home. As you are aware, we already have the Sewage Plant and storage facilities in the immediate area. There is no way any prospective purchaser wants to look across at an outside storage area or fenced boundary 24/7. I am absolutely opposed to this project. Why should I be forced to lose substantial retirement value for Sault North Holdings gain? I am not opposed to progress, but it is my belief that in this time and age, anywhere in our beautiful City, these companies wishing to do this sort of project right in the center of a city (residential neighbourhood) should be forced not only to fence the areas, but front that boundary with several rows of adult evergreen trees to blend in with the residential properties.

Mr. Turco, I would love to speak on my own behalf, but have planned to be away at this time visiting my children, so I will have to depend on you to represent me in this matter. In these days of environmental concerns and city beautification, I don't know why these sort of operations can't be forced out to the city boundaries where there are already similar commercial projects and plenty of land.

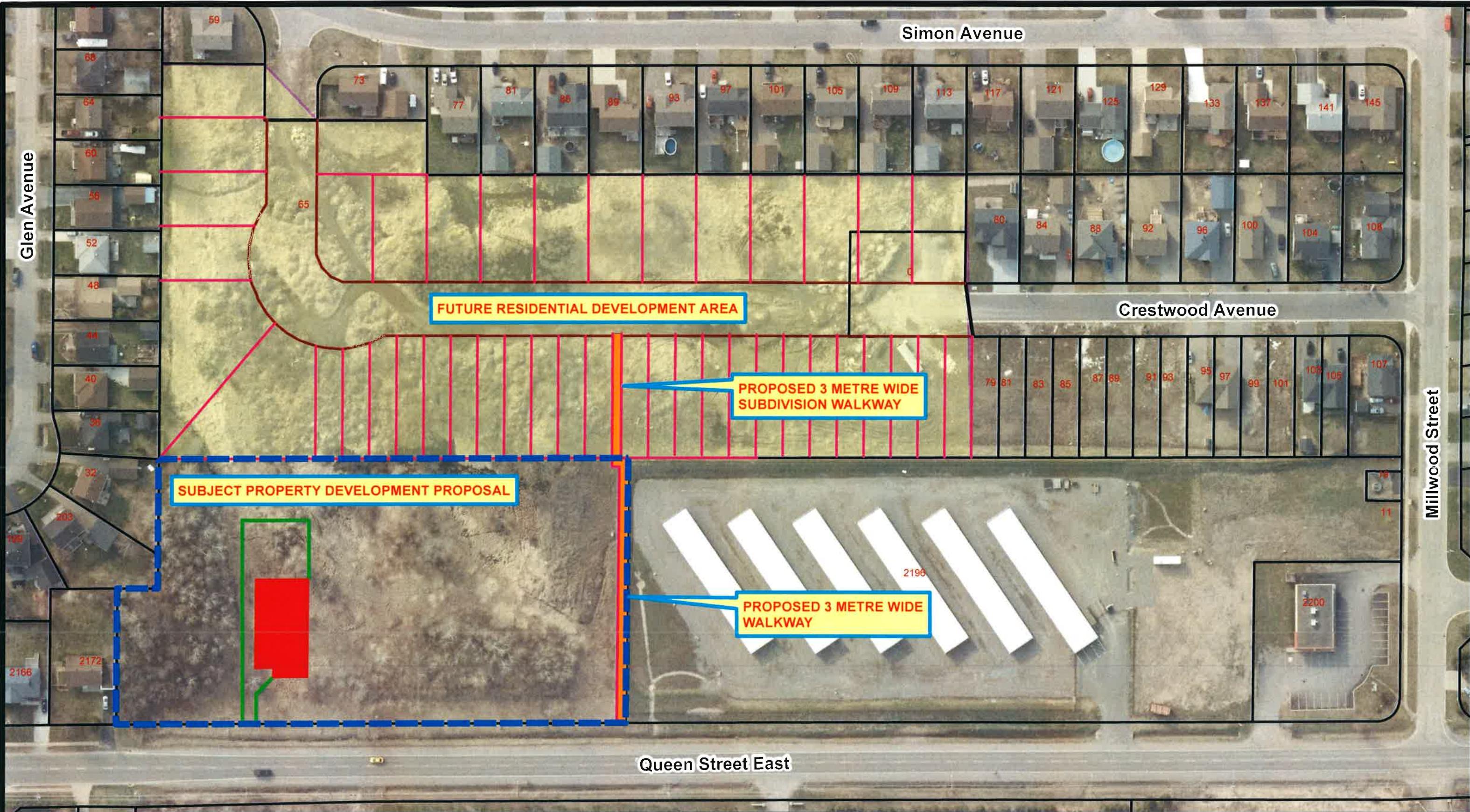
If you wish to speak to me in person, I can be reached anytime through the daytime hours at 705 541 8011.

I appreciate you taking the time to read my concerns.

Sincerely,



Kevin Herriman



# 65 rear SIMON AVENUE QUEEN STREET FRONTAGE

Subject Property

Lotline

Potential Walkway

Page 271 of 408

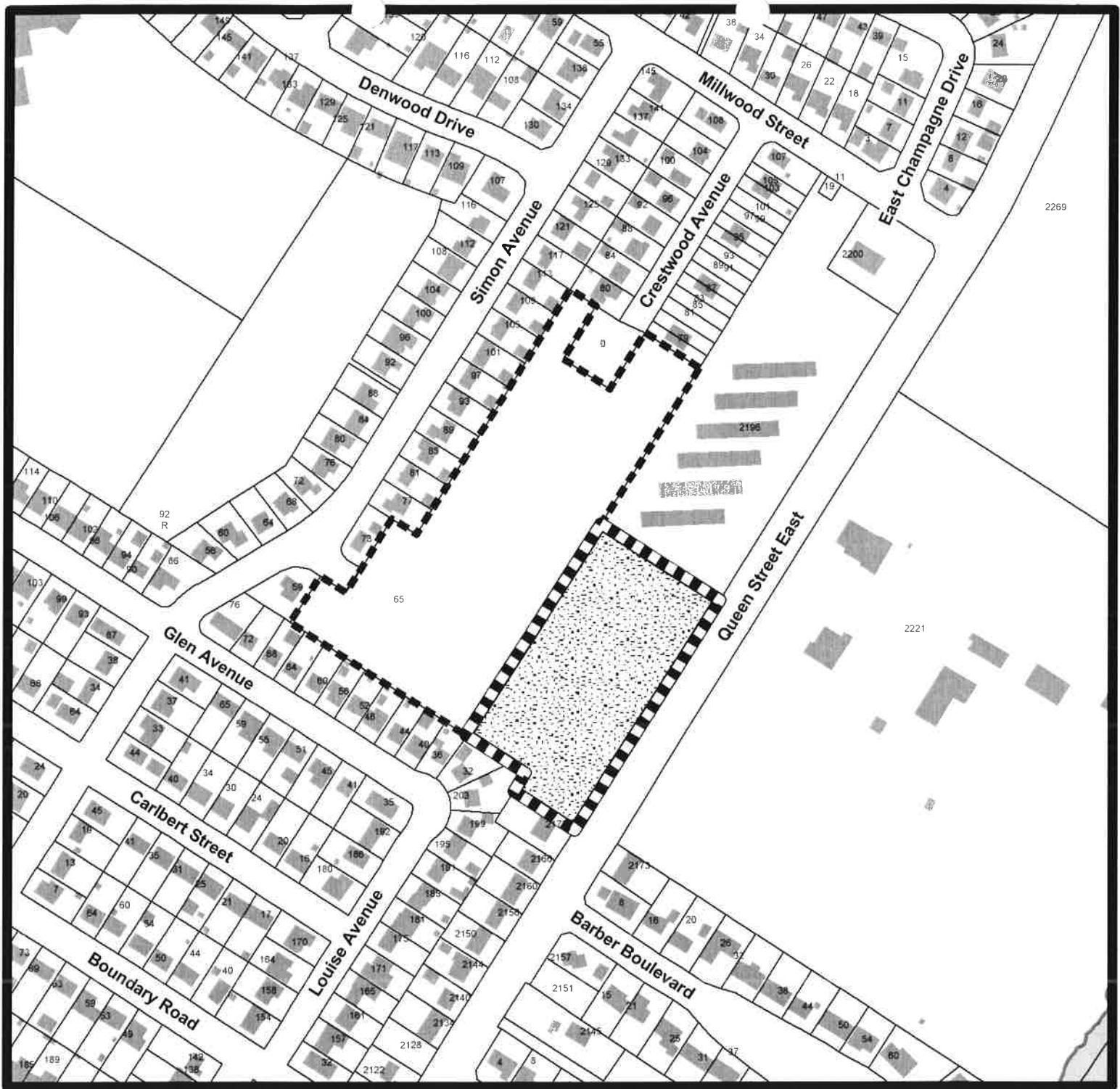
Building

Road

Driveway

METRIC SCALE  
1 : 1200





# SUBJECT PROPERTY MAP

PLANNING APPLICATION A-18-16-Z

65 rear Simon Avenue (Queen St E frontage)



METRIC SCALE  
1 : 3500

ROLL NUMBER  
010-037-051-21

MAP NUMBERS  
13 & 1-12

MAIL LABEL  
A-18-16-Z

## Legend



Subject Property\_65 Rear Simon Ave\_Queen Street Frontage

Mother Parcel Land\_65 Simon Avenue



# 2016 ORTHO PHOTO

PLANNING APPLICATION A-18-16-Z

65 rear Simon Avenue (Queen St E frontage)



METRIC SCALE  
1 : 3500

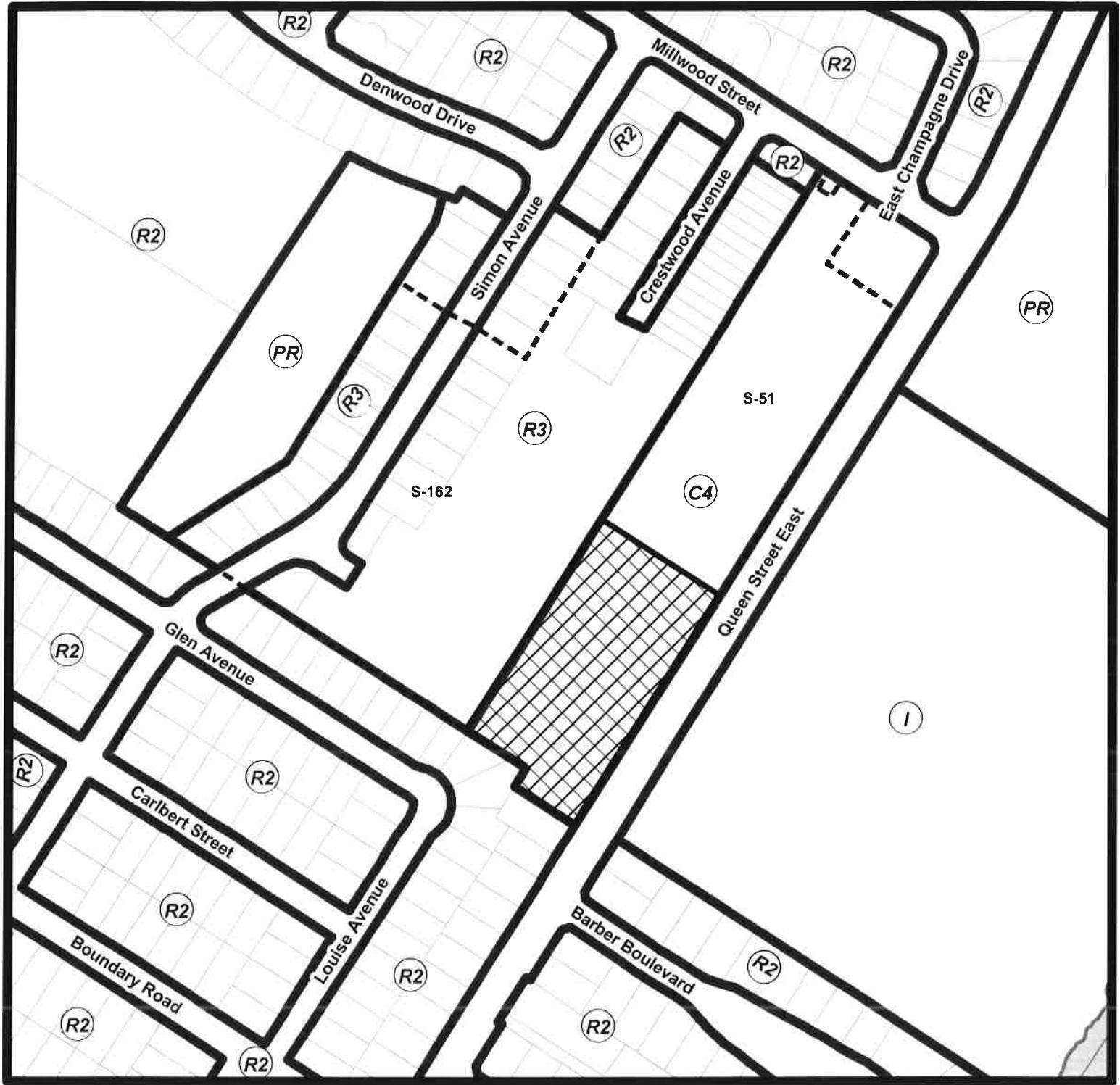
ROLL NUMBER  
010-037-051-21

MAP NUMBERS  
13 & 1-12

## Legend



Subject Property\_65 Rear Simon Ave\_Queen Street Frontage



# EXISTING ZONING MAP

PLANNING APPLICATION A-18-16-Z

**65 rear Simon Avenue (Queen St E frontage)**



METRIC SCALE  
1 : 3500

ROLL NUMBER  
010-037-051-21

## Legend



Subject Property\_65 Rear Simon Ave\_Queen Street Frontage

C4 - General Commercial Zone; C4hp

R2 - Single Detached Residential Zone; R2hp



R3 - Low Density Residential Zone

I - Institutional Zone

PR - Parks and Recreation Zone

S# = Special Exception Zoning

MAP NUMBERS  
13 & 1-12

MAIL LABEL  
A-18-16-Z

195 Louise Avenue  
Sault Ste. Marie, ON  
P6A 5X1 (705) 253-9293

Steve Turco, Planner  
99 Foster Drive  
Sault Ste. Marie, ON  
P6A 5X6

**Re: 65 Simon Avenue (Queen Street Frontage) Application No. A-18-16-Z**

Dear Mr. Turco:

Having reviewed the above noted Notice of Application regarding Sault Holdings application to rezone the subject property from "C.4.S. 162", (General Commercial with a Special Exception) to "C.4.S.", (General Commercial); my concerns are as follows:

- a. That the proposed vehicles are stored within a building and not simply parked on the lot.
- b. That there is a provision for a 25 ft minimum, green buffer that includes mature trees be kept in place along the southwest side bordering the residential properties (Louise Avenue and Queen Street East) adjacent to the subject property. This would be in addition to the "visual buffer requirements" noted for outdoor storage in the Proposed Change.
- c. That there isn't any abnormal or excessive noise levels resulting from transport of vehicles, repairs or snowplowing.

My personal concern regarding this application is the visual and environmental impact on our residential subdivision. I think the Planning Division and City Council are aware of the immediate impact the complete removal of trees and brush from the area directly across from the East End Sewage Plant had on the residents in our area when the outdoor storage facility on the property adjacent to the east side of this subject property was built. The overwhelming, putrid odour from the sewage plant drove neighbouring residents indoors ruining family events not to mention everyday living.

Hopefully we have all learned a lesson from that construction (or rather, destruction) and the Planning Division and City Council will put measures in place to prevent another environmental oversight.

We have also seen the consequences of the Bennett Blvd. fence built by a subdivision contractor with good intentions of providing privacy. Instead it became a target for vandals and an eyesore. A tree line buffer would provide a visual barrier for the neighbours should the storage facility fall into disrepair due to unforeseen circumstances.

Without a green space buffer, this proposed General Commercial property will touch the residential backyards bordering it, removing all privacy for these families. It will also, obviously, affect the property values for a currently desired residential location.

Respectfully,

A handwritten signature in blue ink that reads "Ron T. Mills". The signature is fluid and cursive, with "Ron" on the first line and "T. Mills" on the second line.

Ron T. Mills

**Mrs. Katherine Contini  
203 Louise Avenue  
Sault Ste. Marie, ON  
P6A 5X1**

**Via Electronic Mail to s.turco@cityssm.on.ca**

December 6, 2016

**Corporation of the City of Sault Ste. Marie  
99 Foster Drive  
Sault Ste. Marie, ON P6A 5X6**

**Attention: Steve Turco**

Dear Mr. Turco:

**Re: 65 Simon Avenue (Queen Street Frontage)  
Application No.: A-18-16-Z  
Applicant: Sault North Holdings**

Further to your notice of a public meeting on December 12, 2016, I write to provide input with respect to the above application. I own the home at 203 Louise Avenue, which backs directly on to the subject property. My late husband and I purchased our home in 1975, and my family and I have resided there ever since.

The subject property is largely surrounded by a pleasant and quiet residential neighbourhood, and I am very concerned that the application not adversely impact the neighbourhood's character. I know that many of my neighbours share this concern.

The subject property is also presently vacant, and contains numerous mature trees that provide an important visual and noise barrier that effectively screen our neighbourhood from the traffic on Queen Street, as well as from the water treatment facility located on the other side of Queen Street.

If the application is approved, all appropriate steps should be taken to maintain that visual and noise barrier. I understand that one of my neighbours called the City to inquire about the "visual buffer requirements" referred to in your notice, and was told that the applicant intends to use trees to provide that barrier. Trees will take some time to grow, and I would much prefer that the applicant also erect an appropriate fence to screen the subject property from our neighbourhood.

I am also concerned by the reference in the notice that the application is being made to allow personal storage "in association with a Motor Vehicle Sales and Parts Dealer". I am not entirely clear what that is intended to mean, but at a minimum it suggests that there is likely to be significant vehicle traffic on the subject property. If so, and particularly if vehicle sales or repairs are to be carried out on the site, it is especially important that appropriate visual and noise barriers be installed.

Thank you for your consideration. If you have any questions or require any additional information, please do not hesitate to contact me.

Yours truly,

[Signed]

Katherine Contini

SAULT STE. MARIE  
ECONOMIC DEVELOPMENT CORPORATION

Board of Directors' Meeting

Monday, December 5, 2016  
Russ Ramsay Board Room – Third Level – Civic Centre  
11:30 am.

CLOSED SESSION

AGENDA ITEM 2.1

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Moved by: Bill Frieburger

Seconded by: Paul Skeggs

Pecuniary Conflict: Terry Rainone

Resolved that the SSMEDC Board of Directors recommends that City Council approve \$100,000 in 2017 and \$100,000 in 2018 from the Economic Development Fund (EDF) to The Createch Group for their proposed \$2.897 million Innovative Cloud Excellence Centre (ICE) Project [Services 365], conditional on approval of the company's NOHFC and FedNor funding requests.  
CARRIED.

December 5, 2016

To: Board of Directors  
Sault Ste. Marie Economic Development Corporation

From: Tom Dodds, CEO  
Sault Ste. Marie Economic Development Corporation

**Re: DRAFT EDF Request – Createch Innovative Cloud Excellence Centre (ICE) Project [Services 365]**

**I. SUMMARY:**

The Montreal-based [Createch Group](#) is requesting \$200,000: (\$100,000 for 2017 and \$100,000 for 2018) from the Sault Ste. Marie Economic Diversification Fund to support the establishment a new IT business services and consulting center in Sault Ste. Marie at a cost of \$2.897 million.

Unlike a typical business processes outsourcing company (BPO), the Createch business model supports an SME’s “in-house” efforts to implement and use a new series of Microsoft business services software products, collectively known as [Microsoft Dynamics 365](#) - released on Nov. 1, 2016. Createch’s “Services 365” office in Sault Ste. Marie will provide remote SME customer training, advisory and consulting services on the application new Microsoft enterprise management software and “Cloud” technology.

The Sault Ste. Marie project is expected to commence in 2017 with approximately 30 employees in 2017 - growing to 50 over two years. Projections show employment increasing to roughly 120 – 225 employees by 2021, depending on demand.

**II. PROJECT INFORMATION**

**Company:**

The Createch Group ([www.thecreatechgroup.com](http://www.thecreatechgroup.com)) is a consulting service firm specialized in operational performance improvement as well as in the integration of business management systems, including SAP, Microsoft Dynamics, Oracle JD Edwards and Maximo. The Createch Group serves its client across Canada from its Ottawa, Hamilton, Mississauga, Calgary and Quebec City offices. The enterprise’s headquarter is located in Montreal. It has over 200 expert consultants, 1,200 Business Clients in Canada and in other jurisdictions, as well as and has undertaken over 2,200 successful projects to date.

The Createch Group is a subsidiary, 100% owned by Bell Canada (BCE). It acquired Createch in September, 2005 to consolidate Bell’s existing suite of wireless data solutions and to help the company expand its Enterprise wireless data portfolio. In its 2005 press release, BCE described Createch as a the consulting firm that offers services in manufacturing and logistics performance improvement, process reengineering, change management and information technology solution implementation.

According to the Createch website, its mission is to significantly improve the profitability of its clients through the optimization of their business processes and the implementation of world-class software solutions. Createch services range from operational performance improvement, enterprise resource planning (ERP) and customer relationship management (CRM) to asset management solution implementation.

Mario Chabot is General Manager-Microsoft, for the Createch Group and project lead. During his career he was employed by Electronic Data Systems (EDS), an American multinational information technology equipment and services company. At that time, he was involved in an Sault Ste. Marie EDS, which eventually led to the creation of the Sault Ste. Marie Innovation Centre. It was as a result of this experience that he considered the City as a potential location for this Createch new office.

The Createch website notes that Mr. Chabot has over 30 years of experience in the field of information technology and over 20 years in management. He has worked on different managerial projects, particularly in the management of service delivery in IT consulting firms. He has executed under different delivery models, including public-private partnerships (PPPs); managed and supervised consulting projects; systems development, software integration and systems maintenance in Canada and abroad. Mr. Chabot holds a Bachelor's degree in Computer Engineering and a Master in Business Administration (MBA). He also is an accredited PMP (Project Management Professional).

Please refer to **Attachment A** for additional background information.

**Project:**

With its release of [Microsoft Dynamics 365](#) (D365) this fall, Createch is moving forward with plans to establish a customer service centre by April 2017 and has identified Sault Ste. Marie as a competitive location. Company proposes to initially locate in temporary offices downtown in the SSMIC's Accelerator Incubator on Queen Street and start its client support operations here. The company currently provides D365 client support from its Montreal office.

As part of its capacity building efforts, the company is promoting a unique partnership between the Createch Group (a Bell Canada company), Microsoft, the Sault Ste. Marie Innovation Centre, government and academic partners, to create a new support centre (*referred to as the ICE Centre or Services 365*) with the following community benefits:

- Creation knowledge/technology jobs in Sault Ste. Marie, aligning with community, provincial and federal growth strategies;
- Building a foundation of technology support services that will grow and evolve over time to deliver niche market applications;
- Training the next generation of technology, business and sales talent; and,
- Creating a development path and pipeline of trained professionals for enterprise solution sales.

## **Createch: The Sault Ste. Marie Advantage / Opportunity**

The ICE Centre is a growth initiative for Createch and complimentary to their current offerings. Other IT firms are preparing to move into this SME enterprise management market. Createch's strategy is to position itself in the market to capture a significant share as early as possible.

According to information provided by Createch and based on its own analysis and due diligence, Sault Ste. Marie presents itself as an ideal location for it to operate for the following reasons:

- Doing business in SSM is on average 37% cheaper than in large Canadian cities
- A lot of people want to live in smaller communities, closer to nature
- Currently there is no direct competition in the area for Dynamics (365)
- There is a stable local work force
- There is a large college and 2 Universities in the area offering IT, Accounting and Marketing programs to feed the center with well trained resources
- Population is mainly English but there are many French communities in the area
- There are government funding sources to help establish a new IT business in SSM
- The City and stakeholders welcome the initiative

### **Other Economic and Community Benefits:**

The proposed collaboration between The Createch Group, Algoma University and Sault College, will help to attract students for specific training and provide a direct path to employment.

There are future economic development benefits as The Createch Group develops intellectual property through the development of extensions - which will be marketed and sold worldwide.

This project aligns itself very well with the strategic priorities of the current ICT Strategy for Sault Ste. Marie and the economic diversification efforts of the Sault Ste. Marie Innovation Centre and the Sault Ste. Marie Economic Development Corporation.

The ICE Centre represents a significant opportunity for Sault Ste. Marie to be on the ground floor of an expanding cloud platform that will be offered globally.

### **III. ANALYSIS**

#### **The Company:**

Preliminary SSMEDC due diligence indicates that Createch has a demonstrated track business record, supported by BCE's decision to acquire the company in 2005 and Createch's plan to support Microsoft Dynamics 365 enterprise management software suite of products designed to aggressively compete with similar types of products focused on the SME market.

#### **The Project:**

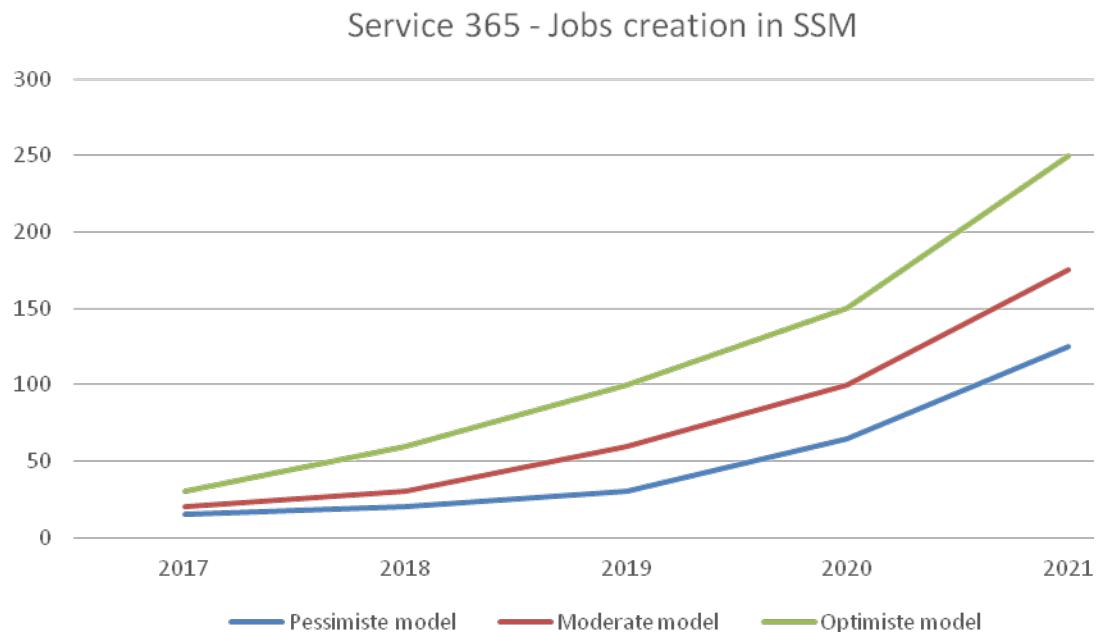
The company is requesting the EDF Funds to support the hiring of approximately 30 employees to start the business. Approximately half the positions (15) are entry level and the other are experienced, highly IT professionals. Createch is looking to the graduates of local post-secondary school graduates IT, Accounting and Marketing programs to staff these positions as

well as recruiting from outside the community, particularly for the higher level positions. The company is also in discussions with local post-secondary institutions to house their operation and assist in building this IT human resource capacity.

The EDF monies would assist Createch subsidize their salaries in the first two years of operation. This translates to approximately \$6,667/employee/year. The investment is intended to set the stage for a growing IT software advisory and consulting service centre in the City.

**EDF Funding Criteria for the Use of the Fund:**

**Job Creation:**



- This initiative plans on creating 30 positions in the first year, 50 in the second and between 120 – 250 depending on the demand and level of growth in the use and application of the Microsoft Dynamics 365. Please refer to the attached list of positions proposed for the first year of operations.

Full Time Equivalent jobs	Salaries with Fringe	2017	2018
General Manager of Services 365 [Program Manager] - Part Time	109 800,00 \$	1,00	1,00
Operation Manager (\$30M) [System Analyst Onboarding/Support]	122 000,00 \$	1,00	1,00
Floor Manager (\$3FM) [System Analyst for Marketing/Sales]	109 800,00 \$	1,00	1,00
Information Technology Manager (\$3ITM) [Solution Architect]	109 800,00 \$	1,00	1,00
Finance/Administrative Coordinator	67 100,00 \$		1,00
Human Resource Coordinator	67 100,00 \$	1,00	1,00
System Administrator	67 100,00 \$	1,00	1,00
Internships	33 000,00 \$	2,00	2,00
Marketing and Sales Agents	39 040,00 \$	1,00	3,00
Onboarding and Support Agents	39 040,00 \$	3,00	6,00
Marketing/Sales Agents for Framework	39 040,00 \$	1,00	1,00
Onboarding/Support Agents for Framework	39 040,00 \$	1,00	1,00
Project Manager 1	97 600,00 \$	1,00	1,00
Jr. Analyst 1	39 040,00 \$	1,00	1,00
Jr. Developer 1	39 040,00 \$	1,00	1,00
Sr. System Analyst 1	91 500,00 \$	1,00	1,00
Sr. Developer 2	91 500,00 \$	1,00	1,00
Jr. Analyst 2	39 040,00 \$	1,00	1,00
Jr. Developer 2	39 040,00 \$	1,00	1,00
Int. Developer 1	54 900,00 \$		1,00
Jr. Analyst 3	39 040,00 \$		1,00
Jr. Developer 3	39 040,00 \$		1,00
<b>Total Ressources</b>		<b>21,00</b>	<b>30,00</b>

### Tax Assessment:

Increased tax assessment revenue would primarily come from new employees, who purchase new or existing homes. Based on current plans there would be little if any revenue from new assessment resulting from construction of new facilities to house Craetech's operations.

### Economic Benefits:

- Promoting economic diversification and supporting the establishment of a new business that supports new products, services and innovation;
- Contributing the sustainability and expansion of The Createch Group locally; and
- Supporting the City's innovation knowledge-based sector by creating the environment for business development and support for new economic cluster development.

This project supports the **Growth Plan for Northern Ontario** and efforts by the Province, federal and municipal governments, academic partners, private and not for profit partners, to grow and diversify the knowledge-based economy sector by capitalizing on Sault Ste. Marie's advantages of strategic location, cost of doing business, and a stable workforce, while encouraging the development and application of innovative technologies.

This project will create new technology jobs in Sault Ste. Marie aligning with community, provincial and federal growth strategies. Thirty new jobs are projected to be created by Year 2, followed by additional 90-220 new jobs within the next five years. These are well-paying positions within the knowledge based sector. There will also be spin offs to the community in the form of the purchase of materials, services and supplies.

### Economic and Community Benefits:

- The project makes Sault Ste. Marie more competitive in the technology and knowledge-based service industry;

- Enables Sault Ste. Marie to diversify and grow local services;
- Creates high tech and well paying positions;
- Builds a foundation of technology of support services that will grow and evolve to deliver niche marketing applications;
- Train the next generation of technology, business and sales talent to support services
- Create a development path of trained professionals for enterprise solutions sales.

**Other Considerations:**

In reviewing this request for EDF assistance from The Createch Group for \$200,000, this project meets the criteria for the use of the EDF fund. In addition, the following factors were taken into consideration:

- This EDF request would appear to fit with the community's overall efforts consistent with the City and Growth Plan strategic priorities in ICT;
- The community will gain a viable company in The Createch Group with future expansion plans;
- The assistance of this EDF application supports and leverages other funding applications with NOHFC, and FedNor contributions.
- This kind of community financial support is necessary to be competitive with other communities in other jurisdictions.

**Proposed Funding Partners:**

The proposed funding partners for this EDF request are as follows:

Budget	Year 1	Year 2
<b><i>Funding</i></b>		
NOHFC - Business Expansion	\$ 500,000	\$ 500,000
FedNor	200,000	200,000
SSM EDF	100,000	100,000
Createch - Bell	325,000	325,000
Microsoft	75,000	75,000
	\$ 1,200,000	\$ 1,200,000
<b><i>In Kind Contributions</i></b>		
Createch - Bell	437,303	59,902
<b><i>Annual Total</i></b>	<b>1,637,303</b>	<b>1,259,902</b>
<b><i>Grand Total</i></b>		<b>2,897,205</b>

**Details of Project Costs:**

Project Costs	Year 1	Year 2
Salaries	\$ 793,000	\$ 848,000
Furniture	100,000	50,000
Skype Telephone System	25,000	25,000
Computers	62,000	22,000
Microsoft Licences	75,000	75,000
Leases	90,000	120,000
Marketing	30,000	45,000
Supplies	25,000	15,000
In Kind Costs - Createch	437,303	59,902
<b>Total Project Costs</b>	<b>1,637,303</b>	<b>1,259,902</b>
<b>Grand Total</b>		<b>2,897,205</b>

**Details of Createch “In Kind” contribution:**

Item	2017	2018
Transfert of manufacturing extension into S365 developed in Montreal	250 000,00 \$	
Transfert of Onboarding business process, tools and material developed in Montreal	25 000,00 \$	
Internal department initial supports (Finance, RH, IT)	31 932,69 \$	14 901,92 \$
AZURE consultants initial support and knowledge transfert	16 557,69 \$	
Web/marketing/sales consultants initial support and knowledge transfert	15 375,00 \$	
Onboarding & Support consultants initial support and knowledge transfert	15 375,00 \$	
Extension development consultants initial support and knowledge transfert	23 062,50 \$	
Travel & Living costs of Createch consultants	60 000,00 \$	45 000,00 \$
<b>Yearly Total :</b>	<b>437 302,88 \$</b>	<b>59 901,92 \$</b>
<b>Grand Total :</b>		<b>497 204,81 \$</b>

**Recommendation:**

The SSMEDC Board of Directors recommends that City Council approve \$100,000 in 2017 and \$100,000 in 2018 from the Economic Development Fund (EDF) to The Createch Group for their proposed \$2.897 million Innovative Cloud Excellence Centre (ICE) Project [Services 365], conditional on approval of the company's NOHFC and FedNor funding requests.



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Microsoft Dynamics 365  
Innovative Cloud Excellence Centre (ICE) Project  
(Services 365)  
December 1, 2016

## Sault Ste. Marie Economic Diversification Fund

Application

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**The Createch Group**  
A Bell Canada COMPANY



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## 1. Project Identification

<b>File Number :</b>	N/A
<b>Project Name :</b>	Innovative Cloud Excellence Centre (ICE) Project - Services 365
<b>Type of Business /NAICS:</b>	For Profit / Corporation
<b>Project Location :</b>	Sault Ste. Marie, ON, Canada
<b>Applicant/Organization :</b>	The Createch Group
<b>Lead Contact :</b>	Mario Chabot
<b>Contact Info :</b>	Email : mario.chabot@groupecreatech.com Phone: 514.937.5733 Fax : 514.937.9201
<b>Address :</b>	1 Carrefour Alexander-Graham-Bell, E Bldg. Montreal (Verdun) H3E 3B3

## 2. Project Summary (Project description, background and purpose)

The launch of the Microsoft Dynamics 365 (D365) cloud environment creates a tremendous opportunity to deliver advanced technology solutions to SME's. A unique partnership is being developed between The Createch Group (a Bell company), Microsoft, the Sault Ste. Marie Innovation Centre and other community stakeholders to create a new service centre that has the potential to create tremendous benefits including:

- Creating new technology jobs in Sault Ste. Marie aligning with community, provincial and Federal growth strategies.
- Building a foundation of technology services that will grow and evolve over time to deliver niche market applications; support future offerings such as ERP, CRM and BI.
- Training the next generation of technology, business and sales talent to support D365.
- Creating a development path and pipeline of trained professionals for enterprise solution sales and services.
- Helping SMB clients adopt the D365 solutions.
- Driving new sales of D365 licenses.
- Enabling other partners, worldwide, to take advantage of a white label D365 solution in their sales offering.

**Services 365** is now the official name of the ICE Center project. The development of Services 365 will come about through a unique partnership between private sector, non-profit, government and academic partners. It is critical to note that this project strategically aligns with the vision of stakeholders in the city of Sault Ste. Marie and the goals of The Createch Group (a Bell company) and Microsoft to launch this next generation service.

The partners envisioned to take part in this initiative, in brief, include:

- The Createch Group (a Bell company) - As a Canadian leader in business transformation, its mission is to significantly improve the profitability of its clients through the optimization of their processes and the implementation of world-class software solutions.
- Microsoft – Microsoft's mission is to enable people and businesses throughout the world to realize their full potential. Microsoft delivers on that commitment by striving to create technology that is accessible to everyone—of all ages and abilities. Microsoft is one of the industry leaders in accessibility innovation and in building products that are safer and easier to use. The Microsoft Business Division produces Microsoft Office and complementary products like Project, MapPoint, InfoPath and OneNote. The division also develops enterprise resource planning (ERP) software for companies under the Microsoft Dynamics brand: Microsoft Dynamics AX, Microsoft Dynamics NAV, Microsoft Dynamics GP, and Microsoft Dynamics SL. Also included under the Dynamics brand is the customer relationship management software Microsoft Dynamics CRM. All the Microsoft Business products are now being migrated on the Azure Services Platform.
- Sault Ste. Marie Innovation Centre – a not for profit organization with a mandate to grow the science and technology sector in the Algoma District. Established in 1999, the

organization provides business support services, operates a business incubator and undertakes strategic market development projects in the region. Established in 1999, and now employing 43 staff, the organization is a dynamic force for the development of the I.T. sector with a track record of collaboration with private sector partners on major projects.

- Sault College – Sault College has been ranked first or second overall for the past five years by students in the annual Key Performance Indicator (KPI) survey conducted province-wide. Sault College grants Ontario College certificates, diplomas, advanced diplomas, graduate certificates, and degrees to its graduates. The College is the largest deliverer of apprenticeship training in all of Northern Ontario and educates over 2300 full-time and 4000 part-time students each year.
- Algoma University - Established in 1965 as Algoma University College, an affiliate of Laurentian University, AU has been educating the people of Northern Ontario for over 50 years. In 2008, AU was granted its charter, becoming an independent degree-granting institution. AU offers over 30 different academic programs, spanning the liberal arts, sciences, and professional disciplines. All of the programs offer undergraduate research opportunities and hands-on learning. With under 1,600 students, classes are capped at 75 students, even in first year, meaning that students have more one-on-one interactions with knowledgeable and caring faculty.
- Corporation of the City of Sault Ste. Marie - Sault Ste. Marie is a border city of approximately 75,000 people located in a stunning part of Ontario. The City's recent strategic plan has a vision to be the leading, innovative, dynamic municipality in Ontario and the City is aggressively working to modernize its economy to diversify from its traditional manufacturing roots. The city has a base of technology professionals through the presence of Ontario Lottery and Gaming; Canadian Bank Note Corporation and a number of I.T. SMB's. Sault Ste. Marie is also a leading alternative energy community with major wind, solar and hydro generation facilities, a solar panel manufacturing plant and advanced energy technology pilot projects.

### **Proven Track Record**

The Sault Ste. Marie Innovation Centre and The Createch Group (a Bell company) General Manager, Mario Chabot, have previously collaborated on an advanced technology project that resulted in the creation of an advanced multi-enterprise GIS solution for the City of Sault Ste. Marie and the SSM PUC. This collaboration produced the Community Geomatics Centre, an internationally awarded business unit of SSMIC that has created a community information utility that serves health, social service, economic development clients among other industry customers. This group now has eighteen employees and is conducting work across Canada.

More recently, SSMIC has undertaken a \$2M project with Canadian Bank Note Corporation to develop a new charitable bingo platform and play on demand games. SSMIC is also undertaking a new project with Essar Steel on an I.T. modernization initiative.

Services 365 would represent the largest project undertaken with the potential for significant job creation in the community. It would leverage smaller, past success and launch a revolutionary

platform for growth in the community. It is thought that this initiative could create 80 to 200 jobs within five years. This would have a tremendous, positive effect on the community and serve as a catalyst for the transformation to the knowledge economy that the community is proactively seeking.

### **Training the Next Generation**

A major appeal of the project is the opportunity to develop a pipeline of talent for Microsoft cloud services. Through a true community-wide collaboration, it is envisioned that Sault Ste. Marie stakeholders will utilize this project and the recognition of Bell and Microsoft brands to establish a platform to train youth; repatriate young professionals that have left the community and attract young professionals to the community. In the immediate term, Sault College and Algoma University are keen to collaborate with Microsoft to integrate curriculum and training using the Academic Excellence program. Even further back, SSMIC conducts outreach programs to elementary and high school students to foster interest in the technology sector through programs such as Hour of Code; science and technology expo's and science festivals to build a pipeline of talent with strong support from the local school boards.

Discussions with The Createch Group (a Bell company) and Microsoft have also revealed that the talent utilized within Services 365 could also provide a pipeline for talent for more sophisticated ERP engagements. Another compelling feature of Services 365 is that it will employ not just technical staff but also business professionals with accounting, sales and marketing skill sets.

### **Project Collaboration**

Project collaborators will work swiftly to establish Services 365. SSMIC will partner directly with the Createch Group to develop this exciting new project. This industry extension will operate on the platform developed by the Createch Group and be marketed in the Microsoft app store making it available to global clients.

### **Summary**

This project represents a significant opportunity for Sault Ste. Marie to get in on the ground floor on an expanding cloud platform offered globally. Microsoft and the Createch Group (a Bell company) are two significant organizations that will bring national attention to Sault Ste. Marie and represent a game-changing development for the development of Sault Ste. Marie's technology sector. We are requesting an exception be made to the program to enable this exceptional project to proceed.

### **3. Business Overview (facility, suppliers, employment)**

Services 365 is a new type of IT consulting firm. It does all its services remotely from Sault Ste. Marie. This provides a very attractive business model to reduce costs while providing advanced consulting values.

Services 365 is responsible for 5 major business processes: marketing, selling, onboarding, supporting and extending Dynamics 365 (Business Edition). All business processes are executed for Createch; however, all business processes can also be outsourced to other Microsoft Cloud Service Provider (CSP) partners (white labelled services). All services will be offered in English and in French. Initially, Services 365 will concentrate on the Canadian market; however, services will soon be offered to U.S. based Microsoft partners.

Services 365 will initially be located in the Sault Ste. Marie Innovation Center Incubation site: 258 Queen Street East, Sault Ste. Marie. At summer 2018, Services 365 would then move in Level 3 E Wing of the new IE3 building at Sault College (443 Northern Avenue, Sault Ste. Marie).

Services 365 is a business based on Cloud technologies. There will be no servers or traditional phones in the facility. All services will be provided using Microsoft Cloud technologies: Office 365 (including Skype for business), Dynamics 365 (ERP and CRM). All employees will use Skype for Business to communicate with Clients (using headsets). Phone switching technologies will also be Cloud and integrated with Skype for Business. The only IT infrastructure required is a large bandwidth Internet feed and a local area network. Furniture and computers will be acquired locally.

It is estimated that Services 365 will employ at least 30 employees after 2 years. The table below present the job targeted by the project and related salaries (including fringe):

Full Time Equivalent Jobs	Salaries with Fringe	2017	2018
General Manager of Services 365 [Program Manager] – P/T	\$109,800.00	1	1
Operation Manager (S30M) [Systems Analyst Onboarding/Support]	\$122,000.00	1	1
Floor Manager (S30M) [System Analyst for Marketing/Sales]	\$109,800.00	1	1
Information Technology Manager (S3ITM) [Solution Architect]	\$109,800.00	1	1
Finance/Administrative Coordinator	\$67,100.00	1	1
Human Resource Coordinator	\$67,100.00	1	1
System Administrator	\$67,100.00	1	1
Internships	\$33,000.00	1	1
Marketing and Sales Agents	\$39,040.00	1	1
Onboarding and Support Agents	\$39,040.00	1	1
Marketing/Sales Agents for Framework	\$39,040.00	1	1
Onboarding/Support Agents for Framework	\$39,040.00	1	1
Project Manager 1	\$97,600.00	1	1
Jr. Analyst 1	\$39,040.00	1	1
Jr. Developer 1	\$39,040.00	1	1
Sr. System Analyst 1	\$91,500.00	1	1

## Services 365 – Sault Ste. Marie Economic Diversification Application

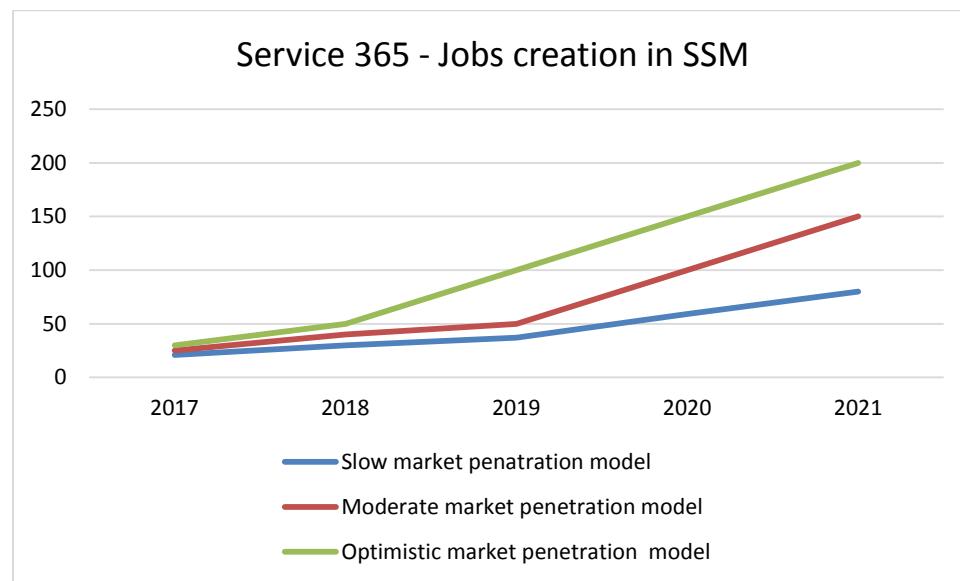
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Sr. Developer 2	\$91,500.00	1	1
Jr. Analyst 2	\$39,040.00	1	1
Jr. Developer 2	\$39,040.00	1	1
Int. Developer 1	\$54,900.00		1
Jr. Analyst 3	\$39,040.00		1
Jr. Developer 3	\$39,040.00		1
<b>Total Resources</b>		<b>21</b>	<b>30</b>

#### 4. Project Benefits (Jobs, Community, Industry, Alignment)

The core benefits of Services 365 are modern, attractive and well paid IT jobs. Services 365 is expected to create between 125 and 250 jobs within five years. Services 365 is not just offering good quality jobs but also a career path leading to the highest paid job in the IT market: Enterprise Resource Planning experts (ERP).

Different models have been developed to forecast the number of job created. The following figure illustrated the anticipated job creation curves based on three predictive models:



The Sault Ste. Marie area business community will also benefit from the presence of Services 365. A major appeal of the project is the opportunity to develop a pipeline of talent for Microsoft Cloud services. Through a true community-wide collaboration, it is envisioned that Sault Ste. Marie stakeholders will utilize this project and the recognition of Bell and Microsoft brands to establish a platform to train youth; repatriate young professionals that have left the community and attract young professionals to the community.

In the immediate term, Sault College and Algoma University are keen to collaborate with Microsoft to integrate curriculum and training using the Academic Alliance program. The advantages of this relationship are bidirectional. The Sault Ste. Marie academic institutions will produce students with the right skills and knowledge for Services 365. On the other side, the Microsoft Dynamics enabled curriculum of the College and University will help them attract more students.

SSMIC already conducts outreach programs to elementary and high school students to foster interest in the technology sector through programs such as Hour of Code; science and technology expo's and science festivals to build a pipeline of talent with strong support from the local school boards. SSMIC will add Dynamics 365 career path to their existing efforts of fostering interest in IT.

Discussions with The Createch Group (a Bell company) and Microsoft have also revealed that the talent utilized within Services 365 could also provide a pipeline for talent for more sophisticated ERP engagements. Another compelling feature of Services 365 is that it will employ not just technical staff but also business professionals with accounting, sales, HR and marketing skill sets.

### **Related Initiatives:**

Services 365 will generate related initiatives in the coming years like Online training, Hybrid services to Createch, New offerings and New outsourcing services. Here are a few examples of these related initiatives to come:

1. **Online training:** The first related project is already being discuss and will involve Sault College, Microsoft and Services 365. Microsoft is funding Services 365 to develop online Training material to promote, educate and train CPE organisations across Canada for a major marketing campaign that will start in January 2017. Services 365 will also need to develop Online Training for the Extensions to be developed as part of Services 365 projects.
2. **Hybrid services:** An important aspect of Createch investment into Services 365 is not only to develop a new type of services but also to modernize its existing base of services. By fall 2017, Createch will start to use Services 365 to hybrid services (Mix of remote and onsite services) to its traditional base of clients to reduce costs and become more competitive. This initiative will drive new revenues and job toward Services 365 from traditional projects delivered in Ontario and Quebec.
3. **New offerings:** Microsoft has already announced the release of complementary CRM modules of the Dynamics 365 suite in 2017. These two modules will be added to the offerings of Services 365. Microsoft also recently committed to include all the existing modules of Dynamics NAV into Dynamics 365 in 2018, adding new offerings to Services 365 in 2018.
4. **New outsourcing services:** At the beginning, Services 365 is only offering to outsource its Onboarding and Supporting processes. However, by the end of 2017, Services 365 will start to offer its Cloud Marketing and Sales Services to other partners as well as its Extending services to become a near shore Extension development center for Canada and US based CSP partners.

All these related initiatives are not taken into account in the current budget or job creation forecast but will contribute to the expansion of Services 365 in years to come.

Finally, the alignment of the project is clearly with the digital economy but also with the capacity of creating high quality IT jobs in the community and offering opportunities to Northern Ontario youth to stay and prosper in the community.

## 5. Project Budget (Budget, Funding and Company financials)

The project budget and cost is summarized in the table below. Note that the exact timing of revenues and costs might slightly move between year one and two.

Budget	Year 1	Year 2
<b>Funding</b>		
NOHFC - Business Expansion	\$ 500,000	\$ 500,000
FedNor	200,000	200,000
SSM EDF	100,000	100,000
Createch - Bell	325,000	325,000
Microsoft	75,000	75,000
	\$ 1,200,000	\$ 1,200,000
<b>In Kind Contributions</b>		
Createch - Bell	437,303	59,902
<b>Annual Total</b>	1,637,303	1,259,902
<b>Grand Total</b>		2,897,205

### Details of project Costs:

Project Costs	Year 1	Year 2
Salaries	\$ 793,000	\$ 848,000
Furniture	100,000	50,000
Skype Telephone System	25,000	25,000
Computers	62,000	22,000
Microsoft Licences	75,000	75,000
Leases	90,000	120,000
Marketing	30,000	45,000
Supplies	25,000	15,000
In Kind Costs - Createch	437,303	59,902
<b>Total Project Costs</b>	1,637,303	1,259,902
<b>Grand Total</b>		2,897,205

**Details of Createch “In kind” contribution:**

Item	2017	2018
Transfer of manufacturing extension into S365 developed in Montreal	\$250,000.00	
Transfer of onboarding business process, tools and material developed in Montreal	25,000.00	
Internal department initial supports (Finance, HR, IT)	31,932.69	\$14,901.92
AZURE consultants initial support and knowledge transfer	16,557.69	
Web/marketing/sales consultants initial support and knowledge transfer	15,375.00	
Onboarding and support consultants initial support and knowledge transfer	15,375.00	
Extension development consultants initial support and knowledge transfer	23,062.50	
Travel and living costs of Createch consultants	60,000.00	\$45,000.00
<b>Yearly Total:</b>	<b>\$437,302.88</b>	<b>\$59,901.92</b>
<b>Grand Total:</b>		<b>\$497,204.81</b>

On top of the project Budget, there are the revenues generated by the operation of Services 365 which will be reinvested by Createch to create more jobs if the market penetration (see Jobs figure in section 4) is better than the “Slow market penetration model” used to produce a base estimate of this project.

## 6. Project Implementation Plan

The project is managed by Mario Chabot, General Manager of the Createch Microsoft Business Application group. The implementation of Services 365 has started in Montreal and the preliminary work executed prior to Phase I will be transferred to the Sault Ste. Marie location of Services 365 when NOHFC Phase II is approved.

Here is a summary list of the work already done:

1. Developed Small Manufacturing extension.
2. Developed an overall architecture design of the 5 key business processes: Marketing, Selling, onboarding, Supporting and Extending.
3. Developed a detailed design of the Onboarding process along with training material.
4. Set up the initial Cloud CRM solution to track leads, opportunities and clients (without optimizations)
5. Set up the Cloud Telephone switching solution (without optimizations).
6. Negotiated and signed first outsources CSP Client (White Label): Sherweb.
7. Initiated negotiation with 5 other CPS partners (Bell Canada SMB, Solulan, ESWilliams, DansLeNuage.Quebec, RCGT).
8. Developed financial model for Municipal and Paramedical extensions.
9. Established a partnership with Microsoft to develop and support a marketing campaign targeting CPA across Canada to generate Leads toward Services 365.
10. Currently developing a related project with Sault College and Microsoft to develop Online training material on Dynamics 365.

At the time of writing this document, Services 365 is already up and running in a temporary location in Montreal. Here is a summary list of the work that will be accomplished between now and the approval of Phase II envisioned at the end of January:

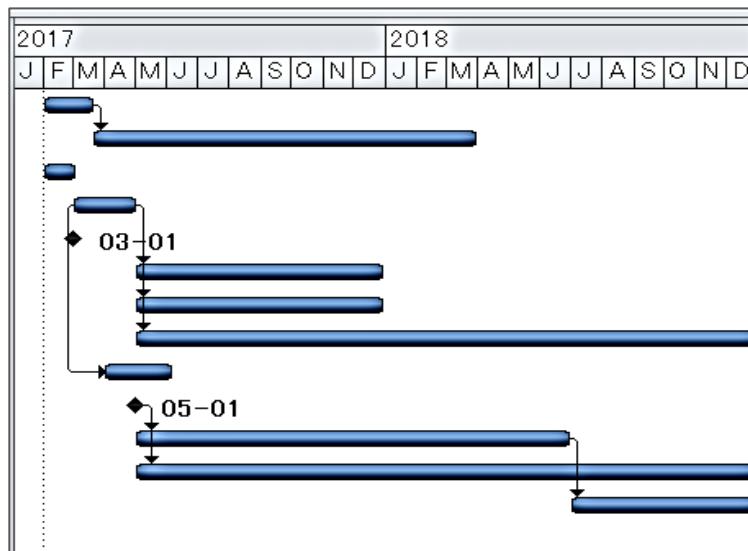
1. Continue operating Services 365 from Montreal.
2. Continue negotiating with other potential CSP Client.
3. Continue working on the CPA campaign with Microsoft.
4. Continue working on the Online Training project with Sault College and Microsoft.
5. January 15, 2017: Release of a first “Teaser” Manufacturing Extension.
6. Develop job profiles for hiring process.
7. Continue detail planning of Services 365 deployment in Sault Ste. Marie.
8. Execute a first marketing campaign about Services 365.

## Services 365 – Sault Ste. Marie Economic Diversification Application

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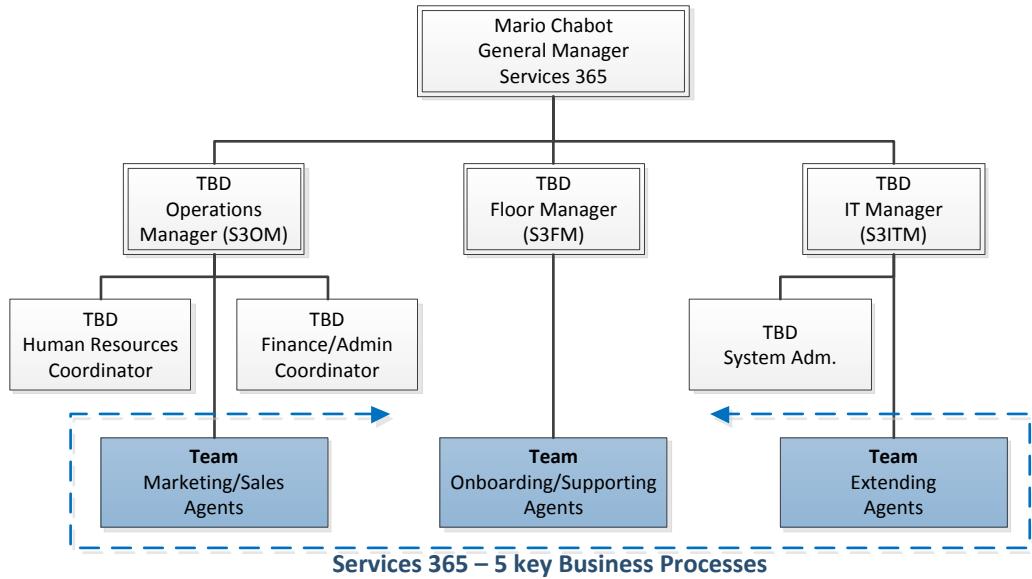
The next activities and milestones are (assuming Phase II approval in January 2017) presented on this Chart:

Task	Duration (days)	Start	End
Start SSM initial hiring process	30	17-02-01	17-03-21
Continue SSM hiring process for next phases	235	17-03-21	18-03-30
Start procuring furniture and computers in SSM	20	17-02-01	17-03-03
Installing and configuring SSMIC Incubation location	38	17-03-01	17-05-01
Release of the full manufacturing extension on MS AppSource	0	17-03-01	17-03-01
Start completing the S365 operational Cloud systems	152	17-05-01	17-12-29
Start working on Paramedical Extension	152	17-05-01	17-12-29
Start working on Small Municipality Extension	381	17-05-01	18-12-31
Execute knowledge transfer and initial training plan	40	17-03-31	17-06-05
Open Services 365 SSM location	0	17-05-01	17-05-01
Operate Services 365 from SSMIC Incubator location	266	17-05-01	18-06-28
Execute S365 Marketing campaigns	380	17-05-01	18-12-28
Move Service 365 to new IE3 building at Sault College	114	18-07-02	18-12-31



## 7. Project Management Overview

The project is managed by Mario Chabot, General Manager of the Createch Microsoft Business Application group.



The project is structured into 3 groups that split functional responsibilities with Services 365 business process execution.

### **General Management:**

The overall management of the project is under Mario Chabot. His responsibilities include reporting project performance to Createch and to funding agencies, representing Services 365 in the community and with partners and clients, providing visions and directions to the project and, finally, coordinating and supervising operations and delivery of services.

### **Operations:**

The Operations Manager is responsible for the administration of Services 365. Functionally, he is responsible for administration, finances and Human Resources aspects of the project. From a service standpoint, he is responsible for the Marketing and sales business processes. All Marketing and Sales agents report to Operations Manager.

### **Floor:**

The Floor Manager is responsible for the core business processes of Services 365: Onboarding and Supporting clients. The Floor manager does not really have a functional role in operating Services 365, his responsibilities are from a service standpoint. All Onboarding and Support agents report to the Floor Manager. This is eventually the largest team within Services 365.

**IT:**

From a functional standpoint, the IT Manager is responsible for the Cloud operation systems and network of Services 365. From a service standpoint, he is responsible for Extensions of Dynamics 365 services which are the development and support of Dynamics 365 Extensions. All extension development agents report to the IT Manager. During the first year of the project, this is going to be the largest group of Services 365; however, Floor services will likely take over in terms of size within the second year of the project.

## 8. Project Market Analysis and Plan

Initial market analysis was conducted only for Canada even though Services 365 market will eventually be extended to the USA and potentially into other French and English speaking countries. It is very important to understand that only Microsoft Cloud Services Provider partners are allowed to resale Dynamics 365 products (licences and extensions).

### **Market Needs:**

The needs of the market come from the fact that each company replace its ERP/Financial solution very 7 years on average. The replacement product offered by Microsoft is going to be a very attractive alternative on the market for the following reasons:

1. It is fully integrated with Office 365 providing operational performance optimization of up to 40% on certain roles.
2. Product cost is lower than competition.
3. It is 100% cloud, removing the needs for small companies and organization for having IT Infrastructure.
4. It works on all type of devices, including cell phones and tablets.

### **Competition:**

Service 365 does not have competition in Northern Ontario. All Microsoft CSP identified are in larger Canadian Cities. The “White Label” onboarding and supporting model is currently unique to Services 365.

### **Marketing Budget:**

Marketing will be done through 3 different channels:

1. Microsoft AppSource: Service 365 will promote its services on Microsoft AppSource where customer will be able to buy Dynamics 365 Extensions.
2. Services 365 will do Web and Social Media marketing campaigns. Budget is \$50 000 for the first 2 years and increasing after. The idea is that Microsoft will do a lot of marketing over the first 2 years to help the new product take off.
3. Microsoft is already promoting Services 365 to the other CSP partners in Canada because we are the only “White Label” service and the cost of entry in this service is very high (this is why we do this project with NOHFC).

### **Market, Product, Pricing:**

There are three different angles to look at Services 365 market:

1. Createch potential clients with direct sales of Dynamics 365 Licences and Services.
2. Potential Microsoft Cloud Services Providers: The potentials clients to subcontract services from Services 365 (white Label services).

3. Createch potential clients with Extension direct sales by targeted industries: Small municipalities and Paramedical services.

### **8.1. Potential Clients with Direct Sales for Dynamics 365 Licences and Services.**

Services 365 will market and sell Dynamics 365 licences directly. The strategy is to develop a web and social media presence and to execute marketing campaigns. We also have an agreement in place with Microsoft to specifically target accounting firms in Canada.

The initial market for Dynamics 365 is companies with 1 to 200 employees. As shown in the table below, there are over one million potential clients.

Number of Employees	1 to 4	5 to 49	50 to 249
Percentage by Category	51%	43%	5%
Number in Québec	119 238	100 972	10 502
Number in “Rest of Canada” (ROC)	465 497	394 189	40 998
Total Number of Companies	584 735	495 161	51 500

\* Source BDC 2015.

Services 365, through its different offerings, is expecting to gain about 0.5% of the market during the first 2 years.



December 6, 2016

To: Mayor Christian Provenzano and Members of City Council  
From: Tom Dodds, CEO, Sault Ste. Marie Economic Development Corporation  
Re: EDF Application – Createch Innovative Cloud Excellence Centre (ICE) Project (Services 365)

The attached application for Economic Diversification Funds (EDF) is to support an initiative that represents a significant opportunity for the development of Sault Ste. Marie's technology sector; the Innovative Cloud Excellence (ICE) Centre project has a proposed funding budget of \$2.897 million.

As this project is consistent with EDF Criteria and complements the City and Growth Plan strategic priorities in ICT; the Board of Directors of the Sault Ste. Marie Economic Development Corporation recommends this funding application in the amount of \$100,000 in 2017 and \$100,000 in 2018 be forwarded to City Council for their approval conditional upon approval of NOHFC and FedNor funding requests.

Attached, kindly find the following documents:

- EDF Application, Microsoft Dynamics 365, Innovative Cloud Excellence Centre (ICE)
- CEO Report to SSMEDC Board of Directors, December 5, 2016
- SSMEDC Board Resolution, December 5, 2016

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tom Dodds".

Tom Dodds, CEO





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**Microsoft Dynamics 365**  
Innovative Cloud Excellence Centre (ICE) Project  
(Services 365)  
December 1, 2016

## **Sault Ste. Marie Economic Diversification Fund**

**Application**

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**The Createch Group**  
A Bell Canada COMPANY



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## 1. Project Identification

<b>File Number :</b>	N/A
<b>Project Name :</b>	Innovative Cloud Excellence Centre (ICE) Project - Services 365
<b>Total Project Cost :</b>	\$2.9 Million
<b>Requested EDF Contribution :</b>	\$200,000.
<b>Contribution Type :</b>	Grant
<b>Type of Business /NAICS:</b>	For Profit (Business) Corporation
<b>Project Location :</b>	Sault Ste. Marie, ON, Canada
<b>Applicant/Organization :</b>	The Createch Group
<b>Lead Contact :</b>	Mario Chabot
<b>Contact Info :</b>	Email : mario.chabot@groupecreatech.com Phone: 514.937.5733 Fax : 514.937.9201
<b>Address :</b>	1 Carrefour Alexander-Graham-Bell, E Bldg. Montreal (Verdun) H3E 3B3

## 2. Project Summary (Project description, background and purpose)

The launch of the Microsoft Dynamics 365 (D365) cloud environment creates a tremendous opportunity to deliver advanced technology solutions to SME's. A unique partnership is being developed between The Createch Group (a Bell company), Microsoft, the Sault Ste. Marie Innovation Centre and other community stakeholders to create a new service centre that has the potential to create tremendous benefits including:

- Creating new technology jobs in Sault Ste. Marie aligning with community, provincial and Federal growth strategies.
- Building a foundation of technology services that will grow and evolve over time to deliver niche market applications; support future offerings such as ERP, CRM and BI.
- Training the next generation of technology, business and sales talent to support D365.
- Creating a development path and pipeline of trained professionals for enterprise solution sales and services.
- Helping SMB clients adopt the D365 solutions.
- Driving new sales of D365 licenses.
- Enabling other partners, worldwide, to take advantage of a white label D365 solution in their sales offering.

**Services 365** is now the official name of the ICE Center project. The development of Services 365 will come about through a unique partnership between private sector, non-profit, government and academic partners. It is critical to note that this project strategically aligns with the vision of stakeholders in the city of Sault Ste. Marie and the goals of The Createch Group (a Bell company) and Microsoft to launch this next generation service.

The partners envisioned to take part in this initiative, in brief, include:

- The Createch Group (a Bell company) - As a Canadian leader in business transformation, its mission is to significantly improve the profitability of its clients through the optimization of their processes and the implementation of world-class software solutions.
- Microsoft – Microsoft's mission is to enable people and businesses throughout the world to realize their full potential. Microsoft delivers on that commitment by striving to create technology that is accessible to everyone—of all ages and abilities. Microsoft is one of the industry leaders in accessibility innovation and in building products that are safer and easier to use. The Microsoft Business Division produces Microsoft Office and complementary products like Project, MapPoint, InfoPath and OneNote. The division also develops enterprise resource planning (ERP) software for companies under the Microsoft Dynamics brand: Microsoft Dynamics AX, Microsoft Dynamics NAV, Microsoft Dynamics GP, and Microsoft Dynamics SL. Also included under the Dynamics brand is the customer relationship management software Microsoft Dynamics CRM. All the Microsoft Business products are now being migrated on the Azure Services Platform.
- Sault Ste. Marie Innovation Centre – a not for profit organization with a mandate to grow the science and technology sector in the Algoma District. Established in 1999, the

organization provides business support services, operates a business incubator and undertakes strategic market development projects in the region. Established in 1999, and now employing 43 staff, the organization is a dynamic force for the development of the I.T. sector with a track record of collaboration with private sector partners on major projects.

- Sault College – Sault College has been ranked first or second overall for the past five years by students in the annual Key Performance Indicator (KPI) survey conducted province-wide. Sault College grants Ontario College certificates, diplomas, advanced diplomas, graduate certificates, and degrees to its graduates. The College is the largest deliverer of apprenticeship training in all of Northern Ontario and educates over 2300 full-time and 4000 part-time students each year.
- Algoma University - Established in 1965 as Algoma University College, an affiliate of Laurentian University, AU has been educating the people of Northern Ontario for over 50 years. In 2008, AU was granted its charter, becoming an independent degree-granting institution. AU offers over 30 different academic programs, spanning the liberal arts, sciences, and professional disciplines. All of the programs offer undergraduate research opportunities and hands-on learning. With under 1,600 students, classes are capped at 75 students, even in first year, meaning that students have more one-on-one interactions with knowledgeable and caring faculty.
- Corporation of the City of Sault Ste. Marie - Sault Ste. Marie is a border city of approximately 75,000 people located in a stunning part of Ontario. The City's recent strategic plan has a vision to be the leading, innovative, dynamic municipality in Ontario and the City is aggressively working to modernize its economy to diversify from its traditional manufacturing roots. The city has a base of technology professionals through the presence of Ontario Lottery and Gaming; Canadian Bank Note Corporation and a number of I.T. SMB's. Sault Ste. Marie is also a leading alternative energy community with major wind, solar and hydro generation facilities, a solar panel manufacturing plant and advanced energy technology pilot projects.

### **Proven Track Record**

The Sault Ste. Marie Innovation Centre and The Createch Group (a Bell company) General Manager, Mario Chabot, have previously collaborated on an advanced technology project that resulted in the creation of an advanced multi-enterprise GIS solution for the City of Sault Ste. Marie and the SSM PUC. This collaboration produced the Community Geomatics Centre, an internationally awarded business unit of SSMIC that has created a community information utility that serves health, social service, economic development clients among other industry customers. This group now has eighteen employees and is conducting work across Canada.

More recently, SSMIC has undertaken a \$2M project with Canadian Bank Note Corporation to develop a new charitable bingo platform and play on demand games. SSMIC is also undertaking a new project with Essar Steel on an I.T. modernization initiative.

Services 365 would represent the largest project undertaken with the potential for significant job creation in the community. It would leverage smaller, past success and launch a revolutionary

platform for growth in the community. It is thought that this initiative could create 80 to 200 jobs within five years. This would have a tremendous, positive effect on the community and serve as a catalyst for the transformation to the knowledge economy that the community is proactively seeking.

### **Training the Next Generation**

A major appeal of the project is the opportunity to develop a pipeline of talent for Microsoft cloud services. Through a true community-wide collaboration, it is envisioned that Sault Ste. Marie stakeholders will utilize this project and the recognition of Bell and Microsoft brands to establish a platform to train youth; repatriate young professionals that have left the community and attract young professionals to the community. In the immediate term, Sault College and Algoma University are keen to collaborate with Microsoft to integrate curriculum and training using the Academic Excellence program. Even further back, SSMIC conducts outreach programs to elementary and high school students to foster interest in the technology sector through programs such as Hour of Code; science and technology expo's and science festivals to build a pipeline of talent with strong support from the local school boards.

Discussions with The Createch Group (a Bell company) and Microsoft have also revealed that the talent utilized within Services 365 could also provide a pipeline for talent for more sophisticated ERP engagements. Another compelling feature of Services 365 is that it will employ not just technical staff but also business professionals with accounting, sales and marketing skill sets.

### **Project Collaboration**

Project collaborators will work swiftly to establish Services 365. SSMIC will partner directly with the Createch Group to develop this exciting new project. This industry extension will operate on the platform developed by the Createch Group and be marketed in the Microsoft app store making it available to global clients.

### **Summary**

This project represents a significant opportunity for Sault Ste. Marie to get in on the ground floor on an expanding cloud platform offered globally. Microsoft and the Createch Group (a Bell company) are two significant organizations that will bring national attention to Sault Ste. Marie and represent a game-changing development for the development of Sault Ste. Marie's technology sector. We are requesting an exception be made to the program to enable this exceptional project to proceed.

### 3. Business Overview (facility, suppliers, employment)

Services 365 is a new type of IT consulting firm. It does all its services remotely from Sault Ste. Marie. This provides a very attractive business model to reduce costs while providing advanced consulting values.

Services 365 is responsible for 5 major business processes: marketing, selling, onboarding, supporting and extending Dynamics 365 (Business Edition). All business processes are executed for Createch; however, all business processes can also be outsourced to other Microsoft Cloud Service Provider (CSP) partners (white labelled services). All services will be offered in English and in French. Initially, Services 365 will concentrate on the Canadian market; however, services will soon be offered to U.S. based Microsoft partners.

Services 365 will initially be located in the Sault Ste. Marie Innovation Center Incubation site: 258 Queen Street East, Sault Ste. Marie. At summer 2018, Services 365 would then move in Level 3 E Wing of the new IE3 building at Sault College (443 Northern Avenue, Sault Ste. Marie).

Services 365 is a business based on Cloud technologies. There will be no servers or traditional phones in the facility. All services will be provided using Microsoft Cloud technologies: Office 365 (including Skype for business), Dynamics 365 (ERP and CRM). All employees will use Skype for Business to communicate with Clients (using headsets). Phone switching technologies will also be Cloud and integrated with Skype for Business. The only IT infrastructure required is a large bandwidth Internet feed and a local area network. Furniture and computers will be acquired locally.

It is estimated that Services 365 will employ at least 30 employees after 2 years. The table below present the job targeted by the project and related salaries (including fringe):

Full Time Equivalent Jobs	Salaries with Fringe	2017	2018
General Manager of Services 365 [Program Manager] – P/T	\$109,800.00	1	1
Operation Manager (S30M) [Systems Analyst Onboarding/Support]	\$122,000.00	1	1
Floor Manager (S3FM) [System Analyst for Marketing/Sales]	\$109,800.00	1	1
Information Technology Manager (S3ITM) [Solution Architect]	\$109,800.00	1	1
Finance/Administrative Coordinator	\$67,100.00		1
Human Resource Coordinator	\$67,100.00	1	1
System Administrator	\$67,100.00	1	1
Internships	\$33,000.00	2	2
Marketing and Sales Agents	\$39,040.00	1	3
Onboarding and Support Agents	\$39,040.00	3	6
Marketing/Sales Agents for Framework	\$39,040.00	1	1
Onboarding/Support Agents for Framework	\$39,040.00	1	1
Project Manager 1	\$97,600.00	1	1
Jr. Analyst 1	\$39,040.00	1	1
Jr. Developer 1	\$39,040.00	1	1
Sr. System Analyst 1	\$91,500.00	1	1

## Services 365 – Sault Ste. Marie Economic Diversification Application

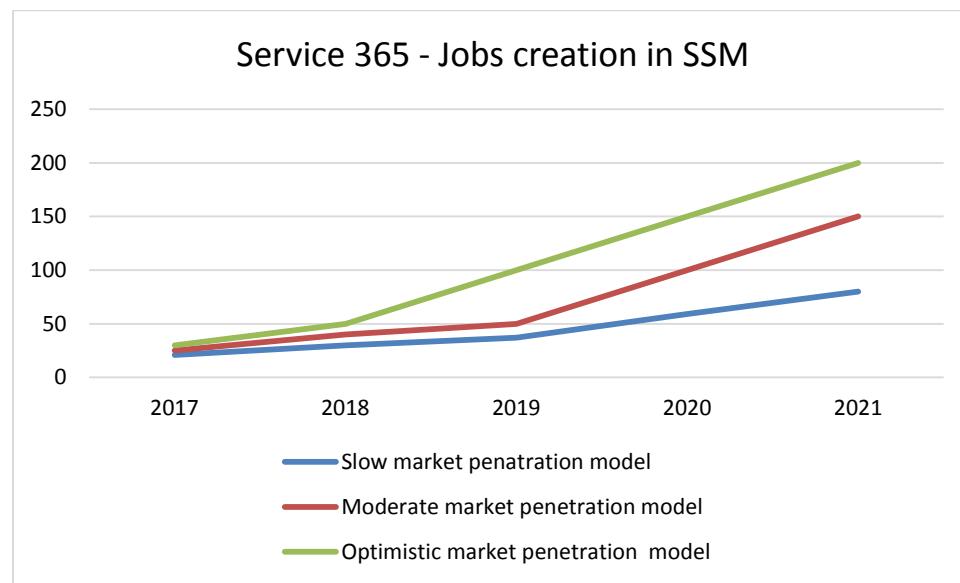
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Sr. Developer 2	\$91,500.00	1	1
Jr. Analyst 2	\$39,040.00	1	1
Jr. Developer 2	\$39,040.00	1	1
Int. Developer 1	\$54,900.00		1
Jr. Analyst 3	\$39,040.00		1
Jr. Developer 3	\$39,040.00		1
<b>Total Resources</b>		<b>21</b>	<b>30</b>

#### 4. Project Benefits (Jobs, Community, Industry, Alignment)

The core benefits of Services 365 are modern, attractive and well paid IT jobs. Services 365 is expected to create between 125 and 250 jobs within five years. Services 365 is not just offering good quality jobs but also a career path leading to the highest paid job in the IT market: Enterprise Resource Planning experts (ERP).

Different models have been developed to forecast the number of job created. The following figure illustrated the anticipated job creation curves based on three predictive models:



The Sault Ste. Marie area business community will also benefit from the presence of Services 365. A major appeal of the project is the opportunity to develop a pipeline of talent for Microsoft Cloud services. Through a true community-wide collaboration, it is envisioned that Sault Ste. Marie stakeholders will utilize this project and the recognition of Bell and Microsoft brands to establish a platform to train youth; repatriate young professionals that have left the community and attract young professionals to the community.

In the immediate term, Sault College and Algoma University are keen to collaborate with Microsoft to integrate curriculum and training using the Academic Alliance program. The advantages of this relationship are bidirectional. The Sault Ste. Marie academic institutions will produce students with the right skills and knowledge for Services 365. On the other side, the Microsoft Dynamics enabled curriculum of the College and University will help them attract more students.

SSMIC already conducts outreach programs to elementary and high school students to foster interest in the technology sector through programs such as Hour of Code; science and technology expo's and science festivals to build a pipeline of talent with strong support from the local school boards. SSMIC will add Dynamics 365 career path to their existing efforts of fostering interest in IT.

Discussions with The Createch Group (a Bell company) and Microsoft have also revealed that the talent utilized within Services 365 could also provide a pipeline for talent for more sophisticated ERP engagements. Another compelling feature of Services 365 is that it will employ not just technical staff but also business professionals with accounting, sales, HR and marketing skill sets.

### **Related Initiatives:**

Services 365 will generate related initiatives in the coming years like Online training, Hybrid services to Createch, New offerings and New outsourcing services. Here are a few examples of these related initiatives to come:

1. **Online training:** The first related project is already being discuss and will involve Sault College, Microsoft and Services 365. Microsoft is funding Services 365 to develop online Training material to promote, educate and train CPE organisations across Canada for a major marketing campaign that will start in January 2017. Services 365 will also need to develop Online Training for the Extensions to be developed as part of Services 365 projects.
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All these related initiatives are not taken into account in the current budget or job creation forecast but will contribute to the expansion of Services 365 in years to come.

Finally, the alignment of the project is clearly with the digital economy but also with the capacity of creating high quality IT jobs in the community and offering opportunities to Northern Ontario youth to stay and prosper in the community.

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Travel and living costs of Createch consultants	60,000.00	\$45,000.00
<b>Yearly Total:</b>	<b>\$437,302.88</b>	<b>\$59,901.92</b>
<b>Grand Total:</b>		<b>\$497,204.81</b>

On top of the project Budget, there are the revenues generated by the operation of Services 365 which will be reinvested by Createch to create more jobs if the market penetration (see Jobs figure in section 4) is better than the “Slow market penetration model” used to produce a base estimate of this project.

## 6. Project Implementation Plan

The project is managed by Mario Chabot, General Manager of the Createch Microsoft Business Application group. The implementation of Services 365 has started in Montreal and the preliminary work executed prior to Phase I will be transferred to the Sault Ste. Marie location of Services 365 when NOHFC Phase II is approved.

Here is a summary list of the work already done:

1. Developed Small Manufacturing extension.
2. Developed an overall architecture design of the 5 key business processes: Marketing, Selling, onboarding, Supporting and Extending.
3. Developed a detailed design of the Onboarding process along with training material.
4. Set up the initial Cloud CRM solution to track leads, opportunities and clients (without optimizations)
5. Set up the Cloud Telephone switching solution (without optimizations).
6. Negotiated and signed first outsources CSP Client (White Label): Sherweb.
7. Initiated negotiation with 5 other CPS partners (Bell Canada SMB, Solulan, ESWilliams, DansLeNuage.Quebec, RCGT).
8. Developed financial model for Municipal and Paramedical extensions.
9. Established a partnership with Microsoft to develop and support a marketing campaign targeting CPA across Canada to generate Leads toward Services 365.
10. Currently developing a related project with Sault College and Microsoft to develop Online training material on Dynamics 365.

At the time of writing this document, Services 365 is already up and running in a temporary location in Montreal. Here is a summary list of the work that will be accomplished between now and the approval of Phase II envisioned at the end of January:

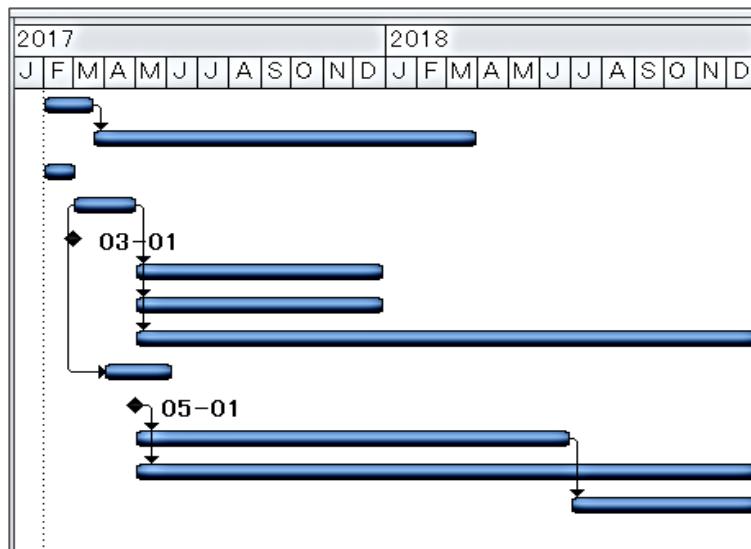
1. Continue operating Services 365 from Montreal.
2. Continue negotiating with other potential CSP Client.
3. Continue working on the CPA campaign with Microsoft.
4. Continue working on the Online Training project with Sault College and Microsoft.
5. January 15, 2017: Release of a first “Teaser” Manufacturing Extension.
6. Develop job profiles for hiring process.
7. Continue detail planning of Services 365 deployment in Sault Ste. Marie.
8. Execute a first marketing campaign about Services 365.

## Services 365 – Sault Ste. Marie Economic Diversification Application

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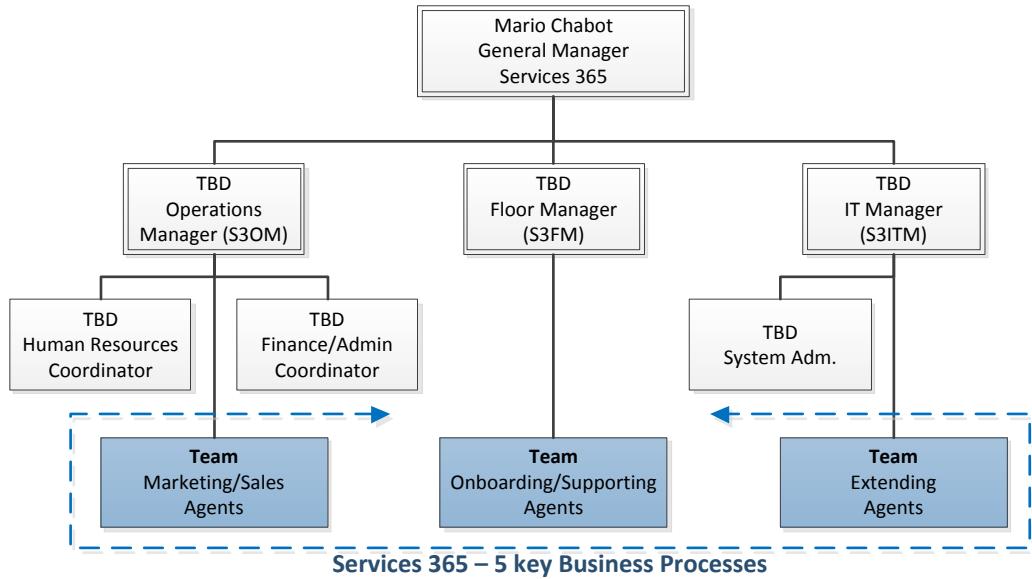
The next activities and milestones are (assuming Phase II approval in January 2017) presented on this Chart:

Task	Duration (days)	Start	End
Start SSM initial hiring process	30	17-02-01	17-03-21
Continue SSM hiring process for next phases	235	17-03-21	18-03-30
Start procuring furniture and computers in SSM	20	17-02-01	17-03-03
Installing and configuring SSMIC Incubation location	38	17-03-01	17-05-01
Release of the full manufacturing extension on MS AppSource	0	17-03-01	17-03-01
Start completing the S365 operational Cloud systems	152	17-05-01	17-12-29
Start working on Paramedical Extension	152	17-05-01	17-12-29
Start working on Small Municipality Extension	381	17-05-01	18-12-31
Execute knowledge transfer and initial training plan	40	17-03-31	17-06-05
Open Services 365 SSM location	0	17-05-01	17-05-01
Operate Services 365 from SSMIC Incubator location	266	17-05-01	18-06-28
Execute S365 Marketing campaigns	380	17-05-01	18-12-28
Move Service 365 to new IE3 building at Sault College	114	18-07-02	18-12-31



## 7. Project Management Overview

The project is managed by Mario Chabot, General Manager of the Createch Microsoft Business Application group.



The project is structured into 3 groups that split functional responsibilities with Services 365 business process execution.

### **General Management:**

The overall management of the project is under Mario Chabot. His responsibilities include reporting project performance to Createch and to funding agencies, representing Services 365 in the community and with partners and clients, providing visions and directions to the project and, finally, coordinating and supervising operations and delivery of services.

### **Operations:**

The Operations Manager is responsible for the administration of Services 365. Functionally, he is responsible for administration, finances and Human Resources aspects of the project. From a service standpoint, he is responsible for the Marketing and sales business processes. All Marketing and Sales agents report to Operations Manager.

### **Floor:**

The Floor Manager is responsible for the core business processes of Services 365: Onboarding and Supporting clients. The Floor manager does not really have a functional role in operating Services 365, his responsibilities are from a service standpoint. All Onboarding and Support agents report to the Floor Manager. This is eventually the largest team within Services 365.

**IT:**

From a functional standpoint, the IT Manager is responsible for the Cloud operation systems and network of Services 365. From a service standpoint, he is responsible for Extensions of Dynamics 365 services which are the development and support of Dynamics 365 Extensions. All extension development agents report to the IT Manager. During the first year of the project, this is going to be the largest group of Services 365; however, Floor services will likely take over in terms of size within the second year of the project.

## 8. Project Market Analysis and Plan

Initial market analysis was conducted only for Canada even though Services 365 market will eventually be extended to the USA and potentially into other French and English speaking countries. It is very important to understand that only Microsoft Cloud Services Provider partners are allowed to resale Dynamics 365 products (licences and extensions).

### **Market Needs:**

The needs of the market come from the fact that each company replace its ERP/Financial solution very 7 years on average. The replacement product offered by Microsoft is going to be a very attractive alternative on the market for the following reasons:

1. It is fully integrated with Office 365 providing operational performance optimization of up to 40% on certain roles.
2. Product cost is lower than competition.
3. It is 100% cloud, removing the needs for small companies and organization for having IT Infrastructure.
4. It works on all type of devices, including cell phones and tablets.

### **Competition:**

Service 365 does not have competition in Northern Ontario. All Microsoft CSP identified are in larger Canadian Cities. The “White Label” onboarding and supporting model is currently unique to Services 365.

### **Marketing Budget:**

Marketing will be done through 3 different channels:

1. Microsoft AppSource: Service 365 will promote its services on Microsoft AppSource where customer will be able to buy Dynamics 365 Extensions.
2. Services 365 will do Web and Social Media marketing campaigns. Budget is \$50 000 for the first 2 years and increasing after. The idea is that Microsoft will do a lot of marketing over the first 2 years to help the new product take off.
3. Microsoft is already promoting Services 365 to the other CSP partners in Canada because we are the only “White Label” service and the cost of entry in this service is very high (this is why we do this project with NOHFC).

### **Market, Product, Pricing:**

There are three different angles to look at Services 365 market:

1. Createch potential clients with direct sales of Dynamics 365 Licences and Services.
2. Potential Microsoft Cloud Services Providers: The potentials clients to subcontract services from Services 365 (white Label services).

3. Createch potential clients with Extension direct sales by targeted industries: Small municipalities and Paramedical services.

### **8.1. Potential Clients with Direct Sales for Dynamics 365 Licences and Services.**

Services 365 will market and sell Dynamics 365 licences directly. The strategy is to develop a web and social media presence and to execute marketing campaigns. We also have an agreement in place with Microsoft to specifically target accounting firms in Canada.

The initial market for Dynamics 365 is companies with 1 to 200 employees. As shown in the table below, there are over one million potential clients.

Number of Employees	1 to 4	5 to 49	50 to 249
Percentage by Category	51%	43%	5%
Number in Québec	119 238	100 972	10 502
Number in “Rest of Canada” (ROC)	465 497	394 189	40 998
Total Number of Companies	584 735	495 161	51 500

\* Source BDC 2015.

Services 365, through its different offerings, is expecting to gain about 0.5% of the market during the first 2 years.

SAULT STE. MARIE  
ECONOMIC DEVELOPMENT CORPORATION

Board of Directors' Meeting

Monday, December 5, 2016  
Russ Ramsay Board Room – Third Level – Civic Centre  
11:30 am.

CLOSED SESSION

AGENDA ITEM 2.2

---

Moved by: Terry Rainone

Seconded by: Paul Skeggs

Based upon the needs of SSAI and following discussions with City staff;

Be it resolved that the Sault Ste. Marie Economic Development Corporation Board of Directors requests City Council to renew the term for the \$100,000 (loan guarantee) EDF funds starting January 1, 2017 and ending May 1, 2018. CARRIED.



December 6, 2016

To: Mayor Christian Provenzano and Members of City Council  
From: Tom Dodds, CEO, Sault Ste. Marie Economic Development Corporation  
Re: Searchmont 2016 EDF Loan Guarantee Renewal

The attached request from Sault Ste. Marie Economic Development Corporation (SSMEDC) to Sault Ste. Marie City Council is for a renewal commitment of City EDF funds, currently provided to the SSMEDC and deposited in an SSMEDC (GIC) bank account for the expressed purpose of collateral for a line of credit for the Searchmont Ski Association Inc (SSAI).

SSMEDC is accountable for these funds and have Council authority to retain them for the purposes noted until December 31, 2016 when the renewal term expires.

Based upon the needs of SSAI, and following discussions with City staff; the Board of Directors of the Sault Ste. Marie Economic Development Corporation requests City Council to renew the term of the \$100,000 (loan guarantee) EDF funds starting January 1, 2017 and ending May 1, 2018.

Attached, kindly find the following documents:

- CEO Report to SSMEDC Board of Directors, December 5, 2016
- SSMEDC Board Resolution, December 5, 2016
- Searchmont Power Point Presentation

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tom Dodds".

Tom Dodds, CEO

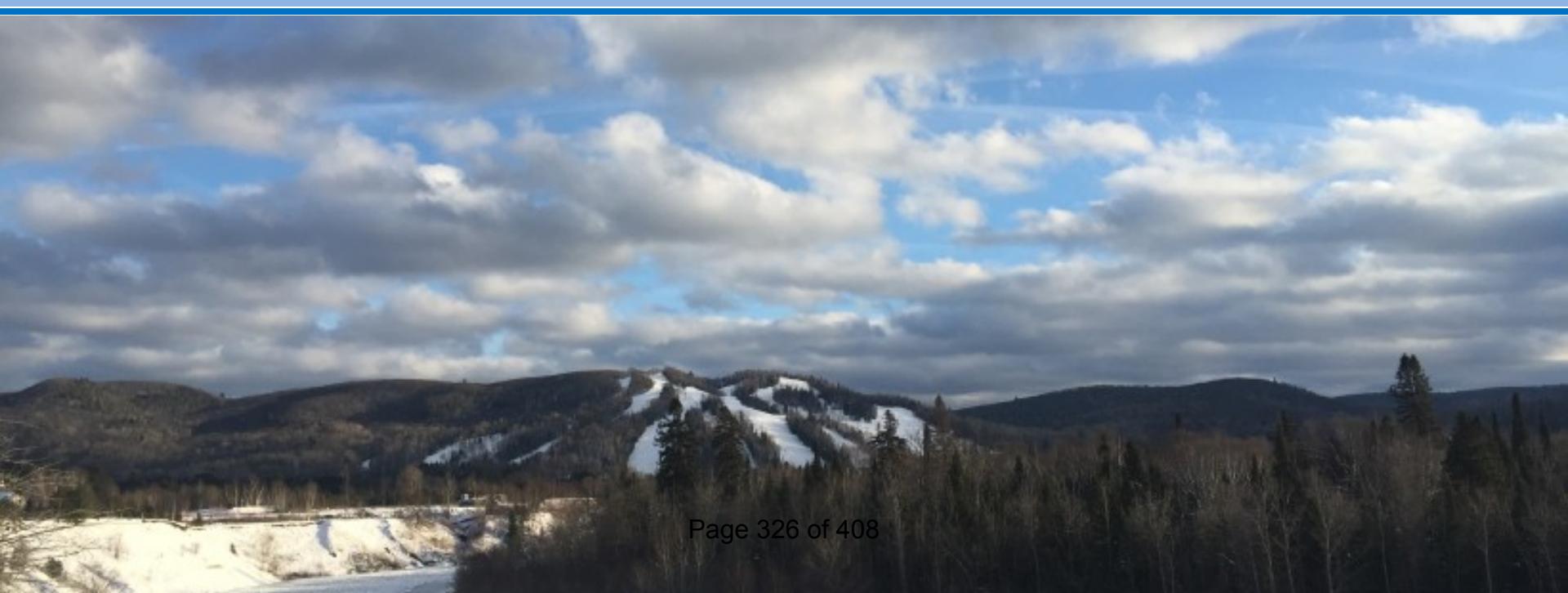


# EDF Loan Guarantee Renewal

December 12, 2016



*Sault Ste. Marie*  
**ECONOMIC  
DEVELOPMENT  
CORPORATION**

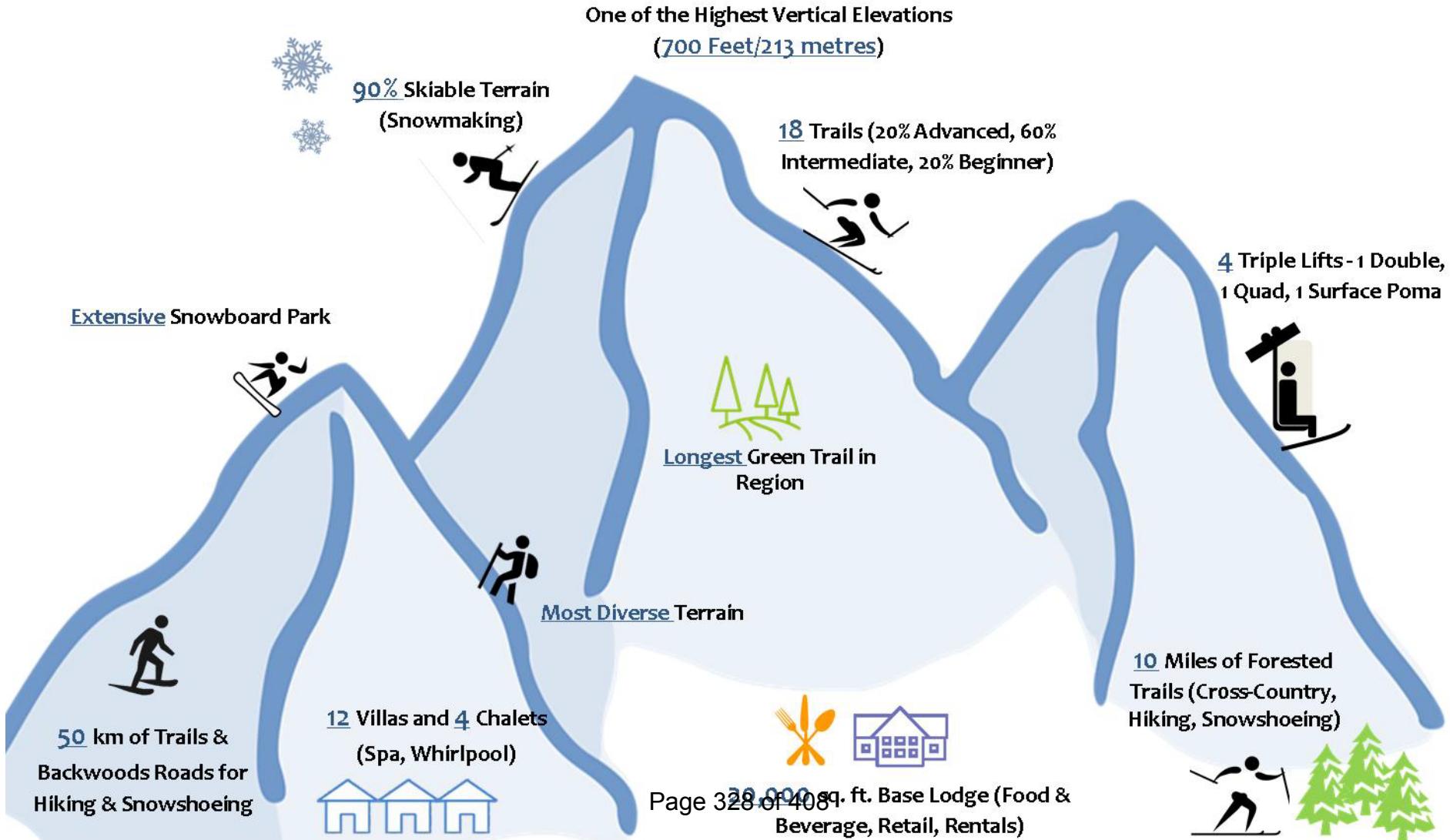


# Loan Guarantee Renewal

- ❖ SSAI's \$100,000 Line of Credit (loan) with Royal Bank is guaranteed by City EDF funds and held in a separate account and administered by the SSMEDC.
- ❖ The \$100,000 is collateral for this loan.
- ❖ The guarantee expires December 31, 2016.
- ❖ **SSMEDC Board of Directors requests City Council renew the term for the \$100,000 EDF (loan guarantee) starting January 1, 2017 and ending on May 1, 2018.**

# Mountain at a Glance

*Average annual skier visits: 38,670*



# Mountain at a Glance



- ❖ Offers downhill skiing, snowboarding, freestyle skiing, adaptive skiing, cross country skiing and, snowshoeing
- ❖ Hosts:
  - regional and provincial level ski races
  - corporate, community and school events

# Community Benefits

- ❖ Recruitment and retention of new professionals
- ❖ Health & wellness
- ❖ Engages youth & families
- ❖ Alignment with City Strategic Plan



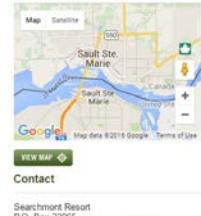
**Searchmont Ski Resort - Alpine Ski & Board**

As the only midwest ski resort actually located on a mountain, Searchmont is proud to say, that they have the most diverse terrain, the longest runs (18 in total) and the greatest vertical (750 feet) in the area. Located one hour drive south of Sault Ste. Marie, this is the place to be if you like to ski. Distance From SSM: 45 minutes

[PHOTOS](#) [LEARN MORE](#)



**Location**



[Map](#) [Satellite](#)

[VIEW MAP](#) Map data ©2015 Google. Terms of Use

**Contact**

Searchmont Resort  
P.O. Box 22065  
Sault Ste. Marie, Ontario P6B 6H4

Toll Free: 1-800-663-ALGOMA  
Telephone: 705-781-2340  
Fax: 705-781-2483  
Email Us

[VISIT WEBSITE](#)



# Searchmont's Alignment With City Strategic Plan

## ❖ Commitment to citizens in the community:

- *Work together to provide inclusive and accessible services to our diverse community*

## ❖ Quality of life advantages:

- *The city of Sault Ste. Marie is distinctively poised to provide and promote a superior quality of life*

# Searchmont's Alignment With City Strategic Plan

- ❖ Promote, encourage and lead economic and social growth within our community through the development of community partnerships
  - *Continued revitalization of public spaces creates opportunities for economic growth, diversity and social interaction*
  - *A truly dynamic community demonstrates vibrant social activity*

# Economic Impact

- ❖ Seasonal employment for 80-90 people (2016-17)
- ❖ Estimated 2016 \$5 million in direct economic benefit for our community

# Community Development & Partnerships



- ❖ SSAI Board restructured
- ❖ Continual improvements to resort (infrastructure, equipment etc.)
- ❖ Accessing federal & provincial funding (NOHFC, FedNor)
- ❖ Home to many community groups including:
  - No Limits Adaptive Ski Program\* for individual with disabilities
  - Searchmont Ski Runners, (provincially sanctioned races)
  - Searchmont Freestyle Alliance, who hosts events and training opportunities.

\* *The Searchmont No Limits Adaptive Ski Association is a volunteer based program assisting individuals with a disability to learn and enjoy skiing*

# Conclusion

**Thank you**

**Questions?**

The Honourable Christian Provenzano, Mayor of Sault Ste. Marie, Ontario  
And Members of the Sault Ste. Marie City Council  
99 Foster Drive, Sault Ste. Marie, ON P6A 5X6

Dear Mayor Provenzano and City Council:

It is without hesitation we put pen to paper on behalf of one of our greatest winter tourism assets in this region. Being home to a world class skiing product is a key driver of business to Sault Ste. Marie, businesses located in Searchmont itself and the broader Algoma region. Home to snowboarding, cross country skiing, snowshoeing and sledding, this broad product offering is attractive to families, singles, couples and of course our locals! Known for its 750 feet vertical drop and 100 amazing acres of natural, rolling terrain, Searchmont Resort truly is the "best in the Midwest". With its location so close to the amenities located in Sault Ste Marie, this winter product allows the Sault and surrounding area to truly be a four season destination for consumers not only in Ontario but in the U.S. border States.

Searchmont Resort has and will remain a key driver for tourism dollars in this region during the all important winter tourism season. Consumers that travel for their skiing experience stay in our accommodations, eat in our restaurants, shop in our stores and purchase fuel and supplies as required. Each purchase by these consumers help businesses in this area maintain employment levels, operate year round and work to make Sault Ste. Marie and Algoma a must do destination for the winter.

We support Searchmont Resort and the partnership with the Economic Development Corporation of the City of Sault Ste Marie. So on behalf of the Algoma Kinniwbabi Board of Director's, thank you for your forward thinking with regards to supporting this great tourism and recreational product.

Kindest regards,



Carol Caputo  
Executive Director

Robert Reid, President  
Sault Ste. Marie Economic Development Corporation  
99 Foster Drive, Sault Ste. Marie, ON P6A 5X6

Dear Mr. Reid:

It is without hesitation we put pen to paper on behalf of one of our greatest winter tourism assets in this region. Being home to a world class skiing product is a key driver of business to Sault Ste. Marie, businesses located in Searchmont itself and the broader Algoma region. Home to snowboarding, cross country skiing, snowshoeing and sledding, this broad product offering is attractive to families, singles, couples and of course our locals! Known for its 750 feet vertical drop and 100 amazing acres of natural, rolling terrain, Searchmont Resort truly is the "best in the Midwest". With its location so close to the amenities located in Sault Ste Marie, this winter product allows the Sault and surrounding area to truly be a four season destination for consumers not only in Ontario but in the U.S. border States.

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Kindest regards,



Carol Caputo  
Executive Director

Letter of Support  
Searchmont Ski Resort

Algoma University has had a terrific working relationship with Searchmont for quite some time. Our students, from near and far, are very excited and enthusiastic when we utilize the resort for our events. Typically our most popular campus life activities are held at Searchmont. We have hosted numerous ski days, ski nights, orientation events, and student leadership retreats, all with glowing reviews and an eagerness to return for more.

We are especially excited for the 2016/17 season. Thanks to our recent partnership, all of our full time students will now have a full season pass to the resort. We know this initiative will have a positive impact on student engagement here at Algoma.

From a student recruitment perspective, one of the highlights we promote is the region's outdoor adventure opportunities. Searchmont Ski Resort is a key talking point when discussing the attractions Sault Ste Marie has to offer. Our international students are particularly interested in experiencing what Northern Ontario has to offer and skiing/snowboarding is often at the top of their list.

Lastly, we also are very appreciative of the student employment opportunities that Searchmont creates at the resort and in the community. As a result many of our students will find part time work to assist with education costs.

Algoma University is very supportive of Searchmont's operation and is looking forward to further opportunities to connect our students.

Sincerely



Tom Mauro  
Director of Student Services





September 21, 2016

To Whom It May Concern;

This letter is to acknowledge the partnership between Searchmont Ski Resort and the Canadian Cancer Society. In an effort to raise money for pediatric cancer research, the Canadian Cancer Society hosts "The Muddy Moose Charge" at Searchmont Ski Resort every year. Searchmont is the perfect venue for this 5KM mud run, and we draw on the natural beauty found at Searchmont to help create this one of a kind mud run course that is truly a Northern event.

The success of the event is directly related to working with Searchmont. The Canadian Cancer Society has designated over \$150,000 to childhood cancer research over the last 3 years with funds raised at The Muddy Moose Charge.

We are proud to be partnered with Searchmont and look forward to working with them again.

Sincerely,

*Lori McDonald*

Lori McDonald  
Fundraising Specialist, Canadian Cancer Society  
Algoma and Community Office  
Sault Ste. Marie, ON  
[lmcdonald@ontario.cancer.ca](mailto:lmcdonald@ontario.cancer.ca)  
705-253-4781

# Duke of Windsor Sport Shop

655 Queen Street East  
Sault Ste. Marie, Ontario  
P6A 2A6



October 4, 2016

Economic Development Corporation  
City of Sault Ste. Marie

I am writing this letter in support of Searchmont Ski Hill. I have been involved in the retail end of the ski business for the past 38 years and have an intimate knowledge of what Searchmont means to me personally and to the city of Sault Ste. Marie.

For the past 25 years, I have been the owner/operator of the Duke of Windsor Sport Shop which sells skis and bikes and related accessories to those sports. Without a doubt, downhill skiing comprises at least 50% of my total business through the sale of skis, boots, snowboards, ski jackets and pants, helmets and goggles. Second only to the weather, nothing affects my winter business more than the health of Searchmont Ski Resort. Without a ski hill, the viability of my business would be seriously jeopardized. Aside from my sales staff, I employ one full time and two part-time ski mechanics whose only jobs are waxing, sharpening, installing and fixing downhill skis and snowboards. Without a local ski hill, unfortunately these jobs would be lost.

The benefits of having a ski hill in Sault Ste Marie are many. Hotels, restaurants and small business like mine see the people who travel here to visit our ski hill. Searchmont has a unique advantage in that it has an awesome vertical and challenging runs. The natural features of this particular mountain make it unparalleled to the closest Northern Michigan hills. Avid skiers know this and I have built many relationships with skiers who travel here yearly from Michigan, Southern Ontario, Sudbury, Manitoulin Island and Wawa. They continually tell me how they enjoy Searchmont and are amazed at the exceptional skiing we have here in our own backyard. Professional people, including many doctors have told me that access to Searchmont was an important reason for choosing Sault Ste. Marie to relocate to with their families. These professionals had access to ski resorts in Southern Ontario and loved the fact that they could continue to ski here with their families on a mountain that was in no means a compromise to what they were used to. These are all feathers in the Soo's cap that would be lost if Searchmont was not operational. It is however the young children that I see that have been introduced to the sport, either through the school system or the learn to ski programs at Searchmont, that excite me the most. These kids fall in love with the sport and cannot wait to get back to the hill. Even though many of them engage in

other winter activities, nothing seems to pump up their adrenaline like the sport of skiing. This where I believe Searchmont can capitalize on building a bigger and stronger skiing base in the Soo.

Winters undoubtedly can be long in Northern Ontario which is why we need Searchmont to become the winter playground destination of the North. Aside from incredible downhill skiing, Searchmont offers cross country skiing, snow shoeing and a destination for snowmobilers. It is, and should be, the Soo's #1 tourism draw in the winter months. I urge all decision makers to carefully look at the impact of Searchmont on Sault Ste. Marie both financially and as a winter resort that provides a healthy, well-rounded quality of life for the citizens of Sault Ste. Marie and the surrounding areas. Please do not turn your back on what is definitely the Soo's best winter "natural gift". We can ill afford in these economic times to let this tourism "gem" go.

Best Regards,

Chris Theriault



**September 23, 2016**

**Dear Mr. Mayor, members of City Council and Representatives of the Economic Development Corporation,**

I am writing on behalf of Sault College to express our staunch support for Searchmont Ski Resort.

Searchmont offers an important element to the College student life experience. Last year, nearly 900 Sault College students took advantage of the Searchmont ski pass offered in conjunction with the Sault College Student Union. Each year, we educate over 2300 full-time and 4000 part-time students and that number represents roughly 40% of our full-time student body who are using the hill! Sault College is one of 24 publicly-funded colleges in the province and we are one of the very few Colleges that can boast that it has a ski hill in its backyard!

With a declining youth demographic in the north we are recruiting more and more students from outside the Algoma region. These efforts have led to Sault College educating over 800 students each year from outside of our region from across Ontario. Additionally, through extensive recruitment efforts, our College has enrolled over 105 international students this year and we have our eyes set on tripling that number within three years.

Recruiting both inside and outside of our region is crucial to our success, and Searchmont is an attractive element we can offer to potential students. We believe our students benefit from the fun the hill provides and our community benefits from having students study here.

As Council and the EDC know, Sault College has a significant economic impact on the community, with spin-offs in excess of \$158 million. Beyond these impressive economic numbers our vision is to provide a transformative life experience for those who study with us. We know that many who study at post-secondary institutions often stay and live in the community if their experience was enriching and employment available.

Our College has a number of key programs including the fact that we are the largest deliverer of apprenticeship training in all of Northern Ontario. We are also one of only two Colleges to offer Natural Environment and Outdoor studies programs and one of only three to offer direct flight training in Ontario.

We know that Searchmont plays a role in the social and economic well-being of our Institution and, we believe, in the Sault as a whole. We take pride in being able to offer our students an opportunity to enjoy and explore Searchmont.

Being a small College, it's these unique features that help attract students and make their decision to come to Sault College a great one!

Respectfully,

Rick Webb, CHRL  
Director Human Resources and Corporate Communications

cc. Dr. R.Common; SCSU



To Whom It May Concern:

I would like to take this time and write a letter in support of Searchmont resort. I have been privileged to be the Head freestyle Snowboard coach for Canada from 2001-2010 and 3 Olympics.

My Wife and I started a snowboard academy in Gaylord Michigan from 2012-2016. Some Searchmont athletes came down to one of our summer camps They asked if we could come up to Searchmont and offer winter camps. My wife and I fell in love with the place quickly. It is a true gem. The potential of Searchmont becoming the ideal training ground for freestyle skiers and snowboarders is huge. The natural terrain is incredible. The American and Canadian athletes we brought, loved the place as a training area.

We would like to make Searchmont Resort the home of the Hutch Ski/Snowboard Academy and establish a world-class facility for freestyle skiers and snowboarders year round - with a little work on the hill, for landings. We can make the Searchmont/Hutch Academy the envy of Ontario and the Midwest, USA.

Sincerely  
Tom Hutchinson  
Hutch Ski/snowboard Academy Inc.  
[www.hutchacademy.com](http://www.hutchacademy.com)  
1-819-217-9351

Economic Development Corporation  
City of Sault Ste. Marie

September 20 2016

I am writing this letter on behalf of the No Limits Adaptive Ski Association. NLASA is a not-for-profit incorporated charity that has been operating an adaptive alpine ski program at Searchmont Resort since 2007. We offer a certified program to teach skiing to individuals facing physical or developmental challenges. With support from other community groups (Rotary Club), national organizations (Canadian Paralympic Committee, Canadian Association for Disabled Skiing), provincial agencies (Ministry of Health Promotion, Ontario Trillium Foundation) and a growing number of private and corporate donors, we have built a strong program supported by \$50,000 of adaptive equipment. We accommodate participants with a broad range of ages (5 to 50) and disabilities (e.g., Cerebral palsy, Muscular dystrophy, Acquired Brain Injury, Autism, Attention Deficit Disorder, Spina Bifida, Down's syndrome, Spinal Cord Injuries, Amputees). This past season (2015-16) alone we provided 172 hours of instruction to 20 individuals using a total of 400 volunteer and instructor hours.

NLASA provides free transportation between home and ski hill for participants who cannot transport themselves, as well as on-site attendant services for personal care, to enable participation by the most marginalized individuals in our community. Most of our adult participants are on a fixed Ontario Disability Support Payment income well below the poverty line. NLASA also provides instructors for students with disabilities who come to Searchmont Resort during the week as part of ongoing school programs.

Adaptive skiing benefits citizens of Sault Ste. Marie and surrounding region who face challenges in choosing an active lifestyle as a result of congenital or acquired disabilities. Besides opportunities for active living and recreation, being able to ski provides tremendous emotional benefits to folks who usually get stuck indoors for most of the winter season. The success of our program demonstrates the need in our community for safe and accessible winter recreation programs for physically or developmentally challenged individuals.

The No Limits Adaptive Ski program is being delivered in full partnership with Searchmont Resort, which offers its indoor and outdoor facilities for training of our instructors and delivery of adaptive ski lessons between mid-December and mid-March. Without Searchmont there is no adaptive ski program. There are no alternative locations in the region where the program could be delivered.

We urge you, as decision-makers, to carefully consider Searchmont's future as a community-based, -owned and -operated facility in light of the many but often unquantified benefits that arise from Searchmont Resort partnerships with organizations like ours. The bottom line of a community-owned facility like Searchmont Resort is not just about dollars and cents.... it is about quality of life for its citizens.

With best regards,

Dr. K. van Frankenhuyzen  
President,  
No Limits Adaptive Ski Association

Letter of support for Searchmont

September 22, 2016

To: the Economic Development Corporation and the City Council of Sault Ste. Marie

My husband and I moved to Sault Ste. Marie 25 years ago to set up our business. We could have gone anywhere in Canada but we researched and chose wisely based on our preferred lifestyle.

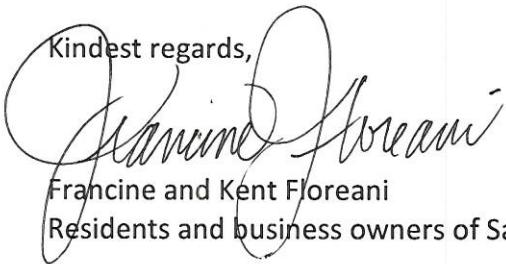
We had some criteria that we wanted to satisfy. We wanted to live on the water, wanted to have a short distance drive to work, wanted to have a good business opportunity and to be able to ski. Sault Ste. Marie had all of our desires. The fact that Searchmont was only about 45 minutes away from our home made it even more desirable. We had both skied at the resort in our teens and had fond memories of enjoying our winters so much more because of it.

About 10 years ago, we bought a ski chalet in order to provide the same experience for our families that live out of town. Over the years, all of our nieces and nephews have come to Searchmont to learn how to ski and as teenagers now, still come back to ski with the friends that they have made through their experiences at the resort when they were younger. One of our nieces is now on the Sudbury Ski team and travels to the Sault to compete in the annual races hosted by Searchmont. Over and over again we hear how lucky we are in having this facility to host such races and how wonderful our terrain is for the athletes and visitors.

Over the last few years, we personally have supported Searchmont Resort to keep this wonderful facility going for the future generations of our city. We see Searchmont as a perfect opportunity for families to do things together, unlike some sports where the family members are only spectators. Skiing is a great way to enjoy the winter and be active!

We urge you to look carefully at the economic benefits of having Searchmont as a destination for Sault Ste. Marie and area and how it can affect our local businesses. It also goes beyond geographical areas; it's a unique experience that we can offer and that can create long lasting memories.

Kindest regards,



Francine and Kent Floreani

Residents and business owners of Sault Ste. Marie

## Malcolm White

---

**From:** Jonathon Bouma <JBouma@algomapublichealth.com>  
**Sent:** Monday, December 12, 2016 2:31 PM  
**To:** Malcolm White  
**Cc:** Jonathon Bouma  
**Subject:** Pointe des Chenes and Benzene to be discussed at Council

Hi Malcolm, I was informed that the Point de Chenes project we are working on is going to council. I have included some comments below to answer some obvious questions that are clearly outstanding. Media does not know the correct process of events so I hope to inform the process! My comments are under each point.

Thanks

Jon

Jonathon Bouma MSc.; CPHI(C)  
Manager, Environmental Health and Communicable Disease Control  
Algoma Public Health  
294 Willow Ave.  
Sault Ste. Marie, ON  
P6B 0A9

Please visit our website at [www.algomapublichealth.com](http://www.algomapublichealth.com)

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### 8.5 Pointe des Chenes / Nokomis Beach Water Concerns

Mover Councillor R. Romano

Seconder Councillor J. Krmpotich

Whereas recent media reports have advised the public that there were concerns over the presence of potentially harmful levels of benzene in the drinking water in the areas of Pointe des Chenes and Nokomis Beach; and  
Whereas remedial efforts have been undertaken and said recent media reports have indicated that there are presently no safety concerns for residents in the Pointe des Chenes and Nokomis Beach areas with respect to potentially harmful benzene in the drinking water; and

Whereas residents of Pointe des Chenes and Nokomis Beach were not notified by the City of Sault Ste Marie, Algoma Public Health or any other agency, of:

- the concerns regarding potentially harmful benzene levels in the drinking water;

-Residents in the area (postal code) were notified by mail in 2008 of the nature of the contaminants concern at the Campground and Airport. There was a private residential survey done by APH of every other household upon which results were then hand-delivered to the household in question. No benzene was found.

In 2016, MOE, Transport Canada and APH re-sampled the same household in the residential areas (three roads- Nokomis Point de Chenes and Des Chenes Crescent) to ensure nothing has changed in terms of benzene presence. A letter was sent to the households with a factsheet on benzene and description of past efforts and link to 2008 study on APH website.

- the cause or origin of this contaminant;
  - the origin is chemicals coming from the airport itself. It has been suggested that the firefighting exercises have contributed to the issue but Transport Canada and MOE (the regulatory authority for the site) are investigating.
- the effects of potentially harmful levels of benzene in the drinking water;
  - Ingestion of the chemical benzene through drinking water is the primary concern. No benzene has been found outside of the Campground or airport.
- the remedial efforts undertaken;
  - The Campground has been under a Drinking water advisory(Do Not Drink) with all taps posted since 2008. The PUC and City of SSM have installed a filtration treatment system which is undergoing its final testing and is anticipated to be up and running in 2017, upon which APH will consider lifting advisory.
- any safety precautions or options to avoid the potentially harmful effects if in fact unsafe benzene levels were present in drinking water; or
  - If benzene were to be found in residential water, a drinking water advisory would be issued. Treatment systems are possible at the household level.
- the specific results of recent testing of the water including the nature of the testing and the specific results detected; and
  - Weekly testing of the Campground is ongoing and has shown the presence of benzene, however the Campground is on a Drinking Water Advisory.

Whereas there ought to be an agency accountable to the public to ensure that residents that could be affected by concerns such as those noted above are made known at the first available opportunity to ensure that residents can make informed decisions with respect to matters affecting their safety and wellbeing;

-APH is responsible for residential water quality. The Airport and Campground are being investigated by the regulatory authority, MOECC and the owner of the airport, Transport Canada.

Now Therefore Be It Resolved that staff report to Council:

- as to the obligations of Algoma Public Health, the City of Sault Ste Marie and any other related agency to provide notice to ensure that the concerns noted above are brought to the attention of potentially concerned parties/residents at the first available opportunity;
- which agency is/are to be held accountable for decisions such as these;
- whether or not this matter has been dealt with according to the applicable provincial standards/regulations.

## THE CORPORATION OF THE CITY OF SAULT STE. MARIE

### BY-LAW NO. 2016-197

**FINANCING:** (F1.3) A by-law to authorize the borrowing of \$10,000,000 to meet current expenditures until taxes are collected.

**WHEREAS** the Council of The Corporation of the City of Sault Ste. Marie deems it necessary to borrow the sum of \$10,000,000 to meet, until the taxes are collected, the current expenditures for the year 2017; and

**WHEREAS** the total amount of the estimated revenues of the Corporation for the year 2015, not including revenues derived or derivable from the sale of assets, borrowings or issues of debentures or from a surplus, including arrears of taxes and proceeds from the sale of assets, is estimated to be in excess of \$175,000.00.

**THEREFORE** the Council of The Corporation of the City of Sault Ste. Marie, pursuant to Subsection 407 of the *Municipal Act, 2001*, chapter M.45 and amendments thereto, **ENACTS** as follows:

1. The Mayor and the Treasurer are hereby authorized, on behalf of the Corporation, to borrow from time to time by way of promissory note from the City's Banker or any person, a sum or sums not exceeding \$10,000,000 to meet, until the taxes are collected, the current expenditures of the Corporation for the year, including the amounts required for the purposes mentioned in Subsection 407 of the *Municipal Act, 2001* and to give on behalf of the Corporation to the Bank or lender, a promissory note or notes, sealed with the corporate seal and duly signed for the moneys so borrowed, with interest, which may be paid in advance or otherwise, with interest at the Bank's prescribed lending rate or other persons' lending rate from time to time.
2. All the sums borrowed pursuant to the authority of this by-law, as well as all other sums borrowed in this year and in previous years from the said Bank or lender for any or all of the purposes mentioned in the said Subsection 407 shall, with interest thereon, be a charge upon the whole of the revenues of the Corporation for the current year and for all preceding years as and when such revenues are received.
3. The Treasurer is hereby authorized and directed to apply in payment of all sums borrowed as aforesaid, together with interest thereon, all of the moneys hereafter collected or received either on account or realized in respect of taxes levied for the current year and preceding years or from any other source which may lawfully be applied for such purpose.

4. **SCHEDULE "A"**

Schedule "A" forms part of this by-law.

5. **EFFECTIVE DATE**

This by-law is effective January 1<sup>st</sup>, 2017.

**PASSED** in open Council this 12<sup>th</sup> day of December, 2016.

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**MAYOR – CHRISTIAN PROVENZANO**

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**CITY CLERK – MALCOLM WHITE**

**ONTARIO  
MUNICIPAL CORPORATIONS  
TEMPORARY BORROWING BY-LAW**

The Corporation of the City of Sault Ste. Marie (the "Municipality") By-law No. 2016-197 being a by-law to authorize temporary borrowing from time to time to meet current expenditures during the fiscal year ending December 31, 2017.

WHEREAS Section 407 of the *Municipal Act, 2001*, as amended, provides authority for a council by by-law to authorize the head of council or the treasurer or both of them to borrow from time to time, such sums as the council considers necessary to meet, until taxes are collected and other revenues are received, the current expenditures of the Municipality for the year; and

WHEREAS the total amount which may be borrowed from all sources at any one time to meet the current expenditures of the Municipality, except with the approval of the Municipal Board, is limited by Section 407 of the *Municipal Act, 2001*;

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE CITY OF SAULT STE. MARIE  
ENACTS AS FOLLOWS:

1. The head of council or the treasurer or both of them are hereby authorized to borrow from time to time during the fiscal year (hereinafter referred to as the current year) such sums as may be necessary to meet, until taxes are collected and other revenues are received, the current expenditures of the Municipality for the current year.
2. The lender(s) from whom amounts may be borrowed under authority of this by-law shall be **Royal Bank of Canada** and such other lender(s) as may be determined from time to time by by-law of council.
3. The total amount which may be borrowed at any one time under this by-law plus any outstanding amounts of principal borrowed and accrued interest under Section 407 together with the total of any similar borrowings that have not been repaid, shall not exceed from January 1 to September 30 of the current year, 50 percent of the total estimated revenues of the Municipality as set out in the budget adopted for the current year, and from October 1 to December 31 of the current year, 25 percent of the total of the estimated revenues of the Municipality as set out in the budget adopted for the current year or \$10,000,000.00, whichever is less.
4. The treasurer shall, at the time when any amount is borrowed under this by-law, ensure that the lender is or has been furnished with a certified copy of this by-law, (a certified copy of the resolution mentioned in section 2 determining the lender,) if applicable, and a statement showing the nature and amount of the estimated revenues for the current year and also showing the total of any other amounts borrowed from any and all sources under authority of section 407 of the *Municipal Act* that have not been repaid.
5. a) If the budget for the current year has not been adopted at the time an amount is borrowed under this by-law, the statement furnished under section 4 shall show the nature and amount of the estimated revenues of the Municipality as set forth in the budget adopted for the previous year and the nature and amount of the revenues received for and on account of the current year.  
b) If the budget for the current year has not been adopted at the time an amount is borrowed under this by-law, the limitation on borrowing set out in section 3 shall be calculated for the time being upon the estimated revenues of the Municipality as set forth in the budget adopted for the previous year less all revenues received for and on account of the current year.
6. For purposes of this by-law the estimated revenues referred to in section 3, 4, and 5 do not include revenues derivable or derived from, a) any borrowing, including through any issue of debentures; b) a surplus, including arrears of taxes, fees or charges; or c) a transfer from the capital fund, reserve funds or reserves.
7. The treasurer be and is hereby authorized and directed to apply in payment of all or, any sums borrowed under this by- law, together with interest thereon, all or any of the moneys hereafter collected or received,

either on account of or realized in respect of the taxes levied for, the current year and previous years or from any other source, that may be lawfully applied for such purpose.

8. Evidences of indebtedness in respect of borrowings made under section 1 shall be signed by the head of the council or conform to the treasurer or both of them.

9. The Bank shall not be responsible for establishing the necessity of temporary borrowing under this by-law or the manner in which the borrowing is used.

10. This by-law shall take effect on the final day of passing.

Enacted and passed this \_\_\_\_\_ day of 2016.

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Head of Council

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Clerk

**THE CORPORATION OF THE CITY OF SAULT STE. MARIE**  
**BY-LAW 2016-199**

**AGREEMENT:** (E2.3) A by-law to authorize the execution of an Agreement between the City and Tulloch Engineering Inc. for drainage improvements for McNabb Street to Pim Street.

**THE COUNCIL** of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

**1. EXECUTION OF DOCUMENT**

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to an Agreement dated December 12, 2016 between the City and Tulloch Engineering Inc., a copy of which is attached as Schedule "A" hereto. This Agreement is for drainage improvements for McNabb Street to Pim Street.

**2. SCHEDULE "A"**

Schedule "A" forms part of this by-law.

**3. EFFECTIVE DATE**

This by-law takes effect on the day of its final passing.

**PASSED** in open Council this 12<sup>th</sup> day of December, 2016.

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**MAYOR – CHRISTIAN PROVENZANO**

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**CITY CLERK – MALCOLM WHITE**

**AGREEMENT  
FOR  
PROFESSIONAL CONSULTING SERVICES**

**MEMORANDUM OF AGREEMENT dated the 12<sup>th</sup> day of December**

**A. D. 2016**

**-BETWEEN-**

**THE CORPORATION OF THE CITY OF SAULT STE. MARIE**

Hereinafter called the 'Client'

**THE PARTY OF THE FIRST PART**

**-AND-**

**TULLOCH ENGINEERING INC.**

Hereinafter called the 'Consultant'

**THE PARTY OF THE SECOND PART**

WHEREAS the Client intends to construct the McNabb Street to Pim Street Drainage Improvements comprised of the following:

- Replacement of the existing storm sewer from the west side of Pim Street through the Canadian Motor Hotel parking lot, Poplar Park and Algoma Family Services parking lot to McNabb Street;
- Replacement of the existing storm sewer extending through the Canadian Motor Hotel parking lot easterly to Poplar Ave; and,
- Works required to utilize the ravine, west of Pim Street extending westerly to Gladstone Avenue, as a stormwater retention pond,

hereinafter called the 'Project' and has requested the Consultant to furnish professional services in connection therewith;

**NOW THEREFORE WITNESSETH** that in consideration of the covenants contained herein, the Client and the Consultant mutually agree as follows:

## **ARTICLE 1 - GENERAL CONDITIONS**

### **1.01      Retainer**

The Client hereby retains the services of the Consultant in connection with the Project and the Consultant hereby agrees to provide the services described herein under the general direction and control of the Client.

In this Agreement the word Consultant shall mean professionals and other specialists engaged by the Client directly and whose names are party to this Agreement.

### **1.02      Services**

The services to be provided by the Consultant and by the Client for the Project are set forth in Article 2 and such services as changed, altered or added to under Section 1.08 are hereinafter called the 'Services'.

### **1.03      Compensation**

The Client shall pay the Consultant in accordance with the provisions set forth in Article 3. For purposes of this agreement, the basis of payment shall be as specified in Article 3.2.

### **1.04      Staff and Methods**

The Consultant shall perform the services under this agreement with that degree of care, skill and diligence normally provided in the performance of such services as contemplated by the agreement at the time such services are rendered and as required by the Professional Engineers Act (RSO 1990, Chapter P. 28) and regulations therein. The Consultant shall employ only competent staff who will be under the supervision of a senior member of the Consultant's staff.

### **1.05      Drawings and Documents**

Subject to Section 3.2.2 of Article 3, drawings and documents or copies thereof required for the Project shall be exchanged between the parties on a reciprocal basis. Documents prepared by the Consultant for the Client, including record drawings, may be used by the Client, for the Project herein described. In accordance with Article 1.06, the client indemnifies the Consultant for unauthorized use of the documents and deliverables.

### **1.06      Intellectual Property**

All concepts, products or processes produced by or resulting from the Services rendered by the Consultant in connection with the Project, or which are otherwise developed or first reduced to practice by the Consultant in the performance of his Services, and which are patentable, capable of trademark or otherwise, shall be considered as Intellectual Property and remain the property of the Consultant.

The Client shall have permanent non-exclusive royalty-free license to use any concept, product or process, which is patentable, capable of trademark or otherwise produced by or resulting from the Services rendered by the Consultant in connection with the Project and for no other purpose or project.

### **1.07      Records and Audit**

- (a)     In order to provide data for the calculation of fees on a time basis, the Consultant shall keep a detailed record of the hours worked by staff employed for the Project.
- (b)     The Client may inspect timesheets and record of expenses and disbursements of the Consultant during regular office hours with respect to any item which the Client is required to pay on a time scale or disbursement basis as a result of this Agreement.
- (c)     The Consultant, when requested by the Client, shall provide copies of receipts with respect to any disbursement for which the Consultant claims payment under this Agreement.

**1.08**

**Changes and Alterations and Additional Services**

With the consent of the Consultant the Client may in writing at any time after the execution of the Agreement or the commencement of the Services delete, extend, increase, vary or otherwise alter the Services forming the subject of the Agreement, and if such action by the Client necessitates additional staff or services, the Consultant shall be paid in accordance with Section 3.2.1 for such additional staff employed directly thereon, together with such expenses and disbursements as allowed under Section 3.2.2. In the event that the client delays the project then the consultant shall have the right to renegotiate the agreement.

**1.09**

**Suspension or Termination**

Either party may at any time by notice in writing to the other party, suspend or terminate the Services or any portion thereof at any stage of the project. Upon receipt of such written notice, the Consultant shall perform no further Services other than those reasonably necessary to close out his Services. In such an event, the Consultant shall be entitled to payment in accordance with Section 3.2. for any of the Consultant's staff employed directly thereon together with such expenses and disbursements allowed under Section 3.2.

If the Consultant is practicing as an individual and dies before his Services have been completed, this Agreement shall terminate as of the date of his death, and the Client shall pay for the Services rendered and disbursements incurred by the Consultant to the date of such termination.

**1.10**

**Indemnification**

The Consultant shall indemnify and save harmless the Client from and against all claims, actions, losses, expenses, costs or damages of every nature and kind whatsoever which the Client, his employees, officers or agents may suffer, to the extent the Consultant is legally liable as a result of the negligent acts of the Consultant, his employees, officers or agents in the performance of this Agreement.

The Client agrees to hold harmless, indemnify and defend the Consultant from and against any and all claim, losses, damages, liability and costs of defense arising out of or in any way connected with the presence, discharge, release or escape of contaminants of any kind, excluding only such liability as may arise out of the negligent acts of the Consultant in the performance of consulting services to the Client within this project.

**1.11**

**Insurance**

The Client will accept the insurance coverage amount specified in this clause section (a) as the aggregate limit of liability of the Consultant and its employees for the Client's damages.

a)      **Comprehensive General Liability and Automobile Insurance**

The Insurance Coverage shall be \$2,000,000 per occurrence and in the aggregate for general liability and \$2,000,000 for automobile insurance. When requested the Consultant shall provide the Client with proof of Comprehensive General Liability and Automobile Insurance (Inclusive Limits) for both owned and non-owned vehicles.

b)      **Professional Liability Insurance**

The Insurance Coverage shall be in the amount of \$1,000,000 per claim and in the aggregate. When requested, the Consultant shall provide to the Client proof of Professional Liability Insurance carried by the Consultant, and in accordance with the Professional Engineers Act (RSO 1990, Chapter P. 28) and regulations therein.

c)      **Change in Coverage**

If the Client requests to have the amount of coverage increased or to obtain other special insurance for this Project then the Consultant shall endeavour forthwith to obtain such increased or special insurance at the Client's expense as a disbursement allowed under Section 3.2.

It is understood and agreed that the coverage provided by these policies will not be changed or amended in any way nor cancelled by the Consultant until thirty (30) days after written notice of such change or cancellations has been personally delivered to the Client.

**1.12 Contracting for Construction**

Neither the Consultant nor any person, firm or corporation associated or affiliated with or subsidiary to the Consultant shall tender for the construction of the Project, or have an interest either directly or indirectly in the construction of the Project.

**1.13 Assignment**

Neither party may assign this Agreement without the prior consent in writing of the other.

**1.14 Previous Agreements**

This Agreement supersedes all previous agreements, arrangements or understandings between the parties whether written or oral in connection with or incidental to the Project.

**1.15 Approval by Other Authorities**

Unless otherwise provided in this Agreement, where the work of the Consultant is subject to the approval or review of an authority, department of government, or agency other than the Client, such applications for approval or review shall be the responsibility of the Consultant, but shall be submitted through the offices of the Client and unless authorized by the Client in writing, such applications for approval or review shall not be obtained by direct contact by the Consultant with such other authority, department of government or agency.

**1.16 Principals and Executives**

The use of Principals and Executives on a time basis by the Consultant, will be in accordance with Section 1.23.1 (b).

**1.17 Sub-Consultants**

The Consultant may engage others as sub-consultants for specialized services provided that prior approval is obtained, in writing, from the Client and may add a mark-up of not more than 5% of the cost of such services to cover office administration costs when claiming reimbursement from the Client plus the cost of the additional insurance incurred by the Consultant for the specialized services.

**1.18 Inspection**

The client, or persons authorized by the Client, shall have the right, at all reasonable times, to inspect or otherwise review the Services performed, or being performed, under the Project and the premises where they are being performed.

**1.19 Publication**

The Consultant agrees to obtain the consent in writing of the Client before publishing or issuing any information regarding the Project.

**1.20 Confidential Data**

The Consultant shall not divulge any specific information identified as confidential, communicated to or acquired by him, or disclosed by the client in the course of carrying out the Services provided for herein. These obligations of confidentiality shall not apply to information which is in the public domain, which is provided to the Consultant by a third party without obligation of confidentiality which is independently developed by the Consultant without access to the Client's information, or which is required to be disclosed by law or by court order. No such information shall be used by the Consultant on any other project without the approval in writing of the client.

**1.21**

**Dispute Resolution**

- (a) If requested in writing by either the Client or the Consultant, the Client and the Consultant shall attempt to resolve any dispute between them arising out of or in connection with this Agreement by entering into structured non-binding negotiations with the assistance of a mediator on a without prejudice basis. The mediator shall be appointed by agreement of the parties. If a dispute cannot be settled within a period of ninety (90) calendar days with the mediator, the dispute shall be referred to and finally resolved by arbitration under the rules of the province having jurisdiction or by an arbitrator appointed by the agreement of the parties.
- (b) No person shall be appointed to act as mediator or arbitrator who is in any way interested, financially or otherwise, in the conduct of the work on the Project or in the business or other affairs of either the Client or the Consultant.
- (c) The award of the arbitrator, including an award for costs if applicable, shall be final and binding upon the parties.
- (d) The provisions of The Arbitration's Act, R.S.O., 1991, Chapter 17, as amended shall apply.

**1.22**

**Time**

The Consultant shall perform the Services expeditiously to meet the requirements of the Client and shall complete any portion or portions of the Services in such order as the Client may require.

The Client shall give due consideration to all designs, drawings, plans, specifications, reports, tenders, proposals and other information submitted by the Consultant, and shall make any decisions which he is required to make in connection therewith within a reasonable time so as not to delay the work of the Consultant.

**1.23**

**Estimates, Schedules and Staff List**

**1.23.1**

**Preparation of Estimate of Fees, Schedule of Progress and Staff List**

When requested by the Client, and where payment is calculated on a time basis, the Consultant shall provide, for approval by the Client:

- (a) An estimate of the total fees to be paid for the Services.
- (b) A Staff list showing the number, classifications and hourly rate ranges for staff, Principals and Executives, for which the Consultant will seek payment on a time basis.

**1.23.2**

**Subsequent Changes in the Estimate of Fees, Schedule of Progress and Staff List**

The Consultant will require prior written approval, from the Client for any of the following changes:

- (a) Any increase in the estimated fees beyond those approved under Subsection 1.23.1 (a).
- (b) Any change in the number, classification and hourly rate ranges of the staff provided under Subsection 1.23.1 (b).

**1.23.3**

**Monthly Reporting of Progress**

When requested by the Client, the Consultant shall provide the Client with a written report showing the portion of the Services completed in the preceding month.

## **ARTICLE 2 - SERVICES**

### **2.1 Consultant's Services for Preliminary Design of the Project**

The Consultant shall provide the Services for preliminary design of the Project and such work shall include the following:

1. Meet with the appropriate representatives of the municipality
  - a) Obtain full information on existing and proposed municipal services, roads, and other facilities. Obtain any available background information including drawings, reports, and traffic counts relating to the project.
  - b) Obtain the Client's standard criteria for design.
  - c) Establish the extent of services to be provided and the manner of presentation.
2. Conduct a physical reconnaissance and review topographical maps of the Project area to ascertain the location, topography, drainage and existing municipal services.
3. Establish the design criteria for the design of the Project.
4. Recommend environmental parameters for the design.
5. Assemble existing soils data and conduct additional soils program.
6. Preparation and recommendation of alternative concepts and designs considering geometrics, property, cost and environmental features.
7. Development and recommendation of horizontal and vertical alignments for the Project on a plan scale acceptable to the Client.
8. Proposed typical sections and grading requirements for the storm sewer route to minimize the potential for surface flooding, for the stormwater management pond, for intersecting roads and other project components.
9. Hydrologic and hydraulic analysis to analyze alternatives and optimize the design of the storm sewer system and stormwater management works.
10. Preparation and distribution of minutes of Project meetings.
11. Correspondence with governmental ministries, agencies and other public authorities for design information.
12. Review general drainage requirements.
13. Establish preliminary property and right-of-way requirements. Identify property acquisition requirements, if any.
14. Identify major utility installations and adjustments.
15. Review and utilization of the detailed topographic survey provided by the Client and supplemental survey work necessary for the provisions of the services herein and,
  - a) For the assessment and verification of feasibility of engineering alternatives considered for the Project.
  - b) To provide sufficient survey reference points clear of the expected construction area to allow future re-establishment of the alignment proposed for the Project.
  - c) To establish elevation control bench marks clear of the expected construction area sufficient to allow referencing of further detailed elevation information, and the development and control of elevations of the Works to be constructed under the Project.
16. Preparation of Preliminary Design Drawings.
17. Preliminary construction cost estimates.
18. Prepare display material and conduct a Public Open House, if required by the Client.
19. Liaison with the affected public and property owners under the direction of the Client.

### **2.2 Client's Services for Preliminary Design**

The Client shall provide the Consultant with:

1. Available Functional Study or Predesign Investigation undertaken for the Work.
2. Access to and the use of existing plans, profiles, utility information, legal documents and correspondence relevant to the Work.
3. A detailed digital topographic survey of the existing features within the project limits.
4. Base Plan of the project area showing property fabric.
5. Traffic information.
6. General direction of the Consultant in the provision of services and approvals from time to time as necessary during the currency of this agreement.
7. Any information regarding soils and utilities in the possession of the Client necessary for the preparation of the plans.

The Consultant shall be entitled to rely upon the information, direction and approvals provided by the Client pursuant to Clauses (1) to (7) hereof, inclusive, as being accurate, in the performance of the Consultant's services under this Agreement.

## **2.3 Consultant's Services for Detailed Design of the Project**

The Services to be provided by the Consultant in the execution of the design of the Project shall include:

1. Expertise required for the design of all structures and facilities to serve the best interests of the public, with due regard for environmental concerns, capital cost and operating efficiency in accordance with current state of the art and acceptable standards established by the Client and regulatory authorities.
2. Supplemental field survey work required after the design criteria and functional alignment have been established, which shall include all supplemental survey work necessary for the estimating of quantities, the detailed setting of alignment and grade to fit controlling natural and artificial topographic and underground features, the design of storm sewers, and the positioning of all appurtenances associated with the construction of the Project.
3. Drainage studies and the preparation of detailed design drawings and specifications for storm sewers and all necessary drainage works.
4. Investigation and confirmation of the present location of all above ground utilities, updating of the Client's plans and profiles to show the present location and the proposed location, and preparation of additional drawings required for alternative utility relocation as required by the Client. Underground utilities are to be indicated on the plans and profiles in accordance with information submitted by the respective utility.
5. The preparation and submission of preliminary drawings, investigations, and the recommendations to the Client, on such alternatives or modifications to the Project that the Consultant in his professional judgement deems advantageous to the Client.
6. The preparation of appropriate plans showing any lands or interests in land required for the Project.
7. Advising the Client of the need to seek permission to enter private lands for investigation purposes.
8. Participation in a reasonable number of meetings for informative, negotiative or presentative purposes with the Client in connection with the Services provided under this Agreement, after the establishment of the design criteria and functional alignment.
9. The preparation of contract documents for the Project including the detailed construction drawings, tender quantity forms, general conditions, specifications, information to bidders, and special provisions.
10. The preparation of detailed quantity and cost estimates, sundry engineering and materials.
11. The provision of complete sets of tendering documents and one complete set of reproducible drawings for the Project. In addition, the Consultant shall provide a digital copy of the drawings in Auto Cad format to the Client.
12. Incorporation into the contract document package of design drawings and specifications of work designed by others, when required.
13. The submission of plans, specifications, schedules, and applications for approval to the client and to appropriate authorities, as required. Attend meetings at the offices of these public authorities to discuss designs and to provide explanations for the purpose of furthering the applications toward approval.
14. The preparation of special applications or reports to assist the client in obtaining subsidy payments, grants and special financing from senior levels of government.
15. Advice, consultation and assistance to the Client in the advertising, receiving and evaluation of bids, and awarding of a contract for construction.

## **2.4 Client's Service for Detailed Design**

The client shall provide the Consultant with the following services, notwithstanding that, should the Client be unable to provide any of the services hereunder, services may be assigned to the Consultant under Section 1.08.

1. Access to and, where necessary, copies of existing plan, profiles or other topographic information showing or pertaining to existing conditions within the Project area.
2. Registered land plans, legal documents and surveys, where necessary, defining the property limits of existing rights-of-way and other parcels of land affected by the Project, and as required in the acquisition of property and lands for the Project.
3. Specimen contract documents for the guidance of the Consultant in the design of the Project to the standards required by the Client.
4. General direction of the Consultant in the provision of the services.
5. Any information regarding utilities necessary for the preparation of the plans in the possession of the Client.
6. Arrange and make provision for the Consultant's entry and ready access to property (public and private) as well as to the site of the Project, as necessary to enable him to perform his services.

7. Designate in writing individual to act as his Representative who will transmit instructions to and receive information from the Consultant.  
The Consultant shall be entitled to rely upon the information, direction and approvals provided by the Client pursuant to Clauses 1 through 7 hereof, inclusive, as being accurate in the performance of the Consultant's services under this agreement.

**2.5**

**Consultant's Services for Construction Administration on the Project**

The Consultant, on behalf of the Client, provides a review of the Project during construction. The Contractor is responsible for discharging his obligations under the terms and conditions of the construction contract. The performance of the Contract is not the Consultant's responsibility nor are his review services rendered for the Contractor's benefit. The Contractor is responsible for the quality of work. It is understood that only work which has actually been seen during examination of representative samples can be said to have been appraised, and comments on the balance of the work are assumptions based on extrapolation.

The extent of the Consultant's duties for general review are as follows:

(a)      **Administrative Services During Construction**

1. Advise the construction Contractor on the Consultant's interpretation of the drawings and specifications and issue supplementary details and instructions during the construction period as required.
2. Review for Client's approval the construction schedule proposed by the Contractor and comment on the procedures, methods and sequence of work.
3. Review shop drawings submitted for general compliance with the design requirements.
4. Consider and advise on alternative methods, equipment and materials proposed by the Contractor.
5. Advise on the validity of charges for additions or deletions and preparation of change orders.
6. Process Contractor's progress and final requisitions and issue progress certificates for the Client's acceptance.
7. Maintain adequate records related to the construction contracts.
8. Modify contract drawings to show the 'as-built' work and provide reproducible copies of these drawings to the Client, as well as electronic copies in Auto Cad format.
9. Arrange for the testing and inspection of materials and work, by an authorized inspection and testing company, where the construction contract calls for such testing.
10. Schedule and attend job meetings as deemed necessary.
11. Report on the progress of construction to the Client.

(b)      **Resident Staff Services during Construction**

1. Provide reference line and elevation to the Contractor and, where necessary, check the construction Contractor's line and grade.
2. Report to the Client and make recommendations if the Consultant determines that the Contractor is not carrying out his work in accordance with the Contract Documents or that the Contractor's work does not satisfy the intent of the design or does not substantially conform with plans and specifications.
3. Investigate, report and advise on unusual circumstances which come to the Consultant's attention during construction.
4. Calculation and recording of quantities and the preparation of progress and final payment certificates prescribed by the Client, together with the compilation of such survey notes, diaries, records and reports substantiating such certificates during construction and on completion of the work.
5. Carry out final inspection at the conclusion of the construction contract, at the end of the maintenance period and as part of the acceptance program of the Client.
6. Obtain and record field information of construction details for the modification of contract drawings to show the work 'as-built'.
7. Maintain sufficient data to determine periodic progress of the Project.
8. Review construction Contractor's request for payments as to progress, quantities of work completed and materials delivered to the site and advise the Client.

**2.6**

**Client's Services for Construction Administration**

The Client shall provide the Consultant with the following services notwithstanding that, should the Client be unable to provide any of the Services hereunder, they may be assigned to the Consultant under Section 1.08.

1. Supplementary factors governing the Contractor's operations, such as by-laws, property considerations, maintenance of public services and traffic.
2. General direction of the Consultant in the provision of the services.
3. Arrange and make provision for the Consultant's entry and ready access to property (public and private) as well as to the site of the Work, as necessary to enable him to perform his Services.
4. Designate in writing an individual to act as his Representative, who will transmit instructions to, and receive information from, the Consultant.

The Consultant shall be entitled to rely upon the information, direction and approvals provided by the Client pursuant to Clauses 1 through 4 hereof, inclusive, as being accurate, in the performance of the Consultant's Services under this Agreement.

**ARTICLE 3 - FEES AND DISBURSEMENTS**

**3.1**

**Definitions**

For the purpose of this Agreement, the following definitions shall apply:

(a) **Cost of the Work:**

- (i) The "Cost of the Work" shall mean the total cost of the Project including all materials, equipment, sales taxes, labour and contractor's overhead and profit, necessary to complete the work for which the Consultant prepares designs, drawings or specifications, for which he is responsible. Where sales taxes are not included in the cost of the work, the fee shall be adjusted upwards by the factor equivalent to the sales taxes. The adjusted fee may be computed to the nearest one-tenth of one percent (1/10%).
- (ii) Wherever the client furnishes labour or other service which is incorporated in the work, the current price of labour or other service when the work was executed shall be used to compute the Cost of the Work.
- (iii) Whenever used materials or equipment is furnished by or on behalf of the Client, the fair market value of such materials or equipment, as though it was purchased new, shall be used to compute the Cost of the Work.
- (iv) In computing the Cost of the Work, no deductions shall be made on account of any penalties or damages claimed by the Client from any contractor or on account of any other sum withheld from any contractor.
- (v) The Cost of the Work shall not include any fees and disbursements due to the Consultant, the Client's engineering and office expenses, or cost of land.

(b) **Site:**

Site includes the actual work site and other locations where the checking of materials, equipment and workmanship is carried out.

**3.2 Basis of Payment**

**3.2.1 Fees Calculated on a Time Basis**

The Client shall pay the Consultant a fee, calculated on a time basis, for that part of the Services described in Article 2. Fees on a time basis for all staff shall be hourly rates based on job classifications in accordance with Schedule A, attached.

For a project of over one (1) year duration, or for projects which become extended beyond one (1) year in duration, the consultant may from time to time seek approval from the client to adjust hourly rates and such approval shall not be unreasonably withheld.

**3.2.1.1 Time Expended**

All time expended on the assignment, whether in the Consultant's office, at the Client's premises, or elsewhere, and including travel time, shall be chargeable. This also includes, but is not limited to, stenographic and clerical staff engaged in the preparation of documents such as reports and specifications.

**3.2.2 Reimbursable Expenses**

In addition to the fee, the Consultant shall be reimbursed at cost plus an administrative charge of 5%, plus the cost of additional insurance incurred by the Consultant, for all expenses properly incurred by him in connection with the project, including but not limited to: vehicle use charges, travelling and living expenses, long distance telephone charges, facsimile transmission charges, printing and reproductions, progress photography, advertising for tenders, special delivery and express charges, overtime premium costs, and the cost of providing and maintaining site offices, supplies and equipment, chemical and physical tests.

**3.3 Payment**

**3.3.1 Fees Calculated on a Time Basis**

The Consultant shall submit an invoice to the Client for all Services completed in the immediately preceding month. Interest at the annual rate of 12 percent (1 percent monthly) will be paid on the total outstanding unpaid balance commencing 30 days after the Client has received the Consultant's invoice.

**SIGNED, SEALED AND DELIVERED**

in the presence of:

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)  
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)

**TULLOCH ENGINEERING INC.**

| The signatory shall have the authority to bind the corporation or company for purposes of this agreement

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Larry Jackson  
(Name)

\_\_\_\_\_  
General Manager  
(Title)

**THE CORPORATION OF THE CITY OF SAULT STE. MARIE**

The signatory shall have the authority to bind the municipality or its agency for purposes of this agreement

\_\_\_\_\_  
**MAYOR Christian Provenzano**

\_\_\_\_\_  
**CLERK Malcolm White**

## **SCHEDULE A**

### **1. Fee Estimate**

The estimated total fees for the assignment, including all expenses and disbursements are shown in the following table. The total fee for the construction phase of the assignment is an estimate based on experience on similar projects and an anticipated construction duration. The actual fee during construction is dependent on the Contractor's schedule and construction methodology. The Total Fee for the assignment is an Upset Limit for the specified Scope of Work and will not be exceeded without the approval of the Corporation of the City of Sault Ste. Marie.

Description of Services	Scope of Work	Estimated Fee
Preliminary and Detailed Design of the Project	Agreement Sections 2.1 and 2.3	\$207,520.00
Administration and Resident Staff Services During Construction	Agreement Section 2.5	\$233,010.00
<b>Total Upset Limit</b>		<b>\$440,530.00</b>

Fees do not include H.S.T.

### **2. Billing Rates**

Billing rates for personnel assigned to this project, based on their job description / classification are provided in the following table.

Job Description / Classification	Billing Rate
General Manager / Principal	\$160/hour
Project Manager / Senior Engineer	\$125 - \$150/hour
Intermediate Engineer	\$110 - \$125/hour
Engineering Intern/ Junior Engineer	\$80 - \$100/hour
Senior Technician / Designer	\$90 - \$110/hour
Intermediate Technician / Designer	\$75 - \$90/hour
Junior Technician / Designer	\$60 - \$70/hour
Senior Inspector	\$90 - \$110/hour
Junior Inspector	\$60 - \$80/hour
CAD Operator	\$70 - \$90/hour
Administrative	\$55 - \$70/hour

**THE CORPORATION OF THE CITY OF SAULT STE. MARIE**  
**BY-LAW NO. 2016-200**

**FINANCING:** (F1.3) A by-law to authorize the borrowing of \$15,000,000 to finance capital expenditures for short and long term purposes for The Corporation of the City of Sault Ste. Marie and \$6,200,000 for the Public Utilities Commission of the City of Sault Ste. Marie.

**WHEREAS** Section 401 of the *Municipal Act, 2001* states a municipality may borrow money or incur a debt for municipal purposes and may issue debentures for the money borrowed or for the debt; and

**WHEREAS** the Council of The Corporation of the City of Sault Ste. Marie deems it necessary to borrow the sum of \$15,000,000 for short and long term purposes, the capital expenditures of the Corporation under its construction by-laws; and

**WHEREAS** the Public Utilities Commission of the City of Sault Ste. Marie deems it necessary to borrow the sum of \$6,200,000 for short and long term purposes;

**WHEREAS** the total amount of the estimated revenues of the Corporation for the year 2014 not including revenues derived or derivable from the sale of assets, borrowings or issues of debentures or from a surplus, including arrears of taxes and proceeds from the sale of assets is estimated to be in excess of \$175,000.00;

**THEREFORE** the Council of The Corporation of the City of Sault Ste. Marie hereby **ENACTS** as follows:

- I. The Mayor and the Treasurer are hereby authorized on behalf of the Corporation to borrow from time to time by way of promissory note from the City's Banker or any person a sum or sums not exceeding \$15,000,000 for short and long term purposes to finance the capital expenditures of The Corporation of the City of Sault Ste. Marie under its construction by-laws, and to give on behalf of the Corporation to the Bank or lender a promissory note or notes sealed with the corporate seal and duly signed for the moneys so borrowed with interest which may be paid in advance or otherwise, with interest at the bank's prescribed lending rate or other persons' lending rate from time to time.

2. The Public Utilities Commission of the City of Sault Ste. Marie is hereby authorized to borrow from time to time by way of promissory note from the City's Banker or any person a sum or sums not exceeding \$6,200,000 for short and long term purposes to finance the capital expenditures of the Public Utilities Commission of the City of Sault Ste. Marie.
3. All sums borrowed pursuant to the authority of this by-law as well as all other sums borrowed by the Corporation in this year and in previous years from the said Bank or lender and remaining unpaid shall, with interest thereon, be a charge upon the whole of the revenues of the Corporation for the current year and for all preceding years as and when such revenues are received.
4. The Treasurer is hereby authorized and directed to apply in payment of all sums borrowed as aforesaid, together with interest thereon, all of the moneys hereafter collected or received either on account or realized in respect of taxes levied for the current year and preceding years or from any other source which may lawfully be applied for such purpose.
5. Long term purposes is defined as a loan with a fixed rate and term.
6. **EFFECTIVE DATE**

This by-law is effective January 1<sup>st</sup>, 2017.

**PASSED** in open Council this 12<sup>th</sup> day of December, 2016.

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**MAYOR – CHRISTIAN PROVENZANO**

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**CITY CLERK – MALCOLM WHITE**

**THE CORPORATION OF THE CITY OF SAULT STE. MARIE**  
**BY-LAW 2016-202**

**APPOINTMENTS:** (L.5.9) A by-law to repeal By-law 2001-25 (a by-law to appoint representatives to the water utility).

**THE COUNCIL** of The Corporation of the City of Sault Ste. Marie pursuant to the *Municipal Act, 2001*, S.O. 2001, c.25, **ENACTS** as follows:

1. **BY-LAW 2001-25 REPEALED**

By-law 2001-25 is hereby repealed.

2. **EFFECTIVE DATE**

This by-law takes effect on the day of its final passing.

**PASSED** in open Council this 12<sup>th</sup> day of December, 2016.

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**MAYOR - CHRISTIAN PROVENZANO**

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**CITY CLERK - MALCOLM WHITE**

**THE CORPORATION OF THE CITY OF SAULT STE. MARIE**  
**BY-LAW NO. 2016-203**

**PROPERTY ACQUISITION:** (PR1.37(1)) a by-law to authorize the further payment of \$196,627.00 to 920939 Ontario Inc. for the acquisition of the property described as Part 1 on Plan 1R-11776 for the Third Line extension.

**THE COUNCIL** of The Corporation of the City of Sault Ste. Marie, pursuant to the Municipal Act, S.O. 2001, C. 25, **ENACTS** as follows:

**1. PAYMENT – FINAL COMPENSATION**

The Corporation shall make the further payment of \$196,627.00 to 920939 Ontario Inc., representing the final payment of all compensation payable by the City for the acquisition of lands more particularly described in Schedule 'A' hereto, for the City's Third Line extension.

**2. EXECUTION OF DOCUMENTS**

The Mayor and Clerk are hereby authorized for and in the name of the Corporation to execute and to affix the seal of the Corporation to all documents required to complete the said acquisition.

**3. SCHEDULE “A”**

Schedule "A" hereto forms a part of this by-law.

**4. EFFECTIVE DATE**

This by-law takes effect on the day of its final passing.

**PASSED** in open Council this 12<sup>th</sup> day of December, 2016.

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**MAYOR – CHRISTIAN PROVENZANO**

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**CITY CLERK - MALCOLM WHITE**

## **SCHEDULE "A" TO BY-LAW 2016-203**

PURCHASER: The Corporation of the City of Sault Ste. Marie

VENDOR: 920939 Ontario Inc.

ADDRESS: Part 1 on Plan 1R-11776

CONSIDERATION: Final payment of \$196,627.00 to 920939 Ontario Inc.

**THE CORPORATION OF THE CITY OF SAULT STE. MARIE**  
**BY-LAW 2016-204**

**PROPERTY:** (PR1) A by-law to re-establish procedures, including the giving of notice to the public governing the sale of surplus real property owned by the City.

**THE COUNCIL** of the Corporation of the City of Sault Ste. Marie, pursuant to Section 270 of the *Municipal Act, 2001*, S.O. 2001, **ENACTS** as follows:

**1. DECLARING PROPERTY SURPLUS, APPRAISAL AND NOTICE**

Before selling any real property, City Council shall:

- (1) Declare, either by by-law or resolution, that said real property is surplus to the needs of the municipality;
- (2) When appropriate in the circumstances, obtain an appraisal or valuation of the fair market value of the real property; and
- (3) Give notice of the proposed sale of the surplus property as set out in this by-law.

**2. NOTICE OF PROPOSED SALE OF SURPLUS PROPERTY**

- (1) Public notice of the proposed sale or disposition of the real property shall be sufficiently given if notice of the proposed sale or disposition is published once in a local newspaper of general circulation.
- (2) Public notice under section 2(1) to this by-law is not required where other notice requirements are set out in the *Municipal Act, 2001* or any other Act.
- (3) Public notice under section 2(1) to this by-law shall indicate that the highest offer shall not necessarily be accepted.

**3. EXEMPTIONS TO APPRAISAL REQUIREMENT**

Without limiting the scope of section 1(2) to this By-law, an appraisal or valuation shall not be required in the following situations:

- (1) For the sale of the following classes of surplus land:
  - (a) Land measuring 0.3 metres or less in width acquired in connection with an approval or decision under the *Planning Act*, RSO 1990, c. P. 13;

- (b) Closed streets, lanes or public thoroughfares, if sold to an owner of land abutting the closed street, lane or public thoroughfare;
  - (c) Land that does not have direct access to a highway, if sold to an owner of land abutting that land; and
  - (d) Easements granted to public utilities or telephone companies.
- (2) For the sale to the following purchasers of surplus land:
- (a) A local board, including a school board and a conservation authority; and
  - (b) The Crown in right of Ontario or Canada, or their agencies.

4. **MULTIPLE OFFERS RECEIVED**

If multiple offers to purchase a piece of surplus property are received, the highest offer may not necessarily be accepted. Where appropriate, the City may accept lower offers if it is in the best interests of the City or for charitable or altruistic reasons, including but not limited to donations to charitable organizations such as Habitat for Humanity.

5. **CONSIDERATION**

For all sales of surplus property, the Legal Department shall determine what, if any, consideration shall be charged to the proposed purchaser of the property.

6. **ADDITIONAL PROCEDURES**

Subject to the provisions of this by-law, if the circumstances of the proposed sale deem it appropriate, the additional procedures attached as Schedule "A" to this by-law shall also be followed prior to the sale being completed.

7. **SCHEDULE "A"**

Schedule "A" hereto forms part of this by-law.

8. **BY-LAW REPEALED**

By-law 2012-126 is hereby repealed.

9. **EFFECTIVE DATE**

This by-law will take effect on the day of its final passing.

**PASSED** in open Council this 12<sup>th</sup> day of December, 2016.

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**MAYOR – CHRISTIAN PROVENZANO**

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**CITY CLERK – MALCOLM WHITE**

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## **SCHEDULE "A" TO BY-LAW 2016-204**

IN ADDITION to the requirements of by-law 2016-204, the following procedures shall be followed in the circumstances provided.

### **1. SALE OF SURPLUS PROPERTY**

The following outlines the procedure to be followed for the sale of surplus property owned by the City:

- (1) A person or firm who wishes to purchase property owned by the City shall make its request in writing to the Legal Department;
- (2) The Legal Department shall investigate all requests received to determine if the sale is in the best interests of the City;
- (3) The Legal Department shall circulate the information on the surplus property to the appropriate City departments and any outside agencies that may have an interest in the matter for comment;
- (4) Upon receiving comments from all aforementioned parties, the Legal Department shall determine if the proposed sale is in the best interests of the City. If the Legal Department deems the sale to be in the best interests of the City, it shall prepare a report to City Council. Nevertheless, if the applicant is not satisfied with the decision of the Legal Department, they may request that the matter be send to City Council; and
- (5) If City Council agrees to dispose of the property, the Legal Department shall take all necessary steps to arrange for the sale of the property to the approved purchaser.

### **2. SALE OF PARKLAND**

In the case of a proposed sale of parkland where the property being sold does not require rezoning for its proposed use, all owners of property within 120 metres of the subject parkland shall be notified by mail of the City's intent to do so.

### **3. SALE OF UNDERSIZED CITY PROPERTY**

The following outlines the procedure to be followed for the sale of undersized property within the City:

- (1) If a property does not meet the minimum size or area requirements of the City's Zoning By-law, the Legal Department may offer to sell the property to abutting owners; and

- (2) Each abutting owner may fifty (50) percent of the property directly abutting their own. If an abutting owner does not wish to purchase a portion of the land, it shall be offered to the other abutting owner.

4. **CLOSING A STREET, LANE OR PUBLIC THOROUGHFARE AND ITS SALE**

The following outlines the procedure to be followed for the closing and subsequent sale of streets, lanes and public thoroughfares within the City:

- (1) A property owner who wishes to have the City close a street, lane or public thoroughfare (the "Applicant") shall make his or her request in writing to the Legal Department. A request shall be for an entire street, lane or public thoroughfare section, from the intersection of one street, lane or public thoroughfare to another. This condition may be waived by the Legal Department if they determine it is in the best interests of the City;
- (2) The Legal Department shall provide an Application to the Applicant;
- (3) The Applicant shall obtain the signatures on the form provided of all property owners whose land abuts the portion of the street, lane or public thoroughfare requested to be closed. These property owners shall also indicate whether they wish to have a portion of the street, lane or public thoroughfare conveyed to them in the event that it is closed;
- (4) If the Applicant meets the prerequisites in the Application, the Legal Department shall circulate the information to all City departments and outside agencies that may have an interest in the matter for comment;
- (5) If the Legal Department determines that closing the street, lane or public thoroughfare is in the best interests of the City, the Legal Department shall produce a report and recommendation as well as a by-law for City Council's consideration;
- (6) If City Council approves the proposed closing, the by-law will receive first and second reading. The Legal Department shall publish notice of the City's intention to close and sell the lane, street or public thoroughfare once in a local newspaper of general circulation.
- (7) If there are no objections to the lane closing, the Applicant shall obtain a plan of survey of the land prepared by an Ontario Land Surveyor. The Applicant shall submit a draft of the survey to the Legal Department for approval prior to its registration;

- (8) Once the plan of survey has been approved by the Legal Department and registered by the Applicant, the by-law shall be placed on City Council's agenda for the third and final reading;
- (9) The Applicant shall give two (2) copies of the registered plan of survey to the Legal Department. Each purchaser then retains a lawyer to prepare the appropriate deeds and signs them.
- (10) All costs of the survey shall be paid by the benefitting owners. If an owner does not pay his or her share of the survey cost within thirty (30) days of the passing of the by-law, the City may offer the full width of the street, lane or public thoroughfare to the owner on the opposite side of the street, lane or public thoroughfare.
- (11) The City may retain or grant any and all easements for present or future use which are deemed necessary. This may restrict any improvements undertaken by property owners on the portion of the property restricted by the easement;
- (12) The Legal Department shall notify the Chief Building Official of all parcels of land conveyed to property owners as well as the easements retained by the City or on behalf of any utility companies; and
- (13) Despite the provisions of this section, if a commercial establishment proposed to expand its operation and to do so it requires the entire portion of an abutting street, lane or public thoroughfare, City Council may agree to convey the entire street, lane or public thoroughfare to the commercial establishment without offering any portion of the property to an abutting property owner or owners.

## 5. **PIN CONSOLIDATION**

If the Legal Department, at its sole discretion, deems that the surplus property being sold by the City to a purchaser results in a PIN consolidation being required, the purchaser shall ensure that said PIN consolidation is completed. All fees or charges associated with the PIN consolidation shall be at the sole expense of the purchaser.

**THE CORPORATION OF THE CITY OF SAULT STE. MARIE**  
**BY-LAW 2016-205**

**AGREEMENT:** (AG 158) A by-law to authorize the execution of an Agreement between the City and Sault Surge Aquatic Team for the exclusive use of office space located at the John Rhodes Community Centre for activities carried on by the Club.

**THE COUNCIL** of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

**1. EXECUTION OF DOCUMENT**

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to an Agreement dated December 12, 2016 between the City and Sault Surge Aquatic Team, a copy of which is attached as Schedule "A" hereto. This Agreement is for the exclusive use of office space located at the John Rhodes Community Centre for activities carried on by the Club.

**2. SCHEDULE "A"**

Schedule "A" forms part of this by-law.

**3. EFFECTIVE DATE**

This by-law takes effect on the day of its final passing.

**PASSED** in open Council this 12<sup>th</sup> day of December, 2016.

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**MAYOR – CHRISTIAN PROVENZANO**

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**CITY CLERK – MALCOLM WHITE**

**THIS AGREEMENT** made this 12th day of December, 2016.

## BETWEEN: THE

# THE CORPORATION OF THE CITY OF SAULT STE MARIE

hereinafter called the "City"

- and -

#### **SAULT SURGE AQUATIC TEAM**

hereinafter called the "Club"

WHEREAS the Club requires exclusive use of Office Space located at the John Rhodes Community Centre for activities carried on by the Club.

NOW THEREFORE this Agreement witnesseth that in consideration of the mutual covenants and agreements herein contained and subject to the terms and conditions hereinafter set out, the parties hereto agree as follows:

1 TERM

The City, in consideration of the sum of the Rental Rate set out below, agrees to lease, for its exclusive use, to the Club the John Rhodes Community Centre Office Space as set out in Schedule 'A' of this Agreement for the term of one year provided that the Club has an option to renew this Agreement on a year-to-year basis subject to successful negotiations between the City and the Club on a renewal unless canceled as described herein.

## 2. RENTAL RATE

- (1) The Club agrees to pay the City rent in the amount of ONE HUNDRED AND TWO (\$102.00) dollars monthly, plus HST. The aforesaid amount is subject to an annual increase upon the renewal of this Agreement. The Club shall be invoiced monthly by the City.
  - (2) For the Rental Rate paid by the Club, the Club shall be entitled to exclusive use of the Office Space as set out in Schedule 'A' of this Agreement

3. **CANCELLATION**

- (1) The City or the Club may cancel this Agreement on giving three (3) months written notice to the other party of its intention to do so. Notices shall be deemed given if deposited in the mail with the postage charges prepaid and addressed to the party for whom intended at such party's address herein specified.

"City"	Melanie Borowicz-Sibenik Assistant City Solicitor and Senior Litigation Counsel The Corporation of the City of Sault Ste. Marie P.O. Box 580, Sault Ste. Marie, ON, P6A 5N1
"Club"	Sault Surge Aquatic Team 260 Elizabeth Street, Sault Ste. Marie, ON, P6A 6J3

4. **FAILURE TO PROVIDE FACILITY**

In the event the City is unable to provide the facility due to acts of God, strikes, equipment failure of any other cause beyond the control of the City, the City will not incur any liability to the Club.

5. **SMOKE FREE FACILITY**

The Club acknowledges that the John Rhodes Community Centre is a smoke-free facility. It shall be the responsibility of the Club to assist the City in enforcing this by-law with respect to any employees or personnel associated with the Club.

6. **INSURANCE**

The Club agrees to take out and keep in force during the term of this Agreement a policy of public liability insurance providing coverage in respect of any one accident to the limit of at least \$2,000,000.00 exclusive of interest and costs against loss or damage resulting from bodily injury to or death of one or more persons. It is understood and agreed by the parties that personal injury or any person attending the property or participating in any event on the property or loss to any property belonging to such person can incur no liability on behalf of the City and that as between the City and the Club, the Club must assume full responsibility for any such liability or potential liability that might arise.

7. **INDEMNITY**

The Club agrees to save harmless the City from any and all claims including claims by the Club or its servants, employees, agents, invitees or licensees and including, without limiting the generality of the foregoing, all claims for personal injury or property damages regardless of the cause and from all costs, counsel fees, expenses and liabilities incurred in or about such claim or any action or proceeding brought thereon.

8. **RESPONSIBILITY FOR LOSS**

The City assumes no responsibility for loss or damage to equipment or material belonging to the Club, its servants, agents, invitees or licensees in or about the Club's area, including liability for injury or damage to the person or property of the Club's servants, employees, agents, invitees or licensees.

9. **ASSIGNMENT OF AGREEMENT**

The City and the Club covenant and agree that this Agreement shall not be assigned without the consent of the City, such consent not to be unreasonably withheld. The transfer of a controlling interest in the shares of the Club shall be considered an assignment of this Agreement.

10. **APPLICATION OF LEGISLATION**

The City shall incur no liability in the event that legislation is enacted by a provincial or federal government which has the effect of frustrating the intent of the parties as evidenced by this Agreement.

11. **BINDING EFFECT**

The terms and provisions of this Agreement shall extend to, be binding upon and enure to the benefit of the parties hereto and their successors and assigns.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals as of the day and year first above written.

SIGNED, SEALED AND DELIVERED )  
IN THE PRESENCE OF )

SAULT SURGE AQUATIC TEAM

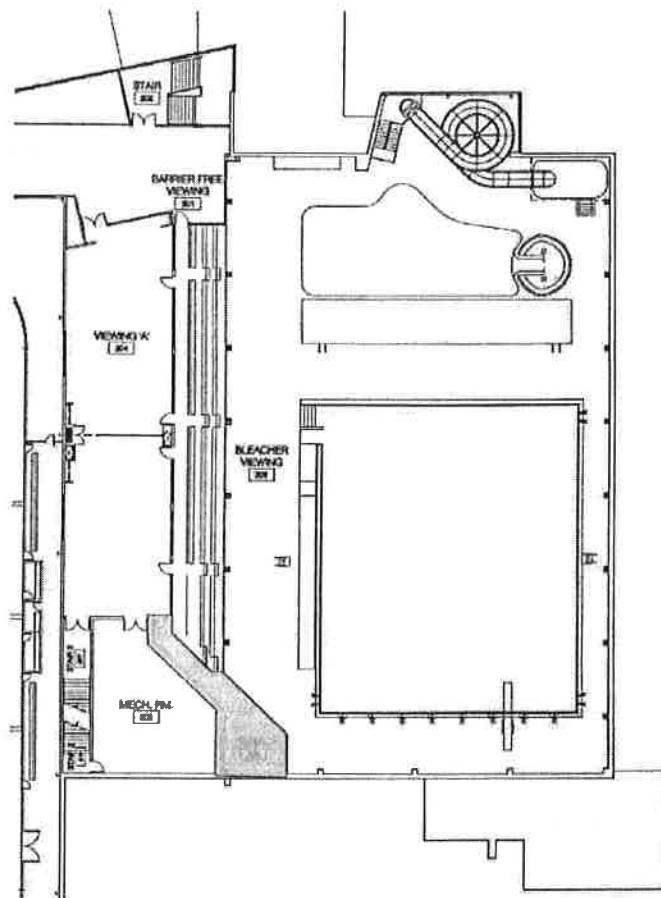
\_\_\_\_\_  
Jason Biggar  
(I have authority to bind the Corporation)

THE CORPORATION OF THE  
CITY OF SAULT STE. MARIE

\_\_\_\_\_  
MAYOR –  
CHRISTIAN PROVENZANO

\_\_\_\_\_  
CITY CLERK –  
MALCOLM WHITE

## Schedule 'A'

**John Rhodes Community Center Pool Second Level Floor Plan****Shaded Area – Surge Aquatic Club Office**

**THE CORPORATION OF THE CITY OF SAULT STE. MARIE**  
**BY-LAW NO. 2016-206**

**LANE ASSUMPTION:** (Map 42) A by-law to assume for public use and establish as a public lane, a lane in the Highland Park Subdivision, Plan H516.

**THE COUNCIL** of the Corporation of the City of Sault Ste. Marie, pursuant to the *Municipal Act, 2001*, S.O. 2001, **ENACTS** as follows:

**1. LANE ESTABLISHED AND ASSUMED**

The lane or parts of lane more particularly described in Schedule "A" to this by-law is hereby established as a public lane and is assumed for public use.

**2. SCHEDULE "A"**

Schedule "A" forms a part of this by-law.

**3. EFFECTIVE DATE**

The by-law takes effect on the day of its final passing.

**PASSED** in open Council this 12<sup>th</sup> day of December, 2016.

---

**MAYOR – CHRISTIAN PROVENZANO**

---

**CITY CLERK – MALCOLM WHITE**



**THE CORPORATION OF THE CITY OF SAULT STE. MARIE**

**BY-LAW NO 2016-207**

**LANE CLOSING:** (Map 42) A by-law to stop up, close and authorize the conveyance of a lane in the Highland Park Subdivision, Plan H516.

**WHEREAS** the lane more particularly hereinafter described was established as a public lane and assumed for public use by By-law 2016-206;

**NOW THEREFORE** the Council of The Corporation of the City of Sault Ste. Marie, pursuant to *the Municipal Act, 2001*, S.O. 2001, **ENACTS** as follows:

**1. LANE CLOSED**

The lane more particularly described in Schedule "A" to this by-law, having been assumed by the Corporation for public use, is hereby stopped up and closed.

**2. LANE DECLARED SURPLUS**

The lane more particularly described in Schedule "A" to this by-law is surplus to the requirements of the municipality.

**3. EXECUTION OF DOCUMENTS**

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and to affix the seal of the Corporation to all documents required to give effect to this by-law.

**4. EASEMENTS TO BE RETAINED**

The lane is subject to the retention of easements if required. The Corporation shall stop up, close and authorize the conveyance of the lane more particularly described in Schedule "A" to this by-law.

**5. SCHEDULE "A"**

Schedule "A" forms a part of this by-law.

6. **EFFECTIVE DATE**

This by-law takes effect on the day of its final passing.

**PASSED** in open Council this 12<sup>th</sup> day of December, 2016.

---

**MAYOR – CHRISTIAN PROVENZANO**

---

**CITY CLERK – MALCOLM WHITE**

sp\\citydata\\LegalDept\\Legal\\Staff\\BYLAWS\\1. 2016\\2016-207 Highland Park Subdivision Lane Stop Up Close Sell.doc

Schedule "A"

SUBJECT PROPERTY

ENUE

25	37	43	47	51	59	63	
SF							

344-041-02  
VL  
344-041-01

TOWNHOUSING

CO-OPERATIVE

25 Units

CANBRIAN

33M

7-072-04

IMAGE LAND

49

345-100  
SF 59A

51 55 57 59 59A

SF SF SF SF SF

51 53 57

SF SF SF SF SF

51 53 57

AVENUE

WAWANOSH

62	62A	64	70	72	74	76	80	82	84	86
SF	SF	SF	SF	SF	SF	SF	SF	SF	SF	SF
344-045	344-046	32	30	28	26					
SF	SF	SF	SF	SF	SF					
61	61A	63	67	69	71	73	75	77	79	81

CHAMPLAIN

50	52	54	56	58	60	62	64	66
SF	SF	SF	SF	SF	SF	SF	SF	SF
51	53	55	57	59	59A	61	63	65

AVENUE

HIGHLAND PARK

SSM HIGHLAND PARK

24 14

STREET

60	62	64	66	68	70	72	74	76	78	80
SF	SF	SF	SF	SF	SF	SF	SF	SF	SF	SF
51	53	55	57	59	59A	61	63	65	67	69

AVENUE

AVE

TRANSFORMER STATION PUC

PLAYGROUND SSM

HIGHLAND PARK

24 14

STREET

50	52	54	56	58	60	62	64	66
SF	SF	SF	SF	SF	SF	SF	SF	SF
51	53	55	57	59	59A	61	63	65

# THE CORPORATION OF THE CITY OF SAULT STE. MARIE

## BY-LAW NO. 2016-208

**PROPERTY:** (MAP 42) A by-law to declare the City owned property legally described as PIN 31550-0178 (LT) PT LANE PL 9110 ST. MARY'S CLOSED BY T282492, PT 2, 3 IR6979; S/T T283158; SAULT STE. MARIE abutting 85 Elmwood Avenue, as surplus to the City's needs and to authorize the disposition of the said property.

**THE COUNCIL** of The Corporation of the City of Sault Ste. Marie, pursuant to the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

1. **LANDS DECLARED SURPLUS**

The lands more particularly described in Schedule "A" to this by-law are surplus to the requirements of the municipality.

2. **SALE AUTHORIZED**

The Corporation of the City of Sault Ste. Marie shall sell the lands more particularly described in Schedule "A" hereto.

3. **SCHEDULE "A"**

Schedule "A" hereto forms a part of this by-law.

4. **EFFECTIVE DATE**

This by-law takes effect on the day of its final passing.

**PASSED** in open Council this 12<sup>th</sup> day of December, 2016.

---

**MAYOR – CHRISTIAN PROVENZANO**

---

**CITY CLERK – MALCOLM WHITE**



# THE CORPORATION OF THE CITY OF SAULT STE. MARIE

## BY-LAW NO. 2016-209

**FEES:** (P1.6) A by-law to amend Committee of Adjustment By-law 2010-87 and to repeal By-law 2015-26.

**THE COUNCIL** of the Corporation of the City of Sault Ste. Marie pursuant to Section 69 of the *Planning Act*, R.S.O. 1990, Chapter P.13 and amendments thereto **ENACTS** as follows:

### 1. AMENDMENTS TO BY-LAW 2010-87

- (a) Section 1(1) (Minor Variance Application (Single Unit Residential)) of By-law 2010-87 (amended by By-law 2013-235) is amended by deleting "\$400.00" and inserting "\$500.00";
- (b) Section 1(2) (Minor Variance Application (Multiple Unit <5 RA/R1 Zone)) of By-law 2010-87 is amended by deleting "\$600.00" and inserting "\$700.00";
- (c) Section 1(3) (All Other Zones) of By-law 2010-87 (amended by By-law 2013-235), is amended by deleting "\$600.00" and inserting "\$800.00";
- (d) Section 1(4) (Deferred Minor Variance Application) of By-law 2010-87 is amended by deleting "\$50.00" and inserting "\$75.00";
- (e) Section 1(5) (Consent Application (Lot Addition)) of By-law 2010-87 is amended by deleting "\$600.00" and inserting "\$700.00";
- (f) Section 1(6) (Consent Application (New Lot Creation)) of By-law 2010-87 (amended by 2013-235) is amended by deleting "\$600.00 + \$300.00/lot/app" and inserting "\$600.00 + \$400.00 + \$300.00 for easement/lot/app";
- (g) Section 1(7) (Final Consent Application) of By-law 2010-87 (amended by 2013-235) is amended by deleting "\$150.00" and inserting "\$200.00";
- (h) Inserting Section 1(11) (Fence in All Zones) to By-law 2010-87 by adding "\$400.00/app";
- (i) Inserting Section 1(12) (After the Fact Variance) to By-law 2010-87 by adding "1.5 X the Regular Fee";

- (j) Inserting Section 1(13) (Records Retrieval/Decision Search) to By-law 2010-87 by adding "\$75.00";
- (k) Inserting Section 1(14) (Special Hearing) to By-law 2010-87 by adding "\$500.00 + Application Fee";
- (l) Inserting Section 1(15) (Appeal (Minister of Finance)) to By-law 2010-87 by adding "\$300.00"; and
- (m) Inserting Section 1(16) (Appeal (Sault Ste. Marie)) to By-law 2010-87 by adding "\$150.00".

2. **BY-LAW 2015-26 REPEALED**

By-law 2015-26 is hereby repealed.

3. **EFFECTIVE DATE**

This by-law takes effect on December 12, 2016.

**PASSED** in open Council this 12 day of December, 2016.

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**MAYOR – CHRISTIAN PROVENZANO**

---

**CITY CLERK – MALCOLM WHITE**

## **THE CORPORATION OF THE CITY OF SAULT STE. MARIE**

### **BY-LAW 2016-210**

**TAXES** (T1): A by-law to amend Tax By-law 2006-204 being a by-law to provide for a penalty for non-payment of current taxes and to permit interest to be added to tax arrears.

**THE COUNCIL** of the Corporation of the City of Sault Ste. Marie, pursuant to sections 317 and 345 of the *Municipal Act, 2001*, S.O. 2001, c. 25 **ENACTS** as follows:

1. **BY-LAW 2006-204 AMENDED**

By-law 2006-204 is hereby amended as follows:

- (a) By deleting each reference to “one percent (1%)” for the interest rate specified in By-law 2006-24 and replacing same with “one and one quarter percent (1 ¼ %)”; and
- (b) “For each title search completed for a property in tax arrears, a charge of fifty (50) dollars is hereby imposed”.

2. **EFFECTIVE DATE**

This by-law takes effect on the day of its final passing.

**PASSED** in open Council this 12<sup>th</sup> day of December, 2016.

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**MAYOR – CHRISTIAN PROVENZANO**

---

**CITY CLERK – MALCOLM WHITE**

**THE CORPORATION OF THE CITY OF SAULT STE. MARIE**

**BY-LAW 2016-211**

**BUILDING:** (B1) A by-law to amend Schedule "A" to By-law 2008-148 (a by-law respecting construction, demolition and change of use permits, inspections and related matters for the City of Sault Ste. Marie) and to repeal By-law 2016-17.

**THE COUNCIL** of the Corporation of the City of Sault Ste. Marie pursuant to section 7 of the *Building Code Act, 1992*, S.O. 1992, c. 23, and amendments thereto, **ENACTS AS FOLLOWS:**

**1. SCHEDULE "A" TO BY-LAW 2008-148 AMENDED**

Schedule "A" to By-law 2008-148 is hereby repealed and replaced with Schedule "A" attached to this by-law.

**2. BY-LAW 2016-17 REPEALED**

By-law 2016-17 is hereby repealed.

**3. EFFECTIVE DATE**

This by-law takes effect on the day of its final passing.

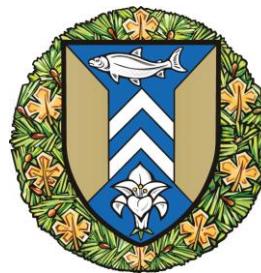
**PASSED** in open Council this 12<sup>th</sup> day of December, 2016.

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**MAYOR – CHRISTIAN PROVENZANO**

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**CITY CLERK – MALCOLM WHITE**



Building Division revision date 2016-09-16  
Passed by Council on 2016-11-21

**Schedule "A"**

- Permit fee shall be based on the formula given below unless otherwise specified in this schedule or a fixed fee (ff) will apply.

$$\text{Permit fee} = \text{SI} \times A$$

Where SI = Service index for class of proposed work

A = floor area in  $m^2$  of work involved.

- A minimum fee of \$113.40 shall be charged for all work or if not described below as a Fixed Fee (FF).
- For Building Classifications that are not described in sections 5 – 9 permit fees shall be based on the value of the proposed construction as determined by the Chief Building Official at a rate of 1% of the determined construction value.
- Penalties for construction without a permit will be based on percentage of the equivalent permit fee.  
Where construction has commenced, the penalty shall be an additional 50%. Where framing has commenced the penalty shall be an additional 100%.

**Building Classification**

<b>5. New Construction / Alterations and Renovations</b>	<b>Service Index (SI)</b>
	\$ $\times 1m^2$ unless otherwise indicated

<b>Group A – (assembly occupancies)</b>	
School, churches – <b>New Construction</b>	\$29.19
Restaurants – <b>New Construction</b>	\$29.19
All other assembly – <b>New Construction</b>	\$29.19
Alterations and Renovations (includes decks & roof structures)	\$8.06
Air supported structure	\$8.06
Emergency lighting	\$315.00 ff per Storey
Fire alarms	\$315.00 ff per Storey
Parking garage repairs	\$5.57
Portable classrooms foundations	\$8.06
Residing, re-roofing	\$0.97
Sprinkler, standpipes	\$315.00 ff plus \$0.52 / $m^2$
Tents - less than 225 $m^2$	\$113.40
Tents - greater than 225 $m^2$	\$378.00 ff
Window / Door replacement	\$4.51 / opening + \$113.40 ff

<b>Group B - (institutional occupancies)</b>	
All types – <b>New Construction</b>	\$29.19
Alterations and Renovations (includes decks & roof structures)	\$8.06
Emergency lighting	\$315.00 ff per Storey
Fire alarms	\$315.00 ff per Storey
Parking garage repairs	\$5.57
Residing, re-roofing	\$0.97
Sprinkler, standpipes	\$315.00 ff plus \$0.52 / m <sup>2</sup>
Window / Door replacement	\$4.51 / opening + \$113.40 ff
<b>Group C – (residential occupancies)</b>	
Single Dwelling (SFD, townhouse, semi, duplex) – <b>New Construction</b>	\$24.03
Single Dwelling Modular Units – <b>New Construction</b>	\$20.97
All other multiple units – <b>New Construction</b>	\$19.35
Hotels, motels – <b>New Construction</b>	\$25.80
Alterations and Renovations (includes decks & roof structures)	\$6.45
Balcony repairs	\$113.40 ff + \$8.06 / unit
Basement finishing	\$5.72
Basement new under existing dwelling	\$6.45
Canopy, carport	\$11.93
Emergency lighting	\$315.00 ff per Storey
Fire alarms	\$315.00 ff per Storey
Foundation water / damp proofing & tile, pools, fencing, residing, reroofing, decks	\$113.40 ff
Attached garage and accessory buildings	\$5.72
Detached garage	\$5.72
Shed < 25 m <sup>2</sup>	\$113.40 ff
Sprinkler, standpipes	\$315.00 ff plus \$0.52 / m <sup>2</sup>
Window / Door replacement	\$4.51 / opening + \$113.40 ff
<b>Group D – (business &amp; personal services occupancies)</b>	
Offices and all others – shell only – <b>New Construction</b>	\$22.18
Interior tenant finishing – <b>New Construction</b>	\$6.05
Alterations and Renovations (includes decks & roof structures)	\$6.45
Emergency lighting	\$315.00 ff per Storey
Fire alarms	\$315.00 ff per Storey
Parking garage repairs	\$5.56
Residing, re-roofing	\$0.97
Sprinkler, standpipes	\$315.00 ff plus \$0.52 / m <sup>2</sup>
Window / Door replacement	\$4.51 / opening + \$113.40 ff
<b>Group E – (mercantile occupancies)</b>	
Retail store shell, department store, supermarkets, all other Group E – <b>New Construction</b>	\$16.61
Interior tenant finishing	\$6.05
Alterations and Renovations (includes decks & roof structures)	\$6.45
Emergency lighting	\$315.00 ff per Storey
Fire alarms	\$315.00 ff per Storey
Parking garage repairs	\$5.57
Residing, re-roofing	\$0.95
Sprinkler, standpipes	\$315.00 ff plus \$0.52 / m <sup>2</sup>
Window / Door replacement	\$4.51 / opening + \$113.40 ff

<b>Group F – (industries occupancies)</b>	
Industrial building shell less than 7500 m <sup>2</sup> – <b>New Construction</b>	\$12.90
Industrial building shell greater than 7500 m <sup>2</sup> – <b>New Construction</b>	\$10.48
Parking garage – <b>New Construction</b>	\$8.30
All other F occupancies – <b>New Construction</b>	\$12.90
Interior tenant finishing	\$6.05
Alterations and Renovations (includes decks & roof structures)	\$6.45
Emergency lighting	\$315.00 ff per Storey
Fire alarms	\$315.00 ff per Storey
Farm buildings	\$5.64
Industrial Equipment Foundations	1% of construction value
Parking garage repairs	\$5.57
Residing, re-roofing	\$0.97
Sprinkler, standpipes	\$315.00 ff plus \$0.52 / m <sup>2</sup>
Window / Door replacement	\$4.51 / opening + \$113.40 ff

<b>6. Demolition</b>	
Group C – Single Family Dwelling 55 m <sup>2</sup> or less	\$120.96 ff
All others	\$241.92 ff

<b>7. Designated Structures OBC Subsection 1.3.1.1.</b>	
Crane runway	\$911.23 ff / structure
Exterior tanks	\$911.23 ff / structure
Outdoor pool and spa	\$30.32
Wind power towers	\$911.23 ff / structure
All other structures	\$419.33 ff / structure

<b>8. Standalone Mechanical</b>	
New ductwork or piping	\$18.65 per diffuser, radiator, or unit
Group C residential Single Family Dwelling (unit and ductwork)	\$177.41 ff
New unit	\$177.41 / unit
Special mechanical system (exhaust hoods, solar panels etc.)	\$379.00 ff
Plumbing & drainage	\$17.41 / fixture
Sewer installation & capping (single residential unit)	\$113.40 ff
Site services (water, sewer servicing for all other buildings)	\$379.00 ff

<b>9. Additional Charges</b>	
Occupancy permit	\$19.35 ff / unit
Conditional permit	10% of applicable building permit fees (\$182.70 ff minimum)
Change of use permit	\$387.07 ff
Permit renewal/transfer	\$197.40 ff
Moving permit	\$113.40 ff
Re-inspection	\$113.40 ff
Sign permit (as regulated by Sign By-Law 2005-166)	\$113.40 ff each
Portable signs	
2 years	\$96.77 ff
30 days	\$16.13 ff
Sign renewal	\$24.19 ff
<i>Culvert as determined by Public Works &amp; Transportation Dept</i>	
Curb or sidewalk depression	\$40.32 ff
Certificate of zoning conformity Single Family Dwelling	\$48.38 ff + HST (\$54.67)
Certificate of zoning conformity Other	\$96.77 ff +HST (\$109.35)
File Inquiry and plans inquiry Single Family Dwelling	\$48.38/SFD + HST (\$54.67)
Other	\$96.77/others + HST (\$109.35)
Annual Fee	\$806.40/Year + HST (\$806.40)
Removal of work order (By-Law)	\$169.34 ff
Work order appeal (By-Law)	\$169.34 ff
Removal of Order (Building Code)	\$169.34 ff
Liquor License Application	\$96.77 ff +HST (\$109.35)
Alternative Solution Proposal (per application)	\$630.00 ff

**THE CORPORATION OF THE CITY OF SAULT STE. MARIE**  
**BY-LAW 2016-212**

**AGREEMENT:** (E2.2) A by-law to authorize the execution of a contract between the City and Cecchetto and Sons Ltd. for the Pim Street Pump Station Sluice Gate Replacements (Contract 2016-16E).

**THE COUNCIL** of The Corporation of the City of Sault Ste. Marie, pursuant to section 9 of the *Municipal Act, 2001*, S.O. 2001, c. 25, **ENACTS** as follows:

**1. EXECUTION OF DOCUMENT**

The Mayor and City Clerk are hereby authorized for and in the name of the Corporation to execute and affix the seal of the Corporation to a contract between the City and Cecchetto and Sons Ltd. for the Pim Street Pump Station Sluice Gate Replacements (Contract 2016-16E), a copy of which is attached as Schedule "A" hereto.

**2. SCHEDULE "A"**

Schedule "A" forms part of this by-law.

**3. EFFECTIVE DATE**

This by-law takes effect on the day of its final passing.

**PASSED** in open Council this 12<sup>th</sup> day of December, 2016.

---

**MAYOR – CHRISTIAN PROVENZANO**

---

**CITY CLERK – MALCOLM WHITE**

## CCDC 2

stipulated price contract

2 0 0 8

Pim Street Pump Station Sluice Gate Replacements  
Contract No. 2016-16E

Apply a CCDC 2 copyright seal here. The application  
of the seal demonstrates the intention of the party  
proposing the use of this document that it be an  
accurate and unamended form of CCDC 2 – 2008  
except to the extent that any alterations, additions or  
modifications are set forth in supplementary conditions.

CANADIAN CONSTRUCTION DOCUMENTS COMMITTEE  
CANADIAN CONSTRUCTION DOCUMENTS COMMITTEE  
CANADIAN CONSTRUCTION DOCUMENTS COMMITTEE

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The Canadian Construction Documents Committee (CCDC) is a national joint committee responsible for the development, production and review of standard Canadian construction contracts, forms and guides. Formed in 1974 the CCDC is made up of volunteer representatives from:

- Public Sector Owners
- Private Sector Owners
- Canadian Bar Association (Ex-Officio)
- \* The Association of Canadian Engineering Companies
- \* The Canadian Construction Association
- \* Construction Specifications Canada
- \* The Royal Architectural Institute of Canada

\*Committee policy and procedures are directed and approved by the four constituent national organizations.

CCDC 2 is the product of a consensus-building process aimed at balancing the interests of all parties on the construction project. It reflects recommended industry practices. CCDC 2 can have important consequences. The CCDC and its constituent member organizations do not accept any responsibility or liability for loss or damage which may be suffered as a result of the use or interpretation of CCDC 2.

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**AGREEMENT BETWEEN OWNER AND CONTRACTOR**

For use when a stipulated price is the basis of payment.

**This Agreement** made on the 12th day of December in the year 2016.

**by and between the parties**

The Corporation of the City of Sault Ste. Marie

hereinafter called the "*Owner*"**and**

Cecchetto &amp; Sons Ltd.

hereinafter called the "*Contractor*"The *Owner* and the *Contractor* agree as follows:**ARTICLE A-1 THE WORK**The *Contractor* shall:

- 1.1 perform the *Work* required by the *Contract Documents* for  
Pim Street Pump Station Sluice Gate Replacements

*insert above the name of the Work*

located at  
816 Bay Street - lower Pim Street

*insert above the Place of the Work*

for which the Agreement has been signed by the parties, and for which  
AECOM Canada Ltd.

*insert above the name of the Consultant*

is acting as and is hereinafter called the "*Consultant*" and

- 1.2 do and fulfill everything indicated by the *Contract Documents*, and  
1.3 commence the *Work* by the 19th day of December in the year 2016 and, subject to adjustment in *Contract Time* as provided for in the *Contract Documents*, attain *Substantial Performance of the Work*, by the 9th day of June in the year 2016.

**ARTICLE A-2 AGREEMENTS AND AMENDMENTS**

- 2.1 The *Contract* supersedes all prior negotiations, representations or agreements, either written or oral, relating in any manner to the *Work*, including the bidding documents that are not expressly listed in Article A-3 of the Agreement - CONTRACT DOCUMENTS.  
2.2 The *Contract* may be amended only as provided in the *Contract Documents*.

## **ARTICLE A-3 CONTRACT DOCUMENTS**

3.1 The following are the *Contract Documents* referred to in Article A-1 of the Agreement - THE WORK:

- Agreement between *Owner* and *Contractor*
- Definitions
- The General Conditions of the Stipulated Price Contract

\*

Section 00100 – Instructions To Bidders  
Section 00200 – Definitions  
Section 00300 – Stipulated Price Bid  
Section 00300 – Appendix A - List of Bid Documents  
Section 00300 – Appendix B - List of Subcontractors and Suppliers  
Section 00300 – Appendix C - Alternative Prices  
Section 00300 – Appendix D - Breakdown of Total Tender Price  
Section 00800 – Supplementary Conditions

### **DIVISION 1 - GENERAL REQUIREMENTS**

Section 01000 – General Requirements  
Section 01061 – Environmental Considerations  
Section 01630 – Equivalents and Alternatives

Dwg. No. S201 – Structural – Sluice Gate Replacements – Plans and Notice

Dwg. No. S202 – Structural – Sluice Gate Replacements – Sections

\*

(Insert here, attaching additional pages if required, a list identifying all other Contract Documents e.g. supplementary conditions; information documents; specifications, giving a list of contents with section numbers and titles, number of pages and date; material finishing schedules; drawings, giving drawing number, title, date, revision date or mark; addenda, giving title, number, date)

## ARTICLE A-4 CONTRACT PRICE

4.1 The *Contract Price*, which excludes *Value Added Taxes*, is:

Ninety Nine Thousand, Eight Hundred and Ninety -----	00	
	/100 dollars	\$ 99,890.00

4.2 *Value Added Taxes* (of 13 %) payable by the *Owner* to the *Contractor* are:

Twelve Thousand, Nine Hundred and Eighty-Five -----	70	
	/100 dollars	\$ 12,985.70

4.3 Total amount payable by the *Owner* to the *Contractor* for the construction of the *Work* is:

One Hundred Twelve Thousand, Eight Hundred and Seventy-Five -----	70	
	/100 dollars	\$ 112,875.70

4.4 These amounts shall be subject to adjustments as provided in the *Contract Documents*.

4.5 All amounts are in Canadian funds.

## ARTICLE A-5 PAYMENT

5.1 Subject to the provisions of the *Contract Documents*, and in accordance with legislation and statutory regulations respecting holdback percentages and, where such legislation or regulations do not exist or apply, subject to a holdback of Ten percent (10 %), the *Owner* shall:

- .1 make progress payments to the *Contractor* on account of the *Contract Price* when due in the amount certified by the *Consultant* together with such *Value Added Taxes* as may be applicable to such payments, and
- .2 upon *Substantial Performance of the Work*, pay to the *Contractor* the unpaid balance of the holdback amount when due together with such *Value Added Taxes* as may be applicable to such payment, and
- .3 upon the issuance of the final certificate for payment, pay to the *Contractor* the unpaid balance of the *Contract Price* when due together with such *Value Added Taxes* as may be applicable to such payment.

5.2 In the event of loss or damage occurring where payment becomes due under the property and boiler insurance policies, payments shall be made to the *Contractor* in accordance with the provisions of GC 11.1 – INSURANCE.

5.3 Interest

- .1 Should either party fail to make payments as they become due under the terms of the *Contract* or in an award by arbitration or court, interest at the following rates on such unpaid amounts shall also become due and payable until payment:
  - (1) 2% per annum above the prime rate for the first 60 days.
  - (2) 4% per annum above the prime rate after the first 60 days.

Such interest shall be compounded on a monthly basis. The prime rate shall be the rate of interest quoted by

Royal Bank of Canada

*(Insert name of chartered lending institution whose prime rate is to be used)*

for prime business loans as it may change from time to time.

- .2 Interest shall apply at the rate and in the manner prescribed by paragraph 5.3.1 of this Article on the settlement amount of any claim in dispute that is resolved either pursuant to Part 8 of the General Conditions – DISPUTE RESOLUTION or otherwise, from the date the amount would have been due and payable under the *Contract*, had it not been in dispute, until the date it is paid.

## ARTICLE A-6 RECEIPT OF AND ADDRESSES FOR NOTICES IN WRITING

- 6.1 *Notices in Writing* will be addressed to the recipient at the address set out below. The delivery of a *Notice in Writing* will be by hand, by courier, by prepaid first class mail, or by facsimile or other form of electronic communication during the transmission of which no indication of failure of receipt is communicated to the sender. A *Notice in Writing* delivered by one party in accordance with this *Contract* will be deemed to have been received by the other party on the date of delivery if delivered by hand or courier, or if sent by mail it shall be deemed to have been received five calendar days after the date on which it was mailed, provided that if either such day is not a *Working Day*, then the *Notice in Writing* shall be deemed to have been received on the *Working Day* next following such day. A *Notice in Writing* sent by facsimile or other form of electronic communication shall be deemed to have been received on the date of its transmission provided that if such day is not a *Working Day* or if it is received after the end of normal business hours on the date of its transmission at the place of receipt, then it shall be deemed to have been received at the opening of business at the place of receipt on the first *Working Day* next following the transmission thereof. An address for a party may be changed by *Notice in Writing* to the other party setting out the new address in accordance with this Article.

### Owner

The Corporation of the City of Sault Ste. Marie

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*name of Owner\**

99 Foster Drive, Sault Ste. Marie, Ontario P6A 5N1

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*address*

705-541-7165

---

*facsimile number*

c.taddo@cityssm.on.ca

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*email address*

### Contractor

Cecchetto & Sons Ltd.

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*name of Contractor\**

6 Sutherland Avenue, Sudbury, Ontario P3C 3A6

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*address*

705-673-4168

---

*facsimile number*

vblacklock@ceccettoandsons.com

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*email address*

### Consultant

AECOM Canada Ltd.

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*name of Consultant\**

523 Wellington Street East, Sault Ste. Marie, Ontario P6A 2M4

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*address*

705-942-3642

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*facsimile number*

darrell.maahs@aecom.com

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*email address*

\* If it is intended that the notice must be received by a specific individual, that individual's name shall be indicated.

## ARTICLE A-7 LANGUAGE OF THE CONTRACT

- 7.1 When the *Contract Documents* are prepared in both the English and French languages, it is agreed that in the event of any apparent discrepancy between the English and French versions, the  English /  French # language shall prevail.  
# Complete this statement by striking out inapplicable term.
- 7.2 This Agreement is drawn in English at the request of the parties hereto. La présente convention est rédigée en anglais à la demande des parties.

## **ARTICLE A-8 SUCCESSION**

8.1 The *Contract* shall enure to the benefit of and be binding upon the parties hereto, their respective heirs, legal representatives, successors, and assigns.

**In witness whereof** the parties hereto have executed this Agreement by the hands of their duly authorized representatives.

SIGNED AND DELIVERED  
in the presence of:

### **WITNESS**

signature

name of person signing

signature

name of person signing

### **WITNESS**

signature

name of person signing

signature

name of person signing

*N.B. Where legal jurisdiction, local practice or Owner or Contractor requirement calls for:*

- (a) *proof of authority to execute this document, attach such proof of authority in the form of a certified copy of a resolution naming the representative(s) authorized to sign the Agreement for and on behalf of the corporation or partnership; or*
- (b) *the affixing of a corporate seal, this Agreement should be properly sealed.*

**THE CORPORATION OF THE CITY OF SAULT STE. MARIE**  
**BY-LAW NO. 2016-213**

**COUNCIL PROCEDURE:** (A1.6) A by-law to amend By-law 2013-100 being a by-law to regulate the proceedings of the Council of the City of Sault Ste. Marie.

**THE COUNCIL** of The Corporation of the City of Sault Ste. Marie, pursuant to Section 238 of the *Municipal Act, 2001*, S.O. 2001, c. 25, and amendments thereto **ENACTS** as follows:

**1. BY-LAW 2013-100 AMENDED**

By-law 2013-100 is amended by deleting Schedule "A" and replacing it with Schedule "A" attached to this by-law.

**2. EFFECTIVE DATE**

This by-law shall be effective from the date of its final passing.

**PASSED** in open Council this 12<sup>th</sup> day of December, 2016.

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**MAYOR – CHRISTIAN PROVENZANO**

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**CITY CLERK – MALCOLM WHITE**



# INFORMATION MANUAL

A-III-1

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<b>Subject:</b>	APPOINTMENTS
<b>Department/Division:</b>	Boards and Committees
<b>Source:</b>	City Council
<b>Date:</b>	2016 11 07

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<b>POLICY STATEMENT</b>	The City of Sault Ste. Marie is committed to ensuring the appointment of qualified candidates to boards and committees in a manner that is open, transparent, fair and equitable and strives for representation that is consistent with the makeup of the community.
<b>PURPOSE</b>	This policy outlines the process by which council members and citizens are appointed to boards and committees, whether they be boards and committees of Council, other boards and committees or boards and committees to which Council nominates members for consideration.
<b>PUBLIC NOTICE</b>	The Clerk's Department issues public notice to all media and the corporate website concerning upcoming vacancies on boards and committees including the form of application approved by Council and the timeline for receipt of applications..
<b>APPLICATIONS</b>	A citizen must submit an application on the form provided by the City Clerk if he/she is interested in serving on a board or committee. Council members must indicate their interests in writing to the City Clerk following the same timeline as citizen applications.
<b>ELIGIBILITY OF CITIZENS</b>	Council may make appointments at their discretion and are not limited to only eligible electors except where provided otherwise by statute. No citizen shall be appointed to more than five (5) boards and committees.
<b>ELIGIBILITY OF CITY EMPLOYEES</b>	City employees are not eligible for appointment to the: <ol style="list-style-type: none"><li>1) Parks &amp; Recreation Advisory Committee, or</li><li>2) Committee of Revision.</li><li>3) Public Library Board</li></ol>
<b>NOMINATING COMMITTEE</b>	A Nominating Committee, consisting of three members of Council and the Deputy City Clerk, Secretary/Treasurer – Committee of adjustment, Manager of Recreation and Culture, Curator – Ermatinger/Clergue National Historic Site and the Accessibility Co-ordinator shall consider all citizen applications with reference to

particular skills required by various boards and committees. The Nominating Committee shall provide a slate of recommended citizen applicants to Council for their consideration.

## **APPOINTMENTS**

City Council will meet in open session, either at a regular meeting or a special meeting called for that purpose to make appointments to the boards and committees.

The agenda for such meetings shall contain the names of all applicants (council members and citizens) who have indicated an interest in serving on the boards and committees being considered. Further to the Municipal Freedom of Information and Protection of Privacy Act (MFFIPA) the application forms and supporting material for each applicant shall be circulated only to Council.

Council may request further information concerning an applicant, either in writing or by personal attendance at the meeting.

When considering citizen appointments to a particular board or committee, members of council shall consider the recommended slate of applicants recommended by the Nominating Committee. Council shall nominate members of Council for consideration of appointments requiring a member of Council.

Should the number of nominees exceed the number of vacancies for a board or committee, balloting will take place in accordance with the provisions for simultaneous recorded vote in the procedure by-law.

Every appointment made by Council to boards and committees shall be at the pleasure of Council, whether or not the appointment is for a specified time period.

## **APPOINTEES NOTIFIED**

The City Clerk notifies all appointees in writing of their appointments following the meeting.