



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

Monday, July 31, 2017

4:15 pm

Council Chambers

Civic Centre

Pages

1. Approve Agenda as Presented

Mover Councillor P. Christian

Seconder Councillor J. Krmpotich

That the Agenda for the 2017 07 31 Special City Council Meeting as presented be approved.

2. Closed Session

Mover Councillor P. Christian

Seconder Councillor O. Grandinetti

Resolved that this Council proceed into closed session to discuss a labour relations matter;

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 without the need for a further authorizing resolution.

Municipal Act section 239(2)(d) labour relations or employee negotiations.

3. Declaration of Pecuniary Interest

4. Street Closure Request

A letter of request for a temporary street closing is attached for the consideration of Council:

3 - 5

Ontario Works Street Party – Albion Street from Chapple Avenue to Albion Street – Thursday, August 17, 2017 – 9 a.m. to 3 p.m.

Mover Councillor S. Butland
Seconder Councillor O. Grandinetti

Resolved that By-law 2017-158, being a by-law to permit the temporary closing of Albion Street from Chapple Avenue to Albion Street on August 17, 2017 from 9 a.m. to 3 p.m. to facilitate the Ontario Works Street Party be passed in open Council this 31st day of July 2017.

5. Economic Development Review

6 - 14

Mover Councillor S. Butland
Seconder Councillor J. Krmpotich

Resolved that the report of the Deputy CAO, Community Development and Enterprise Services dated 2017 07 31 regarding economic development be received;

Further that Council authorize staff to negotiate terms of a new Memorandum of Understanding with the Sault Ste. Marie Economic Development Corporation (SSMEDC) and the Sault Ste. Marie Innovation Centre (SSMIC) based on a revised funding level of \$1,204,166 for SSMEDC and \$277,890 for SSMIC;

Further that Council authorize staff to begin discussions with funding organizations to seek support for the implementation of the recommendations from the Community Adjustment Committee report.

6. Adjournment

Mover Councillor P. Christian
Seconder Councillor O. Grandinetti

That this Council shall now adjourn.

TEMPORARY STREET CLOSURE - APPLICATION FORM

CONTACT NAME: Melissa Ceglie TELEPHONE: 705 971 4194

ORGANIZATION (if applicable) Ontario works - Social Services

ADDRESS: 540 Albert Street East POSTAL CODE: ~~P2B 580~~ P6A 2K4

The above person hereby makes application for the closing of

Albion
(Name of street to be closed)

from Chapple to Albion
(reference points - street numbers, cross streets, etc.)

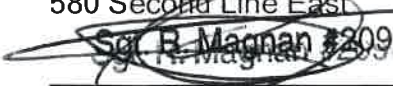
from _____ to _____
(reference points - street numbers, cross streets, etc.)


on the 17 day of august, 20 17 from 9 am/pm to 3 am/pm

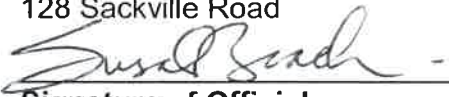
on the _____ day of _____, 20 ____ from _____ am/pm to _____ am/pm

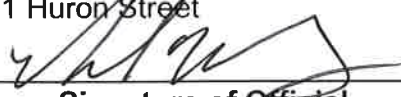
for the purpose of Ontario works Street party


APPROVAL SECTION:

- | | |
|---|--|
| <p><u>1.</u> Police Services, Traffic Dept.
Telephone 949-6300 ext 348
Fax 759-7820
580 Second Line East

Sgt. R. Magnan #209

Signature of Official</p> | <p><u>2.</u> Fire Services/Emergency Medical Services (EMS)
Telephone 949-3335/949-3387
Fax 949-2341
72 Tancred Street


Signature of Official</p> |
| <p><u>3.</u> Public Works & Transportation Dept.
Telephone 541-7000
Fax 541-7010
128 Sackville Road


Signature of Official</p> | <p><u>4.</u> Transit/Parking
Telephone 759-5320
Fax 759-5834
111 Huron Street


Signature of Official</p> |
| <p><u>5.</u> Central Ambulance Communication Centre (C.A.C.C.)
Telephone 946-1227
Fax 945-6883
65 Old Garden River Road


Signature of Official</p> | <p><u>6.</u> Downtown Association
Telephone 942-2919
Fax 942-6368
496 Queen Street East
(QUEEN STREET CLOSINGS ONLY)

Signature of Official</p> |
| <p><u>7.</u> Community Services Department
Telephone 759-5310
Fax 759-6605
99 Foster Drive
(CLOSINGS AFFECTING CITY PARKS/FACILITIES)

Signature of Official</p> | |

CITY CLERK SECTION:

City Council approval was received on _____, _____
(date) (By-law No.)

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW 2017-158

TEMPORARY STREET CLOSING: (S4.1) A by-law to permit the temporary closing of Albion Street from Chapple Avenue to Albion Street on August 17, 2017 to facilitate the Ontario Works Street Party.

THE COUNCIL of the Corporation of the City of Sault Ste. Marie pursuant to section 10 of the *Municipal Act, 2001*, S.O. 2001, c. 25 and amendments thereto **ENACTS** as follows:

1. **TEMPORARY STREET CLOSING OF ALBION STREET**

The Council of the Corporation of the City of Sault Ste. Marie hereby authorizes the closing to vehicular traffic of Albion Street from Chapple Avenue to Albion Street on August 17, 2017 from 9:00 a.m. to 3:00 p.m. to facilitate the Ontario Works Street Party.

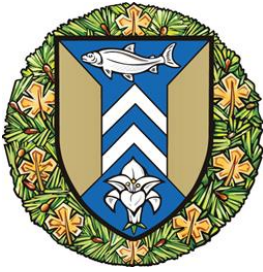
2. **EFFECTIVE DATE**

This by-law takes effect on the day of its final passing.

PASSED in open Council this 31th day of July, 2017.

MAYOR - CHRISTIAN PROVENZANO

CITY CLERK - MALCOLM WHITE



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

COUNCIL REPORT

July 31, 2017

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Tom Vair, Deputy CAO, Community Development and Enterprise Services

DEPARTMENT: Community Development and Enterprise Services

RE: Economic Development Update Report

PURPOSE

The purpose of this report is to provide an update on the economic development review process and seek Council approval on a revised model for undertaking economic development for the City of Sault Ste. Marie.

BACKGROUND

On March 7, 2016, City Council passed a resolution requesting staff undertake an assessment of the City's economic development and provide a report back to Council. The original motion stated:

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 \$500,000.00 per annum to the Economic Development Fund (EDF) for the purposes of supporting new job creation, tax assessment and economic development projects; and

Whereas the funds allocated to the SSMECD, 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.

The review was conducted by MDB Insight, an economic development consultancy selected through the City's RFP procurement process, and the report was presented Dec. 12, 2016 to City Council. Recommendations made by the consultants included: the consolidation of the Sault Ste. Marie Economic Development Corporation (SSMECD) and Sault Ste. Marie Innovation Centre (SSMIC) into one economic development entity; the development of a revised MOU that provides clarity on performance measures, funding and expectations; and, an update to the Economic Development Fund.

Council received the MDB Insight report as information and directed staff to provide notice to the SSMECD and the SSMIC that the City intends to re-negotiate the terms of their respective Memorandums of Understanding (MOU) which includes funding allocations. City staff was further requested to report back to City Council with an implementation plan.

On Feb. 21, 2017, staff provided an update to City Council which was received as information. The report highlighted that members of the Board Executive teams from both SSMECD and SSMIC engaged in a series of positive

discussions on the topic of enhancing economic development activities in Sault Ste. Marie and region. A Collaborative Framework was agreed upon and an Economic Development Steering Committee was formed along with a Working Group to investigate options to optimize the performance of economic development activities in the region and maximize return on investment from economic development funding by the City of Sault Ste. Marie.

On May 8, 2017, staff provided an update to City Council which was received as information. The report highlighted that the option to merge was tabled as neither SSMEDC nor SSMIC was in favour of a merger at this time. It was decided that the best course of action would be for:

- The City to clarify its vision for economic development and the roles for economic development going forward
- The City develop an MOU framework for economic development
- Stakeholders to review the report from the Community Adjustment Committee (expected to be released soon) and take into consideration its recommendations in planning ongoing economic development efforts.

ANALYSIS

In order to provide recommendations on a path forward, staff reviewed the work undertaken to date by MDB Insight, the Economic Development Steering Committee and its Working Group as well as the recommendations of the Community Adjustment Committee (CAC).

The Collaboration Framework of the Steering Committee included Principles that are useful to keep in mind as we move forward:

- Step change is required and we need to act with urgency – we have a pressing need and will aim to conclude this process as soon as possible
- Any actions taken must result in a stronger and enhanced economic development platform including improved efficiency and value for money
- This initiative is not about individuals but working for what's best for economic development of region
- Outcomes will ensure we facilitate good communication and collaboration in achieving the community's strategic plan related to economic development
- It is agreed the optimal structure is to have a separately incorporated economic development agency (agencies)
- There will be free and open sharing of information between these three organization to ensure informed decision making and all options are considered fully

- Respect that SSMIC and SSMEDC are independent corporations, each with a Board of Directors

It is important to note a few items that served as a foundation for staff when they were developing a recommendation for Council consideration:

1. **Duplication in functions** – as the Steering Committee and Working Group reviewed the functions and staffing levels of each organization it was determined that there could be opportunities to remove duplication between the organizations. A conceptual organization chart was created for a single, merged economic development organization and this framework helped to inform functions and roles moving forward.
2. **Opportunities for efficiencies** - in addition, the Steering Committee and Working Group saw opportunities to create synergies by looking at the provision of back office support functions such as HR, IT and accounting services.
3. **Governance** – the current governance structure and MOU's do not provide an adequate accountability framework for the City of Sault Ste. Marie. A number of other communities examined have a greater number of appointments to the Board of their funded economic development agencies and/or have limits on the levels of spending before requirements to return to Council for approval.
4. **City's Role in Economic Development** – one of the requests from SSMEDC and SSMIC was that the City clarify its role in economic development given the establishment of the new Community Development and Enterprise Services service area.

The 2016-2020 Corporate Strategic Plan approved by City Council on June 27, 2016 included an updated Mission and Vision along with Values and Strategic Focus Areas. This Strategic Plan sets a more proactive role for the City in not only maintaining and developing infrastructure but also ensuring excellent service delivery (including eliminating barriers to business and streamlining processes); enhancing quality of life attributes for residents and fostering community development and partnerships. This last strategic focus area specifically mentions the need to create social and economic activity, develop partnerships with key stakeholders and maximize economic development and investment.

Citizens of Sault Ste. Marie look to the City to provide leadership in economic development activities. Further, the recent recommendations put forward by the Community Adjustment Committee request that the City take a more proactive role in community development. The revised 2016-

2020 Corporate Strategic Plan and approval of the re-organization of staff within City Hall sets the foundation for this to occur.

5. **Community Development** – The recommendations provided by the Community Adjustment Committee (CAC) were based on a fundamental shift in approach to developing a resilient community. The Committee did extensive review of best practices and agreed to take the four-pillar approach to community development which includes proactive support for economic growth and diversity, social equity, cultural vitality, and environmental sustainability. This approach takes a broader view of community development and requires ongoing, excellent communication and partnerships to achieve success. It is also critical that local stakeholders “buy in” to our community development initiatives and our collective efforts align to build momentum for the community.

The roles the CAC recommended be created include the establishment of a dedicated resource to the Arts & Culture sector and co-funding a new role that would support the Algoma Leadership Table and their work in coordinating community efforts in the health and social services sector. In addition, resources will be required to facilitate other CAC recommendations including the development of new tourism products, support for the film and digital media sector, administration of a revamped Economic Development Fund (to include community development) and creation of a Community Energy Plan.

In order to support the activities recommended by the CAC, it is clear that the City will have to reallocate the deployment of resources and potentially identify new resources to support these activities.

6. **Process** – Staff worked with Board members from both SSMEDC and SSMIC to develop and evaluate options to advance economic development. Both organizations were invited to provide a written letter indicating their position on the matter and attend the City Council meeting to provide input.

Conclusion: A consensus option was agreed upon by the organizations which will enable the City to reallocate economic development funding to support other economic development priorities including items suggested by the Community Adjustment Committee.

The City had proposed revised roles for the three organizations (SSMEDC, SSMIC and the City) in order to establish a stronger economic development platform and improve efficiency. The roles were agreed to except the organizations will continue to operate their business incubators in 2018 while developing a plan for incubation services going forward. These revised roles are provided for Council information (Appendix A).

As a result of these revised roles and efficiencies identified, the funding allocation to SSMEDC is proposed to be reduced by \$444,656 (Appendix B) and SSMIC funding to continue at the previous level of \$277,890. The SSMEDC Board has indicated they are prepared to deal with the decrease in their funding and believe that they will be able to manage it and fulfill the responsibilities outlined in the report. They are confident it will be able to provide positive economic development results for the City with this reduced level of funding. SSMIC and SSMEDC have also agreed to continue to explore opportunities to reduce duplication and take advantages of opportunities for shared administration.

A detailed plan for the roles to be undertaken by the City will be provided to City Council at the August 21st Council meeting when the implementation plan for the Community Adjustment Committee is presented. It should be noted the labour force development functions proposed in Appendix A will be undertaken in collaboration with our local employment and immigration organizations and our efforts will be structured to support and enhance our partners.

Should Council agree with this approach, staff will negotiate a revised MOU with SSMEDC and SSMIC. The MOU will clearly identify roles, accountabilities and intended outcomes and also address the City's role in the governance of each organization. Staff will also begin discussions with funding agencies to seek support of our CAC report implementation activities.

FINANCIAL IMPLICATIONS

It is recommended that the overall envelope of funding provided towards economic development initiatives continue and remain unchanged. However, it is proposed that there be a re-allocation of economic development funding.

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 report of the Deputy CAO, Community Development and Enterprise Services dated 2017 07 31 regarding economic development be received.

Further, that Council authorize staff to negotiate terms of a new MOU with SSMEDC and SSMIC based on a revised funding level of \$1,204,166 for SSMEDC and \$277,890 for SSMIC.

Further, that Council authorize staff to begin discussions with funding organizations to seek support for the implementation of the recommendations from the Community Adjustment Committee report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tom Vair", with a stylized horizontal line extending to the left.

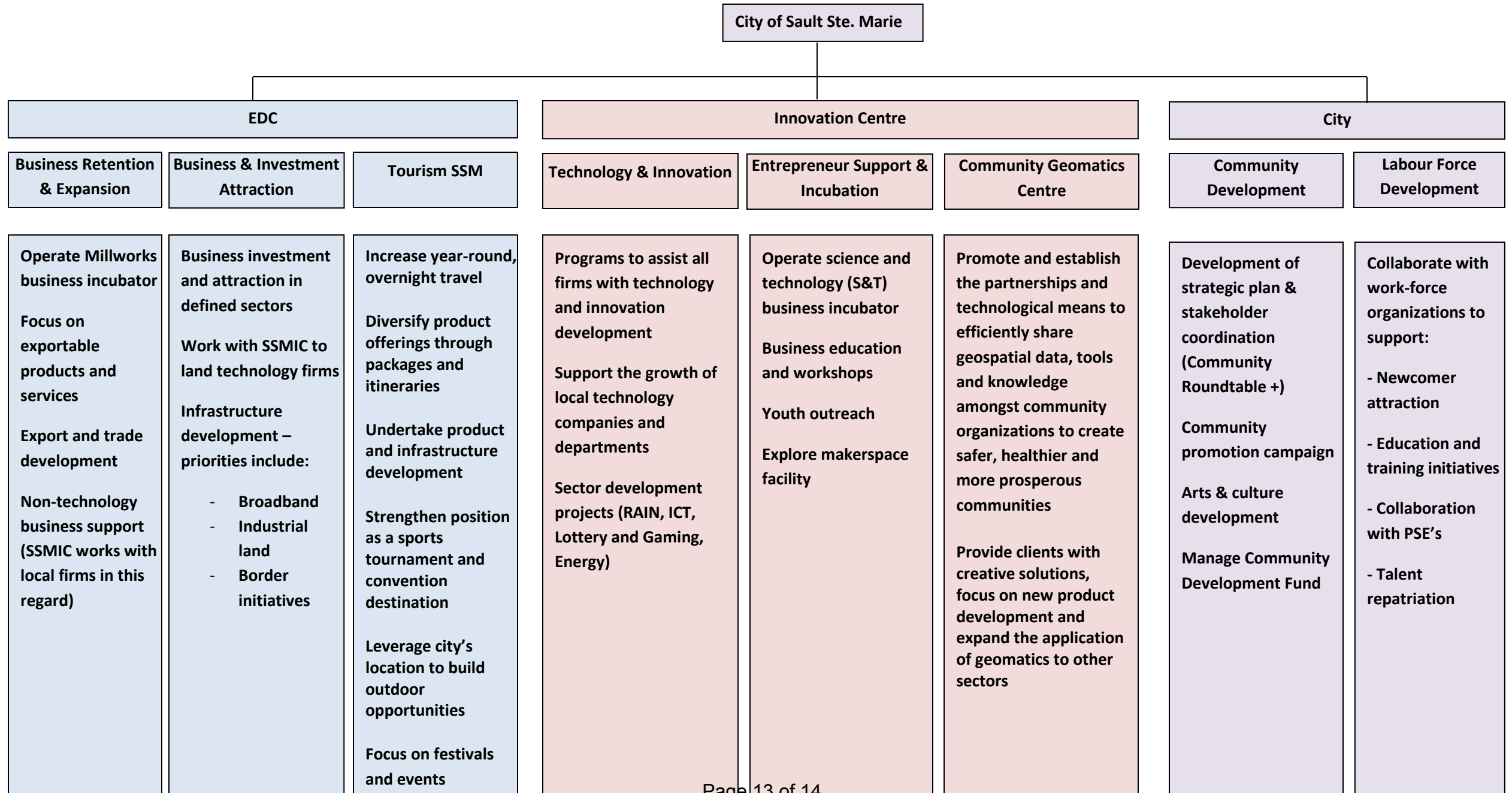
Tom Vair

Deputy CAO, Community Development and Enterprise Services

705.759.5264

t.vair@cityssm.on.ca

Revised Economic Development Roles 2018



Appendix A – Revised SSMEDC Funding Allocation for 2018

	2017	New
1. Base allocation	\$ 1,204,166.00	\$ 789,510.00
2. Business SSM programs and services.	\$ 246,000.00	\$ 246,000.00
3. Tourism Marketing programs – ACR Tour Train and Searchmont.	\$ 168,656.00	\$ 168,656.00
4. Destiny SSM Funding	\$ 30,000.00	
	\$ 1,648,822.00	\$ 1,204,166.00
<i>Difference</i>		\$ 444,656.00