



ECONOMIC GROWTH COMMUNITY IMPROVEMENT PLAN RENEWAL 2024-2027

Sault Ste. Marie Economic Growth Community Improvement Plan

BACKGROUND

The intent of the Economic Growth Community Improvement Plan is to increase Sault Ste. Marie's competitiveness in attracting major new investment to the community in partnership with senior levels of government.

Specifically, the Economic Growth Community Improvement Plan permits the use of property tax grants as an incentive to encourage new investment and employment. A grant may be provided as a direct payment or as a tax credit.

Although manufacturing jobs have traditionally formed the community's economic base, other targeted oriented employment also includes:

- Agriculture, aquaculture and food processing
- Arts, culture and creative industries
- Digital economy
- Forestry and value-added forestry related industries
- Health Sciences
- Minerals sector and mining supply & services
- Primary, secondary, value-added and advanced manufacturing
- Renewable energy and services
- Tourism
- Transportation, aviation and aerospace industries
- Water technologies and services

On February 6, 2006 City Council approved By-law 2006-32 to designate the entire municipality as a CIPA.

The Economic Growth Community Improvement Project Area includes all properties within Sault Ste. Marie.

ADDRESSING THE CHALLENGE

Since 2003 the City, with financial assistance from both the Federal and Provincial governments, has invested significantly to acquire property and extend water, sewer, road and rail services in industrial areas.

Some of these properties benefit from having direct access to a major truck route, rail service through Algoma Steel and the deep-water port facilities provided by Purvis Marine Limited.

The Economic Growth CIP permits a financial incentive to create new jobs and stimulate population growth within the City.



THE PROJECT GOALS AND OBJECTIVES INCLUDE:

- To attract significant investment and employment to Sault Ste. Marie
- To further diversify the local economy
- To increase the municipality's tax base
- To capitalize upon the significant investments that were made to acquire and service some industrial lands with the Project Area

PROGRAM CRITERIA

To be eligible for the proposed financial incentives described below, the following criteria will be applied:

- Potential program participants must be an identified priority business in the following sectors to be considered for the Economic Growth Community Improvement Program:
 - a. Agriculture, aquaculture and food processing
 - b. Arts, culture and creative industries
 - c. Digital economy
 - d. Forestry and value-added forestry related industries
 - e. Health sciences
 - f. Minerals sector and mining supply & services
 - g. Primary, secondary, value-added and advanced manufacturing
 - h. Renewable energy and services
 - i. Tourism
 - j. Transportation, aviation and aerospace industries
 - k. Water technologies and services
- A significant total project investment as determined by Staff is required, creating or protecting existing jobs during the program excluding jobs solely associated with construction.
- Eligible proponents will need to demonstrate that their project will bring net positive revenue into the community. Generally, this program is not meant to provide incentives to businesses that serve the local population only.

Eligible program participants include registered owners, assessed owners, tenants and assignees as identified in Section 28(7) of the Planning Act.

Subject to City Council approval, the following financial incentives may be used to encourage new development and the rehabilitation of lands and buildings that meets the eligibility criteria within the Project Area:

- A grant of up to \$100,000 per project or as approved by City Council, or
- A grant of up to 100 percent of the incremental increases in the municipal portion of the property taxes for up to three years resulting from the development, rehabilitation and reassessment of lands and buildings within the Project Area.

The total value of any grant cannot exceed the cost of redevelopment. In addition, eligible program participants may apply for educational tax assistance of the educational portion of property taxes through the Province of Ontario's Brownfields Financial Tax Incentives Program (BFTIP). Applications for this program should be made directly to the Ontario Ministry of Finance.



ADMINISTRATION

Project incentives available under this Community Improvement Plan are subject to due diligence and recommendation by City of Sault Ste. Marie staff, with final approval subject to City of Sault Ste. Marie Council approval.

- An application to the City shall generally be received prior to the application for a building permit for the project to be considered under the program.
- Property taxes must not be in arrears at the time of application or throughout the duration of the project.
- If the property is under an assessment appeal, the application will be held in abeyance until the appeal is resolved.
- Applicants must agree to not file a property tax appeal while receiving a grant under this program.
- The property will not be eligible for a vacancy rebate during the program.
- Should the project fail to meet the eligibility requirements during the program, the full amount of property taxes including interest will become due and payable as if no incentives had been approved.
- Approved project incentives are applicable to the registered owner and the grant is assignable to any person to whom such an owner has assigned the right to receive the incentive such as a tenant or other assignee.
- This program may be used in combination with any other program provided that the total amount of assistance provided does not exceed the eligible costs.
- This program will remain in effect for five years, but may be extended by City Council subject to appropriate review and notice.
- Additional information is contained in the Economic Growth CIP guide and application.

WHERE A GRANT IS APPROVED, THE FOLLOWING CONDITIONS APPLY:

- Approval is subject to a contribution agreement.
- Funds will be released upon receipt of invoices and proof of payment for completed work.

WHERE THE GRANT PROGRAM IS APPROVED FOR USE, THE FOLLOWING CONDITIONS APPLY:

- The grant is based upon increases in property taxes as a result of development and rehabilitation, and is not based on occupancy or changes in occupancy.
- The maximum grant will be calculated based on the difference between the assessed value of the property prior to the date of the application for building permit and the assessed value at occupancy.
- The municipal portion of the grant will be calculated after tax capping calculations have been applied as required by Part 9 of the Municipal Act.
- If the property is sold, conveyed, assigned or otherwise transferred in whole or in part before the program lapses no further grant shall be given by the City. Nothing in this section prevents the City from entering in a new agreement with any subsequent owners of the property to receive the balance of the grant under this program.

City Council will review this Community Improvement Plan annually to ensure that the intent and project objectives are being met. City Council may discontinue or modify all or part of the program incentive without a formal amendment to the Community Improvement Plan, provided that the variation does not exceed the original maximum credit allowed.

If a court of competent jurisdiction declares any section or part of a section of this by-law to be invalid, such section or part thereof, shall not be construed as having persuaded or influenced City Council to pass the remainder of the bylaw, and it is hereby declared that the impugned section shall be severable and distinct from the remainder of the by-law, and the remainder of the by-law shall be valid and remain in force.

LEGISLATIVE AUTHORITY

Section 28 of the Planning Act and Section 365.1 of the Municipal Act allow municipalities to issue grants or loans, or provide property tax assistance to registered owners, assessed owners or tenants of lands within a Community Improvement (CIP) Project Area.

Section 28(2) of the Planning Act and Part VII (Implementation) of the City's Official Plan allows City Council to designate the whole or any part of the area covered by the Official Plan as a Community Improvement Project Area. On February 6, 2006 City Council approved By-Law 2006-32 to designate the entire municipality as a Community Improvement Project Area.

This Economic Growth Community Improvement Plan has been prepared as permitted by Section 28(4) of the Planning Act and includes the authority for City Council to make grants or loans, in conformity with the Community Improvement Plan, to registered owners, assessed owners and tenants of lands and buildings within the Community Improvement Project Area for eligible costs as permitted by Section 28(7) of the Planning Act.

Section 28(7.1) of the Planning Act defines eligible costs to include costs related to environmental site assessment, environmental remediation, development, redevelopment, construction and reconstruction of land and buildings for rehabilitation purposes or for the provision of energy-efficient uses, buildings, structures, works, improvements or facilities.

The Economic Growth CIP is consistent with Section 106 of the Municipal Act.

Public Notice of City Council's intent to adopt the Economic Growth CIP was published in accordance with Section 28(5) of the Planning Act.



RELEVANT PLANNING POLICIES AND REGULATIONS

PROVINCIAL POLICY STATEMENT

The Provincial Policy Statement 2020 contains requirements for the Municipality that include:

- **SECTION 1.1** Managing and directing land use to achieve efficient and resilient development and land use patterns.
- **SECTION 1.3.1** Planning authorities shall promote economic development and competitiveness by:
 - a. Providing for an appropriate mix and range of employment, institutional, and broader mixed uses to meet long-term needs;
 - b. Providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses;
 - c. Facilitating the conditions for economic investment by identifying strategic sites for investment, monitoring the availability and suitability of employment sites, including market-ready sites, and seeking to address potential barriers to investment.
- **SECTION 1.6.1** Infrastructure and public service facilities shall be provided in an efficient manner that prepares for the impacts of a changing climate while accommodating projected needs.
- **SECTION 1.7.1** Long-term economic prosperity should be supported by:
 - a. Promoting opportunities for economic development and community investment-readiness;
 - b. Optimizing the long-term availability and use of land, resources, infrastructure and public service facilities;
 - c. Promoting the redevelopment of brownfield sites.

The Economic Growth Community Improvement Plan is consistent with and supports the Provincial Policy Statement 2020.

GROWTH PLAN FOR NORTHERN ONTARIO 2011

The Growth Plan for Northern Ontario requires that municipalities:

- **SECTION 1.4** Create a highly productive region, with a diverse, globally competitive economy that offers a range of career opportunities for all residents.
- **SECTION 2.2** Work with the Province to focus economic development strategies on existing and emerging priority economic sectors.

The Economic Growth Community Improvement Plan is consistent with and supports the Growth Plan for Northern Ontario 2011.



COMMUNITY ADJUSTMENT COMMITTEE RECOMMENDATIONS

In 2017, the City in partnership with the Ministry of Advanced Education and Skills Development created a Community Adjustment Committee to make recommendations on improving economic growth and diversity, social equity, cultural vitality, and environmental sustainability in Sault Ste. Marie.

The Committee's final report, *"A Common Cause and New Direction for Sault Ste. Marie"* identified eight overarching goals among a total of 35 recommendations. These recommendations include: a refocus on economic and community development, growth from within, and new efforts to grow the information technology, global tourism and research sectors.

The Economic Growth Community Improvement Plan conforms with and implements the recommendations of the Community Adjustment Committee.

CITY OF SAULT STE. MARIE CORPORATE STRATEGIC PLAN

The City's Corporate Strategic Plan identifies Community Development and Partnerships as a strategic focus area. Specifically, "foster an environment where economic development dollars are maximized so that existing and new businesses can flourish."

OFFICIAL PLAN

The Economic Development Section (Part III) of the City's Official Plan identifies the following goals:

- To ensure that adequate employment opportunities and other financial resources are available to permit all residents to enjoy a good standard of living.
- To identify new wealth creating opportunities.
- To assist local business and other community groups to develop these opportunities.

The Industrial Land Use section (Part VI) of the City's Official Plan states:

- Where private interests are unable to maintain an acceptable inventory, the City shall acquire and develop industrial land. The City may enter into partnerships with private interests for the development and marketing of industrial lands.

The Official Plan also includes a number of specific policies on Commercial Land Use (Section 2.3.2) and Industrial Land Use (Section 2.3.3).

The Economic Growth Community Improvement Plan conforms to the City's Official Plan.

INDUSTRIAL LAND DEVELOPMENT STRATEGY

In 2001, City Council approved an Industrial Land Development Strategy that reviewed a number of properties that may be suitable for industrial development throughout the community. The recommendations included acquiring and servicing both the Yates Avenue Industrial Area and the Leigh's Bay Road Industrial Area as priorities. Both properties have since been purchased and serviced by the City.



Economic Growth Community Improvement Plan Grant Application

1. Please select one from the options below:

Grant Program 1 - Municipal Tax Increment Rebate

Grant Program 2 - One-Time Grant

2. Have you previously received a grant from the City of Sault Ste. Marie?

If yes, please specify which grant and the date of application.

3. Have you applied or will you apply for any provincial, federal or non-profit grants?

If yes, please indicate the source and amount of funding received.

4. Applicant:

Name

Address

Email

Telephone Fax

Type of Applicant:

Land Developer Prospective Tenant Property Owner Other

5. Registered property owner:

Name

Address

Email

Telephone Fax

6. Registered owner's signature:

7. All mail should be directed to:

Applicant

Owner



8. Property information:

- a. Civic Address of Property
- b. Legal Description
- c. Assessment Roll Number
- d. Current Assessed Value of the Property
- e. Current Property Taxes
- f. Is the property in tax arrears?
 - Yes
 - No

9. Provide a brief overview of the applicant's business activities.

10. Provide a brief overview of the growth/expansion project being undertaken by the applicant.

11. Does the applicant fall within an identified priority business sector?

- Yes
- No

12. If yes to above, which sector?

13. How many employees are currently employed by the applicant?

14. How many jobs are estimated to be created/protected as a result of the project?

15. Provide a brief overview of how the project will contribute to net positive revenue for the community.



16. What is the total estimated value of project investment?

17. Project Expenditure Breakdown:

a. Value of Site Preparation

b. Value of Construction of New Facility/Infrastructure

c. Value of Upgrade/Retrofit to Existing Facility/Infrastructure

d. Value of New Project Related Equipment to be Installed/Commissioned

e. Value of Operational Costs

18. Total Value of Project:

19. Requested EGCIP Funding:

20. Certification:

All information provided is subject to the Municipal Freedom of Information Act and the Corporation of the City of Sault Ste. Marie’s financial reporting duties.

The City cannot retroactively fund grant programs for work already completed and/or in progress.

I/We consent to the use of the applicant's name, address, and images in connection with any program funding announcements.

I/We hereby apply for a grant under the Sault Ste. Marie Economic Growth Community Improvement Plan. I/We agree to abide by the terms and conditions of the Economic Development Fund. I/We understand that the grant can be reduced or cancelled if the agreed work is not completed or if contractors/suppliers are not paid. I/We hereby certify that the information given herein is true, correct and complete in every respect and may be verified by the Corporation of the City of Sault Ste. Marie (the Corporation). If any information provided is or subsequently becomes untrue, incorrect and/or incomplete, the Corporation may immediately cancel the grant and full repayment of any money already advanced, with interest, shall become due and payable. Any failure on behalf of the Corporation to verify the information provided is not a waiver of the Corporation’s rights. I/We are not involved in any action of proceeding involving claim for damage with the Corporation.

I/We certify that the applicant covers all costs to administer this application, including but not limited to, The Corporation hiring a third-party consultant(s) to confirm project specifics and their completion.

I/We agree to the general eligibility requirement should I/We be successful in receiving a financial incentive grant.

Signature of Owner or Applicant

Date

Signature of Owner or Applicant

Date

Submit application to:

Graham Atkinson
Manager, Business Development
99 Foster Drive, Sault Ste. Marie, ON P6A 5X6
P: 705-989-7075
E: g.atkinson@cityssm.on.ca