

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

**COUNCIL REPORT**

November 20, 2017

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

**AUTHOR:** Donald B. McConnell MCIP RPP, Director of Planning and Enterprise Services

**DEPARTMENT:** Community Development and Enterprise Services

**RE:** Downtown Strategy Update

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**PURPOSE**

The purpose of this report is to provide an update on the City's Downtown Strategy and summarize recommended actions moving forward.

**BACKGROUND**

On November 21, 2016 City Council approved a Downtown Strategy, authorized preparation of a Community Improvement Plan and the exploration of funding opportunities with NOHFC and FedNor.

The strategy was prepared based on extensive community engagement which included an online survey completed by approximately 1300 people; pop-up engagement booths at the Downtown Street Party, Station Mall and Mill Market; three open house events as well as the Mayor's Downtown Forum and various social media opportunities.

The resultant strategy was a comprehensive action plan that contained 46 recommendations including:

- Provide grants and tax rebate programs to encourage private sector investment.
- Complete various studies to evaluate potential future actions including the feasibility of converting the existing one-way traffic system to two-way.
- Undertake various improvements to the public realm to develop a distinctive identity by replacing the Queen Street ash trees, installing street furniture and improving connections between Queen Street and the waterfront.
- Adopt a larger role in downtown event planning
- Establish a Downtown Task Force.

The Downtown Strategy identified projects estimated at \$16,815,000 including the Bay Street and Queen Street resurfacing projects, the extension of the Hub Trail to James Street and development of a park on the easterly portion of the Gateway property.

A total of \$2,550,000 was identified for other projects including façade, building and second-floor conversion grants, the development of a signage and wayfinding strategy, a neighbourhood infrastructure program, and the hiring a downtown events coordinator. The municipal portion of this cost was estimated at \$600,000 with the remaining funds to come from FedNor and NOHFC grants.

No specific funding for the downtown program was approved as part of the 2017 budget deliberations. Instead, City Council directed staff to identify an alternative source of municipal funding that would be used to access additional funding from both FedNor and NOHFC.

On April 24 2017, City Council approved a report authorizing funding for the downtown program to be taken from the Property Purchase Reserve Fund. Proceeds from the sale of the Maycourt Daycare, Jesse Irving Daycare and Steelton Seniors Centre buildings will be used to replenish this reserve fund.

A subsequent funding application to FedNor was unsuccessful. FedNor funding is no longer anticipated as a result of changes to their funding programs which place an emphasis on innovation and technology. This funding was to be used for various streetscape improvements and to hire a downtown events coordinator.

NOHFC has been very supportive and funding approval is likely. However the City's NOHFC application will need to be resubmitted as a result of the loss of FedNor funding.

## **ANALYSIS**

A vibrant downtown includes the following major components:

- A strong commercial base with restaurant, retail, office and institutional uses at least some of which are open during the evening hours.
- A strong residential base with higher density developments such as apartments and condominiums.
- Cultural attractions such as art galleries and museums.
- Attractions focused on evening entertainment such as theatres, sports venues and casinos.
- Significant gathering spaces with regularly programmed events.
- Attractive public spaces including public art and well-designed street amenities such as planters, trees and benches.
- A strong positive image including good wayfinding signage.

Taken together, the following sections on Downtown Activity 2016 - 2017, 2018 Capital Budget and Additional Recommended Actions will greatly assist with creating a vibrant downtown.

### **Downtown Activity 2016 - 2017**

On May 29, 2017 City Council approved the 2017 Downtown Community Improvement Plan. This plan included a tax increment grant designed to encourage major new development by providing a rebate to partially offset the increase in municipal taxes on a reducing scale over a four year period. This component of the plan is now in effect.

The 2017 Downtown Community Improvement Plan also included a grant program designed to improve façades, activate vacant building spaces, convert second-floor vacant space to residential and encourage patios on private property. These programs are not yet in effect as implementation is contingent upon receiving NOHFC funding.

On June 12, 2017 City Council approved a revised vacant commercial unit rebate policy which focused more strongly on the downtown and allowed for charitable or other uses which do not pay rent to not be considered as a break in the three consecutive months vacancy requirement. This policy is intended to encourage new start-up businesses, temporary uses and window displays.

On July 17, 2017 City Council approved retaining IBI Group to conduct a downtown traffic study to determine which, if any streets should be converted from one-way to two-way traffic. The basis of the study includes both traffic and downtown development criteria. This study is well underway and will be completed early in the new year.

In 2015–16 a total of 31 grant applications were approved for building repairs and improvements bringing the total number of downtown properties benefiting from grants to over 100 since the program first began.

Last year the City completed the redevelopment of Gore Street including significant streetscaping and the removal of several derelict buildings.

The City also introduced a streamlined approval process for sidewalk patios.

The total value of building permits issued for downtown properties in 2016 and 2017 remains strong and exceeds \$13.2 million. These projects include:

- Redevelopment of the former PUC building into medical offices
- Redevelopment of the former Diplomat Motel into apartments
- Redevelopment of the former Downtown Motel into apartments
- A major addition to Precious Blood Cathedral

In addition, a number of new businesses opened in the downtown including Elliott's Ice Cream, Tamar's Trends, Hair, Bath and Body Company, Ace Studios, Rasoi Indian Kitchen, StreetCity Realty, Minerva Vintage, Soo Blaster, Vintage Games and Junque, the Skelton Key Bookstore, etc.

## **2018 Capital Budget**

The following developments are included in the recommended 2018 Capital Budget:

1. Bay Street Resurfacing – The previously approved Bay Street EA recommended reducing the number of traffic lanes to three. This report also proposed extending the Hub Trail along the south side of Bay Street from the library to Gore Street. Recently, City Council authorized a one-way versus two-way study of traffic flow in the downtown which may have a significant impact on this project. Bay Street is considered a priority for resurfacing and if the work cannot be undertaken in 2018 it will be done in 2019. The recommended 2018 Capital Budget includes funding for the multiuse trail and landscaping. Staff is currently pursuing the possibility of obtaining a grant from the Federation of Canadian Municipalities to offset some of these costs.
2. Bruce Street Reconstruction – The reconstruction of Bruce Street from Queen Street to Wellington Street including the replacement of underground services is also recommended in the 2018 Capital Budget. The budget includes an allowance for streetscape improvements that will be similar to but not as extensive as the recently completed Gore Street reconstruction.

## **Additional Recommended Actions**

In addition to the proposed 2018 Capital Works Program, the following actions are also recommended during 2018:

3. Establish a Downtown Task Force – The creation of a task force that would examine issues and set priorities for the downtown as a whole was recommended as part of the Downtown Strategy approved by City Council last year. Given the emphasis placed on downtown revitalization as an overarching goal of the Community Adjustment Committee, it would be more appropriate to establish a subcommittee of the Community Development Roundtable to better represent downtown development within the broader community development framework.
4. Replace Queen Street Ash Trees – The trees along Queen Street between East Street and Dennis Street were planted in 1982 and now must be removed due to Emerald Ash Borer infestation. The Queen Street blocks between Pim and East Streets, and Dennis and Gore Streets include trees

of several different species. Some of these trees can be retained while others will also need to be replaced in the near future. Public Works will continue to remove infected trees which are structurally weakened and likely to break up in high winds.

Staff is recommending that a conceptual design be completed in 2018 for each block between Pim Street and Bruce Street. This would involve consultation with the abutting property owners, businesses and the general public to ensure that the recommended design is both functional and meets community needs. This will enable the City to move forward with tree replacement and street furnishings in future years as budget permits.

5. Investigate Suncor Property Acquisition – It has been suggested that the City may be able to acquire this property at no cost. The City has already done some preliminary work and will continue to work on the possibility of acquiring this property without exposing the city to unnecessary environmental site remediation risks.
6. Fund a Downtown Events Coordinator – City staff and the Downtown BIA had preliminary discussions on the possibility of jointly funding a downtown events coordinator. This person would be responsible for working with both existing event organizers and organizing new events on a regularly scheduled basis throughout the year. Funding from senior levels of government needs to be investigated further.
7. Construct the Huron Street Welcome Feature – This project is currently being redesigned on the basis of various local companies providing materials and services at or below cost. A further report on this project will be forthcoming in the next few weeks. It is anticipated that no additional funding will be required and this project will be completed in 2018.
8. Install Benches, Bicycle Racks and Planter Boxes – There is sufficient NOHFC funding remaining to allow for the installation of benches, bicycle racks and additional planter boxes at selected locations throughout the downtown in 2018. These locations will be determined as part of the consultation related to development of the conceptual plans described in #4 above.
9. Assist New Businesses – Both the Sault Ste. Marie Economic Development Corporation and Sault Ste. Marie Innovation Centre operate incubator facilities in the downtown. It is proposed that the City work with these agencies and the private sector to identify suitable space for businesses which have grown beyond the incubator stage. This will also assist with reducing the amount of vacant storefront space in the downtown.

10. Extend the Hub Trail to Huron Street – An off-road multiuse trail is proposed between the library and Gore Street as part of the Bay Street resurfacing project. The feasibility of extending this trail to Huron Street should be determined as this would improve connectivity to the Gateway site as well as the former St. Mary's Paper property.
11. Develop a new Signage and Wayfinding Strategy – This project would include signage to direct visitors to our downtown area as well as within the downtown itself. Funding for the planning and implementation of this project may be available from NOHFC.
12. Millennium Fountain – In 2000 a fountain was placed in the St. Mary's River in front of Clergue Park to celebrate the new millennium. This fountain was removed each fall and has required a number of costly repairs in recent years. City Council directed staff to consider a land-based replacement. This should be done in consultation with the art gallery, library, Downtown Association, Rotary Club, other user groups and the general public. A conceptual design and budget can be developed in 2018 with installation in 2019 subject to budget approval.

## **FINANCIAL IMPLICATIONS**

As previously noted, City Council has approved \$600,000 in funding for the downtown program. This funding was expected to secure an additional \$975,000 each from FedNor and NOHFC. With the loss of the FedNor funding, it will be necessary to reallocate funding priorities. The proposed 2018 Capital Budget recommends that the Bay Street and Bruce Street streetscape improvement costs be included as part of next year's capital works budget. Staff will be making application to the Federation of Canadian Municipalities for up to \$1 million in funding to assist with this cost.

A major component of the NOHFC funding was for the façade, building improvement and second floor conversion grants. This program should be continued as it has proven to be very successful and includes a significant amount of private sector investment.

It is recommended that an additional \$150,000 be invested by the City to assist in maintaining the core components of this initiative. This would bring the City's total contribution to \$750,000 and likely result in an additional \$750,000 in NOHFC funding. This would allow the various grant programs to be funded and complete all of the additional recommended actions recommended in this report.

Staff will bring this request forward as part of the 2018 budget deliberations.

## **STRATEGIC PLAN / POLICY IMPACT**

The City's Corporate Strategic Plan identifies Vibrant Downtown Areas as a component of the Quality of Life focus. More recently, the Community Adjustment Committee identified Revitalizing the Downtown as one of the eight overarching goals. Implementation of the Downtown Strategy approved by City Council last year is consistent with both the Corporate Strategic Plan and Community Adjustment Committee recommendations.

**RECOMMENDATION**

It is therefore recommended that Council take the following action:

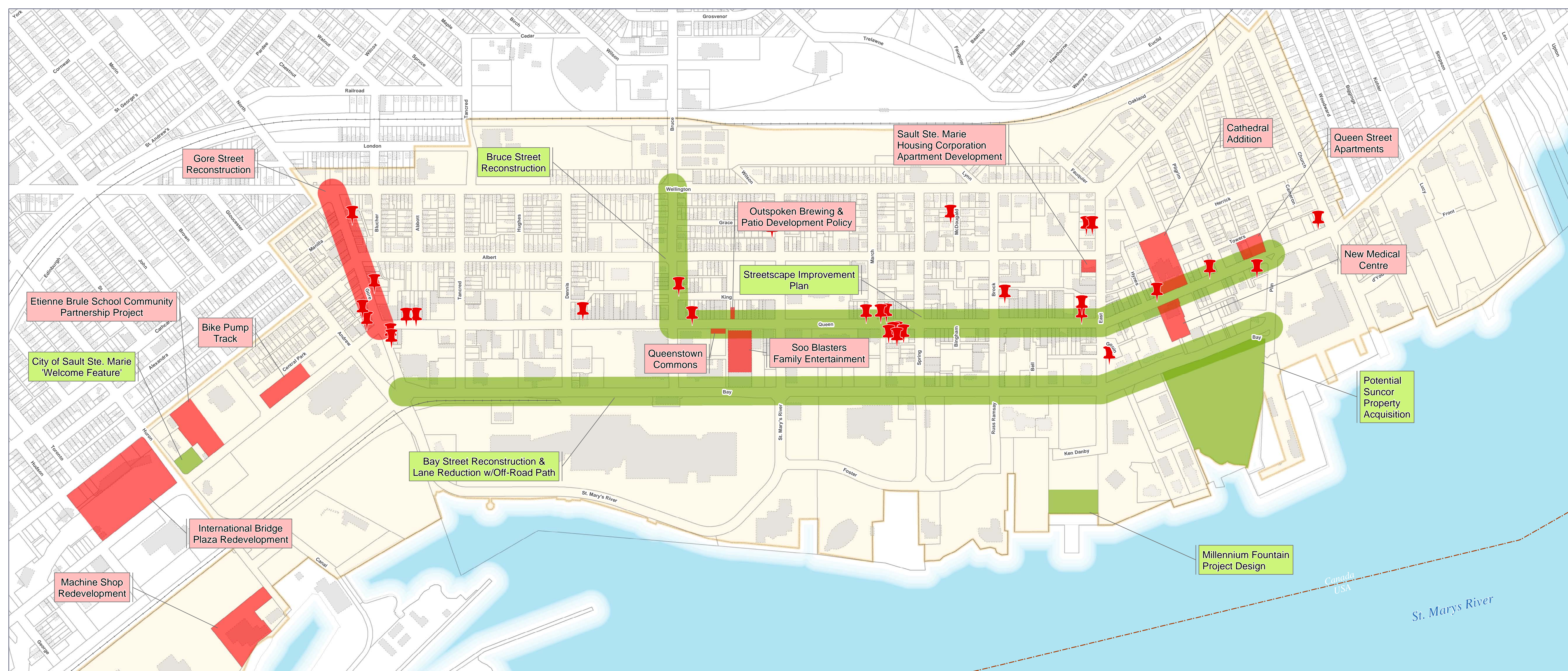
Resolved that the report of the Director of Planning and Enterprise Services dated 2017 11 20 concerning Downtown Strategy Update be received and the recommendation for an additional \$150,000 investment be referred to 2018 budget deliberations.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "D.B. McConnell". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Donald B. McConnell MCIP RPP  
Director of Planning and Enterprise Services  
705.759.5375  
[d.mcconnell@cityssm.on.ca](mailto:d.mcconnell@cityssm.on.ca)





## MAJOR COMPONENTS OF A VIBRANT DOWNTOWN

- A strong commercial base with restaurant, retail, office and institutional uses at least some of which are open during the evening hours.
- A strong residential base with higher density developments such as apartments and condominiums.
- Cultural attractions such as art galleries and museums.
- Attractions focused on evening entertainment such as theatres, sports venues and casinos.

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# DOWNTOWN PROGRESS MAP

2015/16/17, City of Sault Ste. Marie

- Completed Project
- Planned Projects
- ▤ Parcel Fabric
- 📌 DCIP Grants



Planning and Enterprise Services  
Community Development and Enterprise  
Services Department  
99 Foster Drive, Sault Ste Marie, ON P6A 5X6  
saultstemarie.ca | 705-759-5368 | planning@cityssm.on.ca  
This map is for general reference only  
Orthophoto: None  
Projection Details:  
NAD 1983 UTM Zone 18N  
GCS North American 1983

