



**THE CITY OF SAULT STE. MARIE
ECONOMIC GROWTH
GRANT PROGRAM GUIDELINE
2018 - 2023**



**City of
Sault Ste. Marie**

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Introduction



Sault Ste. Marie is positioning itself as a place to turn great ideas into action!

The City of Sault Ste. Marie is a centre for industry and innovation, as well as a continental leader in green and renewable energy. With many competitive advantages and a workforce that is highly-skilled to meet the needs of business and industry sectors, it can attract entrepreneurship and investments from around the world.

Strategically located at the heart of the Great Lakes, on the U.S. border, at the centre of North America, and on the Trans-Canada Highway, the city is a hub for trade and commerce with efficient access to national and international markets by all modes of transportation. Sault Ste. Marie, with a population of about 74,000 people and nestled in natural beauty, offers an enviable quality of life with many advantages of bigger metropolitan cities.

As we focus on the economic challenges and opportunities of the 21st century, we invite you to become engaged, to take advantage of the strategic opportunities presented by a changing economy, and to build our communities together. To this end, the Economic Growth Community Improvement Plan (EGCIP) aims to make that vision a reality by providing financial incentives for eligible economic activities.



Program Overview



The purpose of the EGCIIP is to:

- **Diversify** the local economy and stimulate **job growth** by attracting new businesses and expanding existing ones that are engaged in primarily export-oriented activities.

To achieve this, the EGCIIP provides two grant programs for approved applicants:

- **Grant Program 1:** An annual grant of up to three years to fully or partially offset property tax increases resulting from improvement of lands and/or buildings.
- **Grant Program 2:** A grant of up to \$100,000 per project, or as approved by City Council.

The grant programs will be administered by the EGCIIP Committee, which comprises representation from the City's Community Development, Finance, and Planning Departments. All grant applications will be reviewed by this committee, with the final decision made by City Council.

We are here to help!
Questions can be forwarded to the
Director of Planning and Enterprise Services:

Don McConnell, MCIP, RPP
d.mcconnell@cityssm.on.ca
705-759-5375



General Program Requirements



Applications are subject to the general requirements indicated below, in addition to the program specific criteria as discussed in the Evaluation Criteria section.

- **Significant investment:** significant private capital must be invested in the form of development, redevelopment, construction, reconstruction, adaptive reuse of buildings and properties, and new equipment.
- **Located in the city:** proposals can only be made for properties within the municipal boundary of Sault Ste. Marie.
- **Eligible applicants:** only registered property owners, assessed owners or tenants of lands and buildings have the right to receive a grant. Other applicants must have written consent from the owner of the property.
- **Protecting and creating permanent jobs:** proposals must demonstrate how existing jobs will be protected and/or how new ones will be created. Jobs tied to a temporary phase, such as construction, should not be included.
- **No retroactivity:** only applications submitted prior to the commencement of eligible work will be considered.
- **Outstanding issues:** applicants with properties in tax arrears, building/fire code violations, or under an active assessment appeal will not be eligible until the issue/s is resolved.
- **Costs:** the city is not responsible for any costs associated with submission of an application, including costs due to anticipation of receiving a grant.
- **Business type:** proposals must be primarily export based and in the targeted industry sectors.
- **Documentation:** a complete application must be accompanied by plans, drawings, reports, costs, and relevant studies or information as required by City Council and/or the EGCIIP Committee.

Grant Program 1 Municipal Tax Increment Rebate



Grant Program 2 One-Time Grant



Redevelopment and improvements to buildings or land typically increases its assessed value, hence property tax. To offset a portion of this increase, **eligible applicants may receive annual grants of up to 100% of the increase over a maximum three year period.** The grant would be paid by the city to the applicant following full payment of the property tax.

The owner is responsible for all costs. Before the issuance of a grant, all work must be completed, and there must be an increase in the assessed value of the property post-development.

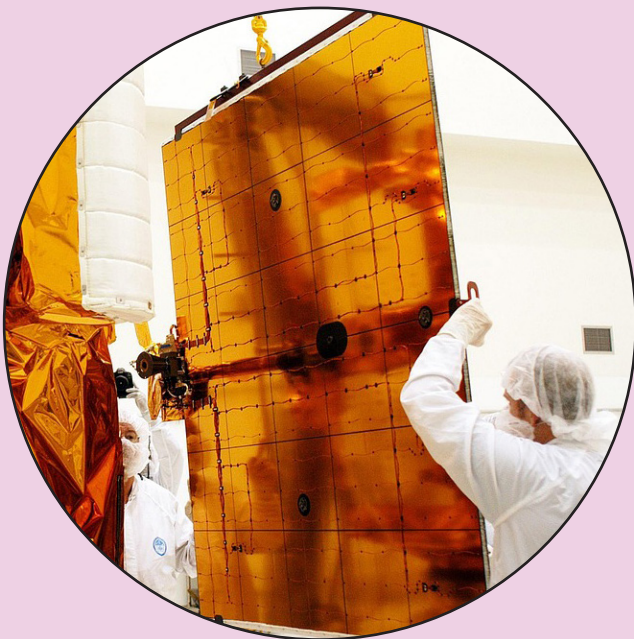
Years since project completion	Maximum percentage of the tax increment that is rebated
1st year	100%
2nd year	100%
3rd year	100%
4+ years	0%

A one-time grant of up to \$100,000 per project or as approved by City Council may be provided to eligible applicants. It is up to the discretion of the EGCIIP Committee on how this grant will be awarded. For example, it may be used to provide up-front financial assistance in the pre-construction phase of development, or to reimburse the applicant's eligible expenses after the fact, or other ways as permitted by provincial legislation.

The use of the grant must be tied with eligible costs associated with planning and building permit works listed under Evaluation Criteria #2. The monetary value of the grant under this program cannot exceed eligible costs.



Sault Ste. Marie's first economic based CIP was the Industrial CIP that was in effect between 2008 to 2013. Local businesses that benefited from this program included: the Airport Development Corporation, Ellsin Environmental, Heliene, SIS Manufacturing and Soo Foundry.



Evaluation Criteria



The EGCIIP is designed to reduce business costs by providing financial incentives for improvements to land and/or buildings for tenants of targeted industry sectors. There are three sets of criteria that the EGCIIP Committee will use to evaluate applications. These relate to the type of business activity that is intended to occupy the subject property, the proposed eligible physical improvements, and the anticipated impacts on the local economy. In addition to the General Program Requirements as found on page 2, the approval of an application and the amount of grant money received will be determined on a discretionary basis according to the mentioned criteria.

Criteria #1: Targeted Industry Sector

Eligible sectors or uses of the subject property (i.e. tenants) must be primarily export based and belong to the industries listed below. These types of businesses have been identified as high-potential sectors and best able to benefit from the local economy's comparative advantage. Local population serving activities such as hotels, medical centres, and retail are not eligible.

Targeted industry sectors:

- 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 and services.
- Primary, secondary, value-added and advanced manufacturing.
- Renewable energy and services.
- Tourism.
- Transportation, aviation and aerospace industries.
- Water technologies and services.

Criteria #2: Building and/or Land Related

Applicants are expected to undertake improvements or redevelopments that will result in increased property assessment. The list below indicates the types of work required as well as the eligible costs that Grant Program 2 can be used for:

- Site development and infrastructure work, including demolition and improvements or reconstruction of existing public infrastructure.
- Environmental assessments, remediation and protection.
- New equipment.
- New construction or significant building renovations.
- Professional fees (i.e. design engineering, legal, insurance, etc.) relating to the design, development, and commissioning of a completed building.

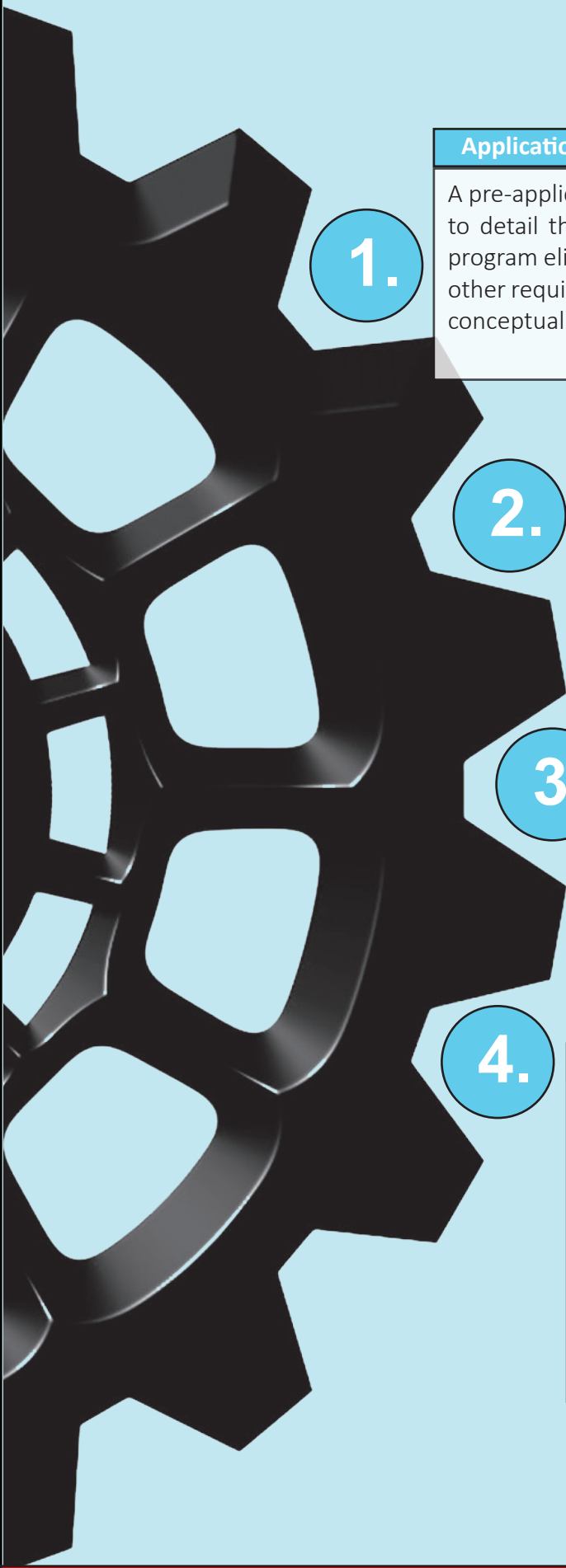
Criteria #3: Economic Impacts

The following measures will also be used to determine the grant amount and applicant's eligibility:

- Number and industry sector of permanent jobs created or protected.
- Tax revenue that will be generated.
- Amount of private sector investment.
- Building permit construction value.
- Necessity of the grant for the proposal's viability.



The Application Approval Process



1.

Application Submission

A pre-application consultation between the applicant and City staff will be required to detail the development or redevelopment that is planned, and to determine program eligibility. Applicants must submit a completed Application Form as well as other required supporting documents, which include, but are not limited to reports, conceptual site plans, business plans, estimates, contracts and other relevant details.

2.

Application Review and Evaluation

The EGCIIP Committee reviews and evaluates applications to determine conformity with the minimum eligibility requirements of the programs as stated in the Evaluation Criteria Section. A site inspection will be conducted as part of the Committee's review. A recommendation report is then sent to City Council.

3.

Decision on Application

Upon application approval, City staff would then advise the applicant of any required conditions. City Council may, at its discretion require signing of a legal agreement which outlines all terms and conditions of assistance and the limitations of assistance. Upon confirmation of approval, the applicant can begin work on eligible improvements. If not approved, the application is returned to the applicant.

4.

Issuance of Grants

The applicant must provide proof of project completion, or in the case of an up-front grant, project estimates and any other documents as required by City Council or the EGCIIP Committee. Examples of proof of completion include building permits and proof that all labour and materials have been paid.

City staff will conduct a site visit to ensure that all requirements have been met. Once these matters are addressed, payment is issued.

Other Grant Programs



Additional financial incentives that are independent of this EGCIIP are available and administered at other government levels.

Brownfields Financial Tax Incentive Program (BFTIP)

BFTIP provides provincial education property tax assistance to match municipal property tax assistance for cleanup of eligible brownfield properties. Under the program, the province can cancel all, or a portion of the education property taxes of a property for up to three years.

Co-operative Education Tax Credit

The Co-operative Education Tax Credit is a refundable tax credit. It is available to employers who hire students enrolled in a co-operative education program at an Ontario university or college.

The Ontario Exporters Fund (OEF)

The Ontario Exporters Fund has been established to assist small and medium-sized enterprises (SMEs) to become export ready and help them gain/increase access to international export markets. The fund will be administered by the Ontario Chamber of Commerce (OCC) with the support and funding from the Ontario government.

The Ontario Research Fund

The fund aims to keep Ontario's researchers at the leading edge by supporting the direct and indirect operational costs of research through its Research Excellence Program, and the capital costs of research through its Large Infrastructure Program and Small Infrastructure Program.

Northern Ontario Heritage Fund Corporation Infrastructure and Community Development Program

The NOHFC offers six funding programs to northern communities to improve infrastructure as a means to create economic development. Despite the name, proposals for any of NOHFC grants do not need to have a heritage component.

The Scientific Research and Experimental Development Program (SR&ED)

The Scientific Research and Experimental Development Program offers tax incentives that encourage and support scientific research and experimental development (SR&ED). Any business that is doing basic or applied research, or is advancing technology to improve or develop new materials, devices, products or processes, may be eligible to make a claim under the program.

FedNor

FedNor is the Government of Canada's economic development organization for Northern Ontario. Through its programs and services, and through its financial support of projects that lead to job creation and economic growth, FedNor works with businesses and community partners to build a stronger Northern Ontario.

Frequently Asked Questions (FAQ)



Q: How do I apply for a grant?

Prospective grant applicants must submit a completed application as well as other required supporting documents. The online application form is available on the City website and attached to this guide.

Q: Will I automatically receive a grant if I meet the eligibility criteria?

Eligibility does not mean automatic approval. Applications will be reviewed by the EGCIIP Committee and evaluated based on how well it meets the evaluation criteria.

Q: My application was approved for a grant; do I still need a building permit?

Improvements made to buildings or lands still require a Building Permit and must comply with the Ontario Building Code and applicable Zoning requirements.

Q: How soon after approval do I need to complete the project?

Projects must be completed within one year of City Council's approval. Extensions to the completion period may be granted under special circumstances.

Q: What if the completed project deviates from the grant agreement?

If the applicant decides to change the project after approval, they must immediately contact the City for additional review. Any unapproved changes to the project will void the grant and result in non-payment of funds.

Q: Is this a competitive or a first-come, first serve process?

Applications will be accepted until funds are exhausted. Priority will be given to applications that best meet the evaluation criteria.

Q: How long will this program last?

Applications will be accepted and evaluated until July 16, 2023, or until funds are exhausted.

Q: Can a project receive funding from multiple grant programs?

Yes, but only if these grant programs are non-municipal grants. The total amount of grants received cannot exceed the eligible costs as outlined in Evaluation Criteria #2.

Q: Can I appeal a decision made regarding my application?

No, the decision of City Council is final.

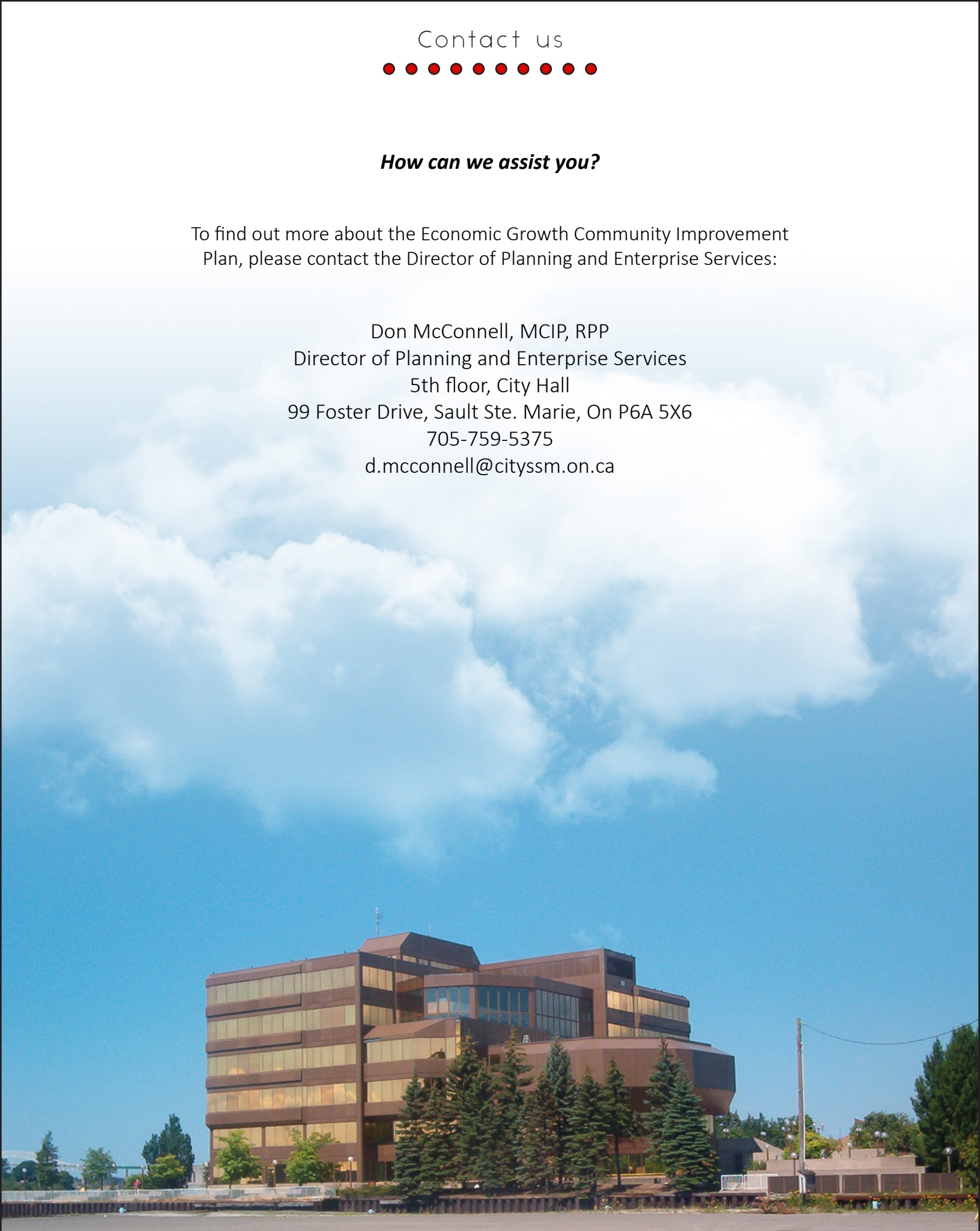
Contact us



How can we assist you?

To find out more about the Economic Growth Community Improvement Plan, please contact the Director of Planning and Enterprise Services:

Don McConnell, MCIP, RPP
Director of Planning and Enterprise Services
5th floor, City Hall
99 Foster Drive, Sault Ste. Marie, On P6A 5X6
705-759-5375
d.mcconnell@citysm.on.ca



**Application Form for the
Economic Growth Community Improvement Plan Grants**

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

Telephone

Fax:

Email

Type of applicant:

Land Developer

Prospective Tenant

Property Owner

Other:

5. Registered property owner:

Name

Address

Telephone

Fax:

Email

6. Prospective tenant of the property:

Business Name

Contact's Name

Address

Telephone

Fax:

Email

7. Registered owner's signature:

8. All mail should be directed to:

Applicant

Property Owner

9. 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

10. Please provide a brief overview of the prospective business expected to lease the property (i.e. year established, change in ownership, description of clients/markets, etc.).

11. Please describe how the proposal meets Criteria #1 in the Economic Growth Grant Program Guideline.

12. Please describe how the proposal meets Criteria #2 in the Economic Growth Grant Program Guideline.

13. Please describe how the proposal meets Criteria #3 in the Economic Growth Grant Program Guideline.

14. Project investment:

PROJECTED EXPENSES	AMOUNT
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Value of site preparation.

Value of construction of new facility/upgrade of existing facility.

Value of equipment to be purchased/installed.

Operational costs (i.e., salaries, administration, etc.).

TOTAL

15. 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 Downtown Development Initiative Program. I/We agree to abide by the terms and conditions of the Financial Incentive programs. 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 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:
Don McConnell, MCIP, RPP
Director of Planning and Enterprise Services
City of Sault Ste. Marie Planning Division
99 Foster Drive, 5th floor
Sault Ste. Marie, ON Canada P6A 5X6
705-759-5375
d.mcconnell@cityssm.on.ca