



# City of Sault Ste. Marie

July 12, 2018

## **ECONOMIC DEVELOPMENT FUND (EDF) – CRITERIA**

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The City of Sault Ste. Marie has established a City Economic Development Fund (EDF). The purpose of this fund is to support job creation, support the increase of new tax assessment through new investments, and to support economic development projects. City Council annually establishes the funding support for the EDF and as this fund is limited, City Council must be very selective in how it is disbursed to ensure that the maximum return on investment is achieved.

To ensure accountability to City Council, the City of Sault Ste. Marie Finance Committee and the Community Development & Enterprise Services Department (CD&ES) has updated the EDF program criteria, delivery, and reporting. Consultation and input was also carried out with the Sault Ste. Marie Chamber of Commerce, Sault Ste. Marie Innovation Centre, Community Development Corporation of Sault Ste. Marie and Area and Destiny Sault Ste. Marie and a Public Session to receive input from the community was hosted by SSMEDC.

### 1. Key Performance Targets

The previous EDF was established by City Council to promote economic growth and provide opportunities in areas of business, technology, tourism and education. This is still important today, but City Council must ensure that the community benefits include specific performance targets, such as net job creation and support for community initiatives that will support existing and attract new employers, investment, and employees. Therefore, in deciding how to allocate funding consideration should be given to support for initiatives that would result in:

1.1. Net Job Creation: The focus of the fund is to support new economic development projects that will create sustainable wealth generating jobs and diversify our economy. Wealth generating jobs are those that bring new monies (e.g., payroll) into the community. This will support economic development that focuses on the creation of new products and services (e.g., manufacturing, science & technology, etc.) that are driven by external market demands;

and

1.2. Increase Tax Assessment: The greatest rate of return of the City Economic Development Fund to the City of Sault Ste. Marie is to invest in those projects that would increase new tax assessment (e.g. new industrial construction) or increased investment in existing facilities that would increase the tax assessment value of that facility.

and

1.3. Economic Development Projects (“enhanced” promotion, marketing, research, and strategy development) that are consistent with Destiny SSM strategic priorities or that support the creation of new economic engines for Sault Ste. Marie.

### 2. Criteria for the Use of the Fund

The fund will provide capital for projects that create or protect jobs and the tax base by:

- 2.1. Promoting economic diversification and supporting the establishment of new businesses or industries that support new products, services, and innovation,
- 2.2. Where benefits warrant, contributing to the sustainability or expansion of existing enterprises as long as it does not unfairly compete with other local enterprises and the use of the City's EDF is absolutely necessary in order for the project to succeed;
- 2.3. Supporting strategic community initiatives that support creating the environment for business development (e.g. infrastructure development, educational/economic opportunities, labour development initiatives, specific sector strategy development, innovation, and support for new economic cluster development).

### 3. Eligible Applicants

Eligible Applicants for applying directly to the City of Sault Ste. Marie for the EDF would be non-profit economic development organizations and City departments.

Private Sector applicants would be required to work in partnership with a non-profit economic development organization such as the Sault Ste. Marie Economic Development Corporation. The reason for this is that the City of Sault Ste. Marie has restrictions pertaining to the Municipal Act in providing bonusing to the private sector. However, as the lead economic development agency for the City of Sault Ste. Marie, the SSMEDC could work with the private sector in a partnership that could access the EDF as long as the project meets the criteria and application requirements of the EDF.

### 4. Application Requirements

Applicants will complete the following application information, provide a covering request letter, and will provide the necessary supporting documentation to support their request. The application will include a business or project plan, which outlines:

- 4.1. Applicant Information
  - 4.1.1. Legal name of business/organization
  - 4.1.2. Names of Officers, Directors & Principals
  - 4.1.3. History of Organization
  - 4.1.4. Organization mandate
  - 4.1.5. Key contact for initiative
  - 4.1.6. Contributing partners and
  - 4.1.7. References

### 4.2. Project Information

- 4.2.1. Project description
- 4.2.2. Objectives
- 4.2.3. Performance targets
- 4.2.4. Impacts and Limitations of Project
- 4.2.5. Methodology and timing (including key dates for progress reports and final report to Council)

### 4.3. Costs and Financing

- 4.3.1. Detailed project costs
- 4.3.2. Financing arrangements (e.g., equity, loans, etc.) and funding partners
- 4.3.3. In-kind contributions
- 4.3.4. Balance, Financial Statements, Cash flow projections (historical and projected)
- 4.3.5. Demonstrated need for assistance and supporting documentation and applications to other government assistance programs, etc.

### 4.4. Economic Benefits

- 4.4.1. Description of how the project promotes economic growth and diversification
- 4.4.2. Projected job creation
- 4.4.3. Potential for tax assessment increase
- 4.4.4. Other economic and community benefits

### 4.5. Community Benefits

- 4.5.1. How the project compliments other local initiatives
- 4.5.2. Impact on the community as a whole

After receiving the Application requirements, the Deputy CAO, CD&ES may at their discretion request further information and clarification from the proponent.

For processing, all applications will be sent to:

Tom Vair

Deputy CAO  
Community Development & Enterprise Services  
99 Foster Drive, Second Level  
Sault Ste. Marie, ON P6A 5X6

Telephone enquiries: (705) 759-5308

E-mail: [t.vair@cityssm.on.ca](mailto:t.vair@cityssm.on.ca)

### 5. Process for Evaluating Proposals

- 5.1. The Community Development & Enterprise Services Department will be responsible to provide the resources to support the intake of applications and support the proponent (s) in the development of their proposal.
- 5.2. The City Finance and Legal Department, through the CD&ES, will provide recommendations regarding economic resources available and related concerns (e.g., due diligence collaboration, risk management, municipal act, etc.)
- 5.3. Prior to presentation to City Council the Deputy CAO, CD&ES will review requests if appropriate, determine need from Destiny SSM Committee for input and recommendations, and provide their input to the evaluation of the application.
- 5.4. Unless there are special circumstances, all requests shall contain written recommendations from the Deputy CAO, CD&ES , and the City Finance Department prior to presentation to Council.
- 5.5. All requests will be presented to Council in writing with supporting presentations by the applicant if required.
- 5.6. City Council will make the final decision re: financial contributions from the fund.

### 6. Accountability, Monitoring and Reporting of Results

The following will be expected from the successful applicants:

- 6.1. Recognition of the City Economic Development Fund contribution to the project in reports and appropriate marketing products, including the City logo.
- 6.2. Progress reports as outlined in their submission's timetable and proposal to City Council.
- 6.3. A final project report containing an evaluation of the success of the initiative in meeting its goals and key performance targets as well as the benefits to the community.
- 6.4. A complete report of all revenues and disbursements for the project within 6 months of completion of project. The City Finance Department will require supporting financial documentation (e.g. paid invoices, etc.) and has the right to review or audit project.