

# The Corporation of the City of Sault Ste. Marie EDC Board Agenda

Wednesday, February 21, 2024 12:00 pm - 1:00 pm Biggings Room, Civic Centre

Meetings may be viewed live on the City's YouTube channel https://www.youtube.com/user/SaultSteMarieOntario

		Pages
1.	Call to Order	
2.	Adoption of Agenda	
	Mover	
	Seconder	
	Resolved that the Agenda for the February 21 2024 EDC Board meeting	
	be approved as presented.	
3.	Declaration of Pecuniary Interest	
3.1	Closed Session, February 14 2024 Meeting - G. Vaughan	
	Municipal Conflict of Interest Act Section 2(b) the member is a partner of a	
	person or is in the employment of a person or body that has a pecuniary	
	interest in the matter. R.S.O. 1990, c. M.50, s. 2.	
4.	Adoption of Minutes	3 - 5
	Mover	
	Seconder	
	Resolved that the meeting minutes from the February 14 2024 meeting be	
	approved as presented.	
5.	Updates	
5.1	Industrial Land	

6.	New Business	
6.1	Delegated Authority to Executive Members	
6.2	CDF Request - Rolling Pictures	
	Mover	
	Seconder	
	Resolved that the EDC Board endorses the request from Rolling Pictures	6 - 21
	in the amount of \$25,000 from the CDF and recommends that City Council	
	approve this request.	
7.	Upcoming Meeting(s)	
	EDC Executive: April 10 EDC Board: April 17 EDC Executive: June 12 EDC Board (AGM): June 19	
	EDC Executive: Sept 11	
	EDC Board: Sept 18 EDC Executive: Nov 13	
	EDC Board: Nov 20	
8.	Adjournment	
	Mover	
	Seconder Resolved that this meeting now adjourn.	
	Resolved that this meeting now adjourn.	



# The Corporation of the City of Sault Ste. Marie EDC Board Minutes

Wednesday, February 14, 2024 12:00 pm Civic Centre

Meetings may be viewed live on the City's Youtube channel https://www.youtube.com/user/SaultSteMarieOntario

Present: Robert Brewer, Gerald Fowler, Stephanie Harman, Sheila Purvis,

Bill Freiburger, Sam Butkovich

Regrets: Gannon Vaughan, Joe Bisceglia

Officials: Rick Van Staveren, Robin Miners

#### 1. Call to Order

Meeting called to order at 12:00 p.m.

#### 2. Closed Session

Moved by: S. Purvis

Seconded by: B. Freiburger

Resolved that this Board move into closed session to consider one item concerning a proposed acquisition of land by the municipality or local board;

Further Be It Resolved that should the said closed session be adjourned, the Board may reconvene in closed session to discuss the same matters without the need for a further authorizing resolution.

(Municipal Act section 239(2)(c) a proposed or pending acquisition or disposition of land by the municipality or local board).

#### Carried

#### 3. Adoption of Minutes

Moved by: B. Freiburger Seconded by: S. Harman

Resolved that the meeting minutes of the November 23 2023 meeting be approved as presented.

Carried

#### 4. Declaration of Pecuniary Interest

#### 5. Adoption of Agenda

Moved by: S. Purvis Seconded by: G. Fowler

Resolved that the Agenda for the February 14 2024 EDC Board Meeting be approved as presented.

Carried

#### 6. CDF Requests

#### 6.1 The City of Sault Ste. Marie

Moved by: B. Freiburger Seconded by: S. Purvis

Resolved that the EDC endorses the request from The City of Sault Ste. Marie in the amount of \$202,650 from the CDF over three years (\$67,550 per year), and recommends that City Council approve this request.

Carried

### 7. EDC Funding Requests

## 7.1 The City of Sault Ste. Marie

Moved by: B. Freiburger Seconded by: G. Fowler

Whereas the EDC supports the project as outlined by the City of Sault Ste. Marie, therefore b	е
it resolved that the EDC agrees to contribute a total of \$202,650 to the project over three year	ŝ
(\$67,550 annually).	

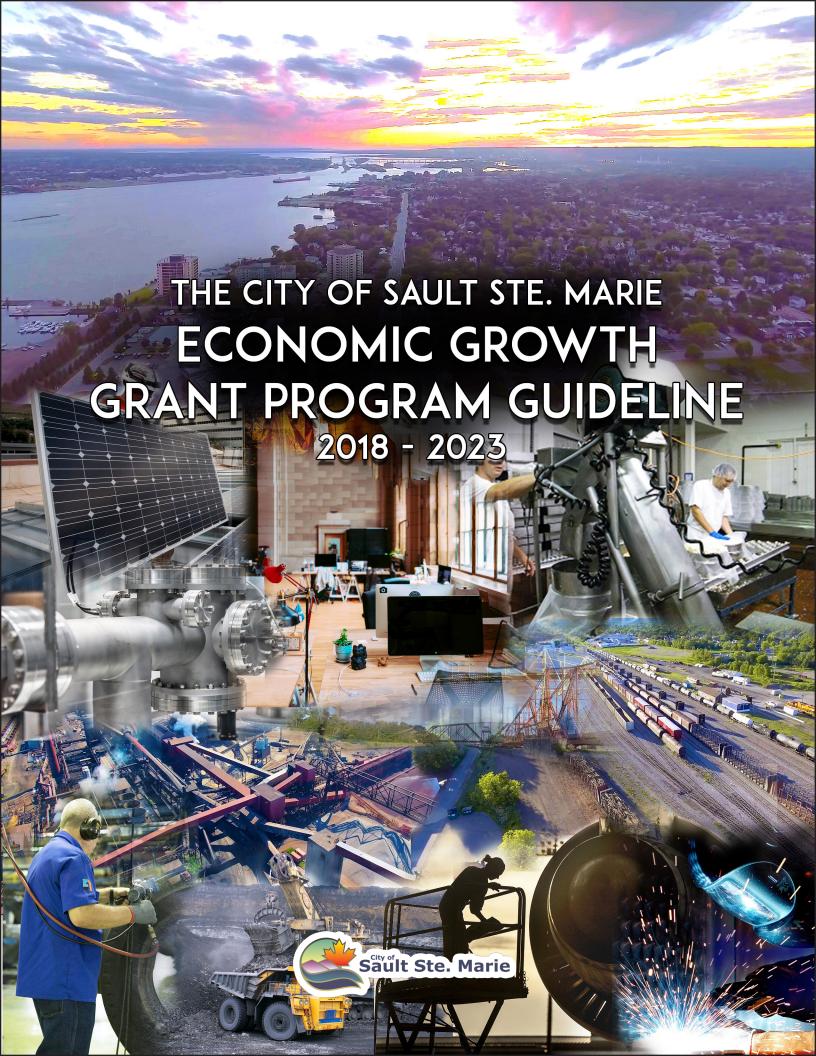
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8.	Upco	ming	Meeting	(s)
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#### 9. Adjournment

Moved by: B. Freiburger Seconded by: S. Purvis

tesolved that the EDC Board meeting of February 14 2024 adjourn.	
Ca	arried
	Chair





#### Introduction

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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

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The purpose of the EGCIP 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 EGCIP 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 EGCIP 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 EGCIP Committee.

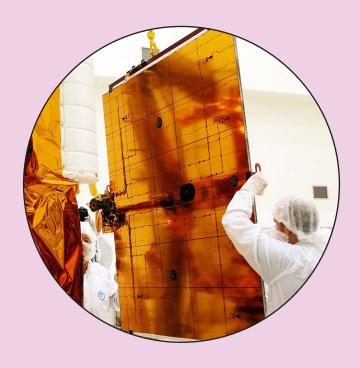
## Grant Program 1 Municipal Tax Increment Rebate

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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	Maximum percentage of the
completion	tax increment that is rebated
1 <sup>st</sup> year	100%
2 <sup>nd</sup> year	100%
3 <sup>rd</sup> year	100%
4+ years	0%



## Grant Program 2 One-Time Grant

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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 EGCIP 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.



#### Evaluation Criteria

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The EGCIP 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 EGCIP 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:

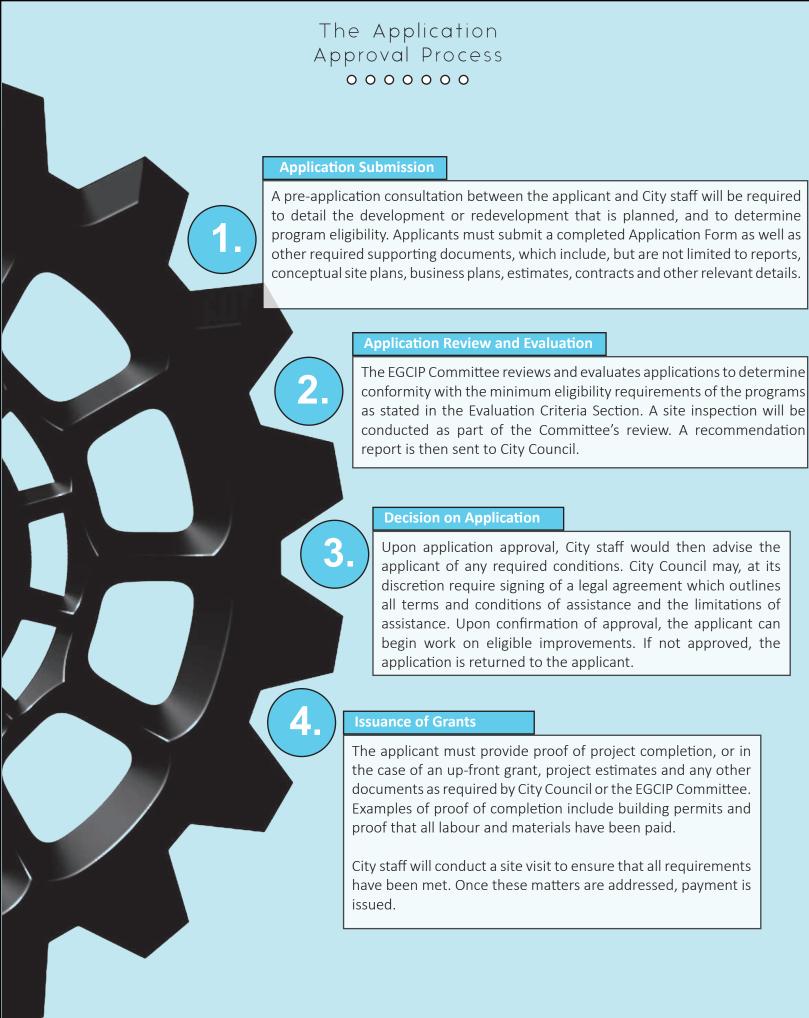
- Site development and infrastructure work, including demolition and improvements or reconstruction of existing public infrastructure.
- Environmental assessments, remediation and protection.
- New equipment.
- New construction or significant building renovations.
- Professional fees (i.e. design engineering, 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.





# Other Grant Programs

Additional financial incentives that are independent of this EGCIP 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.

#### 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 EGCIP 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?

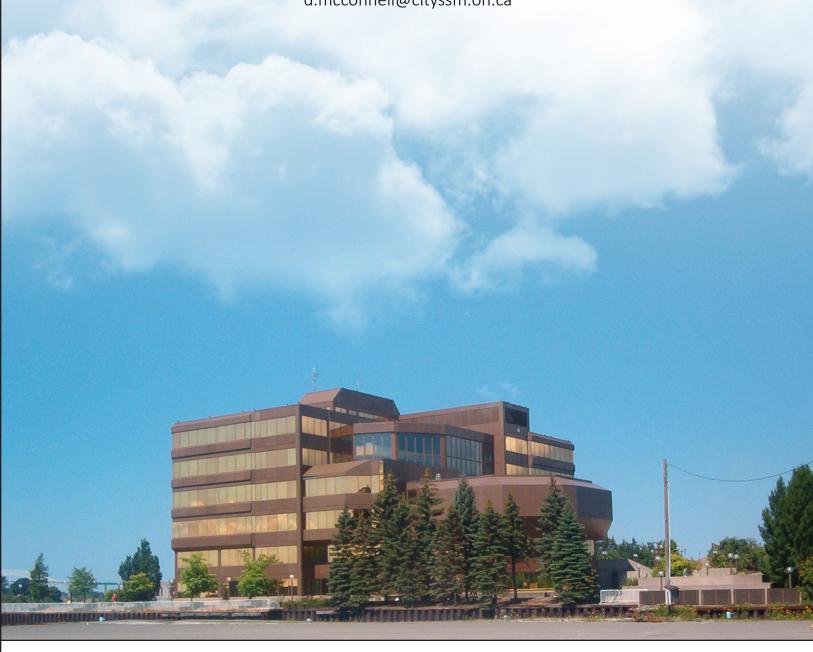
No, the decision of City Council is final.

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## 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@cityssm.on.ca



# Application Form for the Economic Growth Community Improvement Plan Grants

1. Please select one from the	options below:		
O Grant Program 1 - Municipa	al Tax Increment Rebate		
Grant Program 2 - One-Time Grant			
2. Have you previously receif yes, please specify which gra	ved a grant from the City of Sault Ste. Marie? ant and the date of application.		
Application in 2020. (amount \$	100,000)		
	ou apply for any provincial, federal or non-profit grants? ce and amount of funding received.		
,	OHFC Grow Stream (amount \$125,000) eople & Talent (two applications approved - \$70,000 total)		
4. Applicant:			
Name	Rolling Pictures Company		
Address	498 Queen Street East		
Telephone	647-494-3330 Fax:		
Email	post@rollingpictures.com		
Type of applicant:			
☐ Land Developer ☐ F ☐ Other:	Prospective Tenant Property Owner		
5. Registered property owne	r:		
Name	Rolling Pictures Company		
Address	498 Queen Street East		
Telephone 647-494-3330 Fax:			
Email	post@rollingpictures.com		

6. Prospective tenant of the property:			
Business Name	n/a		
Contact's Name			
Address			
Telephone	Fax:		
Email			
7. Registered owner's signature:	7_/		
6	. Cut		
8. All mail should be directed to:  Applicant Property Owner			
9. Property information: a. Civic Address of Property			
498 Queen St. E			
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?			
<ul><li>Yes</li><li>● No</li></ul>			

## 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.).

Rolling Pictures Company is a value added post production studio; an industry support system. Whatever project it may be, — short film, feature, documentary or TV and commercial —RPC has the capacity to assist the client base in every stage of post production from data management to final delivery.

RPC specializes in dailies, colour grading, mix, record, create visual effects, QC, and deliver industry productions wherever and whenever. Whether the client needs to screen a project or needs to record dialogue with up to 10 people, RPC has a theatre and ADR studios to accommodate.

Rolling Pictures Company (RPC) has experienced significant growth and expansion in Sault Ste. Marie since its establishment in 2019. This funding has enabled RPC to purchase a building, build a post-production facility, and hire staff from the local talent pool. To continue this growth, RPC is seeking additional funding. The funding request is two-fold: to acquire additional equipment and to secure sufficient liquidity for the first year of the expansion project due to the increase of monthly overhead. With a proven track record and strong business model, RPC is confident that with support, they will continue to make a positive contribution to the local economy and be able to offer more specialized capacity to the arts, culture, and creative industries.

The funding amount that RPC is seeking to support this project is \$25,000.

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

Rolling Pictures Company (RPC) operates within the arts, culture and creative industries. RPC is currently the only production/studio in SSM that offers this range of service through their highly skilled and experienced team.

VFX: RPC's VFX department intends to add more artists to the RPC team, investing in new workstations and building a small render farm. RPC will also need to acquire new software for the render farm and tools for managing shots and assets. A VFX coordinator or producer will also be necessary to support and keep the VFX department organized and coordinate with clients on a day to day basis. With a 3800 sqft facility in Sault Ste Marie, RPC has ample space to accommodate the additional stage and equipment.

Sound Division: RPC is planning to upgrade the sound division by adding a new sound engineer to the team and updating the audio equipment in the screening theater in Sault Ste. Marie with a new speaker system. This will allow RPC to do pre-mixes in the small theater before taking the film to the large mixing theater in Toronto for the final mix. In order to ensure a seamless transition of sound, RPC plans to purchase speakers from the same manufacturer. Additionally, RPC would like to acquire more workstations with industry standard software such as ProTools to further enhance sound production capabilities in Sault Ste. Marie.

Foley: RPC aims to develop a workspace within their current location and outfit as a foley stage. RPC intends to hire and train a foley artist and an assistant to provide these services for all of our projects and clients.

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

Implementing RPC's growth plans for the VFX and sound departments can start right away, while the plan for a foley stage may take more time. RPC to retrofit the current space to suit the needs of the intended workflow. Consultation with industry experts and designers will be undertaken to modify the current workspace in order to accommodate the introduction of the new technology, capacity improvement, and new specialized equipment.

While workspace modifications are underway, RPC will also search for a senior foley artist and assistant to work closely together. Since RPC currently outsources foley work for around \$150,000 annually, it is believed that having a fully functional foley studio will allow RPC to retain that revenue within RPC/SSM. There is also projected growth within this business stream.

RPC can design/implement a small Foley stage setup on site at its current location by leveraging new technology and Al trends in the industry. A new facility/workspace would optimize usability and function, minimizing outsourcing of skilled work.

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

As a result of this expansion project, RPC expects to have the following economic impacts:

Number and industry sector or permanent jobs created and/or protected: 10-12
Four new specialized positions created through VFX expansion; salary range \$75k-\$95k
6-8 additional support positions retained and created to maintain and expand on Sound Division and Foley work.

Tax revenue that will be generated: TBD

Amount of private sector investment: \$250,000

Building permit construction value: TBD

Necessity of the grant for the proposal's viability:

The funding request is two-fold: to acquire additional equipment and to secure sufficient liquidity for the first year of the expansion project due to the increase of monthly overhead. Providing support through funding will assist RPC in achieving its growth projections sooner, resulting in hiring and training new staff and minizing the outsourcing of skilled work from our local market.

### 14. Project investment:

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PROJECTED EXPENSES	Α	AMOUNT	
Value of site preparation.	n/a		
Value of construction of new facility/upgrade of existing facility.	100,000		
Value of equipment to be purchased/installed.	159,000		
Operational costs (i.e., salaries, administration, etc.).	n/a		
TOTAL	250,000		
15. Certification:			
All information provided is subject to the the City of Sault Ste. Marie's financial re	•	Freedom of Information Act and the Corporation of es.	
The City cannot retroactively fund grant	programs for	or 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.			
We agree to abide by the terms and conthat the grant can be reduced or cancel are not paid. I/We hereby certify that the respect and may be verified by the Corpinformation provided is or subsequently may immediately cancel the grant and f shall become due and payable. Any fail	nditions of the led if the agree information oration of the becomes unfull repaymenture on behalf ion's rights. It	Marie Downtown Development Initiative Program. I/ e Financial Incentive programs. I/We understand eed work is not completed or if contractors/suppliers in given herein is true, correct and complete in every lie City of Sault Ste. Marie (the Corporation). If any intrue, incorrect and/or incomplete, the Corporation int of any money already advanced, with interest, if of the Corporation to verify the information if We are not involved in any action of proceeding	
I/We agree to the general eligibility requincentive grant.	uirement shou	uld I/We be successful in receiving a financial	
Signature of Owner or Applicant:		Date:	
Signature of Owner or Applicant:	J	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