

REGULAR MEETING OF CITY COUNCIL AGENDA

Monday, March 7, 2016

4:30 p.m.

Council Chambers

Civic Centre

	Pages
1. ADOPTION OF MINUTES	8 - 19
Mover Councillor J. Hupponen Seconder Councillor L. Turco	
Resolved that the Minutes of the Regular Council Meeting of 2016 02 22 be approved.	
2. QUESTIONS AND INFORMATION ARISING OUT OF THE MINUTES AND NOT OTHERWISE ON THE AGENDA	
3. DECLARATION OF PECUNIARY INTEREST	
4. APPROVE AGENDA AS PRESENTED	
Mover Councillor M. Shoemaker Seconder Councillor R. Niro	
Resolved that the Agenda for 2016 03 07 City Council Meeting as presented be approved.	
5. PROCLAMATIONS/DELEGATIONS	
5.1 Elimination of Racial Discrimination	
Danny Krmpotich, Program Co-ordinator, Local Immigration Program	
5.2 Red Cross Month	
Louisa van Lith, Community Support Services Co-ordinator	

- 6. COMMUNICATIONS AND ROUTINE REPORTS OF CITY DEPARTMENTS, BOARDS AND COMMITTEES**
- Mover Councillor J. Hupponen
Seconder Councillor L. Turco
- Resolved that all the items listed under date 2016 03 07 – Part One – Consent Agenda be approved as recommended.
- 6.1 Correspondence**
- 6.1.1 Modernization of Canada's Trade Remedy System** 20 - 21
- Correspondence from Mayor Provenzano to Minister of Finance, Hon. Bill Morneau and Minister of Innovation, Science and Economic Development, Hon. Navdeep Bains is attached for the consideration of Council.
- 6.1.2 Economic Development Review** 22 - 24
- Don Mitchell, Chair and President Sault Ste. Marie Economic Development Corporation, Board of Directors
Tom Vair, Executive Director, Sault Ste. Marie Innovation Centre
- 6.2 Northern Avenue Environmental Assessment – Study Limits** 25 - 26
- A report of the Director of Engineering is attached for the consideration of Council.
- Mover Councillor M. Shoemaker
Seconder Councillor L. Turco
- Resolved that the report of the Director of Engineering Services dated 2016 03 07 concerning Northern Avenue Environmental Assessment – Study Limits be received and the recommendation to revise the west limit of the Northern Avenue Environmental Assessment to North Street be approved.
- 6.3 McNabb Street and MacDonald Avenue Flooding Environmental Assessment** 27 - 28
- A report of the Director of Engineering is attached for the consideration of Council.
- Mover Councillor J. Hupponen
Seconder Councillor R. Niro
- Resolved that the report of the Director of Engineering Services dated 2016 03 07 concerning the Notice of Completion for McNabb Street and MacDonald Avenue Flooding Environmental Assessments be received as information.
- 6.4 Gore Street Reconstruction** 29 - 30

A report of the Director of Engineering is attached for the consideration of Council.

Mover Councillor J. Hupponen
Seconder Councillor L. Turco

Resolved that the report of the Director of Engineering Services dated 2016 03 07 concerning Gore Street Reconstruction be received and the recommendation to defer Bay Street and add Gore Street to the 2016 capital plan be approved.

6.5 Gore Street Streetscape Revitalization – Summary of Public Input 31 - 35

A report of the Planning Co-ordinator, Downtown Development Initiatives is attached for the consideration of Council.

Mover Councillor M. Shoemaker
Seconder Councillor R. Niro

Resolved that the report of the Planning Co-ordinator dated 2016 03 07 concerning Gore Street Streetscape Revitalization – Summary of Public Input be received as information.

6.6 Rental Housing Incentive Program – Part 5 36 - 37

A report of the Planning Director is attached for the consideration of Council.

Mover Councillor M. Shoemaker
Seconder Councillor R. Niro

Resolved that the report of the Planning Director dated 2016 03 07 concerning Rental Housing Incentive Program – Part 5 be received and that City Council authorize a three year incremental tax rebate program for 342 John Street subject to:

- the municipal rebate apply only to the increase in assessment resulting from new construction, and
- after the rebate program is completed, the full municipal taxes will apply.

7. REPORTS OF CITY DEPARTMENTS, BOARDS AND COMMITTEES

7.1 ADMINISTRATION

7.1.1 Essar Steel Restructuring Community Response 38 - 65

A report of the Chief Administrative Officer is attached for the consideration of Council.

Mover Councillor M. Shoemaker
Seconder Councillor R. Niro

Resolved that the report of the Chief Administrative Officer dated 2016 03 07 regarding Essar Steel Restructuring Community Response be received as information and that Council approve the City making an application through the CAO's office under the Province of Ontario's Community Adjustment Advisory program to secure resources to coordinate the City's on-going response to current economic shifts using principles described in the Community Response Action Plan of SSMECD, City Community Plan and Corporate Strategic Plan.

7.2 COMMUNITY SERVICES DEPARTMENT

7.3 ENGINEERING

7.4 FIRE

7.5 LEGAL

7.6 PLANNING

7.6.1 A-4-16-Z – 127 Pilgrim Street

66 - 75

A report of the Planner is attached for the consideration of Council.

Mover Councillor J. Hupponen
Seconder Councillor R. Niro

Resolved that the report of the Planner dated 2016 03 07 concerning rezoning Application A-4-16-Z be received and that Council approve the rezoning of the subject property from Low Density Residential Zone (R.3) to Low Density Residential Zone (R3.S) with a Special Exception) to permit a 4-plex, in addition to those uses permitted in an R3 zone, subject to the following Special Exceptions:

1. That two (2) of the required parking spaces be stacked;
2. That the north interior side yard be reduced to 1.2m (4'), for the existing building only;
3. That parking be prohibited from locating in the front yard of the subject property.

and that the Legal Department be directed to prepare the necessary by-law to effect this approval.

7.7 PUBLIC WORKS AND TRANSPORTATION

7.8 BOARDS AND COMMITTEES

**8. UNFINISHED BUSINESS, NOTICE OF MOTIONS AND RESOLUTIONS
PLACED ON AGENDA BY MEMBERS OF COUNCIL**

8.1 Economic Development Review

Mover Councillor M. Shoemaker
Seconder Councillor R. Romano

Whereas the Corporation of the City of Sault Ste. Marie (City) has a Memorandum of Understanding with the Sault Ste. Marie Economic Development Corporation (SSMEDC) dated September 28, 2009 naming the EDC as the City's lead agency on economic development; and

Whereas the City provides annual funding to the SSMEDC in the approximate amount of \$1.7 million per annum; and

Whereas the City has a Memorandum of Understanding with the Sault Ste. Marie Innovation Centre (SSMIC) dated April 12, 2010 that identifies the mission of SSMIC as, "to drive business growth, facilitate research, and commercialize innovation in globally significant areas of science and technology"; and

Whereas the City provides annual funding to the SSMIC in the amount of \$277,890 per annum; and

Whereas the City allocates an additional \$500,000.00 per annum to the Economic Development Fund (EDF) for the purposes of supporting new job creation, tax assessment and economic development projects; and

Whereas the funds allocated to the SSMEDC, SSMIC and the EDF represents the majority of the City's investment in economic development; and

Whereas the City recognizes the importance of effective economic development and the need to diversify its economy and grow its assessment base; and

Whereas the City has a responsibility to ensure that it is making the most effective and efficient use of its economic development funds;

Now Therefore Be It Resolved that City Council direct the Chief Administrative Officer to undertake an assessment, either directly and/or with the assistance of an independent third party, of the City's economic development and provide a report to Council outlining the following:

1. Best practices and models for effective economic development;
2. How the City's economic development model compares to best practices; and
3. Recommendations on what the City could and/or should be doing to ensure that its economic development efforts are producing the best results.

8.2 Committee to Review Winter Maintenance, Parks Maintenance and Waste Collection

Mover Councillor M. Shoemaker
Seconder _____

Whereas the 2016 proposed budget for the Public Works Department contains cost increases for the Winter Maintenance, Parks Maintenance and Waste Collection divisions; and

Whereas in the last three years, the costs for Winter Maintenance, Parks Maintenance and Waste Collection have increased more than \$1 million; and

Whereas in 2015 the budgets for Winter Maintenance, Parks Maintenance and Waste Collection represented a total cost to City taxpayers of over \$11 million; and

Whereas the Council of the City of Sault Ste. Marie must determine how to most effectively deliver services; and

Whereas the Council of the City of Sault Ste. Marie is committed to finding cost savings in the delivery of services in order to maintain a level of service that residents deem appropriate; and

Whereas it is essential for the City of Sault Ste. Marie to be a leader in the delivery of services in Ontario;

Now Therefore Be It Resolved that the Council of the City of Sault Ste. Marie strike a committee consisting of three councillors, being Councillor Shoemaker, Councillor _____, and Councillor _____, with appropriate staff acting as resources to the committee, to:

1. Review the existing cost of delivering Winter Maintenance, Parks Maintenance and Waste Collection services and how, if at all, costs can be reduced while maintaining the same or a similar level of service;
2. Provide information to any service provider who requests information regarding winter maintenance, parks maintenance and waste collection in order for providers to estimate the costs of delivering the same level service as is currently provided;
3. Ensure that Sault Ste. Marie taxpayer dollars are being maximized by making the City a leader in the delivery of municipal services.

9. COMMITTEE OF THE WHOLE FOR THE PURPOSE OF SUCH MATTERS AS ARE REFERRED TO IT BY THE COUNCIL BY RESOLUTION

10. ADOPTION OF REPORT OF THE COMMITTEE OF THE WHOLE

11. CONSIDERATION AND PASSING OF BY- LAWS

11.1 By-laws before Council TO BE PASSED which do not require more than a simple majority

11.1.1 By-law 2016-26 (OP) 445 Sherbourne Street

76 - 78

Council Report was passed by Council resolution on February 8, 2016.

Mover Councillor M. Shoemaker
Seconder Councillor L. Turco

Resolved that By-law 2016-26 being a by-law to adopt Amendment No. 216 to the Official Plan for the City of Sault Ste. Marie (Soo Environmental Services Inc. - 445 Sherbourne Street be passed in open Council this 7th day of March, 2016.

11.1.2 By-law 2016-27 (Zoning) 445 Sherbourne Street 79 - 81

Passed by Council resolution on February 8, 2016.

Mover Councillor M. Shoemaker
Seconder Councillor L. Turco

Resolved that By-law 2016-27 being a by-law to amend Sault Ste. Marie Zoning By-laws 2005-150 and 2005-151 concerning lands located at 445 Sherbourne Street (Soo Environmental Services Inc.) be passed in open Council on the 7th day of March, 2016.

11.2 By-laws before Council for FIRST and SECOND reading which do not require more than a simple majority

11.3 By-laws before Council for THIRD reading which do not require more than a simple majority

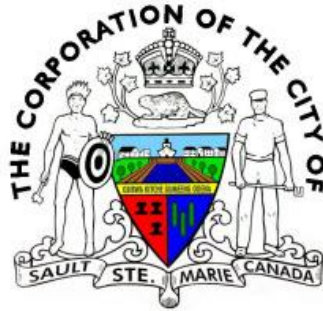
12. QUESTIONS BY, NEW BUSINESS FROM, OR ADDRESSES BY MEMBERS OF COUNCIL CONCERNING MATTERS NOT OTHERWISE ON THE AGENDA

13. CLOSED SESSION

14. ADJOURNMENT

Mover Councillor J. Hupponen
Seconder Councillor R. Niro

Resolved that this Council now adjourn.



REGULAR MEETING OF CITY COUNCIL MINUTES

Monday, February 22, 2016

4:30 p.m.

Council Chambers

Civic Centre

Present: Mayor C. Provenzano, Councillor S. Butland, Councillor P. Christian, Councillor S. Hollingsworth, Councillor J. Hupponen, Councillor L. Turco, Councillor R. Niro, Councillor M. Bruni, Councillor F. Fata, Councillor J. Krmpotich, Councillor R. Romano

Absent: Councillor S. Myers, Councillor M. Shoemaker

Officials: A. Horsman, R. Tyczinski, L. Girardi, S. Schell, P. Niro, J. Dolcetti, M. Nadeau, M. Figliola, S. Hamilton Beach, M. Borowicz-Sibenik, D. McConnell, V. McLeod, F. Coccimiglio, T. Dodds

1. ADOPTION OF MINUTES

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor M. Bruni

Resolved that the Minutes of the Regular Council Meeting of 2016 02 08 be approved.

Carried

2. QUESTIONS AND INFORMATION ARISING OUT OF THE MINUTES AND NOT OTHERWISE ON THE AGENDA

3. DECLARATION OF PECUNIARY INTEREST

3.1 Councillor R. Niro – Administration of the Retiree Death Benefit

Brother is employed by Sault Ste. Marie Fire Services

3.2 Councillor L. Turco – Administration of the Retiree Death Benefit

Spouse is employed by Sault Ste. Marie Police Service

3.3 Councillor J. Krmpotich – Retention of Restructuring Lawyer

Employed by Essar Steel Algoma Inc.

3.4 Councillor R. Romano – Property Tax Appeals

One of the applicants is a client

4. APPROVE AGENDA AS PRESENTED

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor F. Fata

Resolved that the Agenda for 2016 02 22 City Council Meeting as presented be approved.

Carried

5. PROCLAMATIONS/DELEGATIONS

5.1 2015 Heritage Award Presentation

Mayor Provenzano and L. Beilhartz, Chair, Municipal Heritage Committee presented the 2015 Heritage Award to Cindy Parniak, 1164 Queen Street East.

6. COMMUNICATIONS AND ROUTINE REPORTS OF CITY DEPARTMENTS, BOARDS AND COMMITTEES

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor F. Fata

Resolved that all the items listed under date 2016 02 22 – Part One – Consent Agenda save and except Agenda item 6.4 be approved as recommended.

Carried

6.1 2016 Budget Deliberation

The report of the Chief Administrative Officer was received by Council.

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor F. Fata

Resolved that the report of the Chief Administrative Officer dated 2016 02 22 concerning 2016 Budget Deliberations be received and that the staff recommendation of Option 1 be approved.

Carried

6.2 Retention of Restructuring Lawyer

Councillor J. Krmpotich declared a conflict on this item. (Employed by Essar Steel Algoma Inc.)

The report of the Commissioner of Finance and Treasurer and Acting City Solicitor was received by Council.

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor M. Bruni

Resolved that the joint report of the Commissioner of Finance and Treasurer and Acting City Solicitor dated February 22, 2016 regarding the approval of a \$175,000 upset limit for the services of a restructuring lawyer to represent the City's interest in the CCAA protection proceedings of Essar Steel Algoma be approved and that these services be funded from the Contingency Reserve.

Carried

6.3 Property Tax Appeals

Councillor R. Romano declared a conflict on this item. (One of the applicants is a client)

The report of the City Tax Collector was received by Council.

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor F. Fata

Resolved that the report of the City Tax Collector dated 2016 02 22 concerning Property Tax Appeals be received and the recommendation that the tax records be amended pursuant to Section 357 of the Municipal Act be approved.

Carried

6.5 Request for Financial Assistance for National/International Sports Competitions-Kieran Desjardins-Speed Skating

The report of the Manager of Recreation and Culture was received by Council.

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor M. Bruni

Resolved that the report of the Manager of Recreation and Culture dated 2016 02 22 concerning Request for Financial Assistance for National/International Sports Competitions – Kieran Desjardins – Speed Skating be received and that Council approve a \$200 financial assistance grant for participation at the Canadian Age Class Long Track Speed Skating Championships, February 6 & 7, 2016 in Quebec City be approved.

Carried

6.6 RFP for Sensory Play Equipment (2016CSD-PK-01-P)

The report of the Manager of Purchasing was received by Council.

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor M. Bruni

Resolved that the report of the Manager of Purchasing dated 2016 02 22 be received and that the proposal submitted by A.B.C. Recreation Ltd. to supply and deliver Sensory Play Equipment, as required by the Recreation & Culture Division of the Community Services Department, be approved.

Carried

6.7 Request for Financial Assistance for National/International Sports Competitions- Richard MacLennan-Speed Skating

The report of the Manager of Recreation and Culture was received by Council.

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor F. Fata

Resolved that the report of the Manager of Recreation and Culture dated 2016 02 22 concerning Request for Financial Assistance for National/International Sports Competitions – Richard MacLennan – Speed Skating be received and that Council approve a \$200 financial assistance grant for participation at the International Skating Union's World Cup Championships to be held from January 29 to January 31, 2016 in Stavanger, Norway be approved.

Carried

6.8 West End Sewage Treatment Plant – Phase 1 Upgrades Request for Proposal

The report of the Land Development and Environmental Engineer was received by Council.

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor M. Bruni

Resolved that the report of the Land Development and Environmental Engineer dated 2016 02 22 concerning the West End Sewage Treatment Plant Phase 1 Upgrades be received and that issuance of a Request for Proposal for consulting services be approved.

Carried

6.9 Queen Street Tree Replacement Strategy

The report of the Planning Division was received by Council.

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor M. Bruni

Resolved that the report of the Planning Division dated 2016 02 22 concerning a Queen Street tree replacement strategy be received and that Council refer the recommendation to replace all the trees on Queen Street (\$2 million) and the installation of pedestrian scale lights (\$1.2 million) to the 2016 budget deliberations.

Carried

6.10 Gateway Signature Park – Preliminary Steps

The report of the Planning Division was received by Council.

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor M. Bruni

Resolved that the report of the Planning Division dated 2016 02 22 concerning the preliminary steps required to investigate the redevelopment of the easterly section of the Gateway site for the purposes of a signature park be received and that Council refer the recommendation to conduct a Phase One and Phase Two environmental assessment, as well as an overall park design, at an estimated cost of \$150,000, to the 2016 budget deliberations.

Carried

6.11 Downtown Community Improvement Plan – Financial Incentive Applications

The report of the Planning Division was received by Council.

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor F. Fata

Resolved that the report of the Planning Division dated 2016 02 22 concerning the Downtown Community Improvement Plan Financial Incentive applications be received and the grant applications listed in this report be approved.

Carried

6.12 Household Special Waste ('HSW') Facility – Relocation to the Landfill Site

The report of the Deputy Commissioner of Public Works and Transportation was received by Council.

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor F. Fata

Resolved that the report of the Deputy Commissioner of Public Works and Transportation dated 2015 02 22 concerning Household Special Waste Facility – Relocation to the Landfill Site be received and that Council approve the relocation of the Household Special Waste

Facility to the former Elementa building and furthermore that the capital costs of \$180,000 be referred and considered in the 2016 budget deliberations.

Carried

6.13 Landfill Operations – Effects of Free Week

The report of the Deputy Commissioner of Public Works and Transportation was received by Council.

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor M. Bruni

Resolved that the report of the Deputy Commissioner of Public Works and Transportation dated 2016 02 22 concerning Landfill Operations – Effects of Free Week be received and that Council approve discontinuing the practice of free week; and furthermore that Council refer the \$5,000 advertising budget request for organizations that encourage the 3R's (reduce, reuse and recycle) in the 2016 budget deliberations.

Carried

6.14 PWT – Operations – Sidewalk Winter Maintenance Policy

The report of the Deputy Commissioner of Public Works and Transportation was received by Council.

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor F. Fata

Resolved that the report of the Deputy Commissioner of Public Works and Transportation dated 2016 02 22 concerning PWT – Operations – Sidewalk Winter Maintenance Policy be received and that Option 2 be endorsed by Council; and further that Council direct staff to prepare a new policy based on the framework outlined in Option 2.

Carried

6.15 Healthy Kids Community Challenge – Contract Amendment

The report of the Commissioner of Community Services was received by Council.

The relevant By-law 2016-29 is listed under item 11 of the Minutes.

6.4 Administration of the Retiree Death Benefit

Councillor R. Niro declared a conflict on this item. (Brother is employed by Sault Ste. Marie Fire Services)

Councillor L. Turco declared a conflict on this item. (Spouse is employed by Sault Ste. Marie Police Service)

The report of the Commissioner of Human Resources was received by Council.

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor M. Bruni

Resolved that the report of the Commissioner of Human Resources dated 2016 02 22 concerning Administration of the Retiree Death Benefit be received and the recommendation that staff begin the necessary steps required to discontinue the practice of issuing the "Retiree Death Benefit" be approved.

Recorded	For	Against
Mayor C. Provenzano	X	
Councillor S. Butland	X	
Councillor P. Christian	X	
Councillor S. Hollingsworth	X	
Councillor J. Hupponen	X	
Councillor M. Bruni	X	
Councillor F. Fata	X	
Councillor J. Krmpotich		X
Councillor R. Romano	X	
Results	8	1
Carried		

For	Mayor C. Provenzano, Councillor S. Butland, Councillor P. Christian, Councillor S. Hollingsworth, Councillor J. Hupponen, Councillor M. Bruni, Councillor F. Fata, and Councillor R. Romano
Against	Councillor J. Krmpotich
Conflict	Councillor R. Niro and Councillor L. Turco
Absent	Councillor S. Myers and Councillor M. Shoemaker
Carried	

7. REPORTS OF CITY DEPARTMENTS, BOARDS AND COMMITTEES

7.1 ADMINISTRATION

7.1.1 Council Board and Committee Appointments

The report of the City Clerk was received by Council.

No member of Council was nominated for:

Cultural Advisory Board

Municipal Environmental Initiatives Committee (Green Committee)

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor F. Fata

Resolved that the report of the City Clerk dated 2016 02 22 concerning Council Board and Committee Appointments be received as information.

Carried

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor F. Fata

Resolved that Councillor J. Hupponen be appointed as a member of the Algoma District Municipal Association from February 22, 2016 to December 31, 2016 with Councillor S. Hollingsworth as alternate.

Carried

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor F. Fata

Resolved that Councillor F. Fata be appointed as a member of the Dangerous Dog Committee from February 22, 2016 to December 31, 2016.

Carried

Moved by: Councillor M. Bruni

Seconded by: Councillor F. Fata

Resolved that Councillor S. Hollingsworth be appointed to the Economic Development Corporation Board of Directors from February 22, 2016 to December 31, 2016.

Carried

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor M. Bruni

Resolved that Councillor P. Christian be appointed as a member of the Municipal Freedom of Information and Protection of Privacy Act (Head) from February 22, 2016 to December 31, 2016.

Carried

7.2 COMMUNITY SERVICES DEPARTMENT

7.3 ENGINEERING

7.4 FIRE

7.5 LEGAL

7.6 PLANNING

7.7 PUBLIC WORKS AND TRANSPORTATION

7.8 BOARDS AND COMMITTEES

8. UNFINISHED BUSINESS, NOTICE OF MOTIONS AND RESOLUTIONS PLACED ON AGENDA BY MEMBERS OF COUNCIL

8.1 Notice of Motion – Economic Development Review Motion

Moved by: Mayor C. Provenzano

Seconded by:

Whereas the Corporation of the City of Sault Ste. Marie (City) has a Memorandum of Understanding with the Sault Ste. Marie Economic Development Corporation (SSMEDC) dated September 28, 2009 naming the EDC as the City's lead agency on economic development; and

Whereas the City provides annual funding to the SSMEDC in the approximate amount of \$1.7 million per annum; and

Whereas the City has a Memorandum of Understanding with the Sault Ste. Marie Innovation Centre (SSMIC) dated April 12, 2010 that identifies the mission of SSMIC as, "to drive business growth, facilitate research, and commercialize innovation in globally significant areas of science and technology"; and

Whereas the City provides annual funding to the SSMIC in the amount of \$277,890 per annum; and

Whereas the City allocates an additional \$500,000.00 per annum to the Economic Development Fund (EDF) for the purposes of supporting new job creation, tax assessment and economic development projects; and

Whereas the funds allocated to the SSMEDC, SSMIC and the EDF represents the majority of the City's investment in economic development; and

Whereas the City recognizes the importance of effective economic development and the need to diversify its economy and grow its assessment base; and

Whereas the City has a responsibility to ensure that it is making the most effective and efficient use of its economic development funds;

Now Therefore Be It Resolved that City Council direct the Chief Administrative Officer to undertake an assessment, either directly and/or with the assistance of an independent third party, of the City's economic development and provide a report to Council outlining the following:

1. Best practices and models for effective economic development;
2. How the City's economic development model compares to best practices; and
3. Recommendations on what the City could and/or should be doing to ensure that its economic development efforts are producing the best results.

8.2 Notice of Motion – Committee to Review Winter Maintenance, Parks Maintenance and Waste Collection

Moved by: Councillor M. Shoemaker

Seconded by:

Whereas the 2016 proposed budget for the Public Works Department contains cost increases for the Winter Maintenance, Parks Maintenance and Waste Collection divisions; and

Whereas in the last three years, the costs for Winter Maintenance, Parks Maintenance and Waste Collection have increased more than \$1 million; and

Whereas in 2015 the budgets for Winter Maintenance, Parks Maintenance and Waste Collection represented a total cost to City taxpayers of over \$11 million; and

Whereas the Council of the City of Sault Ste. Marie must determine how to most effectively deliver services; and

Whereas the Council of the City of Sault Ste. Marie is committed to finding cost savings in the delivery of services in order to maintain a level of service that residents deem appropriate; and

Whereas it is essential for the City of Sault Ste. Marie to be a leader in the delivery of services in Ontario;

Now Therefore Be It Resolved that the Council of the City of Sault Ste. Marie strike a committee consisting of three councillors, being Councillor Shoemaker, Councillor _____, and Councillor _____, with appropriate staff acting as resources to the committee, to:

1. Review the existing cost of delivering Winter Maintenance, Parks Maintenance and Waste Collection services and how, if at all, costs can be reduced while maintaining the same or a similar level of service;
2. Provide information to any service provider who requests information regarding winter maintenance, parks maintenance and waste collection in order for providers to estimate the costs of delivering the same level service as is currently provided;
3. Ensure that Sault Ste. Marie taxpayer dollars are being maximized by making the City a leader in the delivery of municipal services.

9. COMMITTEE OF THE WHOLE FOR THE PURPOSE OF SUCH MATTERS AS ARE REFERRED TO IT BY THE COUNCIL BY RESOLUTION

10. ADOPTION OF REPORT OF THE COMMITTEE OF THE WHOLE

11. CONSIDERATION AND PASSING OF BY- LAWS

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor M. Bruni

Resolved that all By-laws under item 11 of the Agenda under date 2016 02 22 be approved.

Carried

11.2 By-laws before Council for FIRST and SECOND reading which do not require more than a simple majority

11.3 By-laws before Council for THIRD reading which do not require more than a simple majority

11.1 By-laws before Council TO BE PASSED which do not require more than a simple majority

11.1.1 By-law 2016-23 (Finance) Amend By-law 2016-3 (User Fees)

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor M. Bruni

Resolved that By-law 2016-23 being a by-law to amend By-law 2016-3 (User Fees and Service Charges by-law) be passed in open Council this 22nd day of February, 2016.

Carried

11.1.2 By-law 2016-24 (Council Procedure) Amend By-law 2014-250 Acting Mayor Rotation

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor M. Bruni

Resolved that By-law 2016-24 being a by-law to amend By-law 2014-250 being a by-law to adopt the rotation list for Acting Mayor for the current Council session be passed in open Council this 22nd of February, 2016.

Carried

11.1.3 By-law 2016-25 (Street Assumption) Various

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor M. Bruni

Resolved that By-law 2016-25 being a by-law to assume for public use and establish as public streets various parcels of land conveyed to the City be passed in open Council this 22nd day of February, 2016.

Carried

11.1.4 By-law 2016-28 (Zoning) 57 Market Street (Chilelli)

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor M. Bruni

Resolved that By-law 2016-28 being a by-law to amend Sault Ste. Marie Zoning By-laws 2005-150 and 2005-151 concerning lands at 57 Market Street (Chilelli) be passed in open Council this 22nd day of February, 2016.

Carried

11.1.5 By-law 2016-29 (Agreement) Ontario Healthy Kids Community Challenge

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor M. Bruni

Resolved that By-law 2016-29 being a by-law to authorize the execution of an Amending Services Agreement between the City and The Board of Health for the District of Algoma Health Unit operating as Algoma Public Health regarding the Ontario Healthy Kids Community Project be passed in open Council this 22nd day of February, 2016.

Carried

12. QUESTIONS BY, NEW BUSINESS FROM, OR ADDRESSES BY MEMBERS OF COUNCIL CONCERNING MATTERS NOT OTHERWISE ON THE AGENDA

13. CLOSED SESSION

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor M. Bruni

Resolved that this Council proceed into closed session to one item concerning collective bargaining;

Further be it resolved that should the said closed session be adjourned, the Committee may reconvene in closed session to continue to discuss the same matter without the need for a further authorizing resolution.

(Labour relations or employee relations – section 239(2)(d))

Carried

14. ADJOURNMENT

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor M. Bruni

Resolved that this Council now adjourn.

Carried

Mayor

Deputy City Clerk

Christian C. Provenzano B.A., LL.B.
Mayor



Corporation of the City of
Sault Ste. Marie

The Honourable Minister Bill Morneau
Minister of Finance
90 Elgin
Ottawa, ON, K1A 0G5

The Honourable Minister Navdeep Bains
Minister of Innovation, Science and Economic Development
235 Queen Street
Ottawa, ON, K1A 0H5

February 18th, 2016

Dear Ministers Morneau and Bains,

I would like to congratulate you both on your success in the recent federal election and upon your appointment to Cabinet. I trust that you are enjoying the challenges and opportunities presented to you by your new portfolios.

I am writing to you to support the positions recently taken by our Member of Parliament, Terry Sheehan, with respect to the modernization of Canada's trade remedy system. The statutes and regulations governing imports and trade remedies have put domestic manufacturers at a disadvantage when seeking relief against foreign competitors that are unfairly subsidizing or dumping products in the Canadian market. The difficulty in combatting unfair trading practices has ramifications for many sectors of the Canadian economy but the effects are currently most evident in our domestic steel industry.

In Sault Ste. Marie, our largest private employer is Essar Steel Algoma (ESAI) an integrated steel producer that is currently under CCAA protection. Another of our largest employers is Tenaris Algoma Tubes, a seamless pipe manufacturer that is also a part of the steel industry and that is currently in the midst of a temporary shutdown. Both companies are enduring very difficult market conditions that have been exacerbated by the prevalence of unfairly traded imports entering Canada. Our municipal government is understandably concerned with the situation besetting our major industries. I have met and spoken with representatives from the federal and provincial levels of government, the Canadian Steel Producers Association, the United Steelworkers Union, and individual company officials.

Steel is a foundational industry. The loss or diminution of Canada's domestic steel sector would have adverse consequences for many other manufacturing industries in the country. If Canada wishes to retain its manufacturing sector then modernizing its trade remedy system is a necessity.

Christian C. Provenzano B.A., LL.B.
Mayor



Corporation of the City of
Sault Ste. Marie

The regulations that Canada is following are now more than 20 years old. With the recent strengthening of trade remedy provisions in the United States, Canada's weaker standards now make it a target for dumping from off-shore producers who are being turned away from the American market.

This situation puts Canada's domestic manufacturers at a serious disadvantage. The well-paying jobs provided by manufacturing and value-added industries have long been part of the backbone of the Canadian economy. Losing these industries, the jobs they support and the technological innovations they create would do irrevocable damage to Canada's middle class—the recognized cornerstone of Canadian prosperity.

Certainly, our domestic industries must uphold their part of the bargain. However, in our local circumstance, both ESAI and Tenaris Algoma Tubes are recognized across the steel industry as highly-efficient producers of quality products. Both companies have made substantial investments to boost their productivity and to lessen their environmental impacts. Despite the lax environmental and labour standards of many of their foreign competitors, both companies can still compete successfully against imported products—provided market-distorting practices such as dumping and subsidies are redressed fairly and quickly.

I welcome the opportunity to discuss these matters with you and confirm that MP Sheehan has his community's full support as he addresses these matters on its behalf.

Sincerely,

Christian Provenzano, Mayor

C.C. Terry Sheehan, Member of Parliament, Sault Ste. Marie
The Honourable David Oraziotti, Member of Provincial Parliament, Sault Ste. Marie
Kalyan Ghosh, CEO, Essar Steel Algoma
Guillermo Moreno, Managing Director, Tenaris Canada
Jack Ostrowski, USW Area Coordinator
Tom Dodds, Executive Director, Sault Ste. Marie Economic Development Corporation
Don Mitchell, Chair, Sault Ste. Marie Economic Development Corporation
Sault Ste. Marie City Council

February 25, 2016

Dear Mayor Provenzano and Sault Ste. Marie City Council,

As Chair and President of the Sault Ste. Marie Economic Development Corporation (SSMEDC) and on behalf of the Board of Directors, I am providing comments on the Notice of Motion: Economic Development Review tabled at the February 22, 2015 Council meeting. As stated in the outset of SSMEDC's previous memo to you these comments are for your consideration as Council reviews this motion from the Mayor.

For clarity, the SSMEDC recognizes that City Council has a responsibility to ensure that it is making the most effective and efficient use of its economic development funds. It is an important and vital part of your governance role for this municipality.

A. The SSMEDC supports the proposed direction outlined in the Notice of Motion, to direct the Chief Administrative Officer to undertake an assessment, either directly and/or with the assistance of an independent third party, of the City's economic development activities and to provide a report to Council outlining the following:

1. Best practices and models for effective economic development;
2. How the City's economic development model compares to best practices; and
3. Recommendations on what the City could and/or should be doing to ensure that its economic development efforts are producing the best results.

The **SSMEDC supports and encourages a transparent, impartial economic development review process** be conducted by an independent third party through an appropriate procurement process to select a firm with expertise in municipal and community economic experience and expertise.

B. The SSMEDC would be pleased to offer their knowledge, expertise and efforts throughout this review process. We are fully prepared to help provide input into the terms of reference, consultant selection, provision of information and any other action that will improve the quality of the review.



We would be grateful to be part of any committee that the CAO may wish to establish for this exercise.

The SSMEDC recommends that this economic development review process coordinate, align and complement the community economic development strategic process being undertaken by the SSMEDC, and the various Corporate Strategic Planning processes being undertaken by the SSMEDC, SSMIC, Algoma University and other economic development stakeholders, including the Municipality itself.

I trust this input is helpful to Council in its deliberations and we would be pleased to provide further comments and input if required. Thank you for taking the time to address this important matter.

Sincerely,



Don Mitchell
Chair and President, SSMEDC Board of Directors





February 23rd, 2016

Mayor Christian Provenzano
The Corporation of the City of Sault Ste. Marie
99 Foster Drive, P.O. Box 580
Sault Ste. Marie, ON
P6A 5N1

Dear Mayor Provenzano,

Thank you for speaking with the Board of Directors of the Sault Ste. Marie Innovation Centre (SSMIC) to discuss the upcoming motion to review economic development activities in Sault Ste. Marie. We appreciate your time and the opportunity to clarify the intent of this initiative.

SSMIC feels confident in the economic development activities it is supporting and creating and looks forward to sharing the details of our success through this economic development review process. Our organization continues to provide significant value to the City of Sault Ste. Marie through its economic development efforts in the science and technology sector including the creation of over 245 jobs and attraction of over \$11M in funding in the last five years.

We look forward to the opportunity to review and discuss the draft Terms of Reference prior to its finalization and will anticipate working with CAO Al Horsman on this.

The current period of economic uncertainty for Sault Ste. Marie underscores the need to be innovative in the way we support economic development in the community. SSMIC's efforts to support entrepreneurs and businesses in the science and technology sector are important components of building a robust economy that will support jobs of the future. Undertaking community initiatives such as the Lottery and Gaming Pursuit Project; Smart Energy Strategy; and YouLaunch (youth outreach activities to foster the next generation of science and technology entrepreneurs and professionals) are also examples of taking a strategic approach to advancing the Sault Ste. Marie economy.

We look forward to working with the City in the future and continuing our shared success.

Sincerely,

A handwritten signature in blue ink that reads "Tom Vair".

Tom Vair
Executive Director
Sault Ste. Marie Innovation Centre



COUNCIL REPORT

March 7, 2016

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Don Elliott, Director of Engineering Services

DEPARTMENT: Engineering and Planning Department

RE: Northern Avenue EA – Study Limits

PURPOSE

The purpose of this report is to obtain Council approval to extend the west limit of the Northern Avenue Environmental Assessment to include the portion between Great Northern Road and North Street.

BACKGROUND

An environmental assessment is underway to study the Northern Avenue corridor between Great Northern Road and Black Road. Council may recall the purpose is essentially three-fold; to study improved access to the P-patch, evaluate the future extension of Northern Avenue easterly to Black Road, and consider a conversion from four lanes to three, with cycling lanes.

ANALYSIS

The potential conversion of Northern Avenue from four to three lanes was an initiative identified in the Transportation Master Plan. Northern Avenue was identified as a candidate for possible conversion to three lanes.

The limits of the original EA were between Great Northern Road and Black Road. The condition of Northern Avenue between Great Northern Road and Sackville is such that it will need resurfacing soon. It will require an environmental assessment to determine the eventual lane configuration. There is an opportunity for cost savings to the City due to economy of scale to extend the limits of the current EA to include the portion westerly from Great Northern Road to North Street. Most of the issues related to this portion of the road are common with the east portion, so the new west limit is being recommended.

IMPACT

The cost of environmental assessments is always difficult to estimate as it varies with the level of effort to address issues brought forward by agencies and the

public. The approved engineering fees for this EA include \$25,000 from the 2015 miscellaneous construction budget, and \$30,000 is being recommended in the 2016 budget for a total of \$55,000. Engineering staff have confirmed with the consultant that it may be possible to include the new westerly limit within the budget, so no additional funds are recommended at this time.

STRATEGIC PLAN

This environmental assessment is linked to Objective 1B, Transportation Network Improvements under the Developing Solid Infrastructure strategic direction.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Director of Engineering Services dated 2016 03 07 be received and the recommendation to revise the west limit of the Northern Avenue EA to North Street be approved.

Respectfully submitted,

Recommended for approval



Don Elliott, P. Eng.
Director of Engineering Services



Jerry Dolcetti, RPP
Commissioner of Engineering and
Planning

/bb



COUNCIL REPORT

March 7, 2016

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Don Elliott, Director of Engineering Services

DEPARTMENT: Engineering and Planning Department

RE: McNabb and MacDonald Flooding EA

PURPOSE

The purpose of this report is to advise Council that the environmental assessments (EA) for two flood prone areas on McNabb Street and MacDonald Avenue have been completed.

BACKGROUND

At the 2013 12 02 meeting, Council authorized that two EA's be completed concurrently as one study for two areas that experience surface flooding. One area is on McNabb Street near the YMCA, and the other is on MacDonald Avenue near Brien Street.

Both EA's were initiated as schedule B projects under the Municipal Class EA process, however, as potential solutions were studied, the possibility of using natural ravines for storage made it necessary to conduct schedule C assessments, which are more onerous. Council approved the change in scope at the 2014 08 11 meeting.

ANALYSIS

Schedule C environmental assessments have now been completed for both problem areas and the preferred solutions are similar in both cases. It is proposed to improve storm sewers in the immediate area and to use natural ravines to temporarily store runoff from significant rainfall and/or snowmelt events. The stored water would be slowly released into the downstream storm sewers systems once the flow intensity subsides.

McNabb Street Flooding: The preferred alternative includes the replacement and up-sizing of the storm sewer which flows from McNabb Street through Poplar Park, through the Canadian Hotel parking lot and across Pim Street. It will continue to discharge to the ravine on the west side of Pim Street. Excess flows will be temporarily stored in the ravine with a flow outlet control structure at the Gladstone Avenue end of the ravine. Additional easements will be required for construction.

McNabb and MacDonald Flooding EA

2016 03 07

Page 2

MacDonald Avenue Flooding: The preferred alternative includes the addition of new storm sewer directing the flow to discharge to the ravine east of Alworth Place for temporary storage with a flow outlet control structure on the north side of Ontario Avenue.

In accordance with the environmental assessment process, a Notice of Completion will be published identifying the preferred alternatives. There is a 30 day period after publication during which an individual or agency may submit a request to the Minister for a Part II Order for a full environmental assessment. If no such request or no such order is received, the City may proceed with the project when the funds are in place. The EA would have to be revisited if construction did not take place within 10 years. The Environmental Study Report (ESR) will be available for viewing online on the City web site at: www.saultstemarie.ca/McNabbMacDonaldEA.

IMPACT

Preliminary pre-design estimates show the McNabb project is sizable at \$5.3M. The MacDonald Avenue project pre-design estimate is \$1.2M for a total estimated cost of \$6.5M. When the 2015-2019 capital plan was brought to Council in June of 2014, no budgetary estimates were available as the scope of the projects were not known. An allowance of \$1,250,000 was placed in the approved five year capital plan in both 2017 and 2018 for these projects, to either complete them or at least provide some funds for leveraging grant funding. While there are sufficient funds for the MacDonald Avenue project, additional funds will need to be identified for the McNabb Street project. It may be a good candidate for grant funding as a flood mitigation project. Staff will report back to Council with annual capital works programs and grant funding opportunities in due course.

STRATEGIC PLAN

Stormwater improvements are linked to the Environmental Leadership objective under the Developing Solid Infrastructure strategic direction.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Director of Engineering Services dated 2016 03 07 concerning the Notice of Completion for the McNabb and MacDonald flooding environmental assessments be accepted as information.

Respectfully submitted,



Don Elliott, P. Eng.
Director of Engineering Services

Recommended for approval



Jerry Dolcetti, RPP
Commissioner of Engineering and
Planning



COUNCIL REPORT

March 7, 2016

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Don Elliott, Director of Engineering Services

DEPARTMENT: Engineering and Planning Department

RE: Gore Street Reconstruction

PURPOSE

The purpose of this report is to obtain Council approval to include Gore Street in the 2016 Capital Road Reconstruction Plan.

BACKGROUND

Council is aware that the Planning Division secured grant funding for streetscape improvements to Gore Street between Queen and Wellington. Council approved the hiring of an engineering consultant for design services, in order that the aging buried utilities be replaced before streetscape improvements.

ANALYSIS

Gore Street was not included in the five year capital plan in June 2014. Occasionally Engineering staff seek approval to defer a project in the plan and replace it with another project as priorities can change. Staff are seeking approval this evening to defer the remaining funds for resurfacing of Bay Street and divert them to the Gore Street project. Some of the Bay Street funds had to be diverted to other projects in 2015 due to higher than anticipated tender prices. The Gore Street project has become a higher priority and the NOHFC grant for streetscape improvements must be spent in 2016. The Gore Street project design is nearing completion and approval is required to tender the works.

The Bay Street project Environmental Assessment has been completed, and there were no requests for a Part II Order. The City can proceed at any time with the resurfacing of Bay Street, and the conversion from four lanes to three between Gore Street and Pim. The project will be included in a future capital works report to Council when the funding can be identified.

IMPACT

Staff recommends that all sanitary sewer cost be funded through sanitary sewer revenue, and storm sewers through the urban only levy. All other costs can be covered by the NOHFC grant, the Ontario Community Infrastructure Fund (OCIF) formula based funding, and the remaining \$1.7M in the 2015 Bay Street allocation.

STRATEGIC PLAN

Reconstruction of Gore Street is linked to Objective 1B, Transportation Network Improvements under the Developing Solid Infrastructure strategic direction.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Director of Engineering Services dated 2016 03 07 be received and the recommendation to defer Bay Street and add Gore Street to the 2016 capital plan, be approved.

Respectfully submitted,



Don Elliott, P. Eng.
Director of Engineering Services

Recommended for approval



Jerry Dolcetti, RPP
Commissioner of Engineering and Planning

/bb



COUNCIL REPORT

March 7, 2016

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Victoria Prouse, Planning Coordinator
Downtown Development Initiative

DEPARTMENT: Engineering and Planning Department

RE: Gore Street Streetscape Revitalization Summary of Public Input

PURPOSE

The purpose of this report is to update Council on the status of the streetscape component of the Gore Street Reconstruction Project. Specifically, the report shares feedback from the public consultation process.

BACKGROUND

Through funding from FedNor, NOHFC, and the City, the Downtown Development Initiative provided \$1,250,000 for streetscape improvements, \$600,000 of which has been allocated to Gore Street. The Engineering Department has written a separate report on tonight's agenda recommending that Council add the reconstruction of Gore Street to the 2016 Capital Plan. This would include these proposed streetscape improvements. The City has hired AECOM as project engineers and The Planning Partnership (TPP) to lead the design for the streetscape improvements.

Over the past few months, City staff worked with TPP and AECOM to develop a conceptual streetscape plan for the project (attached). The concept plan features landscaping and street trees, on-street parking with curb bump-outs, a raised intersection, mid-block pavings, and a neighbourhood parkette adjacent to the Neighbourhood Resource Centre.

City staff has facilitated several opportunities for the public to provide input towards this project. A public open house took place on January 14 at 180 Projects and over 100 people attended. From January 13 to 25, 432 people completed an online survey seeking input on the concept plan. In addition, project leads met with Neighbourhood Resource staff, and Planning staff conducted door-to-door visits to Gore Street businesses. Feedback gathered from these sources have played a role in shaping the final streetscape plan.

ANALYSIS

Overall, the concept plan was very well received and there is broad community support for the project. The public was supportive of the proposed traffic calming interventions and public realm enhancements. Many people expressed gratitude for the opportunity to provide feedback in diverse ways.

The survey identified “Linking Gore Street to Queen Street and the Waterfront” and “Incorporating Landscaping and Green Space” as the most important design considerations for the reconstruction. Trees, street furniture such as benches and garbage receptacles, and increased lighting were identified as the most desired amenities by survey participants. There was very strong support for a parkette on the city-owned lot at Gore and Albert Streets. In particular, the Neighbourhood Resource Centre identified the parkette as an opportunity for expanding programming and activating the site as an inclusive community space. Several individuals emphasized the importance of ensuring that accessibility is taken into account in the finalized plan. Many business owners stated the condition of some properties on the street will remain a barrier to subsequent investment despite the streetscape improvements.

The following section highlights recurring questions and concerns pertaining to the concept plan. City staff’s response follows.

a) Won’t taking out the traffic lights at Gore and Albert Streets increase traffic speeds and vehicular-pedestrian conflicts?

Traffic volumes at this intersection no longer warrant traffic lights. Many individuals identified the tendency for drivers to speed up when approaching the intersection to avoid stopping at a red light. The traffic calming methods included in the conceptual plan will encourage reduced speeds throughout the entire length of the street. Curb bump-outs help to increase pedestrian safety by reducing the crossing distance between curbs and encourage drivers to slow down in the intersection by requiring drivers to be more attentive. The raised intersection will reinforce slow speeds as drivers experience a minor change of the road’s surface. Mid-block paving will also help to make the road appear more narrow and slow down drivers due to the different ‘feel’ of the road when passing over these sections. City staff are confident this combination of traffic calming techniques can more effectively slow down vehicles than the existing traffic lights and will cultivate a higher quality experience for pedestrians.

b) Why does the concept plan not include bike lanes?

The proposed traffic calming measures should significantly improve cyclists’ sense of safety while travelling on Gore Street. Wider sidewalks and an enhanced public realm will help to encourage sharing of the road among all users. There is broad community support for wider sidewalks. Sidewalks would require narrowing if a bike lane were incorporated into the design.

c) Should we consider the possibility of converting Gore Street to two-way traffic?

Converting Gore Street to two-way was a widely expressed sentiment. This may be a viable future option, but is not feasible at this time as an Environmental Assessment would be required. Any conversion would need to be assessed as part of the overall downtown due to the existing one-way couplet systems. However, the final design will incorporate the required curb radius dimensions for two-way street. This measure will enable Gore Street to be transformed to two-way traffic in the event that it is approved in the future.

d) The concept plan shows too many/too few on-street parking spaces.

Public comment was mixed regarding the provision of on-street parking. The finalized plan will have nine fewer spaces than currently exist, to a total of 31 spaces. While some community members felt the number of on-street parking spaces could be drastically reduced in exchange for additional public realm enhancements, business owners expressed their desire to retain spaces along the street. In addition, the finalized plan will preserve several parking spaces on the City-owned lot adjacent to the Neighbourhood Resource Centre.

e) Will the finalized streetscape plan include pedestrian lighting?

Many individuals perceive Gore Street as too dark, cultivating an unsafe environment for pedestrians. Neighbourhood Resource Centre staff emphasized that the proposed parkette location is especially dark as it lacks adjacent street lights. The concept plan includes pedestrian-scale lighting for this area. This will improve pedestrians' sense of safety and encourage programming of this space after dark.

The PUC recently converted the street lights along Gore Street to LED, which emits more ambient lighting than traditional street lights. This should help to increase overall visibility for pedestrians and drivers. The current budget for the project does not include sufficient funding to incorporate pedestrian-scale lighting throughout Gore Street.

IMPACT

The Director of Engineering Services has provided a report on the budget allocation for this project elsewhere on the agenda.

STRATEGIC PLAN

The implementation of the Downtown Development Initiative is identified as part of the Developing Solid Infrastructure Strategic Direction.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Planning Division dated 2016 02 22 be accepted as information.

Respectfully submitted,



Victoria Prouse, MPI, MSc
Planning Coordinator
Downtown Development Initiative

Recommended for approval,



Donald B. McConnell, MCIP, RPP
Planning Director

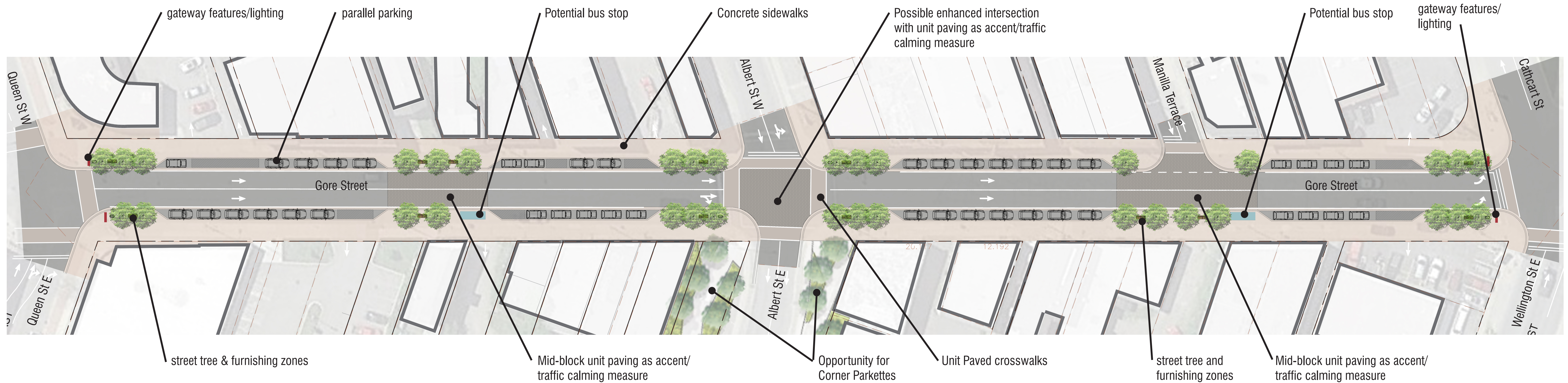
Recommended for approval,



Jerry Dolcetti, RPP
Commissioner Engineering & Planning

VP:ps

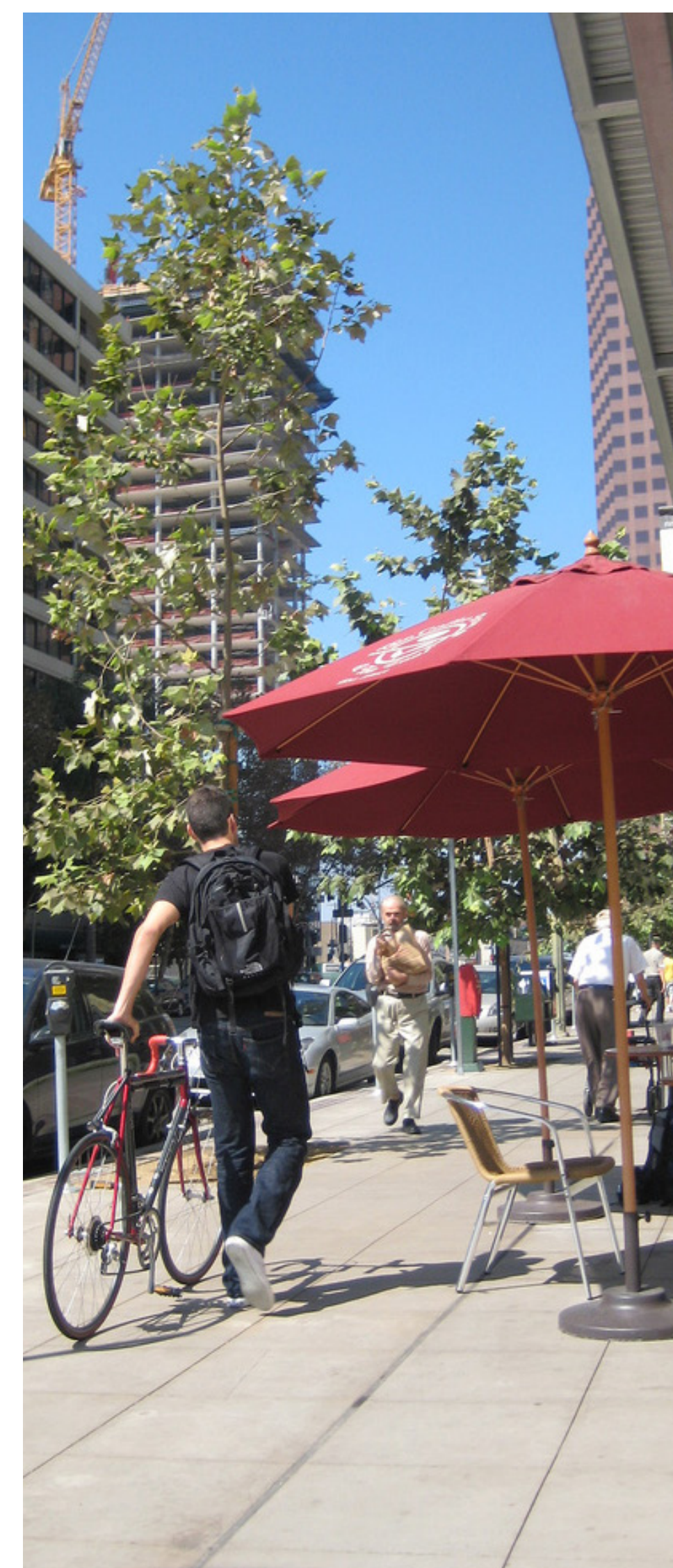
Attachment(s)



Public plaza pilot project, Philadelphia PA



Enhanced Intersection



Active Retail Frontages



Active Retail Frontages



Spill out patios - Charlottetown PEI



Special paving at crosswalks

Gore Street Transformation

14 January, 2016

The Planning Partnership



COUNCIL REPORT

March 7, 2016

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Donald B. McConnell, MCIP RPP, Planning Director

DEPARTMENT: Engineering and Planning Department

RE: Rental Housing Incentive Program – Part 5

PURPOSE

This report recommends a project for a municipal tax increment rebate under the City's Rental Housing Community Improvement Plan to create a total of 21 new rental units. The subject property is the former John Wesley United Church at 342 John Street.

BACKGROUND

In 2013, City Council approved a Rental Housing Community Improvement Plan under Section 28 of the Planning Act and Section 365.1 of the Municipal Act. This legislation allows municipalities to provide property tax assistance for qualified projects.

The development of additional rental units is important to provide for a range of housing types to match residents' needs; to ensure that the overall supply of affordable housing is maintained; and to provide good short-term housing options for persons wishing to move to Sault Ste. Marie.

The Rental Housing Community Improvement Plan provides for tax rebates on a declining basis over a three-year period (75%, 50%, 25%) with an additional incentive for facilities which support assisted-living programs or where additional barrier free units are constructed.

City Council has previously approved nine projects to create a total of 212 new rental units under this program.

ANALYSIS

An application has been received from 1890798 Ontario Inc. for the redevelopment of the former John Wesley United Church building into 21 rental units.

A combination of 1-bedroom 1 and 2-bedroom units will be constructed. The existing building will not be expanded. However the landscaping will be enhanced and a new landscaped area developed for the residents along the John Street frontage between the existing building and rectory.

Overall, this is an excellent reuse of an existing vacant building.

This application has been reviewed by a City staff committee with representation from Building, Finance and Planning and is recommended for approval.

IMPACT

There is no direct cost to the municipality associated with this approval aside from the deferral of a portion of the taxes during the first three years after project completion. The City will benefit from the increased assessment in future years

STRATEGIC PLAN

This recommendation is not linked to any specific policies contained within the Corporate Strategic Plan.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Planning Director dated 2016 02 08 be received and that City Council authorize a three year incremental tax rebate program for 342 John Street subject to:

- 1) That the municipal rebate apply only to the increase in assessment resulting from new construction, and
- 2) After the rebate program is completed, the full municipal taxes will apply.

Recommended for approval,



Donald B. McConnell, MCIP, RPP
Planning Director

Recommended for approval,



Jerry Dolcetti, RPP
Commissioner Engineering & Planning

DBM:ps



COUNCIL REPORT

March 7, 2016

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Al Horsman, CAO

DEPARTMENT: Chief Administrative Officer

RE: Essar Restructuring Community Response

PURPOSE

This report is provided for information and to gain Council approval for the City and Sault Ste. Marie Economic Development Corporation (SSMEDC) to work in partnership and undertake a course of action and implement recommendations to positively respond to Sault Ste. Marie's current economic and employment situation.

BACKGROUND

Over the past year (2015), the City of Sault Ste. Marie has faced a number of employment and economic challenges contributing to high levels of uncertainty and anxiety in the community regarding current and future sustainability. On November 9, 2015, Essar Steel Algoma Inc. (ESAI) and related businesses filed for protection under the Company's Creditors Arrangement Act (CAA). Since then, Tenaris Algoma Tubes virtually shut down its operations which had at its peak employed 700 employees. And the City's other major employer Ontario Lottery & Gaming Corporation (OLG) continues to work through its modernization efforts which could have implications, positive or negative, to the local economy. In light of these events it is not surprising that recent Stats Canada and other economic indicators have described marked shifts in employment levels, Gross Domestic Product (GDP) trends, tax bases and population size. Details on all these trends and announcements are found in the comprehensive synopsis developed by the Economic Development Corporation provided as Attachment A.

Unfortunately, much of the impacts affecting the municipality relate to global and national shifts that are beyond the City's direct control. However, there are avenues that the City can manage and have already been undertaken through a number of forums. At its meeting on January 25, 2016, Council requested an update on what these municipal actions are to respond to the latest community

employment and economic challenges, specifically the Essar restructuring process as well as a go-forward plan. In short, Council resolved that:

“Whereas Essar Steel Algoma Inc. (ESAI), the City of Sault Ste. Marie’s largest private sector employer, is currently under Company Creditors Arrangement Act (CCAA) court protection, and its capacity to exist as an integrated steel manufacturer is uncertain due to a number of key operational, financial, economic, and market factors; and

Whereas Statistics Canada 2015 Census data indicates, Sault Ste. Marie had the lowest labour force and employment levels as well as the lowest employment participation rates in 20 years; and

Whereas the weak national and global economy, the low value of the Canadian dollar, significant Tenaris–Algoma Tubes layoffs (approx. 500 out of 700) and significant impacts to affected local ESAI unsecured creditor companies are all exacerbating an already difficult economic situation for the community; and

Whereas the impacts of this situation are only now starting to be realized;

Now Therefore Be it Resolved that Council direct the Sault Ste. Marie Economic Development Corporation to report back to Council no later than February 22, 2016 with a suggested course of action and recommendations for its consideration and support.”

This summary report and the EDC documents appended as Attachment A are provided in response to the January 25, 2016 resolution.

ANALYSIS

On November 9, 2015 ESAI and related businesses sought protection under the Companies’ Creditors Arrangement Act (CCAA) before the Ontario Superior Court in order to strengthen its financial health and solidify ESAI’s long-term business prospects. ESAI secured a USD \$200 million debtor in-possession (DIP) financing facility from a syndicate of lenders to provide adequate liquidity to operate while it restructures its debt. The Court appointed Ernst & Young Inc. to act as their Monitor for this restructuring process.

The Court approved ESAI’s sale and investment solicitation process (SISP) on February 11, 2016 that enables the company to pursue a sale or restructuring plan, which is essential to achieve a going concern solution for their business and property for the benefit of their stakeholders, including their secured creditors, suppliers, employees and the community. The alternative is liquidation of the assets, including the steel plant. A final deadline for completing the restructuring process is set for September 30, 2016.

As indicated in the background section of this report, the City of Sault Ste. Marie, SSMEDC and other local economic development and employment organizations are involved on several fronts in responding to the economic uncertainty and challenges currently impacting the municipality particularly in light of the ESAI restructuring proceedings described above. These are summarized in the Table below and briefly elaborated on under the sub headings following.

<i>Advocacy Community Planning Work</i>	Multilateral meetings and discussions with ESAI officials and key stakeholders are on-going. Advocacy outreaches have been made to Provincial and Federal elected and senior civil servants touching on manufacturing (steel) interests, pension worries and economic concerns. Meetings have been held with the steelworkers unions to discuss potential joint delegations to the Federal government on several fronts.
<i>City Interests</i>	The firm Aird & Berlis LLP has been retained by the Corporation to represent the City of Sault Ste. Marie's interests in the CCAA proceedings. Initiatives such as a mini-infrastructure stimulus plan are being explored by City administration to bolster local business and employment opportunities. On-going efforts and new initiatives through the SSMEDC, Innovation Centre (SSMIC) and City departments are focussed on diversifying the economy and promoting investment to achieve and grow diversity.
<i>SSMEDC</i>	Briefings, consultation and engagement by the SSMEDC Board and staff with ESAI executives, Provincial and Federal Ministry officials on targeted actions and undertakings to address this situation. Compilation of a comprehensive environmental scan of key economic indicators and related data is being completed to allow a fulsome understanding of community impacts and provide focus to the Corporation's response activities. A detailed review of the ESAI CCAA process has been completed to describe potential outcomes, identify key dates and establish work plans for the community's efforts. Summaries of the steel industry and Federal/Provincial activities in this sector have been created to assist in the messaging undertaken in the community's advocacy work with other orders of government. A Community Response Action Plan has been drafted for execution through a Committee accountable to City Council for implementing a coordinated community response.

Advocacy and Community and Strategic Planning Work

A number of community planning and advocacy initiatives have already been undertaken by the municipality to respond to the Essar restructuring. In fact,

locally elected members of federal and provincial parliament, the City, Sault Ste. Marie Economic Development Corporation, Ministry of Northern Development and Mines (MNDM), FedNor and other government departments have been in regular communication with ESAI's executive team while monitoring their operational and financial situation long before the CCAA announcement.

In addition, a number of initiatives have been undertaken by various agencies and officials prior to the current CCAA situation to support the company with its financial challenges, including assistance in helping it manage its pension & tax obligations, capital expansion/modernization plans and financial restructuring efforts.

The challenges arising from the November 9, 2015 CCAA filings accelerated these ongoing efforts and were almost immediate. For example:

- On November 16, 2015, Mayor Provenzano wrote to both the Federal Minister of International Trade, concerning the steel industry and dumping of steel, and the Federal Minister of Infrastructure and Communities, encouraging his Department to consider provisions in the Federal infrastructure program that would promote the use of Canadian steel in future federally funded projects.
- Several meetings between the Mayor's Office, CAO and ESAI officials including the ESAI CEO were held in late November and early December 2015 to keep apprised of the process and discuss opportunities for the City to assist the Company in its restructuring efforts.
- On November 17, 2015 following the CCAA announcement the SSMEDC arranged a meeting with representatives from ESAI, the City, SSMEDC, a select group of Provincial and Federal senior managers and ESAI to develop a better understanding of ESAI's situation, CCAA restructuring implications and how best to approach the situation.
- SSMEDC further established an ad-hoc "Community Response Committee" on behalf of the community to commence the process of sharing information, developing a strategy and action plan to offset and mitigate the impacts associated with the CCAA restructuring. This Committee comprised of representatives from MTCU, MNDM, FedNor, CAO Office, Mayor Office, ESAI and other community employment and economic development organizations.
- Outreaches were made from the CAO and Mayor's Offices respectively to the City of Hamilton which also has large steel manufacturing plants to gauge opportunities for a coordinated approach to the other orders of government.

- On January 27, 2016 the Mayor's Office and CAO met with local United Steelworker's representatives and Ken Delaney of Prism Economics. Mr. Delaney has been retained by the national USW to advise it on the current issues facing the steel sector.
- Over January and February, 2016 the Mayor's Office has been in contact with the Canadian Steel Producer's Association (CSPA) to discuss how to align advocacy efforts. The CSPA is currently exploring organizing a "Steel Day" on Parliament Hill in May 2016 to which Sault Ste. Marie could consider sending delegates.
- In early February, Mayor Provenzano authored a commentary piece on trade remedy modernization that was accepted for publication in a major national media outlet.
- Several meetings and conversations were held between City elected and staff officials with ESAI executive, the local MP and MPP and selected Federal and Provincial representatives including most recently a delegation to Minister of Northern Development and Mines at the February 21-23, 2016 ROMA/OGRA Conference in Toronto to express the community's concerns and need for action.

City Interests

Strategic advocacy work; developing and implementing an assertive communications strategy for local and national audiences; demonstrating solidarity with other affected stakeholders in and outside the community; community planning activities, and targeted local initiatives to support those negatively affected by this initiative are the primary ways the City can effectively respond to this situation. Yet in broader terms, the City of Sault Ste. Marie is limited in what it can directly undertake to respond to the global market shifts, Federal trade policies and ESAI restructuring. However, some direct efforts are possible and are being explored.

First, not including the \$200 million DIP financing, there are about 660 creditors owed approximately \$1.6 billion by Essar and related companies. All but four of these are unsecured creditors that are owed \$164 million. In the case of Sault Ste. Marie, ESAI owes the City about \$14 million in unpaid property taxes dating back to 2014; however, as a secured creditor the City has a strong position to recover this amount owing. The City nonetheless has retained Aird & Berlis LLP, a Toronto law firm, with restructuring expertise to represent the municipality in the CCAA proceedings, particularly as it relates to ESAI's \$14 million in unpaid property taxes.

Second, given the significant number of unsecured creditors from Sault Ste. Marie – about 120 who are owed approximately \$40 million – tangible plans are necessary to retain and assist affected firms and employees. Work on this front includes bolstering business retention and expansion programs, as well as enhancing local employment centres and activities. However, municipal staff have also been examining other potential innovative means and investment opportunities to continue to support local business during this period. One such initiative is issuing debt to allow acceleration of planned municipal capital works that would stimulate other investment. This approach will be brought forward for Council consideration as part of the 2016 budget deliberations.

And third, although not specific to the ESAI restructuring process several new initiatives are being explored and implemented within the City to help absorb the impact. One collaborative example here targets small and medium sized enterprises. As recently announced on February 8, 2016 the Community Development Corporation of Sault Ste. Marie & Area (CDC), the SSMEDC and the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) are piloting a project to address challenges in creating and growing new businesses in Sault Ste. Marie and area. The focus is on cross-promotion of services to small to medium-sized enterprises (SMEs), and will ensure seamless access to the existing counselling services that support preparation of business plans and applications for financial assistance. The goal is to be better integrated and enhance the number of firms receiving support to start or grow new business opportunities. A key element is to ensure the target groups are provided timely access to information (no wrong door approach) which will increase loan applications to the CDC and increase demand for financing programs at the SSMEDC. The partners will collaborate to raise the awareness of small business services in the area of consultation, mentoring, access to loan capital and labour force challenges. Targets include:

- Up to 200 new small business contacts;
- 50 individuals receiving training;
- Up to 10 new Ontario Works (OW) recipients starting micro-enterprises;
– 9 individuals have received training to date, 1 new small business started while 8 are still writing business plans.
- 10 new Starter Company clients receiving grants;
- 5 new applications for assistance to programs like NOHFC;
- 5 additional CDC loans for up to \$150,000;
- \$25,000 leveraged from other sources.

On-going strategic approaches to advancing the Sault Ste. Marie economy examples also include the expanding programs introduced and being implemented by the Innovation Centre who is undertaking community initiatives such as the Lottery and Gaming Pursuit Project; Smart Energy Strategy; and YouLaunch (youth outreach activities to foster the next generation of science and technology entrepreneurs and professionals).

SSMEDC Perspectives

Economic Development including Tourism and Business Retention & Expansion (BR&E) are part of SSMEDC's on-going mandate. During the last six months, much of the Corporation's attention and expertise in this capacity has been directed to responding to the economic impacts arising from the ESAI restructuring, Tenaris Algoma Tubes and other business losses. These efforts are described in detail as found in the Corporation's memo dated February 22, 2016 appended report as Attachment A. However, in summary they include the following:

- Completing a community environmental scan of local economic factors including employment rates, GDP trends and labour market. This information helps focus where key investments are needed and allows better assessment of key challenges to better align response efforts.
- Provision of a detailed description of the ESAI restructuring process including key dates and deadlines to be met under supervision by the court appointed Monitor. This report explains how the funding flows during the process as well as potential outcomes whether a sale or investment transaction. The key dates described here include April 1, 2016 where qualified bids will be approved after which a sale transaction or investment plan will be negotiated to close by August 31, 2016. It further confirms September 30, 2016 as the termination (liquidation) date for the SISP proceedings should no transaction be successfully consummated.
- Development of an overview summary of the steel industry and the federal/provincial activities in this sector and specifically relating to the ESAI restructuring. This review notes the meetings arranged and announcements made by the local MP and MPP as well as identifies what Ministers and other stakeholders (e.g. Canadian Steel Producers Association or CPSA) have been involved and in what manner.
- Creation of a Community Response Action Plan aimed at empowering and encouraging local businesses, employment and economic development interest to work together in implementing a response strategy. The plan designates a lead organization to be accountable to City Council in executing the strategy which insures better coordination and alignment in the City's response.

Action Plan

The response efforts as described in this report are voluminous. However, concern exists that these activities are somewhat ad hoc and subject to other

competing priorities making resourcing difficult. It was therefore recognized that a framework and defined resources need be established to better coordinate these actions to maximize their effectiveness and impact. In this capacity, work has been undertaken by the Sault Ste. Marie Economic Development Corporation as well as the CAO's office in dialogue with the Mayor's Office to determine an effective coordinated approach. To date, the following has been completed in this regard:

- The SSMEDC prepared a draft community response plan with short, medium and long term objective and actions focused on affected employees, affected unsecured creditors (local supply and service companies), strategic economic development planning, communications and advocacy.
- Through on-going dialogue with provincial SSMEDC received preliminary approval in January/February for Sault Ste. Marie to submit an application to the province's Community Adjustment Advisory Program.
- This Community Adjustment Advisory Program funding enables the community to quickly undertake and implement what this Program refers to as a "community adjustment process, plan and strategy". Financial support from the program would enable the City to immediately commence a series of activities to respond to the situation faced by the community including:
 - to support affected employees in the community;
 - to assess risks and opportunities resulting from the city's current economic situation; and,
 - to engage and enhance the efforts of the community's employment and economic development organizations in a focused manner.
- In more recent discussions with the Province, CAO's Office, Mayor's Office, City Planning and SSMEDC centered on who the sponsor for this application should be to best coordinate the response plan and achieve success. It has been agreed that the City is the most appropriate conduit here being it has the closest ties to the entire community.

At present, all parties agree that an action plan needs to be coordinated to be most effective and impactful as built upon a community based organizational and operational framework that:

- empowers and encourages organizations in the community with a mandate to support the community's employment, business, economic and social development to work together in developing and executing this plan;
- designates a lead organization to be accountable to City Council for the execution of this Action Plan and regularly reports to Council on its activities, efforts and outcomes;

- serves as the focal point for coordination and alignment for the community's employment, labour, business and economic development organizations; City departments; and senior levels of governments departments to develop and execute a response;
- complements existing programs, services and projects that complement the goals and objectives of the Action Plan.

Staff therefore recommends approval to apply to the Community Adjustment Advisory program to secure financial and human resource assistance to establish a Lead Coordinator accountable to the City (as program sponsor) to complete and implement a coordinated Community Response Action Plan giving consideration to the principles described here and found in the City's Community Plan and Corporate Strategic Plan work to date.

IMPACT

There are no direct budget impacts associated with the work being undertaken on several fronts including the CAO's office, Economic Development Corporation, Mayor's Office (advocacy) and other partners. By separate report to Council dated February 22, 2016 staff identified that the legal firm of Airds Berlis, LLP has been retained to represent the City's specific interests as a secured creditor in the current Companies Creditors Arrangement Act (CCAA) involving Essar Steel Algoma Inc. (ESAI) at an upset limit of \$175,000 to protect the City's \$14 million in property tax owing by ESAI. Application under the provincial Community Adjustment Program seeks resources and financial support of approximately \$200,000 to establish a Chair to implement an Action Plan and coordinate all municipal led activities.

STRATEGIC PLAN

There is no direct impact or link to the Strategic Plan.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Council receive the report for information and Council approve the City making an application through the CAO's office under the Province of Ontario's Community Adjustment Advisory program to secure resources to coordinate the City's on-going response to current economic shifts using principles described in the Community Response Action Plan of SSMECD, City Community Plan and Corporate Strategic Plan.

Respectfully submitted,



Al Horsman, CAO

Recommendations and Course of Action: Response to the Employment and Economic Challenges Currently Facing Sault Ste. Marie

Tom Dodds
2/23/2016

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(Notes): Please refer to the notes and Appendices at the conclusion of this report

February 22, 2016

To: Sault Ste. Marie Mayor and City Council

From: Tom Dodds, CEO
Sault Ste. Marie Economic Development Corporation

Re: **Recommendations and Course of Action: Response to the Employment and Economic Challenges Currently Facing Sault Ste. Marie**

Issue:

The City's underlying flat economic growth; negative local labour market trends; low global steel and oil prices; and, forecasted global steel/oil market trends, are compounding the current and potential impacts of the restructuring (CCAA) of Sault Ste. Marie's largest private sector employer, Essar Steel Algoma Inc. (ESAI). This situation is creating a level of business uncertainty and a growing concern about the City's current and future economic base.

On January 25 City Council passed a resolution requesting the Sault Ste. Marie Economic Development Corporation (SSMEDC) to report back to Council no later than February 22, 2016 with a suggested course of action and recommendations in response to this situation.

Background:

Sault Ste. Marie GDP/Labour Force Trends

According to SSMEDC analysis based on Statistics Canada labour force data, Conference Board of Canada reports and information provided by Algoma Workforce Investment Corp., the combination of:

- the structure of the Sault Ste. Marie's economy and relatively flat economic growth over the last decade as measured by Gross Domestic Product (GDP) ⁽¹⁾;
- the evolving effect of structural changes in the City's labour market; and,
- an unprecedented employment decline in Sault Ste. Marie (at least within the last 20 years), from one of the City's stronger labour market in years (2014), to one of the weakest in 2015,

have created a situation where the City's economy and labour market are particularly vulnerable to external market forces and highly sensitive to the Essar Steel Algoma Inc. restructuring situation.

This growing concern and uncertainty has been heightened with the virtual shutdown of Tenaris Algoma Tubes, which had employed approximately 700 employees prior to the market downturn in the oil and gas industry.

(Notes): Please refer to the notes and Appendices at the conclusion of this report

Please refer to **Appendix A-1** and **A-2** for further information on Sault Ste. Marie's labour and GDP market.

Diversification and Population

Diversification

In spite of this bleak employment picture, the City's population has remained relatively flat with modest growth since 2001, which now stands at approximately 75,000. Since then, there has been considerable employment diversification between industrial sectors. Based on Statistics Canada's data, the employment changes have occurred affecting in the following industrial sector:

- Between 2001 and 2014 there has been a **24% reduction** in the number of persons employed in **goods producing sectors** and **17% increase** in the persons employed in **Services Sectors**;
- Between 1996 and 2014 there has been a 43% reduction in the number of persons employed in **the manufacturing sector** and a 64% decrease in the in the persons employed in the primary and utilities sectors;
- During this same time period there have been **net employment increases** in: Construction **(5%)**; **Business Services (225%)**; Personal services **(5%)**, Non Commercial Services **24%** [Education and Health], Government **(12%)** and Personal services **(5)%** [Accommodations and Food services]

Population

Sault Ste. Marie has continued to have a labour force of approximately 40,000 despite a population decline in the 90's (85,008 in 1991; 83,619 in 1996 and 79,800 in 2011*) From 2000 to 2015 the labour force has been above 40,000 except for 2012 to 2015.

*Census Agglomeration – National Household survey, the most reliable data available.

Steel Markets

There are a number of critical issues facing the steel industry:

- Surplus steel-making capacity worldwide⁽²⁾;
- Global Steel demand indicators are mixed with no significant increase anticipated;
- Steel, iron ore and scrap metal prices have been declining affecting profitability throughout the steel commodity-based sector;
- The drivers of these low prices have been:
 - o Weak demand; and,
 - o Surplus steel-making capacity worldwide creating unfair steel import competition (including dumping of steel in Canada – selling steel at below production costs of some foreign steelmakers)

(Notes): Please refer to the notes and Appendices at the conclusion of this report

ESAI (CCAA) Restructuring

On November 9, 2015 ESAI and related businesses⁽³⁾ sought protection under the Companies' Creditors Arrangement Act (CCAA) before the Ontario Superior Court in order to strengthen its financial health and solidify ESAI's long-term business prospects.

ESAI secured a USD \$200 million debtor in-possession (DIP) financing facility from a syndicate of lenders to provide adequate liquidity to operate while it restructures its debt. The Court appointed Ernst & Young Inc. to act as their Monitor⁽⁴⁾ for this restructuring process.

The Court approved ESAI's sale and investment solicitation process (SISP)⁽⁵⁾ on February 11, 2016 that will enable the company to pursue a sale or restructuring plan, which is essential to achieve a going concern solution for their business and property for the benefit of their stakeholders, including their secured creditors, suppliers, employees and the community. The alternative is liquidation of the assets, including the steel plant.

The Court authorized ESAI to pursue all avenues of sale or refinancing of their business or property, in whole or part, subject to the provisions of the CCAA and the DIP Agreement within a predetermined SISP process timeframe⁽⁵⁾ - **Final Deadline September 30, 2016.**

Please refer to **Appendix B**, a SISP info-graphic prepared by ESAI.

Overview of CCAA Restructuring Impacts/Risks

Pensions

ESAI sponsors three pension plans, which cover approximately 8,500 current and former employees and their spouses. According to Court documents submitted by ESAI, as of September 30, 2015 **pension liabilities and associated benefits totaled approximately \$750 million.**

ESAI Pension revenue represent a significant financial resource for Sault Ste. Marie citizens and an important part of the City's economy overall. ESAI employee and retiree pension liabilities and obligations are also **a critical determining factor** for those companies that may considering bidding on the purchase or investment in the steelmaker.⁽⁶⁾ The framework in which a new, restructured entity may be permitted by the court and Province to manage these pension plans is critical issue in the restructuring process and impacts all stakeholders.

Creditors:

Not including the \$200 Million DIP financing, and according to initial ESAI court documents, there are approximately 660 creditors owed approximately \$1.6 billion by Essar and related companies⁽³⁾. All but four of these are unsecured creditors that are owed \$164 million. About 120 of the unsecured creditors are from Sault Ste. Marie and area and, according to ESAI court documents, are owed approximately \$40 million.

(Notes): Please refer to the notes and Appendices at the conclusion of this report

Employment:

In October ESAI laid-off 100 workers due to market conditions and low steel prices. In addition, some of the unsecured creditors heavily dependent on ESAI for revenue laid off employees as a result.

Municipal Taxes:

ESAI owes the City about \$14 million in unpaid property taxes dating back to 2014.

Socio-Economic Benefits of a Restructured, Commercially Viable, Integrated Steel Manufacturer in Sault Ste. Marie***Economic Benefits:***

The integrated steel manufacturer in Sault Ste. Marie:

- Is a 2,500,000 ton/yr. low-cost , integrated manufacturer of steel sheet and plate products, the 2nd largest in Canada and the only steel plate mill in Ontario;
- The largest private-sector employer in Sault Ste. Marie; with an estimated annual payroll of over \$360M and contributes \$1.236 billion to Ontario's GDP;
- A company that spends \$1.2 billion annually on goods and services - \$120 million of which goes to hundreds of local businesses;
- Normally contributes \$7.3 Million annually in municipal taxes to the City and is significant contributor of tax revenue to Ontario and Canada; and,
- According ESAI court documents, approximately 54,000 people in Sault Ste. Marie (or approx. 70% of the city's total population of approximately 75,000) are directly or indirectly depend on Essar Steel Algoma Inc. if affected household members and retirees were taken into consideration.
- The steel-maker is an economic anchor in the community, which has undertaken a number of initiatives to modernize, reduce production costs and increase its steel-making capacity (current maximum production capacity 4.0 Million tons). The economic and industrial development opportunity of having this facility in the community has not been fully realized.
- Its parent, Essar Global, is working with the City and SSMEDC through the Port of Algoma (Essar Ports division) <http://www.algomaport.com> to develop the 5th largest Canadian port on the Great Lakes, by developing plan for the industrial port's growth, attracting new freight traffic and promoting investment.

Employment and Pensions:

- Largest private-sector employer (2800 employees) in Sault Ste. Marie with an estimated annual payroll of over \$360M, an operation that has been in existence for over 100 years;
- Second largest private sector employer in Northern Ontario with 2,800 direct jobs as well as another 4,600 indirect and induced jobs;

(Notes): Please refer to the notes and Appendices at the conclusion of this report

- Supports three pension plans for 2220 active and 6,451 retired or deferred vested members (including spouses). Approx. 80% live within 100 km. radius of the City. ESAI makes \$84.5 Million in annual pension and benefits payments;
- The health of the area economy is inextricably tied to ESAI as it employs approximately 7% of the region's total workforce according to company information.

Employment and GDP Benefits/Impacts

The estimated employment impact of Essar Algoma's existing operations is 2,800 direct full time equivalent positions ("FTEs") and total FTE positions of 8,291 (including direct, indirect and induced in SSM, Ontario and Canada)

The direct gross domestic product ("GDP") impact is estimated at \$569 million per annum, and the total GDP impact is estimated to be \$1.2 billion. (Direct and indirect/induced in SSM, Ontario and Canada)

	<u>Direct FTEs*</u>	<u>Total FTEs*</u>	<u>Direct GDP (\$M)</u>	<u>Total GDP (\$M)</u>
Sault Ste. Marie	2,800	4,778	\$ 565	\$ 780
Rest of Ontario**	18	2,316	\$ 3	\$ 279
<u>Rest of Canada*</u>	<u>4</u>	<u>1,197</u>	<u>\$ 1</u>	<u>\$ 177</u>
Total	2,822	8,291	\$ 569	\$ 1,236

* FTE - direct full time equivalent positions

** Estimates based on economic multiplier effect

Community Response:

- Locally elected members of federal and provincial parliament, the City, Sault Ste. Marie Economic Development Corporation, MNDM, FedNor and other government departments have been in regular communication ESAI's executive team and have been monitoring their operational and financial situation for a number of years even prior to the CCAA announcement.
- In addition, a number of initiatives have been undertaken prior to the current CCAA situation to support the company with its financial challenges, including assistance in helping it manage its pension & tax obligations, capital expansion/modernization plans and financial restructuring efforts.
- On November 16, 2015, Mayor Provenzano wrote to both the Federal Minister of International Trade, concerning the steel industry and dumping of steel, and the Federal Minister of Infrastructure and Communities, encouraging his Department to consider provisions in the federal infrastructure program that would promote the use of Canadian steel in future federally funded projects.
- City and SSMECD officials met prior to the ESAI CCAA announcement in anticipation of it.

(Notes): Please refer to the notes and Appendices at the conclusion of this report

- On November 17, 2015 following the CCAA announcement the SSMEDC arranged a meeting with representatives from ESAI, the City, SSMEDC, a select group of provincial and federal senior managers and ESAI to develop a better understanding of ESAI's situation, CCAA restructuring implications and how best to approach the situation.
- In follow-up, the SSMEDC established an ad-hoc "Community Response Committee" on behalf of the community to commence the process of sharing information, developing a strategy and action plan to offset and mitigate the impacts associated with the CCAA restructuring. It has met twice since the CCAA announcement and has had preliminary discussions about a community based courses of action.

Please refer to **Appendix C** for a list of those organizations who have or will be invited to participate.

SSMEDC Response Plan

- The SSMEDC prepared a draft community response plan with short, medium and long term objective and actions focused on affected employees, affected unsecured creditors (local supply and service companies), strategic economic development planning, communications and advocacy.
- The goal of this **Community Response Plan** and the purpose of the Committee is to:
 - o enable Sault Ste. Marie to have coordinated community response to this crisis;
 - o establish strong lines of communication at all levels;
 - helps align and focus community, Municipal, Federal and Provincial responses and actions, thereby serving as an effective vehicle for implementation of employment, business economic development, advocacy and communication initiatives.
- Consistent with its mandate and City/SSMEDC MOU, SSMEDC wishes to proceed with a response plan requests Council endorsement.

Please refer to **Appendix D** for a summary of the Draft Community Response Plan

Current Status:

Federal Government

- On January 14, 2016, ESAI provided input to the Parliamentary Secretary for the Minister of Finance as part of the federal pre-budget process focusing their submission on:
 - o the crisis in the steel industry;
 - o and promoting the following initiatives as part of the 2016 federal budget:
 - A Pro Manufacturing Agenda
 - Infrastructure Investment and Procurement Policy
 - Trade Remedy Modernization

Please refer to **Appendix E** for a copy of the ESAI pre-budget letter.

(Notes): Please refer to the notes and Appendices at the conclusion of this report

- On February 8, 2016, the CEO of ESAI, the CEO of Tenaris Canada, Sault MP Terry Sheehan and the Federal Minister of Finance met to discuss the challenges facing the steel industry. On February 9, MP Terry Sheehan met with the Prime Minister to discuss these matters as well.
- On February 8, 2016, the President and Chair of the SSMEDC wrote to the Prime Minister to urge Federal Cabinet to take action on areas described in the ESAI's pre-budget input letter to the steel sector and Sault Ste. Marie's steelmaker.

Please refer to **Appendix F** for a copy of the SSMEDC letter to the Prime Minister.

Provincial Government

- On January 21 ESAI and the SSMEDC made presentations to the Ontario Legislature's Standing Committee on Finance and Economic Affairs as part of their 2016 Pre-Budget Consultations and to Ontario's Associate Minister of Finance as part of her pre-budget consultation, encouraging action in response of the plight of the Ontario steel industry and current impacts facing this community.

Please refer to **Appendix G-1** for a copy of the ESAI letter and to **Appendix G-2**, the SSMEDC letters to the Province of Ontario and associated presentation materials.

- February 3, 2016, Sault Ste. Marie MPP David Oraziotti issued a press release urging the federal government to adopt Trade Remedy Modernization plan outlined by the Canadian Steel Producers Association (CSPA) to ensure fair trade for Canadian Steel as well as setting up an on-line petition and website: <http://www.fairtrade4steel.ca/>. The CSPA plan is supported by the United Steel Workers USW union.

Please refer to **Appendix H** for a copy of the media release.

- ESAI Executives, Executives key Provincial Economic Development and Finance Ministries Minister Oraziotti attended a meeting arranged by MNDM to discuss the ESSAR/CCAA situation.
- The Province has established a senior level inter-ministerial working group to focus on this situation.

Municipal Government

- The City has retained Aird & Berlis LLP, a Toronto law firm, with restructuring expertise. The firm will represent the municipality in the CCAA proceedings, particularly as it relates to ESAI's \$14 million in unpaid municipal property taxes.

Industry and Labour

- The United Steel Workers USW held a "Stand up for Steel" Rally on January 30, 2016 attracting 2000 in Hamilton, Ontario. Local USW representatives have met with City official and the MPP.

(Notes): Please refer to the notes and Appendices at the conclusion of this report

SSMEDC and Community

- In addition to the letter sent to the Prime Minister, The Sault Ste. Marie Economic Development Corporation Board of Directors received a briefing for ESAI's Chief Financial Officer in December 2015 and in February 2016 ESAI provided the Board a further update on the situation.
- Through the provision of briefing materials to the local Ministry of Training Colleges and Universities (MTCU) staff late last year, the SSMEDC received preliminary approval for the Sault Ste. Marie to submit an application to their Adjustment Advisory Program. This program funding enables the community to quickly undertake and implement what this program refers to as a "community adjustment process, plan and strategy". Financial support from the program would enable the City to immediately commence a series of activities to respond to the situation faced by the community including:
 - o to support affected employees in the community;
 - o to assess risks and opportunities resulting from the city's current economic situation; and,
 - o to engage and enhance the efforts of the community's employment and economic development organizations in a focused manner.
- On January 26, 2016, the SSMEDC Chair wrote Mayor and Council requesting their endorsement of an application to MTCU for the EDC to proceed as the applicant. SSMEDC staff was advised by City staff that they would be making the Community Adjustment Fund application. Please refer to **Appendix I**: This funding program requires Council approval.

Considerations

ESAI/CCAA/SISP and the Role of Government:

- Key decisions about the future of the steel plant and directly affecting the community will be made within the next 6-7 months. Prospective Buyers and Investors in the steelmaker that may considering participating in the SISP will be assessing a number of external factors, in addition operations and finances including:
 - o Pension costs and liability (relative to other jurisdictions outside of Ontario)
 - o Canada, Ontario and Sault Ste. Marie's business competitiveness and costs relative to other jurisdictions and investment opportunities;
 - o Canada, Ontario and Sault Ste. Marie's direct and indirect support for investment in this steel facility, and,
 - o The other related issues raised by ESAI in the attached letters.
- There is no assurance that at the conclusion of the SISP there will be an outcome that best serves the needs and expectations of the community.

(Notes): Please refer to the notes and Appendices at the conclusion of this report

- Government at the Federal Provincial and Municipal levels, along with key business, labour and community stakeholders all have key roles to play in helping create the conditions for a successful restructuring.
- **An aligned, well coordinated, advocacy and communications strategy led by the locally elected leadership at all levels** (Mayor and Council, MP and MPP), and supported by the SSMEDC and City staff in - close consultation with federal and Provincial government staff along with local employment and economic development organizations has, in the past, proven very effective in responding to issues and challenges posed by previous industrial restructurings and other economic challenges of significant magnitude.

Sault Ste. Marie's Local Labour Market:

- There are structural challenges with the City's current labour market that are impacting both local employers and employees:
- Sault Ste. Marie's requires:
 - o a labour market that meets the needs of employers contending with an aging workforce, the need to replace retiring (late baby boom) workers and requisite skills talent and experience to compete in the current and future;
 - o this demand cannot be sustained with the current workforce population and demographics;
 - o an aggressive talent development and attraction strategy.

Economic Development & Employment:

- The current economic and employment situation facing the City should be assessed and addressed with complementary strategies with short, medium and long term objectives:
 - o Economic Development:
 - Creating the conditions and environment for private sector business growth including: land and infrastructure; entrepreneurship; access to capital; promoting innovation, diversification and support for value added manufacturing;
 - Support, development and promote industrial sectors with growth potential, particularly where there has been steady increases in labour productivity (GDP/employee) such as information, culture and knowledge based businesses
 - o Employment:
 - Aligning local labour market demand with labour market supply;
 - Alignment of community economic development and employment priorities with post-secondary and business development priorities;
 - Municipal investment and support for post-secondary education in areas that support shared economic development priorities

(Notes): Please refer to the notes and Appendices at the conclusion of this report

Sault Ste. Marie Economic Development Corporation:

- The 2009 Memorandum of Understanding between the City of Sault Ste. Marie and the Sault Ste. Marie Economic Development Corporation (SSMEDC) for Accountability provides for an SSMEDC mission to:

*“The Sault Ste. Marie Economic Development Corporation is a non-profit organization funded by public and private partners SSMEDC will undertake the following whose goal is to be **the community’s leader in supporting and promoting an environment which generates sustainable employment in a healthy, growing and diversified economy.**”*

- Consistent with this mission, the Corporation has been actively engaged in seeking to respond to this economic and employment crisis. The Board and staff strongly supports a more engaged, coordinated, collaborative and consultative approach with City Mayor, Council and staff. The SSMEDC believes a community-based approach, engaging all stakeholders, is crucial for a successful outcome to this crisis.

Please refer to **Appendix J** to review the copy of the MOU.

Community Response:

City Council is encouraged to endorse and support the following **Sault Ste. Marie Community Response Action Plan**, a community-based organizational and operational framework which:

- **empowers and encourages organizations in the community** with a mandate to support the community’s employment, business and economic development to work together in developing and executing this plan;
- designates a **lead organization** to be accountable to City Council for the execution of this Action Plan and regularly reports to Council on its activities, efforts and outcomes;
- serves as the **focal point for coordination and alignment** for the community’s employment, labour, business and economic development organizations; City Departments; and senior levels of governments Departments to develop and execute a response;
- assists in aligning existing programs, services and projects that complement and support the goals and objectives of the Action Plan.

Community Action Plan/Next Steps

There are three organizational and short-term actions that need to be immediately undertaken to effectively respond to this economic and employment crisis:

Short Term Organizational Efforts:

Immediate Establishment of a Community First ‘ROUNDTABLE’ of Locally Elected Leaders to respond to this situation:

- Mayor (on behalf Council) invites the MP and MPP to meet and establish the Roundtable a local political focal point to address this situation and provide leadership;

(Notes): Please refer to the notes and Appendices at the conclusion of this report

- Benefits:
 - Acknowledges that there is a serious employment and economic issues that needs to be immediately addressed on an urgent basis;
 - Locally elected officials publically demonstrate their unity commitment to work together for the benefit community on this issue;
 - Demonstrates local unity solidarity on this issue to internal and external audiences.
 - Provides a forum and focal point of local elected officials for engagement by key stakeholders in this process. This improves the level of communications and engagement.
 - Provides a venue for frank discussion behind closed doors.
 - Helps instill a level of comfort that community concerns are being addressed by their elected leadership on a united basis.
- These elected officials work together to share information, align messaging, communication strategies and develop a shared advocacy strategy consistent with their mandates.
- Their immediate focus and action is to inform and strongly advocate on behalf of the community to senior levels of governments and their constituencies regarding this issues raised in this report.
- The Roundtable through the Mayor would provide regular reports and updates to Council.

Establishment of a Sault Ste. Marie Community Response STEERING COMMITTEE

- The SSMEDC lead by their CEO and City lead by the CAO would immediately and formally establish a Community Response Steering Committee to address the issues around the City's current economic & employment situation with a focus on ESAI restructuring.
- The membership of the Committee would consist of the senior leadership from the Province and Federal Government (e.g: ADM of Northern Development, MNDM; DG of FedNor-Depart of Innovation, Science and Economic Development or designee, representation from relevant Provincial Ministries: Ministry of Economic Development, Employment and Infrastructure, MTCU, & other relevant federal departments as required.) These organizations would be invited to participate on the Committee.
- The CAO and CEO may choose to include other relevant organizations in the community.
- Their mandate would be engage senior levels of government, identify and discuss key issues, explore solutions, and establish a course of action that supports the community interest as relates to ESAI restructuring and the current economic situation facing the community.
- The Steering Committee would meet as required and may be attend Roundtable Meeting on matters of mutual concern as requested.
- The Steering Committee may be requested by the Roundtable to provide briefings and reports to Council.

(Notes): Please refer to the notes and Appendices at the conclusion of this report

Sault Ste. Marie Community Response Working Group

- The ad-hoc Community Response Team would become more formalized and assist in implementing the action plan.

Short Term Action Items:

- Execute Community Response Action Plan
- Establish the Roundtable, Steering Committee & Working Group
- Develop Communication and Advocacy Strategy
- Develop and execute a Comprehensive Socio-Economic Impacts Assessment study of the restructuring of the local steel manufacturer including a range of possible scenarios and identify contingency plans and economic opportunities
- SSMEDC and/or City staff to make application to MTCU to receive program funding for a community adjustment process;
- SSMEDC to explore further additional financial support from NOHFC, FedNor and the Ministry of Economic Development, Employment and Infrastructure's Community Transition Program designed to assist communities facing circumstances such as the one in Sault Ste. Marie.

Recommendations

City Council:

- Acknowledges and supports the critical leadership role the SSMEDC and City must play in addressing the impacts and implications of the current employment and local steel manufacturing restructuring process situation and will undertake necessary and appropriate action;
- Adopt the Community Response Action Plan;
- Request the Mayor to establish the Roundtable of locally elected political leaders and convene a meeting ASAP to discuss its terms of reference and action;
- For the purposes of clarity and in recognition of the SSMEDC role and mission in support of economic development, reaffirm Council's commitment to the 2009 Memorandum of Understanding between the City of Sault Ste. Marie and the Sault Ste. Marie Economic Development Corporation (SSMEDC) for Accountability;
- Request CEO of the SSMEDC and the City CAO collaboratively establish the Community Response Steering Committee and Working Groups terms of reference, finalize community response plan and report back to Council on the results and outcomes of these efforts at its next meeting;
- Approve an initial \$150,000 from EDF for the purposes of advancing the Community Response Action Plan, including the following deliverables and to lever funds from other funding sources:
 - o City Economic Impact Assessment

(Notes): Please refer to the notes and Appendices at the conclusion of this report

- o Communications and Advocacy Strategy
- o Request the EDC and the Destiny Sault Ste. Marie Committee to apply the 2016 Destiny budget to this undertaking

(Notes): Please refer to the notes and Appendices at the conclusion of this report

Report Notes:

1. **Gross Domestic Product (GDP)** is the monetary value of all the finished goods and services produced within a specified jurisdiction's boundaries in a specific time period, often on an annual basis. GDP includes all private and public consumption, government outlays, investments and exports minus imports that occur within a defined territory. Put simply and in the case of Sault Ste. Marie, GDP is a broad measurement of the community's overall economic activity. The Conference Board of Canada produces GDP estimates for the municipalities on annual basis as part of its Mid-sized Cities report, which includes Sault Ste. Marie.
2. **World Steelmaking Capacity:** According to steel analysts, in 2015 Chinese steel producers were operating at 75% their 1.2 (billion) bn. Metric tonnes (Mt.) capacity. Total world demand in 2015 was 1.5 bn. Mt. and world steelmaking capacity is approximately 2.2 bn. Mt.
3. **Essar Steel Algoma Inc. (ESAI) and related businesses** (also defined as "Applicants" in court documents) include Algoma, Essar Tech Algoma Inc., Essar Steel Algoma (Alberta) ULC, Cannelton Iron Ore Company and Essar Steel Algoma Inc. USA were granted CCAA protection on November 9, 2015 and Algoma Holdings B.V. was added as an Applicant by order dated November 19, 2015. On November 20, 2015 Algoma Holdings B.V. filed a voluntary petition under Chapter 15 of the US Bankruptcy Code (under the US Bankruptcy Abuse Prevention and Consumer Protection Act).
4. **CCAA Restructuring Agents:**
 - 'Monitor': Pursuant to the CCAA court order, Ernst and Young Inc. (E&Y) appointed by the court to be Monitor of the Applicants;
 - A Monitor is an independent third party who is appointed by the Court to monitor the company's ongoing operations and assist with the filing and voting on the Plan of Arrangement. The Monitor's duties include monitoring the business, reporting to the Court on any major events that might impact the viability of the company, assisting the company in the preparation of the Plan of Arrangement, notifying the creditors (and shareholders) of any meetings and tabulating the votes at these meetings. The Monitor prepares a report on the Plan of Arrangement.
 - 'Financial Advisor': ESAI hired Evercore Group L.L.C., Weil Gotshal & Manges LLP and Stikeman Elliott LLP to represent the company as financial advisor and outside US and Canadian legal counsel, respectively;
 - 'Chief Restructuring Advisor' (CRA): Pursuant to the CCAA court order, John Strek of the CDG Group LLC was appointed CRA.
5. **Sale and Investment Solicitation Process (SISP) Timetable and Process:** The following is the list of the SISP milestones and their associated deadlines:
 - **Launch of the SISP February 11, 2016**, pursuant to an Ontario Superior Court order;
 - o ESAI financial advisor sends solicitation letter and nondisclosure agreement (NDA) to list of potential bidders and any other credible bidder.

(Notes): Please refer to the notes and Appendices at the conclusion of this report

- o Persons returning and executed NDA and other required information shall be a **Phase 1 Bidder**.
 - o A **Phase I Bidder** who wishes to pursue the “Opportunity” [i.e. to finance purchase or invest in the (ESAI) business and/or property] shall submit to the ESAI financial advisor a bid containing a summary of the proposed transaction (sale or investment) highlighting the bid’s material terms by 5:00 PM on the **Phase 1 Bid deadline**.
 - **Phase I Bid Deadline: April 1, 2016:**
 - o If a **Phase I Bid** meets the SIP criteria as assessed by the chief restructuring advisor (CRA), the ESAI financial advisor and with the approval of the monitor, it will be a **Qualified Phase I Bid**;
 - o If it is determined that an approved and **Qualified Phase I Bid** proponent has a bona fide interest in completing a sale proposal or investment proposal, it shall be deemed to be a **Phase II Bidder**;
 - o Any Dip Lenders, Prepetition Lenders, Senior Secured Note Holders and the Junior Priority Note holders who notify the financial advisor within 10 business days after the **Phase I Bid** deadline that they intend to participate in **Phase 2** of the SISP, they shall be deemed to be a **Phase II bidder** regardless of whether they submitted a **Phase I bid**;
 - **Phase II Bid Process:**
 - o A **Phase II Due Diligence** process will be undertaken pursuant to the court approved SISP and CCAA. Phase II bidders will be allowed access to due diligence materials and information relating to the property and business.
 - o A **Phase II bidder** that wishes to make formal offer to purchase or make an investment in the applicants or their property or business shall submit a **Phase II Bid** prior to 5 PM on the **Phase II bid** deadline.
 - o Such Phase II Bid shall be “**A Qualified Phase II Bid**” if it meets the predetermined SISP criteria.
 - **Phase II Deadline: TBD**
 - o ESAI, in **consultation** with the CRA, the financial advisor and the monitor will assess the **Phase II Bids** to determine whether they constitute **Qualified Phase II Bids**;
- Evaluation of Qualified Phase II Bids and Subsequent Actions**
- o ESAI shall evaluate and following such evaluation in consultation with the CRA, the ESAI financial advisor, other consultation parties and the Monitor. Following such evaluation ESAI may:
 - accept one of a Qualified Phase II Bids and take such steps as may be necessary to finalize definitive transaction documents; or,
 - continue negotiations with Phase II Bidders who have submitted Qualify Phase II Bids with one or more of the qualified bidders; and/or,

(Notes): Please refer to the notes and Appendices at the conclusion of this report

- select the next highest or otherwise best qualified Phase II Bid to be the Alternate Bid.
- o If a successful bidder fails to consummate the successful bid for any reason, then the Alternate Bid will be deemed to be the successful bid and the applicants will proceed with the transaction pursuant to the terms of the Alternate Bid. Alternate Bids shall remain open for acceptance until the completion of the transaction with the successful bidder.
- o **If no qualified phase 2 bids are received by the phase 2 bid deadline, the SISP shall automatically terminate.**
- **Close Sale Transaction or Implement Plan: August 31, 2016**
 - o **SISP Termination: September 30, 2016:**
 - If no transaction has been successfully consummated with the successful bidder or the alternate bidder by September 30, 2016 SISP will automatically terminate, and in any case, not past the maturity of the DIP Agreement).

6. Pensions

- ESAI's current pension plans and the associated compliance with Provincial regulations place a heavy burden on the steelmakers cost structure. According to ESAI, while global businesses see Ontario as one of many jurisdictions where to conduct business, they are reluctant to invest where pension regulations impose a heavy burden on a businesses' cost structure.
- In addition to this competitive disadvantage, funds allocated by the Ontario businesses to pension funding cannot be used to invest in operations, improve productivity or create jobs. It has been ESAI's experience that lenders charge more, or simply refuse to lend to businesses whose cash flows are committed to pension solvency funding, and these drive up the cost of capital for Ontario businesses.

(Notes): Please refer to the notes and Appendices at the conclusion of this report

APPENDICES: Recommendations and Course of Action: Response to the Employment and Economic Challenges Currently Facing Sault Ste. Marie

Appendix A-1

[Sault Ste. Marie Labour Force Stats & Charts \(January, 2016\)](#)

Appendix A-2

[SSMEDC Analysis of Sault Ste. Marie GDP / Employment by Sector \(Draft: February 22, 2016\)](#)

Appendix B

[Essar Steel Algoma Sale and Investment Solicitation Process](#)

Appendix C

[Community Response Committee](#)

Appendix D

[Community-based Response to Sault Ste. Marie Economic and Employment Situation: Immediate, Medium and Long-term Actions](#)

Appendix E

[Essar Steel Algoma 2016 Pre-budget Submission \(January 14, 2016\)](#)

Appendix F

[SSMEDC Letter to the Prime Minister re: Crisis in Canadian Steel Industry](#)

Appendix G-1

[SSMEDC Submission to the Standing Committee on Finance and Economic Affairs \(January 21, 2016\)](#)

Appendix G-2

[Essar Steel Algoma Submission to the Standing Committee on Finance and Economic Affairs \(January 21, 2016\)](#)

Appendix H

[Oraziotti gathers reporters into cramped room \(Sootoday: February 3, 2016\)](#)

Appendix I

[SSMEDC Letter to Mayor Christian Provenzano \(January 26, 2016\)](#)

Appendix J

[Memorandum of Understanding Between the City and SSMEDC For Accountability \(August 2009\)](#)

(Notes): Please refer to the notes and Appendices at the conclusion of this report



COUNCIL REPORT

March 7, 2016

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Peter Tonazzo, MCIP, RPP, Planner

DEPARTMENT: Engineering and Planning Department

RE: A-4-16-Z – 127 Pilgrim Street

PURPOSE

The applicants are seeking Council's approval to convert the existing duplex into a 4-plex, with no changes to the existing building envelope.

PROPOSED CHANGE

The applicants, Pasquale & Concetta Lento are seeking to rezone the subject property from "R3" (Low Density Residential Zone) to "R3.S" (Low Density Residential Zone with a Special Exception) to permit a 4-plex within the existing building, and to permit two (2) required parking spaces to be stacked.

Subject Property:

- Location – Located on the west side of Pilgrim Street, approximately 75m (246') south of its intersection with Wellington Street East, civic no. 127 Pilgrim Street
- Size – Approximately 15.24m frontage x 54.9m depth (50'x180') totalling 836m² (9000ft²).
- Present Use – Duplex
- Owner – Pasquale and Concetta Lento

BACKGROUND

In 1994 Council denied a rezoning application to permit the construction of a 6-unit apartment building on the subject property. At that time it was determined that a 6 unit apartment building was an 'over use' of the property.

ANALYSIS

Conformity with the Official Plan

The subject property is designated 'Residential' on Land Use Schedule 'C' of the Official Plan (OP).

The following Residential Policies within the OP support this application:

“R.3” Medium Density residential dwellings may be integrated into low density areas subject to a rezoning.

“R.4” Small scale intensification may be permitted in all residential areas unless adequate supporting infrastructure is not available or significant physical constraints exist.

“R.5” Small scale intensification may include, but not be limited to, rooming, boarding and lodging houses, apartments in houses, infill development and redevelopment.

The applicants' proposal to create two (2) additional dwelling units within the existing duplex represents a small scale, infill, residential intensification project. Based on discussions with Engineering and PUC staff, the existing infrastructure (sewer, water, electric) can support the additional dwelling unit, and no significant physical constraints exist. Consequently, the proposed application conforms to the Residential Policies contained within the Official Plan.

The overall intent of the aforementioned policies is to encourage a mixture of housing types throughout the community. Historically, differing housing types were grouped together or segregated. The result was large blocks of semi's or townhouses with a much higher potential to become marginalized from surrounding areas. Mixing a variety of housing types throughout the community helps to integrate different people at different stages in their lives together, and therefore reduces the potential for a particular area to be marginalized.

Comments

The applicants' are seeking Council's approval to rezone the subject property from "R3" (Low Density Residential Zone) to "R3.S" (Low Density Residential Zone with a Special Exception) to permit a 4-plex within the existing building, and to permit two (2) required parking spaces to be stacked.

Referring to the preliminary site plan attached, the exterior of the site will remain largely the same. Parking will be provided at the rear of the property. The required parking for a 4-plex is six (6) spaces. The applicant is proposing eight (8) spaces, four (4) within the existing garage and four (4) stacked spaces in front of the garage. In this particular case the proposed 'stacked' arrangement is appropriate. Each unit will be assigned two (2) parking spaces. Given the relatively small number of units, it is anticipated that future residents will be able to manage the parking situation.

A small outdoor amenity area will be constructed at the rear of the existing building.

The character of this area is mixed residential. Based on Municipal Property Assessment Corporation (MPAC) data, the abutting property to the south currently functions as a 4-plex. At one time, the abutting property to the north was a 9-unit apartment building however, it is currently a duplex. There are also a number of duplexes across the street. There are a block of four (4) properties across the street currently zoned Medium Density Residential (R4), which permits among other things, an apartment building up to five (5) storeys.

Consultation

The following departments/agencies commented on the application as part of the consultation process:

- No objections/comments – Building Division, Municipal Heritage Committee, PWT, EDC, Accessibility Advisory Committee, PUC Services, Fire Services, Conservation Authority, Engineering Dept.

There were no comments or objections received from departments or agencies that were circulated. It is however worth reminding the applicants that building permits will be required to facilitate the construction of two additional dwelling units.

Up to the drafting of this report, one letter of objection (attached) was received from the abutting neighbour to the north. The main concerns relate to drainage. The objection indicates that the eaves trough along the north side of the building fills with debris and water overflows onto the abutting property. The Chief Building Official has confirmed that unmaintained eaves troughs resulting in water overflow onto adjacent property is enforceable via the Property Standards By-law. The concerned neighbour can contact the By-law Enforcement Officer to have the situation rectified. The applicants have also indicated that going forward the eaves troughs will be maintained on a regular basis. The objection also notes the finished grade of the subject property is higher than the abutting property to the north, resulting in spring runoff ponding in the rear yard of the abutting property to the north. The applicant has indicated a willingness to build up a slight berm in the rear yard, to capture some of the existing drainage. Alternatively, the applicant may also consider installing a weeping tile.

Finally, the neighbour notes a concern with the existing north side yard setback. The applicants' preliminary site plan indicates 1.8m (6'), whereas a previous plan on file indicates (1.2m) 4'. The applicant's consultant indicates the 1.8m (6') setback was derived by measuring between the existing fence and wall.

With the exception of the creation of an outdoor amenity area at the rear of the building, no additional exterior alterations are proposed. The concerns raised by the neighbour relate to existing grade and site layout, and will not be impacted by two additional dwelling units within the existing building. It is likely that regular

eaves trough maintenance and slight grade alterations to the rear of the site will improve the drainage situation.

IMPACT

Approval of this application will not directly impact municipal finances.

STRATEGIC PLAN

Approval of this application is not directly linked to any policies contained within the Corporate Strategic Plan.

SUMMARY

The applicants' proposal to convert the existing duplex into a 4-plex is within the character of this centrally located mixed residential neighbourhood, which is within the defined downtown area. The property is large enough to support the intended use, with ample room for on-site parking and an outdoor amenity area.

A special exception is required to permit two (2) of the required six (6) spaces to be stacked. It is further recommended that parking be prohibited in the front yard, to ensure that the front yard be maintained as a landscaped area. Even though it is not currently clear whether the existing building is setback 1.2m (4') or 1.8m (6'), it is recommended that Council legalize the existing north side yard setback, and reduce the required setback to 1.2m (4'), for the existing building only.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the Report of the Planner dated 2016 03 07 concerning rezoning Application A-4-16-Z be received and that Council approves the application and rezones the subject property from "R3" (Low Density Residential Zone) to "R3.S" (Low Density Residential Zone with a Special Exception) to permit a 4-plex, in addition to those uses permitted in an "R3" zone, subject to the following Special Exceptions:

1. That two (2) of the required parking spaces be stacked.
2. That the north interior side yard be reduced to 1.2m (4'), for the existing building only.
3. That parking be prohibited from locating in the front yard of the subject property.

Respectfully submitted,



Peter Tonazzo, MCIP, RPP
Planner

Recommended for approval,



Donald B. McConnell, MCIP, RPP
Planning Director

A-4-16-Z – 127 Pilgrim Street
2016 03 07
Page 5.

Recommended for approval,



Jerry Dolcetti, RPP
Commissioner Engineering & Planning

PT:ps

Attachment(s)

LEGEND

LANDSCAPED AREA



RED MAPLE



LOW SHRUB



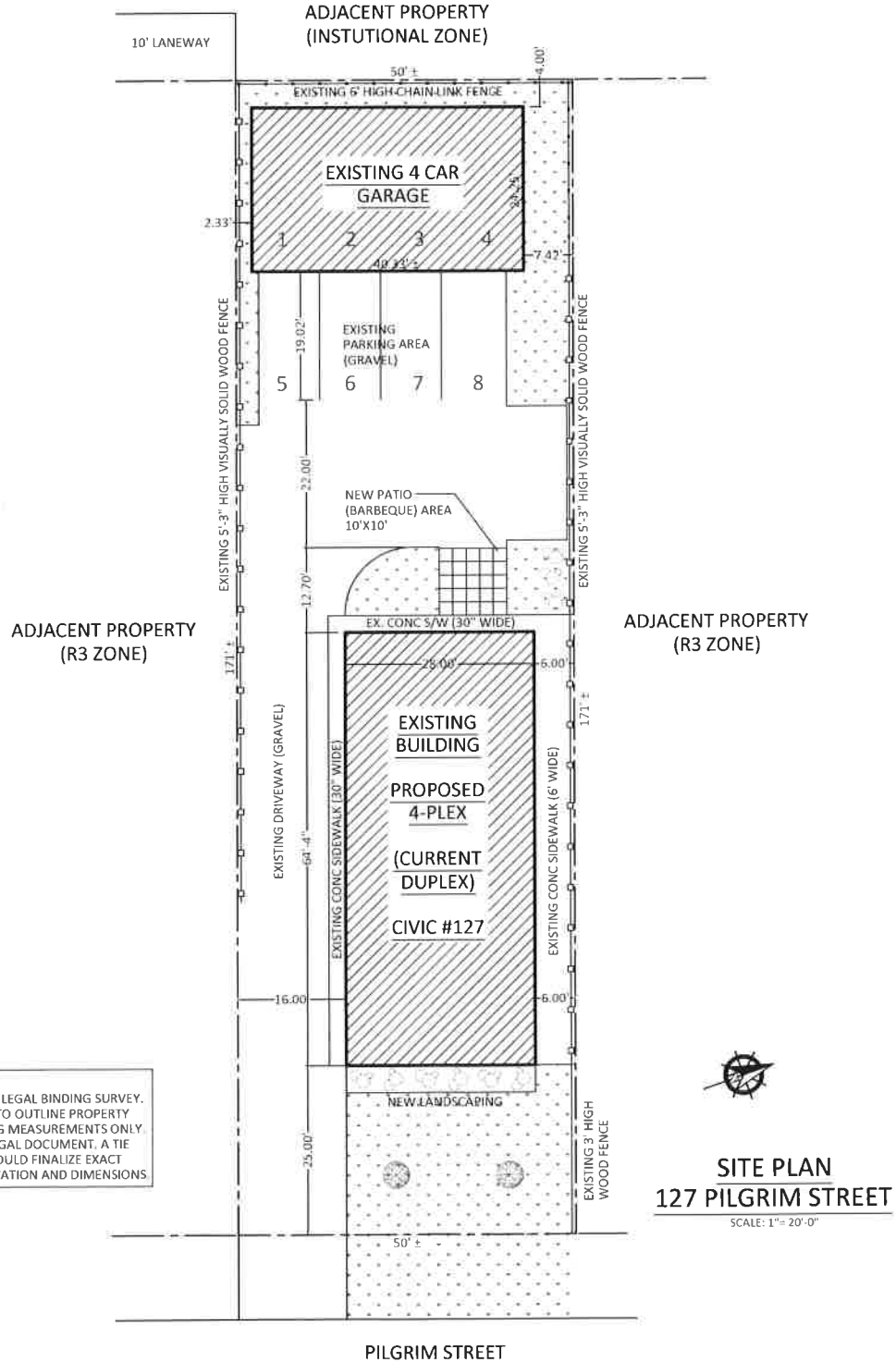
PLANTING DETAILS

RED MAPLE TREE

PLANTING SIZE: HEIGHT 1-2m
SPREAD 0.5-1.5m
MATURITY SIZE: HEIGHT 10-15m
SPREAD 6-10m

LOW SHRUBS

GLOBE CEDAR: HEIGHT 1-1.5m
MATURITY SIZE: SPREAD 1m
SNOWMOUND SPIREA: HEIGHT 1-1.5m
MATURITY SIZE: SPREAD 1-1.5m
HYDRANGEA: HEIGHT 1m
SPREAD 1m



NOTE:
THIS IS NOT A LEGAL BINDING SURVEY.
THIS PLAN IS TO OUTLINE PROPERTY
AND BUILDING MEASUREMENTS ONLY.
IT IS NOT A LEGAL DOCUMENT. A TIE
IN SURVEY WOULD FINALIZE EXACT
BUILDING LOCATION AND DIMENSIONS.



SITE PLAN
127 PILGRIM STREET
SCALE: 1"= 20'-0"

PROJECT TITLE: PROPOSED 4-PLEX CONVERSION

ADDRESS: 127 PILGRIM STREET, SAULT STE. MARIE, ON

DRAWING TITLE: SITE PLAN - OPTION A

PROJECT No: 2015-143 DRAWN BY: R. FROUCH / P.D.

CHECKED BY: P. DECLERCK CHECKED BY: A.N.

DRAWING No: SCALE AS SHOWN DATE: DECEMBER 11, 2015

SP1

DATE: REVISION No:



CAIRNS ENGINEERING INC

145 INDUSTRIAL COURT 'B' UNIT 3
SAULT STE. MARIE ONTARIO P6B 5Z9
PHONE- 705-254-7640 FAX-705-254-2555

Pat Schinners

From: Peter Tonazzo
Sent: Tuesday, February 16, 2016 12:43 PM
To: Pat Schinners
Subject: FW: 127 Pilgrim Street

From: alex elder [<mailto:atesail131@gmail.com>]
Sent: Tuesday, February 16, 2016 12:39 PM
To: Peter Tonazzo
Subject: 127 Pilgrim Street

Mr. Tonnazo: This email is in response to the Notice of Application and Public Meeting I received in connection with the property at 127 Pilgrim Street.

I own the property immediately adjacent to this property to the north.

I have several concerns with his plan to convert the existing duplex into a 4-plex.

The building is built four feet from our common property line. It should be at least 6 feet according to the city's plot plan.

The owner also does not maintain the eavestroughs along the property line. They are full of debris. During heavy rains, water runs directly onto my property.

In addition, the finished gradeline has been elevated dramatically above my property grade, so that much of the surplus water runs onto my property causing deep puddles.

Spring runoff from his snowbanks build up along the common property line add significantly to the water issues. In a wet spring or fall there is flooding in my backyard.

Please acknowledge receipt of this email to atesail131@gmail.com? Thank you...

Alex Elder

131 Pilgrim Street, Apt. 1

Sault Ste. Marie, ON

P6A 3E8



2012 ORTHO PHOTO

127 PILGRIM STREET

Planning Application: A-4-16-Z



METRIC SCALE
1 : 2000

ROLL NUMBER
020-043-094-01

MAP NUMBERS
8 & 1-3

MAIL LABEL ID
A-4-16-Z

Legend



Subject Property = 127 Pilgrim Street



SUBJECT PROPERTY MAP

127 PILGRIM STREET

Planning Application: A-4-16-Z



METRIC SCALE
1 : 2000

ROLL NUMBER
020-043-094-01

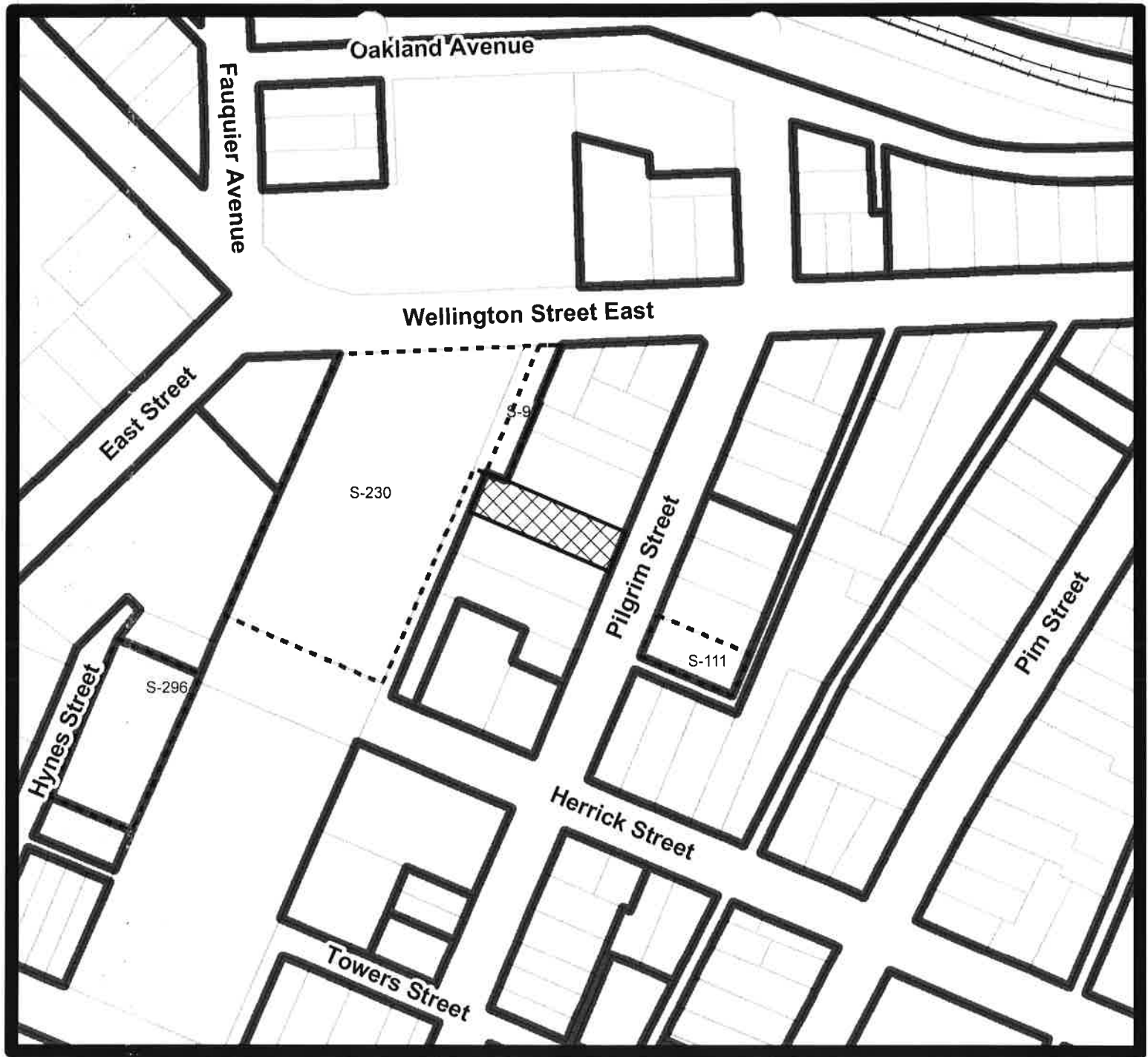
MAP NUMBERS
8 & 1-3

MAIL LABEL ID
A-4-16-Z

Legend



Subject Property = 127 Pilgrim Street



EXISTING ZONING MAP

127 PILGRIM STREET

Planning Application: A-4-16-Z

Legend

- | | | | |
|--|---------------------------------------|---|------------------------------------|
|  | Subject Property = 127 Pilgrim Street |  | C2 - Central Commercial Zone |
|  | R3 - Low Density Residential Zone |  | CT2 - Commercial Transitional Zone |
|  | R4 - Medium Density Residential Zone |  | M3 - Heavy Industrial Zone |
| | |  | S-# - Special Exemption Zoning |



METRIC SCALE
1 : 2000

ROLL NUMBER
020-043-094-01

MAP NUMBERS
8 & 1-3

MAIL LABEL ID
A-4-16-Z

THE CORPORATION OF THE CITY OF SAULT STE.MARIE

BY-LAW 2016-26

OFFICIAL PLAN AMENDMENT: A by-law to adopt Amendment No. 216 to the Official Plan for the City of Sault Ste. Marie (Soo Environmental Services Inc. – 445 Sherbourne Street)

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 21 of the *Planning Act*, R.S.O. 1990, c. P.13 and amendments thereto, **ENACTS** as follows:

1. The Council hereby adopts Amendment No. 216 to the Official Plan for the Sault Ste. Marie planning area in the form attached hereto.
2. Subject to any referrals under the Planning Act, this by-law shall come into force on the date of its final passing.

PASSED in open Council this 7th day of March, 2016.

MAYOR – CHRISTIAN PROVENZANO

CITY CLERK - MALCOLM WHITE

**AMENDMENT NO. 216
TO THE
SAULT STE. MARIE OFFICIAL PLAN**

PURPOSE

This Amendment is an amendment to the Text of the Official Plan as it relates to the Residential policies.

LOCATION

Plan 402 B4, Lot 37 and Lot 38 of the Kehoe and Cozen Subdivision, located on the west side of Sherbourne Street, Civic No. 445 Sherbourne.

BASIS

This Amendment is necessary in view to permit a repair and maintenance operation within a Residential area.

The proposal does not conform to Residential Policies set out in the Official Plan

Council now considers it desirable to amend the Official Plan.

DETAILS OF THE ACTUAL AMENDMENT & POLICIES RELATED THERETO

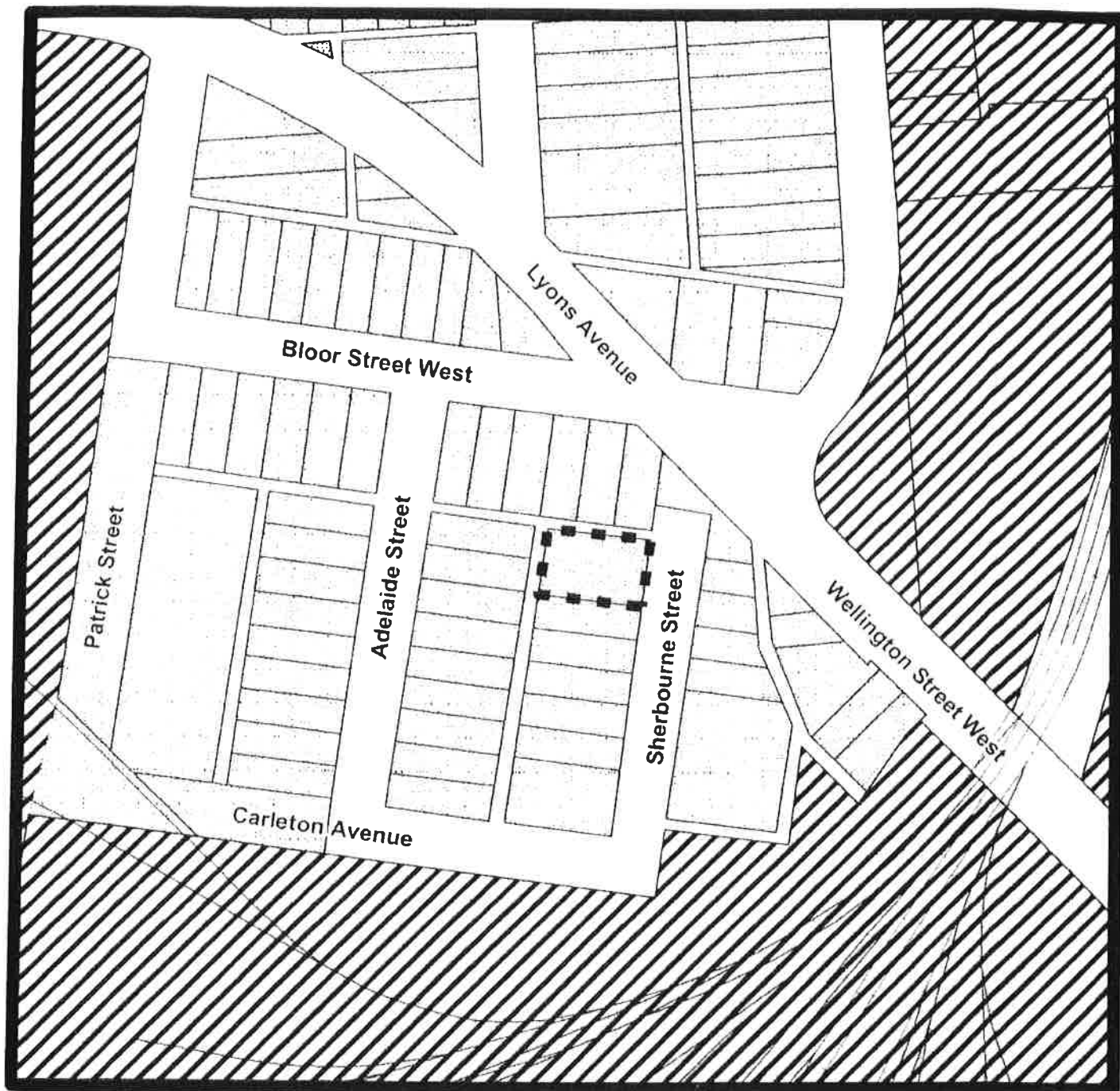
The Official Plan for the City of Sault Ste. Marie is hereby amended by adding the following paragraph to the Special Exceptions Section:

"Special Exceptions"

144. Notwithstanding the Residential policies of the Official Plan, lands described as Plan 402 B4, Lot 37 and Lot 38 of the Kehoe and Cozen Subdivision, located on the west side of Sherbourne Street, Civic No. 445 Sherbourne may be used for a limited number of commercial and light industrial uses, as stipulated in the associated Zoning By-law.

INTERPRETATION

The provisions of the Official Plan as amended from time to time will be applied to this Amendment.



OFFICIAL PLAN LAND USE (Schedule "C")

445 SHERBOURNE STREET

Planning Application: A-3-16-Z-OP

MAIL LABEL ID
A-3-16-Z

MAP NUMBERS
39 & 1-58



Subject Property = 445 Sherbourne Street

OP LAND USE DESIGNATION



Residential



Industrial

ROLL NUMBER
050-001-088-00



METRIC SCALE
1 : 2000

OFFICIAL PLAN
AMENDMENT
NUMBER

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

BY-LAW NO. 2016-27

ZONING: A by-law to amend Sault Ste. Marie Zoning By-laws 2005-150 and 2005-151 concerning lands located at 445 Sherbourne Street (Soo Environmental Services Inc.).

THE COUNCIL of The Corporation of the City of Sault Ste. Marie, pursuant to section 34 of the *Planning Act*, R.S.O. 1990, c. P.13 and amendments thereto, **ENACTS** as follows:

1. **445 SHERBOURNE STREET; PLAN 402 B4, LOT 37 AND LOT 38 OF THE KEHOE AND COZEN SUBDIVISION, LOCATED ON THE WEST SIDE OF SHERBOURNE STREET**

The zone designation on the lands described in section 2 of this by-law, which lands are shown on Map 1-58 of Schedule “A” to By-law 2005-150, is changed from R3.S (Low Density Residential) Zone with a “Special Exception” to R3.S (Low Density Residential) Zone with an amended “Special Exception”.

2. **BY-LAW 2005-151 AMENDED**

Section 2 of By-law 2005-151 is amended by repealing section 2(747) and adding the following subsection 2(747) and heading as follows:

“2(747) 445 Sherbourne Street

Despite the provisions of By-law 2005-150, the zone designation on the lands described as Plan 402 B4, Lot 37 and Lot 38 of the Kehoe and Cozens Subdivision, located on the west side of Sherbourne Street, and having Civic No. 445 Sherbourne Street and outlined and marked “Subject Property” on the map attached as Schedule 747 hereto is changed from R3.2 (Low Density Residential) Zone with a “Special Exception” to R3.S (Low Density Residential) Zone with an amended “Special Exception”, such that the uses on the Subject Property shall be limited to the following uses only:

1. Carpenter’s shop
2. Custom workshop
3. Electrician’s shop
4. Plumber’s shop
5. Painter’s or Decorator’s Shop
6. Service Shop

7. Automobile body shop, when conducted within a wholly enclosed building
8. Taxi yard
9. Repair and Maintenance, subject to the following conditions:
 - i. that a 3 metre (10') by 18 metre (59') landscape strip be provided along the frontage, beginning at the southerly property line;
 - ii. that a minimum of four (4) trees (a minimum of 1.82 metres (6') in height) be planted and maintained;
 - iii. that no garbage bins are permitted to be stored within 3 metres (10') from the southerly property line;
 - iv. that no outdoor storage be permitted, excluding vehicles awaiting repair; and
 - v. that all repair and maintenance be conducted entirely within the existing building.

3. **SCHEDULE "A"**

Schedule "A" hereto forms a part of this by-law.

4. **CERTIFICATE OF CONFORMITY**

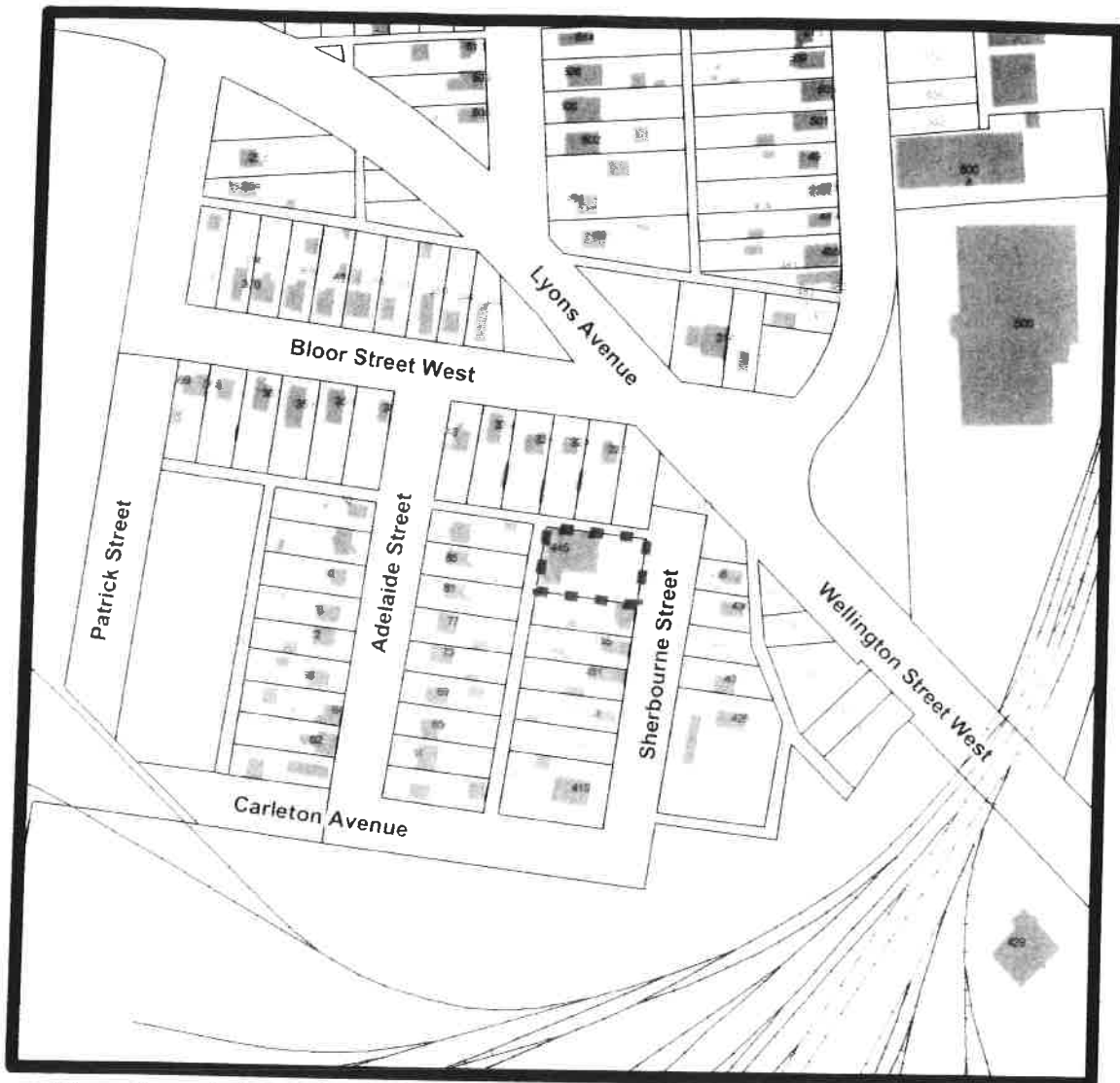
It is hereby certified that this by-law is in conformity with the Official Plan for the City of Sault Ste. Marie authorized and in force on the day of the passing of this by-law.

PASSED in Open Council this 7th day of March, 2016.

MAYOR – CHRISTIAN PROVENZANO

CITY CLERK – MALCOLM WHITE

SCHEDULE "A" TO BY-LAW 2016-27



SUBJECT PROPERTY MAP

445 SHERBOURNE STREET

Planning Application: A-3-16-Z-OP

Legend

 Subject Property = 445 Sherbourne Street



METRIC SCALE
1 : 2000

ROLL NUMBER
050-001-088-00

MAP NUMBERS
39 & 1-58

MAIL LABEL ID
A-3-16-Z