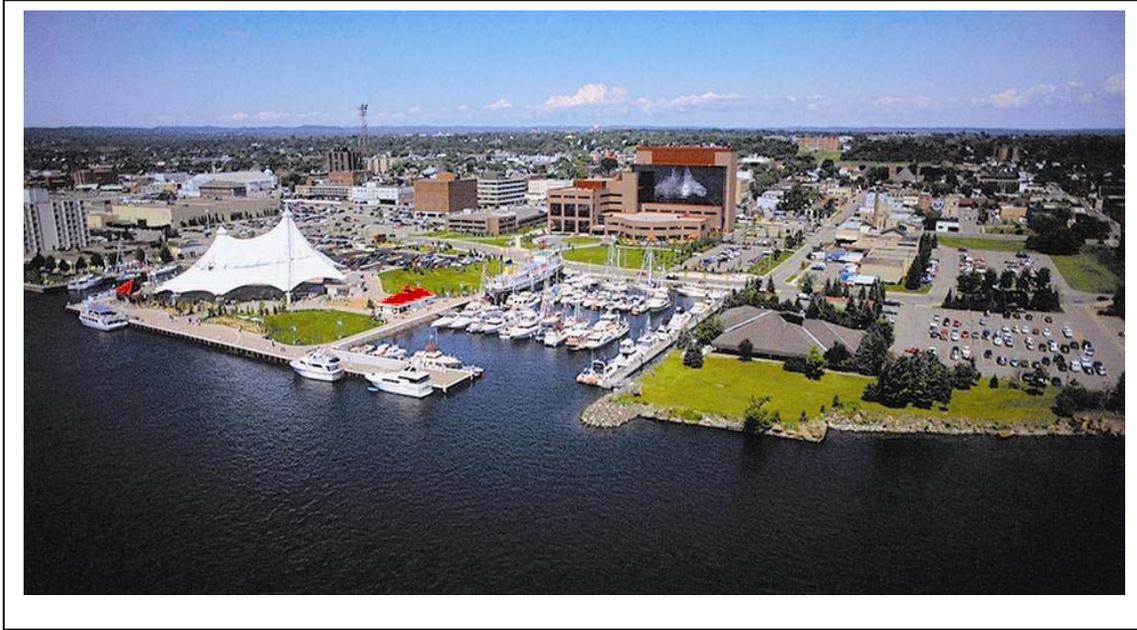


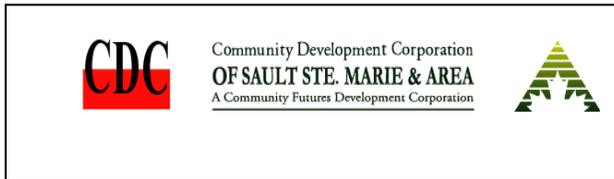
# Destiny Sault Ste. Marie



Prepared by the Sault Ste. Marie Economic Diversification Committee

*With the assistance of  
Transitions Training and Consulting  
Sault Ste. Marie, On*

*March, 2003*



Funding for this project  
was provided by FedNor

## **TABLE OF CONTENTS**

<b>EXECUTIVE SUMMARY .....</b>	<b>2</b>
<b>PART ONE: CONTEXT AND OVERVIEW OF THE FRAMEWORK.....</b>	<b>7</b>
Introduction: A Road to the Future .....	7
The Vision .....	7
Goal .....	7
The Plan .....	7
Where Destiny SSM Fits .....	8
Objectives of The Destiny SSM Strategy .....	9
The Global Context.....	10
Background: The Issue.....	12
Initiatives to Stimulate the Economy .....	12
Some Recent Successes & Lessons.....	13
The Destiny Sault Ste. Marie Strategy .....	16
The Current Initiative .....	17
Getting On With It.....	18
Opportunities and Resources.....	17
Estimated Total Cost of Recommended Initiatives.....	19
<b>PART TWO: IMPLEMENTATION APPROACH AND PRIORITIES .....</b>	<b>21</b>
Actions Pertaining to the Strategy.....	21
Objectives of The Destiny SSM Strategy .....	22
Alignment and Connectivity .....	23
Evaluating and Choosing Suitable Initiatives .....	24
Results of Recommended Initiatives .....	25
Implementation and Accountability.....	25
<b>Growth Engines.....</b>	<b>27</b>
GE #1: Traditional and New Industry Development .....	30
GE #2: Tourism Development .....	35
GE #3 : Small Business Development .....	41
GE #4: Knowledge-based Development.....	44
GE #5: Health, Social and Public Sector Development.....	51
GE #6: Export Development.....	54
Building an Extraordinary Community & Naturally Gifted .....	56
<b>PEOPLE AND LIFESTYLE .....</b>	<b>57</b>
<b>CONCLUSION.....</b>	<b>59</b>

## Executive Summary

What will Sault Ste. Marie look like in five, ten and twenty years? Will we be a vibrant community, with a diversified and healthy economy? The City of Sault Ste. Marie has undertaken a major adjustment process to manage the social and economic changes that faced the community after Algoma Steel's restructuring. This report focuses on actions to achieve a major social and economic adjustment.

In developing this Economic Diversification Strategy (Destiny SSM), the Destiny SSM Steering Committee consulted with various stakeholders including Federal, Provincial, and Municipal governments, businesses, organizations, and members of the community. They reviewed previous strategies, developed an organizational and planning framework, arranged key stakeholder interviews and invited public participation through community workshops. A "Draft" Strategy was presented to City Council in November of 2002. Immediately thereafter, the Draft underwent a comprehensive three month stakeholder and community review process. This report has been modified to reflect input received through that process.

The Committee was constantly aware that economic development is driven by the private sector and the need for a business environment that ensures Sault Ste. Marie is "open for business." This strategy will facilitate and support private sector business initiatives and leadership.

Destiny SSM is a tool by which our progress toward long term goals will be managed, monitored and evaluated. It is an opportunity and challenge to make a new and better community. Within a strategic framework, the goal is to identify: *"an approach to developing, facilitating, implementing and managing a specific set of targeted growth and diversification initiatives and projects that will create employment to support a growing population base in Sault Ste. Marie and the Region."* Implementation is scheduled to occur over the next two years with strategic results occurring for the next decade.

FedNor has contributed \$500,000 to be used for the preparation, promotion, management and implementation of this Strategy. The City has currently ear-marked \$2.5 million to be used toward identified priorities. This seed funding will enable the community to access additional Federal, Provincial and Private Sector contributions including the FedNor \$3 million available for Sault Ste. Marie initiatives and the Northern Ontario Heritage Economic Diversification Assistance Program.

The Committee identified approximately one hundred initiatives under six key "Growth Engines" (Traditional and New Industry, Tourism, Knowledge-based, Health, Social and Public Sector, Small Business and Export Development). All initiatives are important to Sault Ste. Marie's economy. Many initiatives are underway. Others address identified gaps and require further development. Thirty-one, because of their readiness and/or key importance, are recommended for immediate implementation. When completed, these thirty-one recommended initiatives will create up to 1,500 direct jobs and another 1,500 jobs elsewhere in the community. Associated construction jobs will provide additional employment. Eventual benefits of successful implementation of this overall Strategy are expected to result in a total of 8,000 jobs and \$2 million additional municipal tax base within ten years.

Investment associated with completing nineteen of the thirty-one initiatives is nearly \$102 million. The costs associated with the remaining twelve recommended initiatives will be determined as the projects are developed. Costs in millions of dollars are shared as follows: Federal Government \$8.6, Provincial Government \$29.6, Municipal Government \$10.8, Private \$51.7 and other \$1.2<sup>1</sup> for a total cost of \$102 million. (In addition to the \$2.5 million, the City's cost share includes specific project funds such as the new arena, industrial land development, and waterfront boardwalk).

Prioritization of initiatives is based on a comprehensive set of evaluation criteria and expertise. Destiny SSM will be a dynamic process able to adapt to changing opportunities and initiatives. Its implementation will require ongoing involvement of the Destiny SSM Steering Committee, a staff Implementation Team and community stakeholders.

### **Summary of Initiatives Recommended for Immediate Action**

#### **Traditional and New Industry Growth Engine:**

**Industrial Marketing Strategy Recommendation:** *That the Industrial Marketing Strategy Steering Committee prepare a proposal describing anticipated benefits and costs associated with an expanded industrial marketing strategy program.*

**Aircraft Industrial Opportunity Recommendation:** *That the Steering Committee and Industrial Marketing Strategy Steering Committee continue to seek government financing for leasehold improvements subject to proponent securing a 10 year lease for an upgraded (leasehold improvements) site.*

**Industrial Land Development Program Recommendation:** *That NOHFC and FedNor be encouraged to approve the requested funding for land acquisition and servicing as quickly as possible.*

**Odena Rail Spur Recommendation:** *That FedNor be encouraged to approve the requested funding as quickly as possible.*

**Galvanizing Steel Facility Recommendation:** *That FedNor be encouraged to approve the requested funding to complete the feasibility study as quickly as possible. The Steering Committee continue to work with Lappin Industries in completing the business plan, private sector investment, and negotiations with ASI to set up a facility in the Sault.*

**Air Cargo Recommendation:** *That City Council assign responsibility for implementing the feasibility study recommendations that can be undertaken with the existing airport facilities, to the Industrial Marketing Strategy Committee. This can be done within the existing budget allocation for the Transpolar Air Cargo project. The remaining \$80,000 from the Transpolar Air Cargo account will be reassigned to the Industrial Marketing Strategy Committee to continue this initiative.*

**New Comprehensive Zoning By-law Recommendation:** *That the City complete this project within the two year time frame.*

---

<sup>1</sup> e.g. CDC, EDC, Airport Development Corp., Sault College, Algoma University Science Works! Partnership, RAPIDSUCCESS

**Tourism Development Growth Engine:**

**Gateway Project Feasibility Study and Business Plan Recommendation:** *That City staff continue to work with the developer and consultants to finalize the Feasibility Study and Business Plan. No additional funding is required at this time.*

**Searchmont Resort Recommendation:** *That the CDC and the multi-agency steering committee continue to meet with the new owner of the Resort. The remaining \$75,000 (from recent study work), should remain available to the CDC to assist with appropriate expansion plans for the resort.*

**Sault Ste. Marie Canal Recommendation:** *That the Federal Government be encouraged to implement the recommendations of the East End Area Development Plan of the Sault Ste. Marie Canal National Historic Site as quickly as possible.*

**New Arena Project Recommendation:** *That the City approve up to \$100,000 from the Economic Development Fund to retain professional assistance with this project.*

**Museum Ship Norgoma & Marine Heritage Centre Recommendation:** *That representatives of the Steering Committee and appropriate federal, provincial, and municipal officials meet with representatives of the St. Mary's River Marine Centre to develop a phased approach to implement this initiative.*

**Tourism SSM Recommendation:** *That Tourism Sault Ste. Marie along with its partners develop a multi-year application to FedNor and NOHFC for an additional minimum of \$200,000 to help diversify the tourism product offerings and expand the markets.*

**Animation Centre Recommendation:** *That FedNor and NOHFC be encouraged to approve the requested funding for a detailed study as quickly as possible. The required City funding (\$18,000) has already been committed from the City's Economic Development Fund.*

**Bushplane Heritage Centre Recommendation:** *That the appropriate Federal, Provincial and Municipal officials meet with Bushplane Centre representatives to develop an overall approach to long-term viability and expansion.*

**Waterfront Boardwalk/Clergue Park Recommendation:** *That the City make application to FedNor and NOHFC for additional funding to implement the first phase of the Clergue Park Master Plan.*

**Downtown Trolley Recommendation:** *That a task force with representatives from the Tourism Solution Council, Tourism SSM, Downtown Association and City staff be formed to identify the costs, options, benefits and potential funding sources associated with operating a "pilot project" next year.*

**Small Business Growth Engine:**

**Bridge Business Plan Recommendation:** *Recommend funding of \$5,000 from the City's Economic Development Fund to support BRIDGE's efforts in the 2002/2003 Academic year.*

**Business Website/Portal Recommendation:** *That the CDC proceed in developing a proposal, secure funding through the FedNor internship program and secure funding from the City Economic Development Fund.*

**Knowledge Based Growth Engine:**

**AUC Information Communications Centre Recommendation:** *That FedNor and NOHFC be encouraged to approve their requested portions of construction funding for this project as quickly as possible.*

**E-Commerce Contact Centre Recommendation:** *That the Steering Committee secure a tenant for this facility (long-term lease and private financial commitment of \$3.7 million) by the Spring of 2003.*

**Innovation Centre Construction Recommendation:** *That the Sault Ste Marie Innovation Centre finalize their construction cost requirements, secure a Call Centre proponent and commence construction of a new facility in 2003.*

**Science Works! Recommendation:** *That an application be prepared for NOHFC consideration for \$75,000 towards the cost of a study to further develop the concept and that City Council approve \$12,500 for this project from the Economic Development Fund.*

**Upper Lakes Environmental Research Network (ULERN) Recommendation:** *That ULERN, in partnership with the private sector prepare a proposal for expanded services.*

**Innovation Centre Operations Recommendation:** *That FedNor be encouraged to support third year funding for the Sault Ste. Marie Innovation Centre, and that the SSMIC continue to develop initiatives that support ongoing efforts to expand the level of local participation in the knowledge based economy and stimulate economic activity in the Information Technology (IT) sector.*

**ADNet Bandwidth Recommendation:** *That ADNet in conjunction with its partners proceed with the expansion of the high-speed bandwidth project and further investigate the feasibility of soft switch technology in the Algoma District.*

**Sault College Railroad Training Institute Recommendation:** *That Sault College finalize the evaluation for a proposed Railway Training Institute in Sault Ste. Marie.*

**Health, Social and Public Sector Growth Engine:**

**Public Sector Employment Recommendation:** *That the City develop a strategy for a direct marketing campaign to promote to both the Federal and Provincial governments on the many benefits of maintaining and increasing employment in Sault Ste. Marie. This initiative has an estimated cost of \$200,000 over three years.*

**Export Development Growth Engine:**

**Export Development Initiative Recommendation:** *That RAPIDSUCCESS Business Growth Inc. fully implement the Export Development initiative as quickly as possible.*

**BEC & Naturally Gifted – (Apply to all Growth Engines):**

**Building an Extraordinary Community Recommendation:** *That the BEC Quality Leadership Team finalize a business plan to present to the Steering Committee and appropriate funding agencies for funding consideration.*

**Naturally Gifted Campaign Recommendation:** *That the SSMEDC develop the concept, business plan, and partners to bring back to the Destiny Steering Committee for consideration.*

**In Summary**

Economic development activity occurs primarily in the private sector. It is the belief of the Destiny SSM Steering Committee that action taken by the three levels of government must foster private development, not replace it. Government and community economic development agencies, in collaboration with private-sector leadership, must facilitate Sault Ste. Marie's growth and competitiveness in the new economy.

If Sault Ste. Marie is to grow in this new century, we must work together. Economic development efforts cannot be accomplished without active, responsive public, private and public/private partnerships. Support from citizens, business, education and government are critical in addressing economic development, especially areas such as knowledge-based, traditional and new business, small business, export, tourism, and the public sector. Together, we will ensure that Sault Ste. Marie is "open for business."

As Destiny SSM gains additional input and community support in the next few months, we must all realize that our task has only begun. Constant performance review must occur to ensure we are aligned with our goals and opportunities. Only with continual assessment, refinement, and evaluation can this framework benefit all Saultites in the long term.

Participation and support from all sectors and citizens is essential for economic diversification and we encourage all Saultites to actively champion and own the initiatives. With strong community involvement and support, we will develop a vibrant economy in Sault Ste. Marie.

Part One of this report, "*Context and Overview*" provides an overview of the City's present economic situation. It highlights the circumstances leading up to, and including, the development of this Strategy. Part Two, "*Implementation Approach, Strategies and Priorities*" outlines how the strategy will be implemented and managed. It also identifies goals and objectives and highlights priority initiatives. Regular updates and an accountability matrix will be part of the Destiny SSM implementation process.

## Part One: *Context and Overview of the Framework*

### Introduction: A Road to the Future

A healthy economy is essential to Sault Ste. Marie’s vitality and quality of life. It provides jobs for local residents and the tax base for infrastructure, schools, parks, public safety, and other public facilities and services. While the region’s natural setting sets the stage and determines the parameters within which economic development may take place, virtually every other feature of community life stems from the area’s economic health.

The City of Sault Ste. Marie (SSM) is dealing with significant challenges as it seeks to diversify and strengthen its economic base. Algoma Steel’s restructuring necessitated a major adjustment process to manage the social changes that faced the community and to re-build and strengthen the local economy. To quote William Jennings Bryan; *“Destiny is not a matter of chance, it is a matter of choice. It is not something to be waited for, it is something to be achieved.”* The SSM Economic Diversification Steering Committee, which will hereafter be referred to as the Destiny SSM Steering Committee was tasked to develop an Economic Diversification Strategy for SSM and area. Its purpose is to guide the City’s economic development efforts to create a stronger, more diversified economy in Sault Ste. Marie.

### The Vision

*Together, the private and public sectors and the community will work to make and maintain Sault Ste. Marie a leader in creating sustainable employment in a healthy, growing and diversified economy.*

The vision is a bold challenge demanding involvement and commitment. We must fully support existing Sault Ste. Marie businesses and the creation of new business opportunities for our citizens. It will take the commitment of everyone involved to join together to create new jobs and build a better future for Sault Ste. Marie.

### Goal

Destiny SSM, is a strategic framework for economic diversification of our City. Its goal is to:

*“To develop, facilitate, implement and manage a specific set of targeted growth and diversification initiatives and projects that will create employment to support a growing population base in Sault Ste. Marie and the region<sup>2</sup>.”*

### The Plan

An important role of Government is to foster economic development. The community economic development agency’s role is to coordinate economic

---

<sup>2</sup> Overall Goal, Destiny SSM

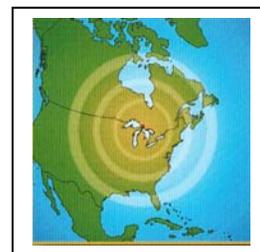
development that supports the private sector's role in business development and job creation. We must utilize public-private partnerships as we grow and diversify the economy.

Throughout the development of this Strategy, the Steering Committee maintained an acute awareness that future economic growth has to be driven by the private sector. The Strategy is intended to provide a framework from which SSM's public and private sector can contribute to the City's economic vitality. The goals and strategies set forth in this document were developed with one comprehensive end result in mind: to support, retain, expand and attract sustainable economic activity that makes SSM a better place to live and work.

This Strategy compiles selected economic studies data and analyses from a variety of sources. It summarizes actions along several dimensions that demonstrate how SSM is working closely with the community and all levels of government to encourage quality growth and foster economic well-being. It outlines a coordinated plan for the management and implementation of economic growth and diversification for the City.

It identifies and addresses six key Growth Engines which form the basis for grouping and evaluating projects and initiatives.

- Traditional and New Industry Development
- Tourism Development
- Knowledge-based Development
- Health, Social and Public Sector Development
- Small Business Development
- Trade and Export Development



Within each Growth Engine, the report identifies specific goals, objectives, strategies and activities necessary to make the initiative happen. It provides a framework to facilitate economic growth and guide investors, non-government organizations and federal, provincial and municipal governments as we strive towards mutual benefits of economic prosperity in a diversified, growing and vibrant community.

Destiny SSM highlights a number of possible actions and includes a priority list of thirty-one recommended initiatives that will be completed in approximately two years, subject to funding. It is a living strategy with built-in mechanisms to enable regular evaluation and ongoing response to changing circumstances and new initiatives. It also identifies numerous opportunities that require further development, sponsorship and promotion.

#### Where Destiny SSM Fits

Successful economic diversification requires leadership, teamwork, cooperation, partnership and communication between proponents and the various community and government agencies affected. It requires working closely with, and supporting private and public sector initiatives. Some of the key players that will influence the success of this strategy include:

- City Council: As elected representatives, the leadership and support of City Council is critical to the economic diversity of Sault Ste. Marie. During the

development and review of this Strategy we were regularly reminded of the importance of visionary and consistent City Council. The messages and actions the community receives from Council will greatly impact on the success or failure of our Strategy.

- Federal and Provincial Governments: These bodies have contributed significantly to the preparation of this Strategy. Their continued participation is essential to its successful implementation (e.g. financial, favourable legislation and policies, advice and guidance). Our MP and MPP have both expressed strong support for this Strategy.
- Community Organizations and Agencies: There are numerous organizations whose influence on the strategy is significant. Some of the more direct participants include the SSM Economic Development Corporation (SSMEDC), Community Development Corporation of Sault Ste. Marie and Area (CDC) and City staff. These three organizations were responsible for the initial strategy development.

Other important business support agencies and partnerships include RAPIDSUCCESS, Industrial Research Assistance Program (IRAP), BEC Quality Initiative, Chamber of Commerce, Sault Ste. Marie Innovation Centre, Adnet, Algoma University College, Sault College, and Safe Communities Partnership.

Implementation of Destiny SSM will involve close cooperation between the above and many other organizations to ensure that the appropriate proponents and initiatives receive the necessary support. Destiny SSM's emphasis will be on those projects and initiatives that have the potential to maximize overall community economic benefits and provide a foundation for future success. More detail on how this will occur can be found in Part Two of this report.

## Objectives of Destiny SSM

The primary objectives or outcome from Destiny SSM is to develop an approach<sup>3</sup> that by 2012 will result in:

1. Restoring Sault Ste. Marie's population to at least the peak of approximately 82,000 that was reached in the mid 1980's. We will do this by targeting 8,000 new jobs over the next ten years.<sup>4</sup>
2. Ensuring sufficient assessment and tax revenues to continue to provide and care for municipal infrastructure and services. Our objective is an additional \$2,000,000 in annual municipal tax revenues.
3. Ensuring that limited municipal and other public resources including financial, are targeted to investments that support the timely achievement of a stabilized,

---

<sup>3</sup> Objectives are from the original Growth Mandate Strategy

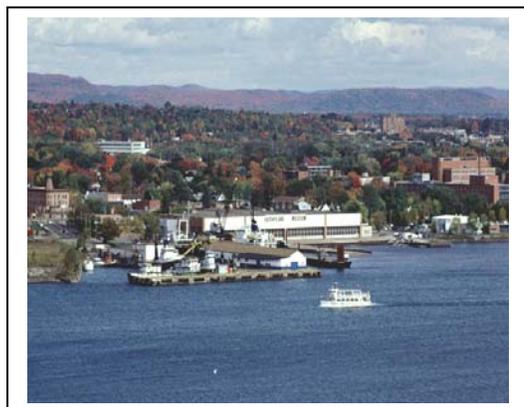
<sup>4</sup> It is calculated that a minimum of 4,000 new jobs are required to maintain our existing population and an additional 4,000 to expand the population to approximately 82,000

then diversified and growing local economy and workforce that supports achievement of the targets set out in Objectives 1 and 2 above.

4. Creating an environment wherein the private sector becomes the lead and/or primary driver with respect to the financing of economic development initiatives.

We will meet these objectives by:

1. Building upon past economic and planning efforts.
2. Recognizing the need to protect, expand, and ensure the health of existing industries.
3. Identifying, defining, and assessing a specific set of projects and initiatives to be undertaken over the next two years that will substantially contribute to the diversification of SSM.
4. Ensuring these projects or initiatives are integrated into a diversification strategy that includes sector specific strategies. The sector strategies define reasonable objectives and identify activities and projects already underway that support the new projects or initiatives.
5. Ensuring that the diversification strategy is consistent over a sustained period of time i.e. a two year initiative that will result in long-term benefits.
6. Managing, implementing, and evaluating the diversification strategy and the projects and initiatives in a focused, coherent, pragmatic and professional manner.
7. Securing public funding and opportunities, and leveraging investment from other sources e.g. private sector.
8. Ongoing community and stakeholder awareness and participation through stakeholder participation on the Steering Committee, organized focus groups and regular updates to City Council and the community.
9. Communicating to the community what has and is being undertaken to diversify the local economy.
10. Measuring, reporting on, and evaluating results.
11. Promoting and marketing our successes.
12. Promoting quality principles to encourage continuous quality improvement.
13. Linking Destiny SSM with global strategies.



The Global Context

With improved transportation and technology, free trade and other market influences, there have been significant changes over the past few years in the way global business is conducted. Communities must be prepared to compete for the opportunity to host successful businesses. Companies are putting more emphasis than ever on selecting the most suitable communities in which to establish and expand their operations. To compete in this environment, Sault Ste. Marie must be prepared to provide not only a suitable business environment but also a competent labour force, education and training opportunities and a quality lifestyle.

We can learn from past experience and from the actions of other communities and jurisdictions. National and international competition has resulted in some very creative approaches which may provide lessons for Ontario in general and Sault Ste. Marie in particular. For example, Michigan has developed a strategy to boost its life sciences corridor by promoting the concept of clusters of specialized activity such as the Smart Zone concept. All property taxes collected in these zones can be spent within the zone on projects to improve their competitiveness. The state government compensates the city for the lost tax revenue.

Likewise, for SSM to compete with other areas, adequate infrastructure and land supply need to be in place. SSM must have commercial and industrial sites that are the right size, in the right place, appropriately planned and zoned, and with adequate infrastructure.

We must look for opportunities to work with other communities, agencies and governments. A recent example of communities working together is exemplified in the Halifax/Moncton area. After decades of trying to outbid each other to attract business, the two cities have set up an economic development partnership to promote a joint regional corridor. Sault Ste. Marie continues to network with other communities to bring economic development to the region.

Canada has a Federal Innovation Strategy that is outlined in two policy papers, *Achieving Excellence* and *Knowledge Matters*. *Achieving Excellence* notes that; *“If Canada is going to compete, we need to move faster and work smarter than our competition. This requires a strategic and systematic approach. Equally important, it requires a culture that values excellence and entrepreneurship.”* This document recognizes the need to strengthen communities and local innovation so they can continue to be *“magnets for investment and opportunity.”* On a similar note, the goals of the *Knowledge Matters* paper include that; *“All qualified Canadians have access to high-quality post-secondary education”* and *“To ensure Canada’s current and emerging workforce is more highly skilled and adaptable.”* Sault College and Algoma University are well situated to take advantage of these goals as recently demonstrated in specific training programs designed for casino workers and call centre employees. We have reviewed provincial and federal documents and have linked our objectives into provincial and federal priorities.

Ontario has undertaken a number of initiatives of importance to Sault Ste. Marie. In April 2002, the Northeastern “Smart Growth” panel was established to advise the government on a long-term strategy to promote growth in Northeastern Ontario, including Sault Ste. Marie. The panel will advise the Ontario Government on strategies to diversify the economy, explore how the competitive advantages of the northeast can be marketed and examine the need for improving access and usage of new

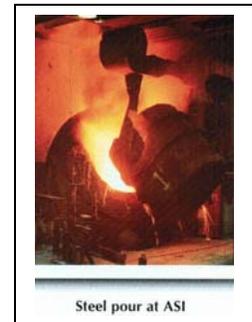
technologies. Sault Ste. Marie does not have a representative on this panel and the City continues to lobby to achieve this goal. Another Ontario initiative is the Northern Ontario Heritage Fund, through which Ontario has also established the Economic Diversification Assistance Program to promote economic development opportunities in Northern Ontario communities.

The success of Sault Ste. Marie's diversification strategy is dependent on community support and commitment. However, it will also require creativity, partnering and a willingness to take advantage of every possible opportunity to promote or strengthen our strategy. We cannot go it alone. If Sault Ste. Marie is to prosper, we must continuously search out and support opportunities, initiatives and partnerships between governments, industry, the private sector and non-government organizations.

#### Background: The Issue

For the past 100 years, Algoma Steel (ASI) has been the primary industry in Sault Ste. Marie. This significant dependence on a single industry has brought both prosperity and challenges to the Sault. At its peak in 1981, ASI employed almost 12,000 people. By 2002, that number has dwindled to less than 4,000. In 1991, Statistics Canada recorded a population of 82,000 while today the Sault population is estimated at approximately 74,000.

The combined affects of recent restructuring and downsizing of ASI, and "out migration" have resulted in reduced community growth, loss of talent, out-migration of young people and municipal tax increases.



#### Initiatives to Stimulate the Economy

Beginning in the early 1990s following the first restructuring of ASI, the City, working with industry and the Federal and Provincial Governments, has undertaken a number of initiatives directed at economic stimulus and diversification. These undertakings included:

**RAPIDS:** This acronym stands for Research, Action, Promote, Infrastructure, Delegate, Support. As part of the task of coming to grips with the economic and social challenges of the day, a "Round Table" consisting of representatives of all levels of government was established. This group generated the RAPIDS planning process resulting in the development in March, 1992 of a "Strategic Implementation Plan" for SSM. This plan identified projects and initiatives to help diversify the local economy and many of these initiatives were successfully implemented. Notably, the RAPIDS Plan placed the primary burden of responsibility for the development of these projects and initiatives on the City and SSM Economic Development Corporation (SSMEDC) rather than the community stakeholders.

**Sault Ste. Marie Strategic Plans:** Building on the information gained from the RAPIDS process, in 1994 the City developed the "Focus 2020-Community Development Strategy." This land-use strategy encompassed community, economic,

social and physical development issues. In 1996, building on Focus 2020 and other community initiatives, the City produced a new Official Plan.

**Building an Extraordinary Community (BEC):** In 1998, the BEC process was initiated. This three-year grassroots community strategic planning process helped determine objectives for the community. It was supported with Federal, Provincial and Municipal funding and hundreds of volunteers worked to develop a community plan to promote growth and improvement in the City. Although the plan was very broad, it has generated a renewed focus on economic development, particularly in the areas of community economy and tourism. The BEC Strategic Plan vision for the economy is that: “*Sault Ste. Marie is leading the global economic evolution as a vibrant community passionately committed to new and existing ventures.*”

**Sault Ste. Marie Industrial Marketing Strategy:** Price Waterhouse Coopers conducted this study under the guidance of an Industrial Marketing Committee, comprised of representatives from the City, CDC, SSMEDC, Airport Development Corporation, MNDM, and FedNor. The purpose of the study was to help SSM build upon its economic strengths, and focus its investment attraction initiatives on a select grouping of businesses and industries that represent the best opportunity for investment attraction and retention over the short-to-medium term. The focus is on development in the value added steel, value added forestry, aircraft maintenance, repair and overhaul and bio-forest related industries. Implementation began in January 2002.

**Industrial Land Study:** This study was conducted in 2000. It reviewed candidate sites for future industrial development, recommends potential sites for future industrial development, and presents preliminary cost estimates for the provision of municipal services to three sites. It concluded that Federal and Provincial funding may be available for a significant portion of the municipal servicing costs related to industrial land development.



**Growth Mandate Strategy:** In January, 2001, the City appointed a group of community representatives<sup>5</sup> to act as a “*Growth Mandate Committee.*” This committee developed a “*Growth Mandate Strategy*” designed to frame the development of initiatives and projects underway, which could contribute to the city’s economic growth, and organize and prioritize them.

**Support for Economic Development:** Over the past decade, the City has also experienced a much strengthened infrastructure for economic delivery. This includes a progressive and well-staffed Economic Development and Community Development Corporations as well as a number of not for profit organizations designed to support development. E.g. ADNet, ULERN, and SSM Innovation Centre.

## Some Recent Successes & Lessons

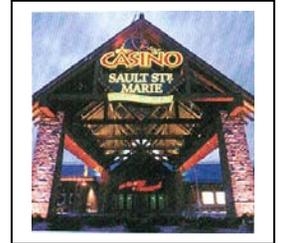
---

<sup>5</sup> City Planning Department, Chairs of EDC, CDC, ADNet, Rapids, Chamber of Commerce, Algoma University, Sault College, BEC Economy Solution Council and elected leaders through the existing Round Table Committee.

We can learn from our experience and that of other communities. Our successes and failures contain lessons that can assist us in strengthening and diversifying our economy. The following are ten such lessons.

**Lesson 1: *Moving From Dependence to Economic Self-reliance***

Sault Ste. Marie can be viable, and even prosperous. Evidence of the recent success in getting new industry to Sault Ste. Marie include the GP Flakeboard mill which generated about 100 jobs, the establishment of three call centres which generated approximately 2,000 jobs with total direct wages of approximately \$40 million, the Charity casino which invested \$53 million and employs some 500 Saultites, the Anthony Domtar mill which invested \$20 million and created 60 new jobs manufacturing solid flange I-joists, and the new Walmart store which opened its doors late January, 2003 with 220 full and part-time staff.



**Lesson 2: *Transition Need Not Take a Long Time***

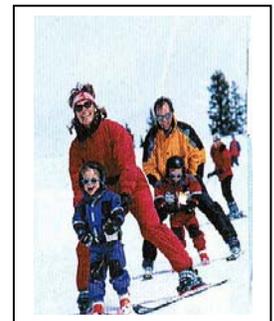
For every economic success story from dependent and have-not-status to self-reliance there is always a dramatic “before” and “after” snapshot. Sault Ste. Marie’s previous dispiriting picture of economic vulnerability and reliance on a single industry is now showing promise of a new and different snapshot. Contrary to the funeral dirge emanating the downsizing of ASI in our community, Sault Ste. Marie is aggressively pursuing new opportunities. Existing industries such as ASI, St. Mary’s Paper, and Algoma Central Railway have recently undergone successful transformations and undertaken new initiatives. Tenaris Group, one of the world leading seamless steel manufacturers, recently resurrected the former ASI tube mill (Algoma Tubes Inc.) and is now producing and shipping quality seamless tubes worldwide.

**Lesson 3: *A Strategic Plan Requires Local Responsibility and Action***

The community must assume responsibility and leadership for the development and carrying through of their own programme of economic change. Indeed, there is no dignified alternative, as dependency is a recipe for decay and demoralization. BEC is an excellent example of community strategic planning being supported with Federal, Provincial and Municipal funding and hundreds of volunteers working to develop a community plan to promote growth and improvement in the City.

**Lesson 4: *Community Empowerment***

In any jurisdiction the most important resource lies in the community acting collectively to help themselves. It is this consciousness of a community being a real actor in the determination of its own fate that seems to make the most decisive difference. Sault Ste. Marie can look to its history and culture for examples of success. The Searchmont winter ski resort is such an example. An important component to the local tourism industry, upon receivership announcement, the EDC, CDC, government and community (Searchmont Ski Association) rallied to keep the resort operating until a buyer could be found.



**Lesson 5: *Governments Working Together Can Accomplish Great Things***

Collectively government can accomplish great things. In Sault Ste. Marie, three levels of government, along with industry, recently came together to achieve agreement on a plan to save ASI. As well, Destiny SSM is built on the foundation of the three levels of government working with industry and the community.

**Lesson 6: Private Sector is The Real Economic Driver**

Economic development is driven by the private sector. Individuals and businesses acting as active agents in the community presupposes confidence and belief in economic achievement. The public sector can assist by putting in place infrastructure, funding and conditions that facilitate private sector growth. Through this alliance, we take responsibility for creating a successful and diversified economy by supporting retention and expansion of existing businesses and establishment of new ones. A prerequisite to a successful economic development program is the provision of high-quality, competitive industrial and commercial land readily available to prospective users. The Industrial Land Strategy is an example where environment was created to support private sector investment.

**Lesson 7: Exploiting Our Assets to Create Our Own Competitive Economic Space**

Economic diversification requires attention to existing and potential markets. Even in the competitive field of manufacturing, we discover reasons why Sault Ste. Marie has a future in industrial enterprise. Our successes are reflected in the traditional existence of components of the steel and forest industry. However, to grow we require access to new and external markets. A recent, non traditional, example is Filtrec. Established in 1997 to meet North American market needs, this SSM location manufactures all filters sold in USA, Canada and Mexico.

Our competitive advantages to attract and support industry include a major Great Lakes shipping route, two major international railways (CP and CN), three regional airports connected to major highway systems – Trans-Canada and US Interstate 75, advanced telecommunications, a skilled and dedicated workforce, low property taxes and low cost hydro-electric power. These attributes position Sault Ste. Marie as a regional industrial and commercial centre. The Sault's challenge is to ensure that the tools for local engagement of national and international opportunities are available.



**Lesson 8: Tax Incentives**

The City and Northern Ontario have long recognized the need for provincial legislation and regional tax reductions to attract business investment and diversify the economy. Here, Sault Ste. Marie may actually come to the rescue, offering relative tax “havens.” This incentive goes a long way toward attracting both manufacturing and service industries. In return, rewards occur in the indirect benefits in the form of jobs, income, economic diversification, and prominence. In addition to relatively low industrial taxes there may be other opportunities, for example, Michigan’s “Smart Zone” concept is redirecting taxes toward improving competitiveness. Ontario is evaluating similar concepts and SSM has applied to become one of six pilot “Tax Incentive Zones.” Another provincial initiative that may prove beneficial to SSM is the “Opportunity

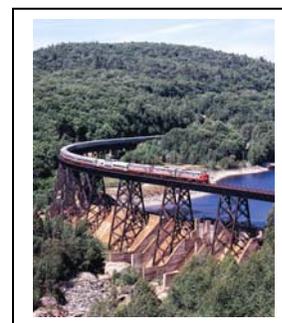
Bonds” program presently being developed by the Ontario Government and designed to stimulate private investment.

**Lesson 9: *The Devil’s in the Details***

Sault Ste. Marie itself has to find, from within, the mechanisms and the political, administrative, and entrepreneurial resources and approaches needed to create a diversified and healthy economy. This is where communities often fall down, mired in red tape and local patterns of resistance to change. Our community is gaining a reputation as a community that is open for business with cooperative City staff and organizations that support new and expanding initiatives. Destiny SSM provides concrete recommendations to support and further improve the process.

**Lesson 10: *Regional Opportunities and Attractions***

There has always been concern regarding our relative distance from markets and large populations. While the special burdens imposed by geography exist, the City can turn weakness into strength. One of the largest area tourist attractions listed on the Sault Ste. Marie Economic Development Corporation’s web site is the Agawa Canyon Tour Train with close to one hundred thousand annual visitors traveling to the Sault for the day trip to Agawa Canyon. As a gateway to Canada and the USA, we are strategically positioned to access a huge market. An example is the Ontario SSM Charity Casino which provides easy access to visitors from both the United States and Northern Ontario. Our unique location adjacent to the Great Lakes and US border enables us to benefit in numerous other ways e.g. Great Lakes Heritage Coast Initiative, a major provincial environmental and economic initiative with more than \$100M in committed funding.



SSM is strategically located to provide regional health and social services. A pending state of the art hospital, regional cancer care centre and construction of a 370 bed nursing home facility are examples of initiatives that will enable us to build on these opportunities.

The purpose of visiting the above ten lessons has been to highlight some of Sault Ste. Marie’s experiences within a wider context. It also strives to help clear away faulty assumptions and stir the spirit of innovation. Our past experiences and lessons learned have been reflected in Destiny SSM.

The Destiny Sault Ste. Marie Strategy

Sault Ste. Marie has numerous positive attributes, which if properly marketed can serve to create a community that is open for business, open for growth, and open for job creation. Our city has always been known as a desirable place to live, work, learn, and play. One of the most important factors that determines whether people or businesses locate here is the area’s quality of life. Among the factors that influence quality of life are the area’s ability to provide employment opportunities, healthy businesses that provide goods and services, the quality of public services, the area’s

natural beauty, good schools and strong neighbourhoods. A healthy economy is the backbone of our community enabling us to address social and quality of life issues.

In their presentation to Council on February 19<sup>th</sup>, 2001, the SSM Chamber of Commerce stated: *“Encouraging growth in Sault Ste. Marie must be a community wide priority - not just a municipal undertaking.....There is a need for Council, businesses and individuals to think and act with the entire community’s interests top of mind...A healthy business community working together to create positive change is an attractive business community. It feeds itself and fosters growth.”* Destiny SSM supports this philosophy.

## Opportunities and Resources

“Economic progress is fundamental to human progress. Economic growth, indispensable to the other forms of human progress (e.g. health, education, infrastructure), depends on productive economic activity.”<sup>6</sup> The objective of Destiny SSM is to provide the opportunity for all citizens of Sault Ste. Marie and area to share economic prosperity and a high quality of life.

While recognizing the continued value of our steel industry to the community, there is strong support for a move to diversify the local economy by all three levels of government. Economic diversification projects are geared at attaining this end objective.

Input during the Strategy review recognized that, in addition to specific opportunities, which are identified under the relevant Growth Engine, Destiny SSM will be more successful if it proactively considers and capitalizes on our unique attributes including location, competitive advantages, quality of life and an available dynamic, diversified and committed workforce.

## The Current Initiative

**O**n December 22, 2001 The Honourable Andy Mitchell, Secretary of State (Rural Development-FedNor) announced a three-part Government of Canada Strategy addressing economic challenges in Sault Ste. Marie. This strategy included:

1. A loan guarantee to Algoma Steel Inc. of up to \$50 million designed to provide the company with essential financial liquidity to successfully implement a restructuring plan.
2. The announcement of 16 projects, totalling over \$1.7 million, under the FedNor initiative, designed to diversify the City’s economic base.
3. \$3 million for the implementation of a diversification fund to support projects, initiatives and programs for SSM and \$500,000 to the CDC of Sault Ste. Marie & Area to help facilitate the establishment of a community economic development and diversification strategy for the City.

---

<sup>6</sup> I Singh, MNDM, November 2001

The \$500,000 is to be used for the preparation, promotion, management and implementation of this strategy. The City has currently ear-marked \$2.5 million to be used toward identified priorities. This seed funding will enable us to access additional Federal, Provincial, and private sector contributions including the FedNor \$3 million available for Sault Ste. Marie initiatives and the Northern Ontario Heritage Economic Diversification Assistance Program (Generally, this fund will contribute up to 75% of eligible costs with a maximum contribution per project of \$5 million<sup>7</sup>).

## Getting On With It

Following the FedNor announcement, a Destiny SSM Steering Committee was established to develop and implement a diversification strategy. This group consisted of Brian Irwin, Executive Director of the CDC; Bruce Strapp, President and CEO of the EDC; and Joe Fratesi, City CAO.

Don McConnell, City Planning Director; Joe Sniezek, City Manager of Long Range Planning; and Jody Wildman, CDC Community Development Officer also participated throughout the process.

Resource members to the Committee were:

- Tom Dodds, Manager, FedNor, North Central Ontario
- Dan Hollingsworth, FedNor Initiatives Officer
- Eileen Forestell, MNDM Team Manager, formerly BEC Coordinator
- Terry Bryson, MNDM Northern Development Advisor
- Terry Sheehan, MNDM Northern Development Advisor
- Franca Stoycheff, CDC/Recording Secretary

Through this partnership, they developed an organizational and planning framework entitled: *“Getting on With It – A Sectoral Approach to the Economic Diversification of Sault Ste. Marie.”*

On May 6, 2002, the *“Getting on With It”* framework outlining the diversification planning and implementation process, required action to get the project underway, and the completed Growth Mandate Framework Strategy were both endorsed by Council.

Since May, the Steering Committee has undertaken a number of activities in developing Destiny SSM.

- The Steering Committee has met regularly to develop and refine the contents of this Strategy. As well, the Committee has consulted with selected businesses, organizations, and industry leaders.
- On July 9, 2002 key community stakeholders participated in an Economic Diversification Session facilitated by ZAD Consulting of SSM. Participants discussed possibilities for an ideal future economy, the strengths, weaknesses,

---

<sup>7</sup> The Provincial Government has indicated that, as an eligible community, SSM qualifies for this program. All applications must be submitted by December 31 2003 and projects completed by December 31, 2004.

opportunities and threats presented by the current situation and ideas and suggestions encompassing the strategic framework for the economic diversification plan.

- The Steering Committee identified an overall goal and six key “Growth Engines,” each representing a major economic theme. This decision followed consultation with selected community leaders who were asked to identify gaps, possible initiatives, and key issues or concerns.
- In a parallel process, the Steering Committee contracted with Possibilities Group to work on a current list of projects/initiatives identified by the Steering Committee. Projects/initiatives were identified and classified under the appropriate growth engines. Proponents of these undertakings were contacted and current information was collected and recorded.
- From the above information, meetings, and discussions, and with the support of our current businesses and traditional industry sectors, the Steering Committee drafted Destiny SSM.
- A comprehensive and detailed list of approximately 100 potential economic development and diversification initiatives was compiled.
- A list of top thirty-one initiatives for immediate implementation under this strategy was prepared.
- Transitions Training and Consulting (SSM) worked with the Steering Committee to prepare Destiny SSM.
- The Strategy was presented to and accepted by City Council on November 4<sup>th</sup>, 2002 with the recommendation that there be a three month public review to solicit feedback and support from as many community residents and stakeholders as possible.
- The review process began November 15<sup>th</sup>, 2002 and was completed by February 15<sup>th</sup>, 2003. A total of eight workshops of approximately two hours each were conducted with stakeholders and interested citizens. Individual interviews were also conducted to solicit detailed input from some key stakeholders and questionnaires were made available to stakeholders and the public at large. Following the review, the Strategy was revised to reflect public input.

## Estimated Total Cost of Recommended Initiatives

Investment associated with completing nineteen of the thirty-one initiatives is nearly \$102 million. The costs associated with the remaining twelve recommended initiatives will be determined as the projects are developed. Costs in millions of dollars are shared as follows: Federal Government \$8.6, Provincial Government \$29.6, Municipal Government \$10.8, Private \$51.7 and other \$1.2<sup>8</sup> for a total cost of \$102 million. (In

---

<sup>8</sup> e.g. CDC, EDC, Airport Development Corp., Sault College, Algoma University Science Works! Partnership, RAPIDSUCCESS

addition to the \$2.5 million, the City's cost share includes specific project funds such as the new arena, industrial land development, and waterfront boardwalk).

## Part Two: Implementation Approach and Priorities

This section of this report identifies and describes the key implementation components associated with Destiny SSM. It outlines how the process will be managed and describes goals and strategies. It identifies and rationalizes specific high priority initiatives for immediate attention and outlines a framework for the next decade. Because Destiny SSM is an evolving document, there are built-in mechanisms to ensure regular evaluation and ongoing response to changing circumstances and new initiatives.

In meeting our economic diversification objectives, the Committee is fully committed to the BEC strategic directions for the economy, namely:

1. Identify, develop and market
2. Create a business friendly environment
3. Build on our success
4. Think, act and be entrepreneurial
5. Establish an infrastructure to support business development

### Actions Pertaining to the Strategy

This Strategy is not just another study! It is a series of actions designed to enable our economy to grow and prosper well into the 21<sup>st</sup> century.

- Key identified actions will be implemented within a specific period (2 years) and have long range, strategic impacts, e.g. 10 years and beyond.
- It has its own infrastructure and identity and works with existing organizations to attain mutual economic objectives.
- It has dedicated staff and resources with unique skills to identify priorities, and to implement and monitor the Strategy.
- It is focussed on a specific number of areas called “Growth Engines,” and has specific objectives and targets.
- It is accountable, with clear measurement criteria and an implementation plan and will provide regular updates to the business community, Council and the community.
- It is a living document able to respond to changing circumstances and opportunities and able to provide updates and revisions as required so that it remains relevant.

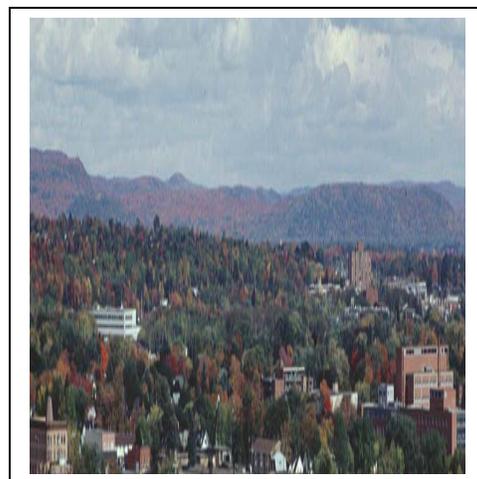
## Objectives Destiny SSM

The primary objectives or outcome from Destiny SSM is to develop an approach<sup>9</sup> that by 2012 will result in:

1. Restoring Sault Ste. Marie's population to at least the peak of approximately 82,000 that was reached in the mid 1980's. We will do this by targeting 8,000 new jobs over the next ten years.<sup>10</sup>
2. Ensuring sufficient assessment and tax revenues to continue to provide and care for municipal infrastructure and services. Our objective is an additional \$2,000,000 in annual municipal tax revenues.
3. Ensuring that limited municipal and other public resources including financial, are targeted to investments that support the timely achievement of a stabilized, then diversified and growing local economy and workforce that supports achievement of the targets set out in Objectives 1 and 2 above.
4. Creating an environment wherein the private sector becomes the lead and/or primary driver with respect to the financing of economic development initiatives.

### **We will meet these objectives by:**

1. Building upon past economic and planning efforts.
2. Recognizing the need to protect, expand, and ensure the health of existing industries.
3. Identifying, defining, and assessing a specific set of projects and initiatives to be undertaken over the next two years that will substantially contribute to the diversification of SSM.
4. Ensuring these projects or initiatives are integrated into a diversification strategy that includes sector specific strategies. The sector strategies define reasonable objectives and identify activities and projects already underway that support the new projects or initiatives.
5. Ensuring that Destiny SSM is consistent over a sustained period of time i.e. a two year initiative that will result in long-term benefits.
6. Managing, implementing, and evaluating the diversification strategy and the projects and initiatives in a focused, coherent, pragmatic and professional manner.



---

<sup>9</sup> Objectives are from the original Growth Mandate Strategy

<sup>10</sup> It is calculated that a minimum of 4,000 new jobs are required to maintain our existing population and an additional 4,000 to expand the population to approximately 82,000

7. Securing public funding and opportunities, and leveraging investment from other sources e.g. private sector.
8. Involving stakeholders in decisions concerning the management and implementation of the Strategy.
9. Communicating to the community what has and is being undertaken to diversify the local economy.
10. Measuring, reporting on, and evaluating results.
11. Promoting and marketing our successes.
12. Promoting quality principles to encourage continuous quality improvement.
13. Linking Destiny SSM with global strategies.

## Alignment and Connectivity

Industry clusters will drive the new economy. A cluster can be defined as a concentration of companies and industries in a geographic region, interconnected by the markets they serve and the products they produce, as well as the suppliers, trade associations and educational institutions. For example, similar manufacturing companies within a region can share research, collaborate on business problems and have greater access to a trained workforce. These synergies not only enhance competitiveness, but also are an essential ingredient for success to our long-term economic vitality. “Once a cluster begins to form a self-reinforcing cycle promotes its growth.”<sup>11</sup> The cluster concept has been actively applied throughout the world as a means to strengthen international competitiveness. Canada is internationally known for the impact of its clusters in the areas of forestry and mining.<sup>12</sup> Canada’s Innovation Strategy embraces the cluster concept and Ontario has recognized the importance of this approach in a number of areas including biotechnology. The cluster strategy has been actively applied to the economic plans of other Canadian cities including Ottawa and Edmonton.

A specific example of industry clusters at work in SSM is the Innovation Centre partnering with Algoma University College and the PUC to propose an information, communication and technology (CT) centre, to be constructed on AUC’s Queen Street campus. Numerous other opportunities exist including the opportunity to capitalize on regional tourism, value added steel, wood, transportation and forest biotechnology.

There is a constant need to consider this integration and ensure that silos do not develop. In the development of this Strategy, the Steering Committee recognized and actively considered the importance of clusters and the interdependence of projects and initiatives as an important component of future economic success. Integration must occur between initiatives e.g. Destiny SSM and the International Relations Strategy, between Growth Engines such as Traditional and New Industry with Export and Small

---

<sup>11</sup> Porter 1998

<sup>12</sup> I Singh, MNDM, November 2001

Business. A move toward clustering and connectivity is built into evaluation of projects and is reflected in the growth charts. There will be a continual effort where clustering can be used to identify and bridge gaps.

## Evaluating and Choosing Suitable Initiatives

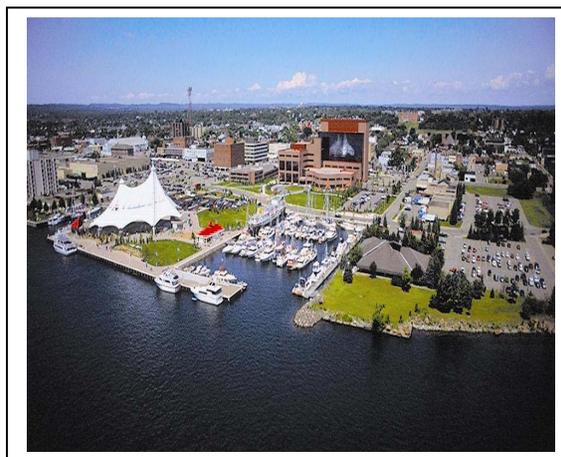
The Destiny SSM Steering Committee, with participation from numerous stakeholders<sup>13</sup> has identified potential priorities.

An overall “Goal” and six key Growth Engines have been identified. For each Growth Engine, a number of projects and initiatives have been identified (see tables 1 - 6). A contingency list of additional potential projects has been identified for each Growth Engine.

Utilizing a comprehensive list of “*Project Evaluation Criteria*” used in other relevant organizations, including The Growth Mandate Committee, Community Development Corporation, FedNor, RAPIDSUCCESS Strategic Plan and the Northern Ontario Heritage Fund Corporation, the Committee developed suitable criteria for evaluating economic diversification projects.

This Project evaluation embraced twelve key principles, namely:

1. Degree to which the project supports economic diversification plan
2. Employment generation
3. Has a high potential for growth
4. Brings new wealth to the community
5. Encourages private sector growth
6. Has a high probability of success
7. Expands City tax assessment
8. Supports existing infrastructure
9. Expands above-average wage jobs
10. Cost per job factor
11. Has evidence of long-term commitment to region
12. Is creative and/or innovative



Utilizing the Project evaluation principles, the Steering Committee then evaluated the relevant benefits of all projects and initiatives. In determining suitability of each undertaking, the Committee considered not only the relative score, but also other, less tangible factors. For example, some initiatives scored relatively low because they were studies only, yet these studies were essential to implementing a future undertaking. The Committee was also mindful of the need to ensure undertakings occurred across the

---

<sup>13</sup> Stakeholders included resource people from FedNor and the Ontario Ministry of Northern Development and Mines, the work of the July 9<sup>th</sup> Stakeholders Economic Diversification Session and input from the November Draft Document.

range of Growth Engines. Above all, initiatives had to be compatible with and supportive of our goals and objectives. The final product is a list of thirty-one key initiatives recommended for immediate action that will have long range, strategic implications. Our objective is to ensure completion of these undertakings by early 2005.

### **Project Evolution**

In determining whether a particular initiative will be supported within the Destiny umbrella, the following generic process will occur.

1. Proponent proposes project/initiative
2. Project is evaluated by Destiny SSM staff and accepted by the Destiny SSM Steering Committee
3. Destiny SSM promotes, supports and monitors project (this includes a wide array of actions including assisting in seeking funding, partners, government support etc.)
4. Regular progress reports and ongoing support
5. Full implementation

### Results of Recommended Initiatives

All initiatives are important to Sault Ste. Marie's economy. Many initiatives are underway. Others address identified gaps and require further development. The thirty-one that, because of their readiness and/or key importance, are recommended for immediate implementation will create up to 1,500 direct jobs and another 1,500 jobs elsewhere in the community. Associated construction jobs will provide additional employment.

### Implementation and Accountability

The success of this Strategy will require a strong commitment to implementing identified projects while maintaining a flexible and receptive attitude toward other initiatives. The following operational approach has been identified:

1. A Destiny SSM Steering Committee consisting of the President and Chief Executive Officer of the EDC, the Executive Director of the CDC and the Chief Administrative Officer of the City initially managed and guided the development of Destiny SSM.

To help guide the implementation process, the Chamber of Commerce was asked to nominate a representative from the private sector to become a member of the Steering Committee. The Steering Committee will also include resource advisors from the City as well as FedNor and MNDM. Although this Committee is relatively small, it answers to a much broader audience. For example, the CAO reports to Council which is comprised of elected leaders representing the public; the EDC and CDC report to their respective Boards, which are comprised of individuals with community and economic development expertise. Similarly, the private sector member represents the business community.

A private sector stakeholder advisory committee will be established to provide advice and guidance to the Committee on a quarterly basis. This group, consisting of a maximum of twelve representatives will encompass all Growth Engines.

- The Steering Committee will ensure that this Strategy receives appropriate ongoing review and acceptance. The first step in this review process was a presentation to City Council on November 4<sup>th</sup>, 2002 followed by a three-month review process. This revised document, which reflects the results of the review process, will be presented to Council for final approval in March 2003.
  - The finalized document and regular updates will be posted on the Destiny SSM website with its own identity. It will be linked to CDC, SSMEDC and City websites.
2. An Implementation Team consisting of two staff are in the process of being hired to take responsibility for ensuring the Strategy is developed, implemented and reviewed on a regular basis. Staff will be administered through the CDC and will be accountable to the Steering Committee who will monitor their work and provide assistance and coordination.

Responsibilities of the Implementation Team include:

- Develop clear, specific, action oriented measurement criteria to reflect successes/issues and to demonstrate immediate and measurable short term gains
- Implement the process and action plan and provide reports on a regular basis to show progress of projects including expected costs and employment benefits and to reflect and rationalize any changing priorities
- Manage the initiatives and projects they are responsible for
- Monitor related projects and initiatives to ensure they are proceeding as planned
- Assist stakeholders who may be responsible for some element of the diversification strategy
- Communicate with stakeholder groups and the community including preparing interim reports and communication releases and conducting focus groups when required
- Develop and implement promotion and information strategies including web site and brochures

The Steering Committee will provide progress reports to Council at least three times annually. These reports will indicate the measurable success of the Strategy and any significant concerns or changes. The Committee and assigned Destiny SSM staff will maintain regular contact with the business community and other key stakeholders to ensure that their concerns and input is an ongoing part of this strategy.

## Growth Engines

Growth Engines are defined as strategic sector priorities capitalizing on competitive advantages that the community may have, along with the opportunities for growth and diversification.

The Steering Committee determined a set of objectives for meeting the goal and identified six key Growth Engines.

1. Traditional and New Industry Development
2. Tourism Development
3. Knowledge-based Development
4. Health, Social and Public Sector Development
5. Small Business Development
6. Trade and Export Development

These Growth Engines formed the basis for grouping and evaluating projects and initiatives. Subsequently, using agreed upon project evaluation criteria (see “Evaluating and Choosing Suitable Initiatives”), the Committee was able to identify high priority initiatives for immediate and concentrated attention. Before proceeding, it is essential to know that the projects meet the established criteria and can be initiated now.

It is important to note that although these initiatives are considered accomplishable at this time, the remaining projects are no less important. Depending on opportunities and private sector initiatives, priorities may change. It is essential that Destiny SSM be seen as a living document that will receive ongoing management and review. The most critical component to its success is the input and commitment of the private sector with whom the future of Sault Ste. Marie ultimately rests.

***Destiny SSM Vision:*** “Together, the private and public sectors and the community will work to make and maintain Sault Ste Marie a leader in creating sustainable employment in a healthy, growing and diversified economy.”

***Destiny SSM Goal:*** “To present an approach to developing, facilitating, implementing and managing a specific set of targeted growth and diversification initiatives and projects that will create employment to support a growing population base in Sault Ste. Marie and the region.”

***Overall Objectives:***

<i>To build upon past economic planning efforts</i>	<i>Focussed, coherent, pragmatic and professional management</i>	<i>Promote and market our successes</i>
<i>To identify, define and assess initiatives to be undertaken over next 2-3 years</i>	<i>Secure public funding and lever investment</i>	<i>Promote continuous quality improvement</i>
<i>Ensure initiatives are integrated into sector specific diversification strategy</i>	<i>Communicate diversification strategy &amp; actions to community</i>	<i>Link Destiny SSM with global strategies</i>
<i>Ensure strategy is multi year with long term benefits</i>	<i>Report and evaluate results</i>	

***Growth Engines:***

<i>Traditional and New Industry Development</i>	<i>Tourism Development</i>	<i>Knowledge-based Development</i>	<i>Health, Social and Public Sector Development</i>	<i>Small Business Development</i>	<i>Trade and Export Development</i>
---	----------------------------	------------------------------------	---	-----------------------------------	-------------------------------------

***Initiatives/Projects***

Approximately 100 initiatives are identified of which thirty-one are recommended for immediate action.

## **Fold-out Tables**

The Growth Engines (GE) and recommended initiatives are contained in the following six growth engine descriptions. Each of these sections contains a corresponding fold out table (tables 1 to 6) indicating recommended initiatives (red bordered) and their relationship to the Growth Engine goals and objectives. It also identifies initiatives already underway (blue), those needing further development (yellow) and their relationship to the relevant goals and objectives. Since BEC and the Naturally Gifted Marketing Campaign applied to all growth engines, these two projects are listed separately immediately following GE #6 at the end of this section.

The initiatives in this report are listed by GE in order of priority as determined by the project evaluation principles.

## GE #1: Traditional and New Industry Development

This GE refers to goods producing and information technology activities involving value added manufacturing, energy (natural resources), and information technology. We will strive to diversify the base of manufacturing firms engaged in value-added manufacturing and to provide the necessary infrastructure to support the growth of these firms and industries.

### **Rationale for the Traditional and New Industry Development Growth Engine:**

Traditional industries employ large numbers of our residents and pay some of our highest wages. These foundation businesses are a fundamental component of our City's economy around which others, including small business, knowledge and export can cluster and grow. Strategies focused on traditional industry development in the new economy must remain a key part of the City's economic development efforts.

Market access and global competition have fundamentally changed the marketplace. The challenge in this traditional sector is to continue to support high quality production, while encouraging the development of value-added processing, and facilitating entry and expansion in global markets. Throughout this document we have addressed fundamental business needs (e.g. workforce training alignment, taxes, regulations, etc.) However, this Growth Engine focuses on specific needs and opportunities for the traditional and new industry development segment.

### **Vision:**

*“To have Sault Ste. Marie be an attractive destination for the creation and relocation of industry as well as the expansion of existing business in order to create a diverse and sustainable industrial base producing globally competitive, value-added products and services.”*

### **Goal:**

The goal of this GE is “To develop and diversify the community's industrial employment base.”

### **Objectives:**

We will meet our goal by working on the following six key objectives:

1. Provide all necessary land and infrastructure in a “ready-to build” state at a competitive price.
2. Ensure that appropriate training and facilities are available to develop required workplace skills.
3. Aggressively market SSM to both local and non-local “high potential” industries which could expand or begin operations in the community.
4. Assist “high potential” industries to obtain required funding.
5. Reduce regulations and “red tape” to a minimum.

6. Support sustainable resource management practices to ensure continuous supply of raw material.

**Strategic Priorities:**

The Destiny SSM Committee will aggressively implement the industrial land strategy and the industrial marketing strategy already being developed by the City of Sault Ste. Marie. They will focus on prioritizing a strategy for all industrial development. A longer-term strategy is required to develop multi-modal transportation systems to provide the transportation links necessary for this industrial development. There needs to be an understanding of the labour markets, the skills available and the training needs required.

**Initiatives:**

The Steering Committee identified a number of potential initiatives for the Traditional and New Industry Growth Engine (see table #1).

From the identified initiatives, the following seven were highlighted as high priority for immediate action.

**1. Industrial Marketing Strategy (Table #1, Initiative 3.1.5)**

Last year, a major study by Price Waterhouse Coopers recommended that the City's industrial diversification efforts should focus on four sectors: value added steel, value added wood, transportation and forest biotechnology. The federal, provincial and municipal governments have committed slightly more than \$1 million to contact more than 1000 firms in these sectors over a three-year period. Sector specialists are being hired to assist with bringing new firms to the community or develop local businesses. This project is the highest ranked initiative of all projects evaluated as part of Destiny SSM. Additional funding to allow for a fourth year of operations and additional sector specialists should be considered to recognize the importance and potential benefits of this program.

Funding Notes:

City	confirmed	\$150,000
NOHFC	confirmed	259,800
FedNor	confirmed	471,900
SSMEDC	confirmed	30,000
CDC, SSM	confirmed	30,000
SSM Airport Development Corp.	- confirmed	60,000
Total:		<u>\$1,001,700</u>



**Recommendation:** That the Industrial Marketing Strategy Steering Committee prepare a proposal describing anticipated benefits and costs associated with an expanded industrial marketing strategy program.

**2. Aircraft Industrial Opportunity (Table #1, Initiative 3.1.1)**

The Industrial Marketing Strategy Committee and Airport Development Corporation are working with an industrial proponent to locate a joint venture company to Sault Ste. Marie that would provide aviation sales, distribution,

manufacturing and assembly services. The partners are collaborating with the Steering Committee who have secured an agreed offer to purchase the ONTC hanger at the airport. The Steering Committee has initiated funding proposals to the City, FedNor, and the NOHFC to support a \$3,080,000 investment by the new joint venture company. This project upon completion will see the ultimate creation of 100 jobs over the first three years of company operation.

Funding Notes:

City	proposed	\$ 500,000
FedNor	proposed	500,000
NOHFC	proposed	600,000
Proponent		<u>1,480,000</u>
Total		\$3,080,000

**Recommendation:** That the Steering Committee and Industrial Marketing Strategy Steering Committee continue to seek government financing for leasehold improvements subject to proponent securing a 10 year lease for an upgraded (leasehold improvements) site.

3. Industrial Land Development Program (Table #1, Initiative 1.1)

The City has completed a comprehensive Industrial Land Development Strategy to address the immediate need for additional “ready to go” industrial properties. The first phase of the program to implement the strategy involves the acquisition and servicing of approximately 142 acres of land owned by Algoma Steel at a total estimated cost of \$3,361,000. Without additional industrial land, the Industrial Marketing Strategy will be severely limited in its ability to attract new industries to Sault Ste. Marie.

Funding Notes:

City	confirmed	\$ 420,125
FedNor	requested	420,125
NOHFC	requested	<u>2,520,750</u>
Total:		\$3,361,000

**Recommendation:** That NOHFC and FedNor be encouraged to approve the requested funding for land acquisition and servicing as quickly as possible.

4. Odena Rail Spur (Table #1, Initiative 1.2)

The Industrial Marketing Committee is working with the Odena Industrial Park proponents to complete the industrial infrastructure for their site. The Steering Committee has made application to FedNor to support the construction of a rail spur into the industrial park. This will support the attraction and creation of three new businesses with the anticipated start-up of 25-40 direct jobs and over 100 indirect jobs. Legal agreements have been negotiated between the SSMEDC, Odena, and CN Rail for this initiative.

Funding Notes:

Odena confirmed	\$1,200,000
FedNor requested	<u>495,000</u>
Total	\$1,695,000

**Recommendation:** That FedNor be encouraged to approve the requested rail spur funding as quickly as possible.

5. Galvanizing Steel Facility (Table #1, Initiative 3.1.2)

The Steering Committee is working with a local group of entrepreneurs (Lappin Industries) developing a galvanizing business for SSM. The Steering Committee has secured \$17,500 from the City of SSM, and have applied to FedNor for \$35,000 to complete the feasibility study. The proponent will then complete the business plan, secure funding, and negotiate with ASI on infrastructure and supply. It is anticipated that this business would create approximately 40-60 jobs and would support further value added steel opportunities because of new capabilities to galvanize steel.

Funding notes

City -confirmed	\$ 17,500
FedNor -requested	35,000
Lappin Ind.	<u>17,500</u>
Total	\$ 70,000

**Recommendation:** That FedNor be encouraged to approve the requested funding to complete the feasibility study as quickly as possible. The Steering Committee continue to work with Lappin Industries in completing the business plan, private sector investment, and negotiations with ASI to set up a facility in the Sault.

6. Air Cargo (Table #1, Initiative 3.1.1)

The City recently completed a comprehensive feasibility study on the potential benefits, obstacles and risks associated with pursuing a strategy to develop Sault Ste. Marie's airport into a major international air cargo facility. At a recent meeting of the Industrial Marketing Strategy Committee, it was decided to recommend that City Council implement those portions of the study recommendations that could be undertaken by utilizing the existing airport infrastructure. Some immediate employment may be created with this approach.

**Recommendation:** That City Council assign responsibility for implementing the feasibility study recommendations that can be undertaken with the existing airport facilities to the Industrial Marketing Strategy Committee. This can be done within the existing budget allocation for the Air Cargo project. The remaining \$80,000 from the Air Cargo account will be reassigned to the Industrial Marketing Strategy Committee to continue this initiative.

**7. New Comprehensive Zoning By-law (Table #1, Initiative 5.1 and Table #3, Initiative 3.4)**

In 1996, the City approved a new Official Plan to promote development while protecting the community's "naturally gifted" assets. A new comprehensive zoning bylaw is required to implement the policies of the Official Plan. The City's existing zoning bylaw was approved in 1968 and had been considered out of date for some time. The City has identified this as a priority in their Corporate Strategic Plan and City Council has set aside funds for this project. FedNor recently announced funding of \$116,800 to assist with hiring two additional staff.

**Funding Notes:**

City	confirmed	\$313,200
FedNor	confirmed	<u>116,800</u>
Total:		\$430,000

**Recommendation:** That the City complete this project within a two year time frame.

**Examples and suggestions arising from the review process that the Implementation Team will further investigate:**

- Need for a comprehensive listing of available industrial land including Odena, Batchawana, the Airport Corporation, ASI, the City and surrounding area
- Need to inventory/be aware of funding avenues/opportunities that can be made available to assist in the development of new initiatives e.g. Canada Woods Program
- Need ongoing inventory/knowledge of the wealth of information available from government e.g. from MNR regarding natural resource sector
- Explore the possibility of moving the laminating plant operated by GP Flakeboard from Toronto to SSM (40 jobs)

## GE #2: Tourism Development

This GE includes those activities attracting people from outside Sault Ste. Marie to visit the City and area. There is overwhelming community support for diversification of the local economy into tourism. It is felt that SSM's strategic location in the Heart of the Great Lakes, the Centre of Canada, strategically located on the Canada – U.S.A. border, and international port of entry to the United States, midway on the Trans-Canada Highway Interstate 75 and services by CN and CP Rail, plus its natural beauty and natural resources make this an ideal location on which to base a strong tourism industry.

Tourism is a growing industry for the area. In 2000, total visitation to Algoma amounted to 1.7 million, representing 1.5% of the total visitation to the province. Even though Sault Ste. Marie continues to draw more visitors each year, there is a vast wealth of untapped potential consumers. With Lake Superior Park, wilderness areas, wildlife, historic attractions and more, the region offers what more and more vacationers are looking for – an escape from their everyday lives.

### **Rationale for the Tourism Growth Engine:**

Sault Ste. Marie needs to ensure it has a strong marketing plan and adequate facilities and services to provide a positive experience for visitors. We will continue to support efforts to strengthen our economy through the promotion of the City and area as a vacation destination. We recognize that there is a strong connectivity between tourism, culture and recreation and that the whole is greater than the parts.

### **Vision:**

*“To have Sault Ste. Marie become an internationally recognized and established destination and a gateway to the entire Great Lakes region with world class tourism products designed to attract visitors throughout all four seasons.”*



### **Goal:**

The goal for this GE is to increase the number, length of stay, occupancy levels and expenditures of visitors to the community.

### **Objectives:**

We will accomplish this goal through the following objectives:

1. Attract conventions/meetings/sporting tournaments
2. Increase total marketing for Tourism Sault Ste. Marie to \$1 million annually by 2004
3. Sault Ste. Marie and area will be attractive for private sector to invest
4. Expand tourism development to a continuous four season activity

5. Provide an internationally recognized quality tourism experience to increase sales of vacation packages by 5 percent
6. Enhancement and support of existing attractions

**Strategic Priorities:**

1. A comprehensive tourism market study is needed to identify key target markets and their needs, attitudes, preference and requirement and compare the study to the existing inventory of tourism products in the region. Gaps also need to be identified and addressed.
2. Tourism is particularly dependent on regional attractions. Regional coordination is needed to coordinate all of the tourism partners in the region to develop a unified marketing and promotional effort to outside parties.
3. Developing the “base camp” strategy is needed to attract the tourist to Sault Ste. Marie as a destination and have it serve as the base from which the tourist would venture into the Great Lakes region.
4. There is also need for a strategic focus on developing and enhancing local attractions to be considered world-class.

**Initiatives:**

The Steering Committee identified a number of initiatives for the Tourism Growth Engine (see table #2). From the identified undertakings, the following ten initiatives were identified as high priority for immediate action.

1. **Gateway Project Feasibility Study and Business Plan (Table #2, Initiative 5.2)**

NOHFC has made up to \$15 million available for development of a major tourism attraction subject to major private sector participation. The Feasibility Study and Business Plan is nearly complete. The developer is in the process of completing due- diligence and financing arrangements to undertake the entire project including the attraction, train station, a hotel and related uses. It is expected that this project will be presented the City Council in January for approval. This will create a major four-season destination attraction with benefits for the entire local tourism industry.

Funding Notes:

City	confirmed	\$125,000
FedNor	confirmed	125,000
MagiCorp Inc.	confirmed	<u>75,000</u>
Total:		\$325,000

**Recommendation:** That City staff continue to work with the developer and consultants to finalize the Feasibility Study and Business Plan. No additional funding is required at this time.

**2. Searchmont Resort – Expansion Studies (Table #2, Initiative 6.2)**

With the funding assistance of the CDC, EDC, City and FedNor, a multi-agency steering committee led by the CDC were able to complete a number of studies. In July 2000, a detailed report prepared by PKF Consultants of Toronto confirmed the viability of Searchmont becoming a four-season resort and two conceptual plans were provided. During 2001, updated digital mapping of the Resort Property and outlining area were developed and a pre-feasibility study of the water and sewer infrastructure was conducted. In the spring of 2002, phase 1 of a water supply and demand analysis report was completed. These studies and reports were very useful tools in securing a buyer for the Resort – which was purchased by Jack McDermott in May 2002. The new owner is contemplating expansion of the resort and has indicated an interest in working with this Committee and Searchmont Ski Association Inc. in order to overcome some of the infrastructure issues. The resort employs 150 employees and has an economic impact of \$8 - \$12 million dollars annually.

**Recommendation:** That the CDC and the multi-agency steering committee continue to meet with the new owner of the Resort. The remaining \$75,000 (from recent study work) should remain available to the CDC to assist with appropriate expansion plans for the resort.

**3. Sault Ste Marie Canal (Table #2, Initiative 6.4)**

The Sault Ste. Marie Canal is an important part of both our national and local history, and was designated as a National Historic Site in 1987. Public Works and Government Services Canada have prepared a plan to further develop the Canal in accordance with the requirements of a National Historic Site.



The plan recommends converting the old carpentry workshop into an interpretive visitor center and further developing the east end of the Canal property to create a sense of arrival with improved parking, signage, pedestrian and vehicular circulation. Implementing this plan would maintain the historic aspects of the Canal while improving the City's tourism infrastructure. It is an excellent plan and should be completed as soon as possible.

**Recommendations:** That the Federal Government be encouraged to implement the recommendations of the East End Area Development Plan of the Sault Ste. Marie Canal National Historic Site as quickly as possible.

**4. New Arena Project (Table #2, Initiative 1.2)**

The City intends to construct a new 4,200 to 4,500-seat multi-use spectator facility to replace the existing Memorial Gardens. SuperBuild funding of \$7.4 million has been confirmed subject to municipal and private sector contributions of \$7 million each. The City will require outside professional assistance to secure the private sector funding and negotiate appropriate partnership agreements. This project will

provide the City with a quality entertainment, exhibition, trade show and sports facility to attract new conventions and tournaments.

Funding Notes:

<u>Proposed Construction</u>			<u>Professional Assistance</u>
City	confirmed	\$7,000,000	City-requested \$100,000
SuperBuild	confirmed	7,400,000	
Private	underway	<u>7,000,000</u>	
Total:		\$21,400,000	

**Recommendation:** That the City approve up to \$100,000 from the Economic Diversification Fund to retain professional assistance with this project.

**5. Museum Ship Norgoma and Marine Heritage Centre (Table #2, Initiative 6.2)**

The St. Mary’s River Marine Centre is looking to renovate the Museum Ship Norgoma (Phase I - \$939,000), and to construct a new Marine Heritage Centre in Roberta Bondar Park (Phase II - \$1,863,000). This tourism project supports the Tourism Waterfront Development Strategy and would have a significant impact upon generating new cultural tourism visitations. Construction will support 49 person years of employment. Upon completion, the Centre will support a full-time staff person, along with 14 seasonal staff.

Funding Notes:

Heritage Canada (Cultural Spaces Canada Program)	proposed	\$ 660,000
FedNor	proposed	113,500
NOHFC	proposed	1,500,000
Ontario Trillium Foundation	proposed	75,000
St. Mary’s River Marine Centre (Fundraising)	proposed	<u>507,000</u>
Total Project Cost		\$2,855,500

**Recommendation:** That representatives of the Steering Committee and appropriate federal, provincial, and municipal officials meet with representatives of the St. Mary’s River Marine Centre to develop a phased approach to implement this initiative.

**6. Tourism Sault Ste. Marie (Table #2, Initiative 2.1)**

In partnership with over 40 private sector stakeholders who have contributed almost \$300,000, Tourism Sault Ste. Marie has developed a 3-year, \$2.4 million confirmed funding Business/Marketing plan, with the focus on three main product segments: Attraction Packaging, Meetings/Conventions/Sporting Tournaments and Linkages with the region for outdoor opportunities. With a commitment of almost \$300,000 from the private sector, Tourism Sault Ste. Marie combines these funds with EDC and municipal dollars to undertake tourism developments and implement the annual strategic marketing



programs, geared towards positioning Sault Ste. Marie as a four-season vacation destination. It is proposed that this program be expanded to include a more diversified product and expanded market.

**Recommendation:** That Tourism Sault Ste. Marie along with its partners develop a multi-year application to FedNor and NOHFC for an additional minimum of \$200,000 to help diversify the tourism product offerings and expand the markets.

**7. Animation Centre (Table #2, Initiative 5.4)**

The Art Gallery of Algoma recently received two major animation collections valued at more than \$8 million. The Gallery is proposing to use these collections as the basis for a major Animation Centre that would combine both public and private resources to draw thousands of visitors to Sault Ste. Marie. A strong educational component is also proposed in partnership with Algoma University College and Sault College. A detailed study is required to determine the best concept and the financial viability of the proposed Centre.

Funding Notes:

City	confirmed	\$18,000
FedNor	requested	60,000
NOHFC	requested	<u>42,000</u>
Total:		\$120,000

**Recommendation:** That FedNor and NOHFC be encouraged to approve the requested funding for a detailed study as quickly as possible. The required City funding (\$18,000) has already been committed from the City's Economic Development Fund.

**8. Canadian Bushplane Heritage Centre (Table #2, Initiative 6.2)**

The Canadian Bushplane Heritage Centre is an important component of the City's tourism infrastructure. The building was sold by the Province last year but the Centre is still located therein. The Centre has partnered with Science North to develop additional educational exhibits and programs including an expanded children's flight centre, new Beaver aircraft flight simulator and improved displays. Some building renovations are also being undertaken. These improvements are expected to increase attendance and revenues, as will the City's planned extension of the Boardwalk next summer. The Bushplane Centre is also seeking corporate sponsorships from their major suppliers and has established a committee to look at various alternatives to increasing revenues and reducing costs to ensure that long-term viability is maintained.



**Recommendation:** That the appropriate Federal, Provincial and Municipal officials meet with Bushplane Centre representatives to develop an overall approach to long-term viability and expansion.

**9. Waterfront Boardwalk – Clergue Park Project (Table #2, Initiative 6.3)**

The City’s waterfront boardwalk has proven to be very popular with both tourists and residents. City Council has approved \$650,000 to extend the boardwalk from the Civic Centre to the Canadian Bushplane Heritage Centre. This work will also begin implementation of the Master Plan to redevelop Clergue Park into an active and interesting urban area. Additional funding will allow for completing a major portion of the project. Engineering work to confirm cost estimates is presently underway.

**Funding Notes:**

City	confirmed	\$650,000
FedNor	proposed	to be determined
NOHFC	proposed	to be determined

**Recommendation:** That the City make application to FedNor and NOHFC for additional funding to implement the first phase of the Clergue Park Master Plan.

**10. Downtown Trolley (Table #2, Initiative 6.2)**

Sault Ste. Marie’s Transit Division has prepared a proposal to operate a free trolley service connecting the major tourist attractions in the Downtown area. This would greatly increase attendance at some of the smaller attractions, specifically the Bushplane Heritage Centre, Clergue Ermatinger Historic site, SSM Museum and Art Gallery. The SSM Casino is also expected to benefit greatly.

**Recommendation:** That a task force with representatives from the Tourism Solution Council, Tourism SSM, Downtown Association, and City staff be formed to identify the costs, options, benefits and potential funding sources associated with operating a “pilot project” next year.

***Additional examples and suggestions arising from the review process that the Implementation Team can further investigate:***

- More emphasis on winter recreation
- Need to look at clusters of attractions, evaluate existing tourist attractions, and fill in the gaps
- Encourage small business opportunities and social activities on the boardwalk
- Place more emphasis on existing attractions e.g. Bon Soo, Bushplane Museum, ACR tour train

### GE #3 : Small Business Development

This GE includes those activities that support the growth and sustainability of businesses with less than 25 employees and have potential for wealth generation. Small business would include those businesses that were engaged in other identified growth engine sectors e.g. tourism, traditional and new industry development. Chamber of Commerce, CDC, RAPIDSUCCESS, and the Enterprise Centre (a division of the SSMECD) are the key advocates for small business and have numerous programs and services to support the small business sector. Other partners are Algoma University College, Sault College, and the SSM Innovation Centre, government, Industrial Research Assistance Program (IRAP) and many private sector players. All the details on the various programs and services of these agencies are not documented in this report.

There is substantial activity ongoing in this sector and real potential exists for a significant number of small, sound businesses that can create employment options. The initiatives included can be acted upon immediately.

#### **Rationale for the Small Business Development Growth Engine:**

Small business expansions and start-ups are typically driven by entrepreneurs and accounts for a significant percentage of community employment and job growth. The defining character of the new economy is the speed with which many businesses can adapt. By their very nature and size, small business have this ability. In many instances their survival is dependent on clustering with and/or providing services to other enterprises.

The needs of small business, particularly in the areas of capital, management, research, and access to information and support often differ from those of larger enterprises. There is definitely a need to recognize the uniqueness of small business and their different requirements.

#### **Vision:**

*“To have Sault Ste. Marie identified as an internationally recognized community having an entrepreneurial culture and supportive environment for the establishment and growth of small and medium sized enterprises.”*

#### **Goals:**

**The goals for this GE are:**

- To increase the number, range and scale of innovative small businesses, focussed on wealth generation
- To develop a strong entrepreneurial culture (e.g. innovative business with a level of risk) in the community

#### **Objectives:**

These goals will be attained through the following objectives:

1. Enhance access by private sector capital and financial support programs and services
2. Enhance small business success
3. Develop a business friendly environment through streamlined and efficient delivery mechanisms
4. Increase community loyalty to local small businesses
5. Create and promote a solid understanding of entrepreneurship and opportunities in wealth generating business ventures

**Strategic Priorities:**

Many entrepreneurs are unaware of/or confused by the complexity of support programs, red tape, capital and operating requirements and available services. These needs highlight the requirement for completion of a business portal designed to inform and guide small and medium sized enterprises. There is also a need to motivate the entrepreneurial spirit. Funding agencies and information providers must work closely with proponents to create a proactive small business culture. Future initiatives should also include a gap analysis on required resources for small business.

**Initiatives:**

The Steering Committee identified a number of initiatives for this GE (see table #3). From the identified undertakings the following two initiatives were identified as high priority for immediate action.

**1. BRIDGE Business Plan Competition (Table #3, Initiative 2.8)**

BRIDGE annually hosts an international business plan competition for post secondary students. This initiative has helped create new businesses in Sault Ste. Marie. With the assistance of FedNor funding of \$290,000 over four years, BRIDGE raises other funds from the private sector and from the City of Sault Ste. Marie's Economic Development Fund (\$5,000). The BRIDGE competition is two-fold. The first part is called "BIG Idea" which is an idea generation phase done by post-secondary students that ultimately feeds business plans into the BIZ MAP competition, which is the second phase. The prizes, both cash and in-kind, total \$30,000 annually and are generously donated through private-sector partners and the Economic Development Corporation (City Economic Development Fund). In cooperation with Enterprise Centre Sault Ste. Marie's entrepreneurship competitions which serve the primary and secondary level educational institutions, BRIDGE's competitions support post-secondary student retention and business creation.

**Recommendation:** Recommend funding of \$5,000 from the City's Economic Diversification Fund to support BRIDGE's efforts in the 2002/2003 Academic year.

***2. Business Website/Portal (Table #3, Initiative 1.3 and Table #1, Initiative 4.2)***

The CDC intends on developing a website/portal that would act as a navigator for people seeking to gain a better understanding of the services and programs that all community partners offer to small and medium enterprises (SME's). This will include but is not limited to: information regarding access to capital, advisory services, and financial support programs. It will help streamline the process for the entrepreneur as they will be able to determine their needs and be directed to the appropriate agency. The site will provide a delivery mechanism that will permit flexibility and timeliness of information. It will clearly demonstrate the strong collaboration between community partners and will be further supported by a Memorandum of Understanding. This initiative is to complement existing walk-in resource centres.

**Recommendation:** That the CDC proceed in developing a proposal, secure funding through the FedNor internship program and secure funding from the City Economic Diversification Fund.

***Examples and suggestions arising from the review process that the Implementation Team can further investigate:***

- Get existing large industrial champions e.g. ASI, St. Mary's, GP Flakeboard, etc. to promote and nurture local small businesses
- Search out "Angel" funding opportunities for small business start-up
- Establish environmental services (lab work) for businesses such as Algoma Tubes to keep employment opportunities relating to those services in SSM

#### GE #4: Knowledge-based Development

This GE includes those activities that support the knowledge based economy, building on education, research and/or training that will support innovation.

A major challenge to business, government and learning institutions is to foster the ideas, knowledge, and technological advancements that are the “raw materials” of a knowledge-based economy. SSM institutions have had some significant successes such as the current initiative to implement a “Masters in Gaming” at AUC and when Bell Canada and Sault College partnered to develop a training program for call centre workers. (This program was then marketed and because of SSM’s preparedness, various call centres were established within the City.) Similarly, few residents are aware that SSM produces more software graduates than any other Northern Ontario community. Despite these successes, participants told us that this sector must guard against becoming bureaucratic and parochial and could benefit from better networking within and beyond SSM.

Knowledge is competitive advantage and the key ingredient in all successful business areas and sectors necessary to market our business activities on a broader scale. We will strive to strengthen the innovation capacity and infrastructure for research and development and the commercialization of this knowledge. We will also enhance partnerships between the private and public sector to transfer this knowledge and to grow a skilled workforce.

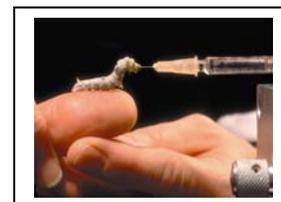
#### **Rationale for the Knowledge-based Growth Engine:**

It is imperative that we facilitate a higher level of coordination and collaboration between the business community, the education community, the health sector and related scientific communities such as the Ontario Forest Research Institute (OFRI) and The Great Lakes Forest Service (GLRS). Sault Ste. Marie’s ability in attracting and growing knowledge-based, high technology or entrepreneurial businesses depends on its workforce. In today’s changing workforce marketplace, worker skills must evolve quickly to meet changes in technology, business needs, and the economy as a whole. This demands continuous and quick adaptation of public education and workforce training programs.

Public and private research institutions are major engines of economic growth. By commercializing the technology developed through research and development, these institutions can foster an environment of innovations. We must encourage, foster, and accelerate these efforts.

#### **Vision:**

*“To have Sault Ste. Marie recognized as an international hub for innovation, research and development and technology transfer supporting the knowledge based enterprises, products and services.”*



**Goals:**

The goals for this GE are:

- Identify, research, and promote knowledge-based business development opportunities
- Encourage, support and strengthen educational, health and research institutions in new areas of research, education and training programs, through infrastructure development and facilitating partnerships
- Meet the industry and community needs for present and future skilled and educated, trained workforce (human capacity) and to develop this as a competitive advantage in attracting new business investments

**Objectives:**

These goals will be attained through the following objectives:

1. Develop community infrastructure and build operational support for key strategic partners to support new business development
2. Aggressively pursue private and public sector funding to support innovation, education, training, scientific research, technology, and business development
3. Create a Knowledge-based entrepreneurial spirit within our community by linking students with business owners through mentor strategies, business plan competitions, and role modeling
4. Support and strengthen scientific research, product and technology transfer programs and partnerships that would support business growth
5. Strengthen organizations and partnerships to support knowledge-based opportunities and to interact with other diversification components
6. Promote and facilitate cooperation and sharing among knowledge-based institutions and between knowledge-based institutions and the private sector
7. Identify, create, and support innovative growth educational programs and initiatives with our educational institutions and BRIDGE

**Strategic Priorities:**

There is a need to develop an advisory committee e.g. Science Works! within the community to determine what the global trends for knowledge might be and compare that to Sault Ste. Marie's existing capabilities to determine gaps. We must develop educational programs and projects to match the labour force needs. A marketing and promotion strategy must be developed to promote existing resources and accomplishments.

**Initiatives:**

The Steering Committee identified a number of initiatives for the Knowledge Based Growth Engine (see table #4). From the identified undertakings the following eight initiatives were identified as high priority for immediate action.

**1. Algoma University College - Information and Communication Technology Centre (Table #4, Initiative 6.2, Table #1, Initiative 2.2, and Table #3 Initiative 2.3)**

Algoma University College is proposing to construct a two-story 24,000 square foot building that would include a new computer lab, graduate student and research lab and a 200 seat lecture hall on the first floor. PUC's Telecom Division is contributing over \$400,000 toward the cost of telecommunication and videoconferencing technology equipment and will occupy just over half of the second floor. The remainder of the second floor will be used as a business incubator operated by the Sault Ste. Marie Innovation Centre. This project is essential to AUC's new Masters program in Computer Game Technology. On Sept. 23rd, City Council confirmed \$253,760 in funding to support this project. AUC is currently awaiting funding approval from FedNor and NOHFC.

Funding Notes:

City	confirmed	\$ 253,760
FedNor	requested	1,227,142
NOHFC	requested	2,454,529
SuperBuild	confirmed	650,000
PUC Telecom	approved in principle	407,640
AUC	confirmed	871,920
Corporate	underway	<u>249,060</u>
Total:		\$6,114,051

**Recommendation:** That FedNor and NOHFC be encouraged to approve their requested portion of construction funding for this project as quickly as possible.

**2. E-Commerce Contact Centre (Table #4, Initiative 1.4 and Table #1 Initiative 3.3)**

The SSMEDC has secured \$3.7 million of government financing to construct and build a 30,000 square foot facility at the former MTO site (purchased by the City). The SSMEDC has completed architectural and engineering drawings for this project and will aggressively market this opportunity.

Funding Notes

City- confirmed	\$ 700,000
NOHFC -confirmed	3,000,000
Private -proposed	<u>3,700,000</u>
Total	\$7,400,000

**Recommendation:** That the Steering Committee secure a tenant for this facility (long-term lease and private financial commitment of \$3.7 million) by the Spring of 2003.

**3. Innovation Centre – Construction (Table #4, Initiative 1.1)**

The Sault Ste. Marie Innovation Centre (SSMIC) has secured \$3 million from the NOHFC to support the location of EDS/GM Roadside (275 jobs, \$16 million investment) to Sault Ste. Marie. Part of the NOHFC investment (\$1.6 million) is to support leasehold and capital equipment to this project and the balance of \$1.4 million is to support a new facility for the SSMIC and their Call Centre initiative. The SSMIC has completed a feasibility study with the support of the Bell Economic Development Fund and are working to secure a client for this facility. Bell Canada is working with the SSMIC on the business plan. The new facility will house the existing SSMIC activities and provide space for new business that will generate revenues for SSMIC operations. Presently, the SSMIC is reviewing its project as proposed construction costs exceed the budget.

Funding Notes

NOHFC	Confirmed	\$1,400,000
City	Confirmed	<u>153,000</u>
Total		\$1,553,000

**Recommendation:** That the Sault Ste Marie Innovation Centre finalize their construction cost requirements, secure a Call Centre proponent and commence construction of a new facility in 2003.

**4. Science Works! (Table #4, Initiative 1.2, Table #1 Initiative 3.2, and Table #5 Initiative 1.1)**

The Science Works! partnership has been formed to develop commercial, educational and research opportunities in the natural resource sector. More than 30 local opportunities have been identified to commercialize research products and provide scientific support services. However, there is a need to assist with bringing together the necessary expertise, resources, partners and infrastructure. A detailed study is required to further develop the concept, to determine the potential feasibility of the project, to identify the anticipated benefits and to recommend the best organizational structure. The terms of reference for this study have been prepared and the total estimated cost is \$100,000.

Funding Notes:

City	requested	\$12,500
NOHFC	requested	75,000
Other Partners	requested	<u>12,500</u>
Total:		\$100,000

**Recommendation:** That an application be prepared for NOHFC consideration for \$75,000 towards the cost of a study to further develop the concept and that City Council approve \$12,500 for this project from the Economic Development Fund.



**5. ULERN (Table #4, Initiative 2.1)**

The Upper Lakes Environmental Research Network (ULERN) is a not-for-profit charitable corporation comprised of over 250 researchers, resource managers and educators from 13 organizations. Their mission is to facilitate collaborative natural resource and environmental research and development in the Upper Great Lakes Basin. ULERN’s goal is to broaden their expertise to focus on potential development opportunities associated with ongoing projects.

In the 5.5 years since their inception, ULERN has:

- Facilitated numerous collaborative R& D projects
- Provided jobs for more than 100 students and recent graduates in cutting-edge research and development projects
- Raised more than \$7.7 M for research and development
- Hosted 14 conferences and workshops
- Hosted ‘A Celebration of Science’ to showcase ongoing science projects

**Recommendation:** That ULERN, in partnership with the private sector prepare a proposal for expanded services.

**6. Innovation Centre Operations (Table #4, Initiative 5.2)**

The Sault Ste. Marie Innovation Centre has secured \$330,000 from the City of Sault Ste. Marie and is applying to FedNor for \$330,000 to cover the anticipated third year project costs. These dollars will ensure the ongoing operation of the organization and will provide the Board and staff with the opportunity to continue to work towards achieving the organization’s mandate of enhancing the knowledge based economy in the District. The Innovation Centre will be concentrating its efforts in the following areas during its third year of operation:

- IT promotion and awareness (Promote) through collaborative efforts with the local ICT group and IT providers
- Attract/develop IT related economic activity (Attract/Develop) through the development and sales of geographic information systems (GIS) and other related information technology applications
- Opportunity identification (Identify) for IT applications in the health care and natural resources sectors
- Enhancing capacity (Capacity Building) through business incubation and the development of call centers and a data warehouse

Funding Notes

City	confirmed	\$330,000
FedNor	requested	<u>330,000</u>
Total		\$660,000

**Recommendation:** That FedNor be encouraged to support third year funding for the SSMIC, and that the SSMIC continue to develop initiatives that support ongoing efforts to expand the level of local participation in the knowledge based economy and stimulate economic activity in the Information Technology (IT) sector.

***7. ADNet Bandwidth Project (Table #4 , Initiative 1.7)***

ADNet is a community-driven telecommunications initiative (\$10 million) in the Algoma District of Northern Ontario. The objective is to develop high-speed bandwidth at low per unit cost and make the bandwidth accessible for the entire Algoma District. Phase I was the development of a business plan to install high-speed bandwidth telecommunication infrastructure. Phase II was the selection of a vendor. This vendor is a consortium of Northern Ontario based telecommunications providers headed by O.N. Telecom and Sault Ste. Marie PUC Telecom. Initial Service Access Points (SAP) were established in Blind River and Wawa with additional SAP's in Thessalon, Bruce Mines and Richards Landing. Further SAP's are to be established along the Highway 17 corridor extending to the Algoma District/Sudbury District boundary. ADNet is also working with CISCO Corporation to establish a unique soft switch technology to the District allowing for greater telecommunication applications and data warehousing.

**Recommendation:** That ADNet in conjunction with its partners proceed with the expansion of the high-speed bandwidth project and further investigate the feasibility of soft switch technology in the Algoma District.

***8. Sault College Railroad Training Institute (Table #4, Initiative 6.1, and Table #1, Initiative 2.1)***

Sault College is working with several private sector rail companies to develop the concept for a Railroad Industry Training Institute in Sault Ste. Marie. The rail industry is faced with a skilled labour shortage with its aging workforce and at the same time, technological development has resulted in the need for higher levels of knowledge and skills for its workers. Education and training are envisioned for engineering, mechanical, electrical, technical and service positions.

**Recommendation:** That Sault College finalize the evaluation for a proposed Railway Training Institute in Sault Ste. Marie.

***Examples and suggestions arising from the review process that the Implementation Team can further investigate:***

- Knowledge-based sector needs a mechanism for networking with other similar institutions and the private sector within and external to SSM
- Pull together a forum, possibly even a foundation with business and educational institutions – could result in good efficiencies for the business community as well as excellent training for students e.g. Algoma Tubes has an Automation engineer who has set up a cooperative program with Lake State University and Sault College which has proved very successful.

- We have a number of scientists working on forest biology but little representation in the technical sciences. Work to encourage organizations like The Forest Engineering Research Institute of Canada (FERIC & FORENTEC) and The Pulp and Paper Research Institute of Canada (PAPICAN), to locate staff in SSM or work on partnerships with Sault College and/or Algoma University, Ontario Forest Research Service(GLFS), and the forest industry.
- There is a need to “grow” our own scientists e.g. creative learning opportunities such as distance education

## GE #5: Health, Social and Public Sector Development<sup>14</sup>

**T**his GE includes those activities involving public sector employment, a comprehensive integrated health care system and a coordinated social services system in the community.

Public administration and defence is a major sector in the Ontario economy. It is larger than construction, tourism, utilities, other primary and agriculture sectors. In 1996 government employment in Sault Ste. Marie accounted for 2,385 jobs. If one adds education (3,105) and Health and Social Services (4,460) to government employment, this accounts for a total of 9,951, roughly one third of the City's workforce.

### **Rationale for this Growth Engine:**

1. Government work force provides stable, high paying and high skilled jobs and broadens the traditional basic industrial base of the Community. Maintaining and growing this sector will result in direct economic benefits as well as contributing significantly to other Growth Engines through clustering and by direct and indirect involvement in their activities.

Jobs in public administration in Northern Ontario have declined 26% while jobs in this sector have declined by only 11% in the rest of the Province. It is estimated that Sault Ste. Marie has lost 1,000 government jobs in the last five years. This is one of the significant reasons we've had such an exodus of families from Sault Ste. Marie.

Many public sector employees will retire in the next five years. There is a need to ensure that these positions are replaced. In some instances this will involve significant marketing and promoting e.g. GLFR could loose up to fifty percent of its scientists in the next few years and replacing them may involve national and international competition.

The establishment of Ontario Lottery and Gaming Corporation (OLGC) in SSM has resulted in significant numbers of high tech jobs and synergies. If, as originally envisioned, OLGC's central headquarters was in SSM, we would have a workforce of 1,500 instead of 1,000. It is essential that the Province adopt an attitude to increase the employment opportunities proportional to that in other parts of Ontario. Likewise, we would like to see the Federal Government take the approach that decentralization of government jobs be used as a tool to support community diversification strategies. "The number of Federal employees has climbed by almost 11% in the past three years, nearly double the six percent growth in total Canadian employment."<sup>15</sup> Northern Ontario, and Sault Ste. Marie in particular, would welcome public sector growth.

---

<sup>14</sup> This GE originally consisted of only Public Sector Development. Health and Social Services were added as a result of input received during the public/stakeholder review process.

<sup>15</sup> Globe and Mail, March 17<sup>th</sup>, 2003 Page B2

2. The current and growing population will place pressures on the health care and social service resources of Sault Ste. Marie. A new hospital and long-term care facility have been identified as top priorities. The new hospital is estimated to cost \$175 million and over the five year construction period, the facility developments will generate between \$202 million and \$321 million within the local economy. Approximately 26 to 34 additional permanent jobs will be created and annual additional economic benefits will be in the \$2.7 - \$3.6 million range. Indirect benefits include aiding in the recruitment of health professionals, reducing operating costs and improving patient services.

There is a coordinated response with BEC recognizing the importance of jobs being created in the social services sector.

**Vision:**

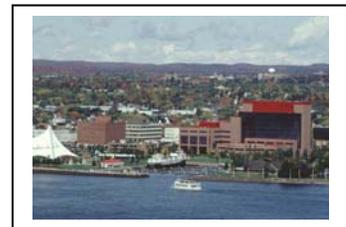
*That SSM become internationally recognized as a government centre of excellence for natural resources, the Ontario Lottery and Gaming Corporation and other public sector initiatives as well as a northern Ontario leader and regional centre for the promotion and provision of quality health care and social services.*

**Goal:**

*To increase the number of government and not for profit sector employees in the community in an environment that provides quality community services.*

**Objectives:**

1. To create high paying permanent jobs involved in the commercialization of forestry related natural resources research by capitalizing on the existing cluster of research facilities and services
2. To attract and locally grow scientists to occupy the future knowledge worker jobs in forestry related natural resources, science and development
3. To promote the comparative advantages to the Province and Federal Government of locating or expanding in SSM
4. To maintain and promote SSM as a regional centre for health and social services
5. To promote and pursue the necessary health and social services infrastructure and skilled work force required to meet our needs



**Strategic Priorities:**

- Conduct and maintain an ongoing gap analysis on required public sector services and possible relocation opportunities and develop a marketing plan to promote (through our municipal, provincial and federal representatives) the many benefits of maintaining and increasing public sector employment in Sault Ste. Marie.
- Support and promote the establishment and staffing of new health and social services facilities within a regional framework to meet the needs of a growing and aging community and the region.

**Initiatives:**

The Steering Committee identified a number of initiatives for this Growth Engine (see table #5). From the identified undertakings, the following initiative was identified as high priority for immediate action.

**1. Public Sector Employment Retention and Expansion (Table #5, Initiative 3.1 and Initiative 4.1)**

Total public sector employment has declined in Sault Ste. Marie by more than 1,000 jobs between 1991 and 2001. Most of these jobs have been in the Federal and Provincial civil service. The Provincial Government's previous Northern Ontario Relocation program created good quality, higher paying jobs throughout the north and should be repeated.

**Recommendation:** That the City develop a strategy for a direct marketing campaign to promote to both the Federal and Provincial governments the many benefits of maintaining and increasing employment in Sault Ste. Marie. This initiative has an estimated cost of \$200,000.00 over three years.

***Examples and suggestions arising from the review process that the Implementation Team can further investigate:***

- Monitor and capitalize on government policy to retain or expand the public sector
- Meet with senior government staff to discover potential opportunities and to identify possible threats
- Find situations where government needs new infrastructure. Be strategic and go after these opportunities, do the homework e.g. consider tapping into MOE's development of a new water strategy
- Recognize the health sector and social agencies' contribution to the Strategy e.g. employment and science/knowledge
- Recognize the importance of the social and economic connections/implications of initiatives and needs
- Conduct a survey to determine what skills will be required in the next few years so that training can be directed towards providing them e.g. employment opportunities associated with health care

## GE #6: Trade and Export Development

This GE includes those activities that involve trade to support business growth. We will strive to capitalize on our geographic location and transportation links to the export markets. We must create an international awareness of our community's goods and services and the reliability of our small and medium sized enterprises.

### **Rationale for the Export Development Strategy:**

A positive climate and specific initiatives promoting trade and export must be created to encourage organizations to develop new markets. An export mindset and culture is required to increase the export of goods and services.

### **Vision:**

*“To have Sault Ste. Marie be an international centre for trade and a community with reliable small and medium sized enterprises producing quality goods and services to access all markets.”*

### **Goal:**

The goal for this GE is to develop, support and expand the number of businesses that are focused on trade and exporting.

### **Objectives:**

We will attain this goal through the following objectives:

1. Expand markets for existing local products and services
2. Develop new export products and services
3. Create an International Trade culture in the Community

### **Strategic Priorities:**

RAPIDSUCCESS Export Initiative, a public/private partnership will identify those organizations in Sault Ste. Marie and Algoma District that are currently exporting or have the capacity to export. This community trade service organization will support and facilitate this export development through education, training and direct assistance. RAPIDSUCCESS will investigate export opportunities for local businesses. Sault Ste. Marie will stay connected to FedNor and MNDM's Northern Ontario Trade Strategy, its regional trade network, and other service providers to promote a trade and export culture.

### **Initiatives:**

The Steering Committee identified a number of initiatives for the Export Growth Engine (see table #6). From the identified undertakings, the following initiative was identified as high priority for immediate action.

1. **Export Development Initiative (Table #6, Initiative 1.1, 1.4, 1.5, 2.1 and 3.2)**

The recently announced Export Development initiative was submitted by RAPIDSUCCESS Business Growth Inc. (formerly RAPIDS Community

Investment Inc.) on behalf of partnership of Steering Committee, CDC, SSMEDC, East Algoma Community Futures Development Corp. and Superior East CDC to service Algoma District. This initiative is intended to complement and intensify on-going trade development programs and work being done by all economic and business development partners. This will primarily be achieved by building export capacity of existing business, educating and promoting exporting as a growth tool and the development of an export network to mentor and exchange information and knowledge. The Export Development Advisor will work regionally from the RAPIDSUCCESS office in Sault Ste. Marie and make regular visits to District communities.

Funding Notes

FedNor	confirmed	\$208,080
HRDC	confirmed	94,216
Proponent	confirmed	15,000
Others	confirmed	<u>17,404</u>
Total		\$334,700

**Recommendation:** That RAPIDSUCCESS Business Growth Inc. fully implement the Export Development initiative as quickly as possible.

***Examples and suggestions arising from the review process that the Implementation Team will further investigate:***

- Promote SSM as an international city
- Think outside the box e.g. Fitzpatrick Industry (exports to Ireland)
- When dealing with trade missions, have a clear strategy that includes preparation, actions when there, and follow up
- Capitalize on the fact that many community members have close relationships with other countries e.g. family, business ties, etc.

## Building an Extraordinary Community & Naturally Gifted

These unique undertakings embrace all Growth Engines and contribute significantly to the overall Destiny SSM Strategy.

The following initiatives warrant immediate attention in Destiny SSM.

### **BEC Quality Council (All)**

The BEC Quality Leadership Team has developed a pilot process to both improve quality within individual organizations and to focus the communities resources more effectively. Currently, BEC has approximately 20 organizations that make up the membership with the target being 50 organizations by March 2003. They will be creating an inventory of best practices to share within the community and looking to experts outside the community to bring new ideas and approaches to SSM and area. The second element was the development of a Community Performance Framework, a matrix of indicators gauging our overall quality of life, which points everyone to our common vision and measures what progress has been made. This matrix could later be used to focus resources or act as a promotional document to entice new businesses and professionals to Sault Ste. Marie and area. A total budget for the project is \$145,000 annually.

**Recommendation:** That the BEC Quality Leadership Team finalize a business plan to present to the Destiny SSM Steering Committee and appropriate funding agencies for funding consideration.

### **Naturally Gifted Campaign (All)**

The Economic Development Committee in cooperation with the private sector, media, other community development agencies, and the community would carry out a marketing campaign and community ambassador program to strengthen local entrepreneurial spirit and pride in the community. The campaign would *celebrate the success* of private and community champions who have successfully grown and expanded their business or have made a significant contribution to the local economy. The ambassador program will partner with private sector leaders to take an active role in speaking out on new opportunities, good news, and initiatives. This initiative supports the Building and Extraordinary Community and Industrial Marketing Strategy.

**Recommendation:** That the SSMEDC develop the concept, business plan, and partners to bring back to the Destiny SSM Steering Committee for consideration.

## People and Lifestyle

During the development and stakeholder review of the Strategy, we were regularly reminded that SSM is a great place to live and work and that these assets should be promoted.

Quality of life is essential for a competitive economy. Successful development in the new economy requires an understanding of the mobility of resources, both financial and human. Businesses, employees and entrepreneurs can choose to relocate if they are dissatisfied with the quality of life in any particular area.

Sault Ste. Marie has an unparalleled quality of life. Public input involvement in the Strategy indicated quality of life was rated very high in reasons for locating in the City. Land, location, labour and lifestyle are the elements that make Sault Ste. Marie a great place to live, work and play. In addition, scenic beauty and open space, a safe place to raise their families, a good place for children to learn values, close-knit neighbourly City areas and outdoor recreation opportunities are top reasons they live here. Sault Ste. Marie must maintain and enhance the quality of life it provides.

We recognize that without a vibrant, competitive economy and solid population base, we cannot support education, arts, basic infrastructure and the health and human services that are an integral component of a high quality of life. Our intent is to create economic growth while embracing our family-oriented community.

### **Vision:**

The following vision was developed during the Building an Extraordinary Community process;

*The Sault Ste. Marie area will be internationally recognized as an attractive, vibrant, and diversified community that fosters pride and is passionately committed to building an extraordinary quality of life and sustaining its natural beauty.”*

### **Goal:**

To promote sustainable economic growth that balances the economic needs of Saultites while maintaining a healthy and attractive environment.

### **Strategic Priorities:**

The Destiny SSM Committee will promote regional economic development to ensure that economic growth, local values, and quality of life are supported. They will continue to work with the community to support policies and legislation that ensures continued support for the safety and security of residents.

### ***Examples arising from public input that the Implementation Team will further investigate:***

- Actively consider quality of life areas such as culture, recreation, and an aesthetically pleasing community
- Package our assets/opportunities and make the information available to investors in their language (entrepreneurial)

- Sault Ste. Marie is a good place to live. Ensure that new businesses receive a good information package promoting quality of life as well as requested business resource information.

## Conclusion

Destiny SSM is a framework that will help guide Sault Ste. Marie's economic diversification efforts to create a stronger, more diversified economy. Its content is the result of analyzing past economic efforts, listening to businesses and citizens, learning from other communities' experiences and consultation with federal and provincial government staff. The Strategy has identified goals and objectives and then recommended initiatives which are compatible with and supportive of our strategic needs. It is intended to provide a framework from which Sault Ste. Marie's private sector can contribute to the City's economic vitality in the coming years.

As this Strategy gains additional input and community support in the next few months, we must all realize that our task has only begun. Constant performance review must occur to ensure we are aligned with our goals and opportunities. Only with continual assessment, refinement, and evaluation can this framework benefit all Saultites in the long term.

We encourage all who read this document to comment on its contents. Participation and support from all sectors and citizens is essential for economic development. With strong community involvement and support, we will develop a vibrant economy in Sault Ste. Marie.

