**The Corporation of the**
**City of Sault Ste. Marie**

# C O U N C I L  R E P O R T

February 3, 2025

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| TO: | Mayor Matthew Shoemaker and Members of City Council |
| AUTHOR: | Graham Atkinson, Manager of Business Development |
| DEPARTMENT: | Community Development and Enterprise Services |
| RE: | Green Shipping Corridor Funding Approval |

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## Purpose

The purpose of this report is to inform and seek Council approval of the funding agreement for the Green Shipping Corridor Program (GSCP).

## Background

On April 8, 2024, Council approved the following resolution:

> Resolved that the report of the Manager of Business Development dated April 8, 2024 concerning Community Development Fund, Economic Development stream application for Port Development – Senior Coordinator be received and that Council approve the request for funding in the amount of $66,150 per year for a period of three years totalling $198,450.

Staff had proposed that the total project cost for the three years would be $793,800. The Sault Ste. Marie Economic Development Corporation (SSMEDC) consented to contribute $198,450 and it was also proposed that the City contribute the same amount. These planning-focused funds would be leveraged, with staff identifying potential support through Transport Canada's Green Shipping Corridor Program, to which a request for $396,900 was submitted.

The City was notified that it was successful in this funding application. These funds are specifically dedicated to the planning project phase, as detailed in the proposal. Other funding and support pathways will be sought during the construction/development phase of the project.

The GSCP offers funding for projects that facilitate the development of green shipping corridors and the reduction of marine sector carbon emissions across the Great Lakes, the St. Lawrence Seaway, and Canada's East and West Coasts by:

- Removing barriers hindering the adoption of emission-reducing equipment and infrastructure

- Encouraging partnerships and investments led by the industry to speed up the adoption of greenhouse gas (GHG) emission-reducing technologies and infrastructure

- Mitigating investment risks to elevate the technology readiness level of low-carbon and zero-emission maritime technologies and fuels for the domestic fleet

- Enhancing the capability of Canadian vessel owners/operators to identify, plan, and implement next-generation low-carbon and zero-emission maritime technologies and fuels within their operations

**Analysis**
Upon receipt of the GSCP funds, the Economic Development Department will undertake the following project-related activities:

- **License to Develop**: Establish a working group with stakeholders including the City of Sault Ste. Marie, Algoma Steel, and other relevant parties;

- **Demand Study**: Conduct an updated market and marine activity demand analysis, refreshing insights from past studies by KPMG (2011) and the Port of Antwerp (2015);

- **Technical Assessment**: Execute multidisciplinary studies to assess nautical, infrastructural, logistical, and operational dimensions;

- **Removing Barriers**: Promote the adoption of innovative equipment and infrastructure to enhance economic, social, and environmental opportunities;

- **Incentivizing Partnerships**: Foster industry-led collaborations and investments to accelerate the development and utilization of improved port facilities;

- **De-risking Investments**: Mitigate investment risks to advance the technological readiness level of innovative port and marine transportation technology;

- **Building Capacity**: Strengthen the capability of Canadian vessel owners/operators to integrate cutting-edge ship technology into operations;

- **Governance Model**: Develop a robust governance structure outlining roles and responsibilities for port development, management, and operations;

- **Port Development Plan**: Prepare a comprehensive and actionable plan and roadmap for the proposed port development project.

**Financial Implications**
The estimated total funding requirement for the three-year project is $793,800. With the GSCP approval, Transport Canada will provide $396,900, complemented by $198,450 each from the City and the SSMEDC, in alignment with prior Council approvals (April 8, 2024). These funds are specifically dedicated to the planning project phase, as detailed in the proposal. Other funding and support pathways will be sought during the construction/development phase of the project.

**Strategic Plan / Policy Impact / Climate Impact**
This initiative supports the Strategic Focus Area of Community Development by augmenting economic development opportunities and aligns with the City of Sault Ste. Marie's environmental commitments.

**Recommendation**
It is therefore recommended that Council take the following action:

The relevant By-law 2025-23 is listed under Agenda item 12 and will be read with all by-laws under that item.

Respectfully submitted,

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