



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

COUNCIL REPORT

September 2, 2025

TO: Mayor Matthew Shoemaker and Members of City Council

AUTHOR: Travis Anderson, Director Tourism & Community
Development

DEPARTMENT: Community Development and Enterprise Services

RE: Tourism Sault Ste. Marie Waterfront Design Funding
Agreement

Purpose

The purpose of this report is to seek Council permission to transfer funds from the 2024 and 2025 City's share of the Municipal Accommodation Tax (MAT) funds, as well as asset management reserve to Tourism Sault Ste. Marie (TSSM) to support the advancement of Phase One of the Waterfront Plan.

Background

The Sault Ste. Marie Waterfront Master Plan, co-developed by Tourism Sault Ste. Marie and the City, presents an ambitious and forward-looking vision to transform the waterfront, Sault Ste. Marie's most significant public asset. This initiative is set to drive both economic growth and community vibrancy by unlocking the full potential of the City's waterfront space.

In June 2025, City Council approved the Sault Ste. Marie Waterfront Master Plan to guide long-term revitalization of the City's downtown waterfront area. The Plan includes a series of phased public realm improvements designed to enhance quality of life for residents and drive year-round tourism.

Designed to allow for a phased approach, Phase One of the plan is centered in Clergue and John Rowswell Parks and includes a destination playground, urban beach, and river pool – transformative projects aimed at positioning Sault Ste. Marie as a premier waterfront destination.

At the time of approval, staff were directed to advance Phase One of the Waterfront Plan, while limiting the impact to local taxpayers, by pursuing alternative funding options, including the Municipal Accommodation Tax (MAT), as well as Federal and Provincial Funding.

To advance Phase One from conceptual design to construction, the next critical step is to complete detailed design. This phase will provide the technical and regulatory foundation required to make the project shovel-ready for future

provincial and federal funding opportunities and will also deliver a refined and more accurate cost estimate.

Further, the Engineering department has requested support in funding engineering and design for the waterfront section at the Civic Centre, as it is in immediate need of repair due to safety concerns. Staff are proposing to fund this scope of work through the combination of MAT funds dedicated to the development of the waterfront and Engineering's construction budget.

Analysis

Following the directive of Council, to reduce the impact to local taxpayers and source third party funding, staff consulted with federal and provincial government funding bodies. During these conversations, staff were advised that the best opportunity to secure capital investment is through a project proponent with a clear tourism and economic development mandate. As such, staff are proposing that the project be led by Tourism Sault Ste. Marie, as it offers the strongest alignment with federal and provincial tourism infrastructure priorities.

It should be noted that although the project would be advanced under the umbrella of Tourism Sault Ste. Marie, City staff will have direct oversight of the project, as the City provides staff to the organization as agreed upon through a management agreement.

Phase One:

Through TSSM, staff will retain qualified design consultants to undertake detailed design work for Phase One. This phase of work will produce the following deliverables:

Landscape Architecture

- Comprehensive design for promenade upgrades, shoreline enhancements, playground layout, and the integration of the beach and river pool areas.
- Development of a tender-ready design package complete with construction specifications.
- Updated and detailed cost projections.

Engineering

- Civil and structural assessment of shoreline retaining systems.
- Hydrological studies examining water flow, depths (bathymetry), and wave impacts.

Environmental Permitting

- Preparation and submission of required applications to regulatory bodies such as the Ministry of Natural Resources and Forestry (MNR), Transport Canada, and Fisheries and Oceans Canada (DFO).

Stakeholder Engagement

- Support public consultation and prepare graphic materials to build support and communicate progress.

Civic Centre Waterfront:

The section of the waterfront adjacent to Civic Centre is in visible decline. Several infrastructure elements, including railings, walkways, and retaining structures,

show signs of deterioration, creating safety and accessibility concerns for both residents and visitors.

In particular:

- Walkways have become uneven and present tripping hazards.
- Viewing platforms lack sufficient edge protection for public safety.
- Landscaping and lighting infrastructure are outdated and require renewal.
- Key access points to the waterfront trail system are poorly marked and non-compliant with accessibility standards.

These conditions not only limit enjoyment of the waterfront but present a liability risk.

Including the design work within the broader scope of Phase One will integrate these safety-related upgrades into the broader revitalization scope and ensure consistency with design standards across the site. Together, these efforts will ensure that the project is ready for implementation and fully aligned with regulatory, technical, and funding requirements.

Deliverables for this phase of work is consistent with those produced for Phase One.

Funding:

The costs associated with the above scope of work is \$802,100. To fund this work, staff are proposing that funds from both the City's share of the MAT and Engineering's Miscellaneous Construction Reserve be used. The use of MAT funds is consistent with provincial regulations, as it can only be used for tourism product development and marketing.

- MAT Funds: \$612,100: Including \$236,852 from the 2024 MAT reserve and \$375,248 from the 2025 MAT funds.
- Miscellaneous Construction Reserve: \$190,000

This funding model aligns with Council's directive to staff, as the City's contribution is limited to 23.5% of the total cost.

Staff are recommending transferring funds required to carry out the project to Tourism Sault Ste. Marie, as the organization does not have the adequate funds available to advance this work, as much of their budget is allocated to marketing the City and other tourism product offerings, including the Big Ben Tour Bus, Miss Marie and the development of Wishart Park.

Should Council agree to the proposed transfer of funds, a funding agreement between both organizations will be entered into and staff will provide updates following the completion of the design work, currently targeted for mid-2026, and will retain final approval for the implementation of the project.

Financial Implications

The City of Sault Ste. Marie's contribution to the waterfront design plan is \$802,100. No new funds are required, as the City has \$612,100 available funding in its share of MAT funds allocated to waterfront development and \$190,000 of available funding in the miscellaneous construction reserve.

Strategic Plan / Policy Impact / Climate Impact

This item supports a number of Focus Areas of the Corporate Strategic Plan:

- Community Development – Increase tourism visitor spending and occupancy rates.
- Community Development – Develop shovel-ready projects to access available funding.
- Infrastructure – Invest in maintaining an attractive, vibrant downtown with a world-class waterfront.
- Quality of Life – Invest in recreational infrastructure.

There are no climate change impacts associated with this project.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the Director of Tourism and Community Development dated September 2, 2025 concerning Tourism Sault Ste. Marie Waterfront Design Funding Agreement be received and that Council approve \$190,000 from the Miscellaneous Construction Reserve be used for the detail design of the Civic Centre section of the waterfront walkway.

The relevant By-law 2025-136 is listed under item 12 of the agenda will be read with all by-laws under that item.

Respectfully submitted,

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