



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

**C O U N C I L   R E P O R T**

September 22, 2025

TO: Mayor Matthew Shoemaker and Members of City Council  
AUTHOR: Tom Vair, CAO  
DEPARTMENT: Chief Administrative Officer  
RE: Former Sault Area Hospital Update

---

**Purpose**

The purpose of this report is to seek Council approval to enter into an agreement of purchase and sale with Green Infrastructure Partners (GIP) and Ruscio Construction for the sale of the former Sault Area Hospital (SAH) property.

**Background**

On November 18<sup>th</sup>, 2024, City Council awarded the sale of the former SAH site to two proponents who had submitted a joint response to the Request for Proposals (RFP). Green Infrastructure Partners (GIP) and Ruscio Construction were selected, and the terms negotiated by staff were approved to conclude an agreement of purchase and sale.

Since the approval, staff have worked to conclude an agreement with the proponents. The agreement with Ruscio Construction was negotiated and ready to sign in December. Ruscio Construction was waiting on approval of the GIP agreement to provide assurance that the former General Hospital will be demolished.

Staff have concluded negotiations with GIP and are returning to receive Council approval to proceed with an agreement. Key terms of the agreement with GIP include:

- A commitment to commence demolition within 45 days of the closing date and complete demolition of the former General Hospital site within 12 months (subject only to unavoidable delays).
- A commitment to develop a master plan for the site within 36 months from the Closing Date.
- GIP, or a Permitted Assignee, shall submit and secure building permits for construction with a maximum of five (5) years from the Closing Date.
- A reduction in the contribution from the City Demolition Reserve of \$120,000 to account for the negotiation delays. The original contribution was to be \$220,000, it is now \$100,000.

- The City will allow up to 6,800 metric tons of construction and demolition waste to the municipal landfill.
- GIP shall be permitted to dispose of brown exterior bricks from the property at the landfill or at other sites as agreed to between the parties (such materials can be crushed and used as granular material).
- GIP can dispose of contaminated soils originating from the property at the landfill, provided they meet acceptable Toxicity Characteristic Leaching Procedures (TCLP) rules for soil management (such material can be used as cover within landfill operations in the future).
- The City will provide \$190,000 of in-kind work for future services required by the development.

### **Analysis**

The former Sault Area Hospital property is a waterfront property with tremendous development potential. The agreements reached with GIP and Ruscio Construction will see a number of positive benefits for the community:

- \$2M to the City from Ruscio Construction for the former renal building property.
- The redevelopment of the renal building with an application for building permits within twelve months.
- The demolition of the former General Hospital commencing within 45 days of the closing date and the complete demolition of the former General Hospital site within 12 months.
- Removing a blighted property on our waterfront that has experienced ongoing safety and security concerns.
- The preparation of the site for future development, which will provide future tax assessment to the City.

The proponents are two credible companies — GIP is one of Canada's largest and most diversified infrastructure companies, with the significant human and capital resources required to complete the demolition of the former General Hospital. Ruscio Construction is a respected local builder with a positive development track record in the community.

The City previously obtained quotes for the demolition of the former General Hospital. These quotes indicated the demolition of the property would cost up to \$4.6M and underscores the significant scale of the demolition project.

The purchase and sale of the former SAH site was a strategic community development investment. Council and staff were aware that the sale price through the RFP process would be less than the City's purchase price. The investment was made to redevelop two highly visible, blighted properties on the community's waterfront with the expectation that the City investment will be recouped and exceeded through future municipal tax revenue. A full payback is expected in 6-12 years, pending market conditions. The impact of tariffs was not known at the time

of the City purchasing the former Sault Area Hospital land, and ongoing impacts will need to be monitored.

The sale to GIP and Ruscio Construction will also enable the development of new residential units in the community, which are required for housing needs and to meet Provincial housing targets.

### **Financial Implications**

The \$2M installment payments for the sale of former renal building property will be returned to the contingency reserve as they are received.

The City contribution from the demolition fund of \$100,000 was reduced and will leave funds available for future projects.

The provision of in-kind services of up to \$380,000 from Public Works to support the future residential development of the properties (\$190,000 each between the GIP and Ruscio properties) will be accommodated within the annual Public Works approved budget levels.

### **Strategic Plan / Policy Impact / Climate Impact**

The sale of the former Sault Area Hospital site aligns with the corporate strategic plan in the following areas:

- Create social and economic activity
- Maximize economic development and investment
- Foster a vibrant downtown area

### **Recommendation**

It is therefore recommended that Council take the following action:

The relevant By-law 2025-144 is listed under item 12 of the Agenda and will be read with all by-laws under that item.

Respectfully submitted,

Tom Vair

CAO

705.759.5347

[cao.vair@cityssm.on.ca](mailto:cao.vair@cityssm.on.ca)