



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

COUNCIL REPORT

October 14, 2025

TO: Mayor Matthew Shoemaker and Members of City Council
AUTHOR: Brent Lamming, Deputy CAO, Community Development
and Enterprise Services
DEPARTMENT: Community Development and Enterprise Services
RE: Downtown Business Improvement Area – Budget Update

Purpose

The purpose of this report is to provide information regarding the proposed 2026 budget request to support the Downtown Business area, approve the by-law dissolving the BIA, and update Council on related agreements to facilitate the transition.

Background

The following resolution was passed at the October 21, 2024, Council meeting:

Whereas the City of Sault Ste. Marie has had a Business Improvement Area known as the Downtown Association (formerly the Queenstown Association) since 1976, a time when Queen Street was the major commercial district within the community; and

Whereas since 1976, commercial activity in the community has become more spread out throughout the community, including the expansion of the mall, redevelopment of the St. Mary's Paper site into the Canal District, and expansion of offerings on Great Northern Road, Northern Avenue and Trunk Road; and

Whereas downtowns have, over the course of several decades, transformed from being solely commercial hearts of communities, to being the social hearts of a community, hosting festivals and events, all while continuing to offer commercial and retail draws; and

Whereas it is prudent to review if the model for downtown marketing and promotion that worked in 1976 continues to be the best model for our Downtown, recognizing that the community's definition of downtown is different than the Downtown Association's geographic boundaries; and

Whereas if Council believes downtown development is a community priority, it should be supported by the community, not just those businesses

*that front directly on Queen Street between Gore Street and East Street;
and*

*Whereas dissolution of a Business Improvement Area is an option available
to municipalities under the Municipal Act, 2001; and*

*Now Therefore Be It Resolved that staff be requested to investigate how
comparable communities are activating, promoting, and marketing their
Downtowns, and report to Council on options available to it, either with a
recommendation or with options from which Council could choose to best
activate, promote and market Sault Ste. Marie's downtown.*

On April 7, 2025, Council passed the following resolution:

*Resolved that the report of the Deputy CAO, Community Development and
Enterprise Services dated April 7, 2025 concerning Downtown Business
Improvement Area Review be received and that implementation of Option
3 be approved (dissolve the current DTA and reallocate activities under the
City umbrella with a supporting business advisory committee and
incremental staffing);*

*Further Be It Resolved that the funding currently allocated to the Downtown
Security Pilot Program of \$150,000 be allocated to a municipal downtown
development budget line item in the 2026 preliminary budget, with staff to
report back on whether further funding might be required to properly fund
downtown development and marketing on a go-forward basis, and that such
report be brought to Council for consideration during the 2026 budget
deliberations.*

On August 11, 2025, Council passed the following resolution:

*Resolved that the report of the Director of Community Services dated
August 11, 2025, concerning the Sault Ste. Marie Downtown Development
Committee be received and that the Terms of Reference for the Sault Ste.
Marie Downtown Development Committee be approved.*

Analysis

Following the direction from Council to dissolve the current Downtown Association (DTA) and transition its functions under the City's operations, planning efforts among City staff are well underway to support a successful transition.

The Downtown Development Committee members were appointed at the September 22, 2024 Council meeting. A detailed budget (Appendix A – BIA – City Budget) has been prepared that will support the following categories for 2026:

- Staffing for dedicated downtown program delivery
 - 1 Full-Time Employee – for dedicated downtown program delivery reporting to the Downtown Plaza Supervisor.
 - Part-time hours for event activation and maintenance requirements.
 - 2 Full-Time Summer Students (May-September).

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- Seasonal flower installation and maintenance – PW Parks;
- Street banner programs for installation/removal – CDES Arenas Division;
- Christmas lights and decorations (Downtown street poles, Clergue Park, Downtown Plaza, Civic Centre) – PW;
- Holiday parking promotions;
- Garbage receptacle pickup – CDES and PW Parks. Individual containers are picked up regularly by Parks, containers on poles are serviced through the Transit (bus stop) maintenance contractor;
- Graffiti Removal Program supported by the resolution approved on October 1, 2024 concerning a Graffiti Subcommittee of the Cultural Vitality Committee.
- Support for street events;
- Downtown destination marketing (i.e., social media, eat local passport, etc.); and
- Maintenance of municipally owned structures beyond that currently provided at the expense of the municipality.

Downtown foot patrols identified as a potential funding source for the DTA transition to the City will be covered in a separate budget request as part of the 2026 Budget. If the request to reinstate the funds for downtown security is not approved during budget deliberations, then the service level will have to be decreased accordingly.

Staff from various departments have worked to arrive at the budget request, focusing on service delivery and fiscal responsibility while providing the required resources to action. Staff are comfortable that the services performed by the BIA can be replicated, and ideally enhanced, with the budget recommended.

Staff have also compiled a list of agreements that will be transferred to the City by way of the dissolution. Over the next few months, these agreements will be reviewed, and a determination regarding continuation will be made. Any additional service agreements or MOUs to facilitate the transition and continued operation under the new Committee will also be contemplated.

The attached By-law 2025-138, referenced elsewhere on the Agenda, formally dissolves the Business Improvement Area as of midnight on December 31, 2025. The City will officially commence services on January 1, 2026.

Financial Implications

The \$150,000 for Downtown Foot Patrols has been identified as a funding source by Council for the transition of the BIA to the City. The additional \$99,500 required to maintain the service level (total budget of \$249,500) will be included in the 2026 preliminary operating budget. A separate request to support Downtown Foot Patrols has been referred to the 2026 Budget deliberations for Council to review.

Strategic Plan / Policy Impact / Climate Impact

The recommendation supports the Corporate Strategic Plan 2024-2027 in a variety of focus areas:

- Within the Community Development focus area, it will promote economic activity and growth.
- It will contribute to the Quality of Life by fostering a vibrant downtown through and supporting the Arts and Culture sector of the community.
- It will build collaborative relationships to enhance service delivery through community partnerships.
- Finally, it will ensure transparency and fiscal responsibility to meet the needs of the community.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the Deputy CAO Community Development and Enterprise Services dated October 14, 2025, concerning the Downtown Business Improvement Area – Budget Update be received and that an operating request be referred to the 2026 budget.

The relevant By-law 2025-138 Is listed elsewhere on the Agenda and will be read with all by-laws under that item.

Respectfully submitted,

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