



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

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

February 2, 2026

TO: Mayor Matthew Shoemaker and Members of City Council
AUTHOR: Graham Atkinson, Manager Business Development
DEPARTMENT: Community Development and Enterprise Services
RE: Community Builders Construction – EGCIP Application

PURPOSE

The purpose of this report is to seek City Council approval for Grant Program 2 – One-Time Grant under the Economic Growth Community Improvement Plan to support the Community Builders Construction expansion project in Sault Ste. Marie.

BACKGROUND

Program Overview

The Economic Growth Community Improvement Plan (CIP) is intended to diversify the local economy and stimulate job growth by attracting major new investment and supporting expansion of existing operations in targeted sectors.

As part of the Community Development Fund, the Economic Growth CIP program is designed to encourage new investment and employment. Program approval and the value of any financial incentive are determined on a discretionary basis according to established criteria.

The key program criteria are as follows:

- Criteria 1: Targeted Industry Sector
- Criteria 2: Building and/or Land Related
- Criteria 3: Economic Impacts

Proposed Project

Applicant Background

- Community Builders Construction is a social enterprise delivering construction services while operating a paid skilled trades training program for individuals with barriers to employment. The organization has established a strong record of social and economic impact across Northern

and Central Ontario, including more than 300 program graduates, over 450 community housing units renovated, and 89% of trainees securing full-time employment after graduation.

- Community Builders operates as both a construction company and a workforce development organization, offering new builds, renovations, apartment turnovers, and property maintenance services. Their training program provides hands-on, job-site experience, essential certifications, tools, and wrap-around supports for trainees.

Expansion to Sault Ste. Marie

- The expansion into Sault Ste. Marie is the result of collaborative work with the City of Sault Ste. Marie, the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB), and the Sault Community Career Centre. Community Builders has secured multi-year funding to establish operations in the community and will offer paid training, in-class instruction, shop-based learning, and jobsite experience in partnership with local employers.
- The expansion includes construction project activity, trainees working alongside skilled trades staff, and the delivery of employment readiness supports. The applicant states that the model is designed to strengthen the local construction workforce, increase housing project capacity, and improve employment outcomes for individuals who face systemic barriers.

Project Overview

- The proponents describe the project as a multi-faceted social enterprise expansion intended to increase construction capacity and workforce participation within the community. The initiative is positioned as a strategic response to two of the community's most pressing challenges: a shortage of skilled workers in construction and increasing demand for affordable and sustainable housing options.
- Community Builders will establish a local operational hub, implement its training model, and undertake renovation and construction activity linked to affordable housing preservation and development. The applicant anticipates engaging 48 trainees per year and creating 10–20 full-time equivalent jobs through the expansion.
- Community Builders Construction has provided the following overview of their operations:

“Social enterprise construction companies are not direct competitors to private contractors; while we do operate in the same space, we function as value-added partners that strengthen the overall construction ecosystem.”

By taking on small to mid-scale projects, pilot work, or socially prioritized builds, they complement private firms while expanding workforce capacity and preparing job-ready employees for the broader industry. Through social procurement, public and private dollars are stretched further, delivering the same construction outcomes while also generating social value such as workforce training, reduced reliance on assistance, and stronger local economies, increasing return on investment by aligning economic growth with community impact.

While seed funding for start-up expenses such as vehicles or capital infrastructure may appear to provide an unfair advantage, the reality is that revenue generated through Community Builders' construction contracts must sustain significant program costs that private contractors do not carry. In addition to delivering construction work, we fund case management, program coordination, hiring and employment facilitation, certified instructors, gear, and the additional materials required for hands-on training and workshops. These supports are essential to achieving workforce outcomes but are not recoverable through construction pricing alone. Seed funding therefore levels the playing field rather than distorting it, enabling us to meet social objectives while operating within the same market conditions as private firms.

To be sure, in addition to a warm and supportive welcome from the DSSAB, The Sault Ste. Marie Construction Association and several other private contractors have offered letters in support of our work. We are eager to work with and for them to help them acquire and maintain a roster of strong and qualified employees.”

Letters of support from the Sault Ste. Marie Construction Association, The District of Sault Ste. Marie Social Services Administration Board (DSSAB), Sault Community Career Centre, Advanced Plumbing, Den Construction, and Harvest Algoma are included as attachments to this report.

Key Activities and Costs

The project's key activities will include:

- Workforce development and paid skilled trades training
- Renovation and construction of housing and community assets
- Procurement of tools, equipment, and safety gear
- Delivery of in-class and jobsite instruction
- Operational setup and scaling of construction services

Breakdown of Project Costs

Activity	Estimated Cost
Upgrades to Existing Facilities	\$200,000
Project-Related Equipment	\$300,000
Operational Costs	\$2,000,000
Total Project Value	\$2,500,000

Requested Funding:

The applicant has requested \$300,000 over two years through Grant Program 2 – One-Time Grant.

Job Creation

- The project is expected to generate between 10 and 20 full-time equivalent positions, along with paid experiential training for approximately 48 participants annually. Job opportunities include construction labour, carpentry, program delivery staff, and support roles. The applicant has indicated that most trainees transition to long-term employment with local employers after graduation.
- The proposed social enterprise is intended to be complementary to the existing building and construction sector, including local contractors and industry associations. The model focuses on training, skill development, and workforce readiness rather than competing for private-sector contracts.
- The applicant has emphasized that the social enterprise is not intended to compete with local construction businesses. Instead, it is designed to help address current and anticipated labour shortages by preparing job-ready workers who can be absorbed into the local construction workforce, thereby strengthening overall sector capacity.
- The applicant further notes that the project will generate approximately \$1,000,000 in local economic impact during the first two years through wages, construction activity, procurement, and local spending by newly employed graduates. The broader social return on investment is estimated at \$3 to \$5 for every dollar invested.
- Further details on job placement outcomes, timing, and formalized employer and industry partnerships will be confirmed as program implementation advances.

ANALYSIS

Economic Development Fund Key Criteria

The proposed project aligns well with the Economic Growth CIP.

Criterion	Assessment
Significant Investment	Yes — \$2,500,000 total project value
Located in the City	Yes
Good Financial Standing	Yes — supported by secured external funding
Target Industry	Yes — social enterprise, skilled trades, housing
Building Related	Yes — upgrades and facility improvements
Economic Benefits	Yes — job creation, workforce expansion, housing stabilization

FINANCIAL IMPLICATIONS

This application is being submitted under Grant Program 2 – One-Time Grant. If approved, the funding will be allocated over a two-year period from the Community Development Fund – Economic Development stream. The reserve has sufficient funds to accommodate this request.

The investment is expected to generate long-term economic benefits through:

- Job creation;
- Employment placement outcomes;
- Increased local construction capacity;
- Renovation and preservation of housing assets; and
- Increased local spending and workforce participation.

There is no tax rebate component in this request, and no long-term reduction in municipal tax revenue.

As this request is for a direct grant, the financial impact will be an allocation from the Economic Development Fund over two years. The investment is intended to stimulate workforce development, support housing initiatives, and advance community economic benefits

STRATEGIC PLAN / POLICY IMPACT

The project demonstrates alignment with several areas of the City’s Strategic Plan:

- Quality of Life – Strengthening housing stability and access
- Community Development – Catalyzing partnerships with key institutions and improving local construction capacity
- Community Development – Generating social and economic activity
- Economic Investment – Leveraging external dollars to maximize community impact

The project supports priority objectives related to workforce development, housing capacity, and economic participation.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Manager of Business Development dated February 2, 2026, concerning the proposal by Community Builders Construction be received, and that Council approve a one-time grant of \$300,000 (\$150,000 in 2026 and \$150,000 in 2027) over a two-year term through the Economic Growth Community Improvement Plan to support the expansion project proposed by Community Builders Construction;

Further is conditional upon the following:

1. Confirmation that external funding sources outlined in the application are secured;
2. Demonstration that job creation and trainee engagement targets are substantially met; and
3. Evidence of ongoing collaboration with local employers and community stakeholders.

Respectfully submitted,

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