



**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: Joseph Cocchetto, Administrative Clerk – Housing Support  
DEPARTMENT: Community Development and Enterprise Services  
RE: Housing Community Improvement Plan (CIP) – Application  
for Financial Incentives – 201 South Market Street

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**Purpose**

The purpose of this report is to recommend the approval of the following incentives for the residential development project being constructed at 201 South Market Street:

- A Tax Increment Equivalent Grant (TIEG); and
- Municipal Fees Rebate Program.

**Background**

On August 12, 2024, Council approved the City of Sault Ste. Marie Housing Community Improvement Plan (CIP), which established a series of financial incentives for the construction of new dwelling units.

Authority to approve and issue the financial incentives was delegated to the Plan Administrator (Director of Planning); however, grants estimated to be over \$2,000,000 require Council approval to proceed. In this case, the total estimated value of the requested incentives exceeds \$2,000,000.

**Analysis**

The project at 201 South Market Street consists of three 4-storey, 40-unit apartment buildings, totalling 120 purpose-built rental units, of which 50 will be affordable. The dwelling mix consists of:

- 54 1-bedroom units
- 66 2-bedroom units

The owner, Sagamok Anishnawbek, has indicated the units will be offered to Sagamok First Nation members living off-reserve, as well as non-member residents in Sault Ste. Marie who need housing stability. A copy of the site plan and correspondence from Chief Angus Toulouse is attached to this report.

The proposed project is eligible for the following CIP incentives:

- *Tax Increment Equivalent Grant (TIEG)* – Which provides a rebate on the increase in municipal taxes post-development versus pre-development. In this case, the property is located in precinct 2 and 42% of the units are proposed to be affordable. Therefore, the TIEG will provide a 100% rebate for years 1-7, 75% in year 8, 50% in year 9, and 25% in year 10. In year 11, full taxes will be paid. The estimated value of the TIEG is between \$2.75 million and \$3.1 million.
- *Municipal Fees Rebate* – For properties located in precinct 2, this program provides a 100% rebate on building permit fees associated with affordable rental units and a 50% rebate on building permit fees associated with market rate rental units. In total, the value of the grant is a rebate of \$246,988 for three permits.

When designing the Housing Community Improvement Plan and related housing incentives, this is the type of project that was hoped would be realized. The creation of new purpose-built rental units with a high percentage of affordable units will be a welcome addition to the Sault Ste. Marie housing supply mix.

### **Financial Implications**

#### Tax Increment Equivalent Grant (TIEG)

The TIEG incentive program is currently funded by the municipality with an estimated value between \$2.75 million and \$3.1 million of deferred municipal tax revenue over the 10-year period of the grant.

#### Municipal Fee's Rebate Program

This incentive is worth \$246,988 and will be funded with Housing Accelerator Funding (HAF), with no direct costs to the municipality.

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

Focus Area 1 of the Corporate Strategic Plan speaks to implementing the Housing Action Plan to deliver affordable housing. The Housing Action Plan includes the creation of a variety of financial incentives aimed at delivering additional housing, with an emphasis on affordable housing and higher residential densities in strategic development areas.

There is no climate impact associated with this financial incentive.

### **Recommendation**

It is therefore recommended that Council take the following action:

Resolved that the report of the Administrative Clerk – Housing Support dated February 2, 2026 concerning Housing Community Improvement Plan (CIP) – Application for Financial Incentive – 201 South Market Street be received and that Council authorize the Tax Increment Equivalent Grant (TIEG) and Municipal Fees Rebate Program incentives for the residential development at 201 South Market Street, and authorize the Plan Administrator to enter into required agreements with the property owner.

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Respectfully submitted,

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