



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

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

March 23, 2026

TO: Mayor Matthew Shoemaker and Members of City Council
AUTHOR: Tom Vair, CAO
DEPARTMENT: Chief Administrative Officer
RE: Port of Sault Ste. Marie

Purpose

The purpose of this report is to provide Council with an update on the development of a port facility in Sault Ste. Marie.

Background

The concept of developing a port in Sault Ste. Marie has been discussed as far back as 1956. As Council is aware, staff have been advancing the port project as a key component of the community's economic development initiatives.

A Memorandum of Understanding (MOU) was signed with Algoma Steel and with the Hamilton Oshawa Port Authority (HOPA) within the last year to advance the port project. A business case was completed in collaboration with HOPA and a summary of this business case is being provided to Council as an update on the project (Attachment A – Port of Sault Ste. Marie Business Case Summary).

To avoid any confusion, the name of the project has been adjusted to be the Port of Sault Ste. Marie. The port contemplated will be operated separately and apart from Algoma Steel, although Algoma Steel will have the ability to utilize the new port facilities under terms to be finalized.

Analysis

Sault Ste. Marie and HOPA Ports have united to create a multimodal port and trade corridor. This initiative will link Northern Ontario's resource-rich industries with Southern Ontario, Quebec and global markets, strengthening Canada's supply chain resilience and driving economic transition.

The project highlights include:

- \$200M capital plan
- 216 acres of industrial land for immediate capacity & long-term growth to 950 acres
- 2,488 new jobs by year five
- \$134M annual personal income

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- \$343M annual economic activity
- 61% cargo by year 5+ (not including Algoma Steel)
- < 24 months to operation
- Construction-related employment of 1,400-1,800 FTEs

Sault Ste. Marie has several advantages and a window of opportunity to make the port project a reality:

- Speed to Market – The Port of Sault Ste. Marie builds on existing infrastructure and brownfield industrial land, delivering needed capacity quickly.
- Policy alignment at federal and provincial levels – Current efforts by the Federal and Provincial governments to invest in and protect Canadian and Ontario industry align directly with the port project.
- Multimodal Connectivity – Integration of marine, rail, and highway infrastructure will support intra-provincial (north-south Ontario) trade.
- Doorstep to Key Sectors – Minerals and mining, steel, forestry, and agriculture are currently underserved by freight transportation.
- Labour Pool – A base of skilled tradespeople and the presence of strong, local post-secondary institutions with Sault College and Algoma University.

Opportunities have been identified in a number of sectors to utilize the port facilities including:

- Minerals and mining
- Forestry and value-added wood products
- Steelmaking
- Manufacturing
- Salt and aggregates
- Agriculture

The \$200M phase 1 capital plan includes investments to activate near-term capacity on 216 acres and long-term business growth featuring:

- Refurbished dock walls enabling two vessels to berth
- Cargo laydown space
- Security and safety systems
- Rail transload area
- Base infrastructure for tenant-ready leasable industrial space
- Rail access upgrades to the Algoma Central Railway

The project will have a significant and positive impact on National and Provincial supply chains including:

- Enhancing national supply chains in key sectors
- Reducing reliance on U.S. routings and markets

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- Supporting year-round trade through marine-rail-road integration
- Shifting thousands of long-haul truck movements to cleaner modes (there are currently approximately 4,450 truck trips per week between Northern and Southern Ontario which are candidates for modal optimization)
- Leveraging the existing underutilized capacity in the Great Lakes-St. Lawrence Seaway

Throughout the development of the business case, there have been a number of discussions with industry partners and strong support expressed from organizations. Discussion with First Nations partners has begun and ongoing discussions will be held in the coming months.

In summary, the Port of Sault Ste. Marie represents both a near-term opportunity to inject economic benefit to the community and a long-term opportunity to diversify the Sault Ste. Marie economy to increase prosperity.

Staff will be working closely with Algoma Steel and HOPA to make the port project a reality and appreciates the advocacy of Mayor and Council to advance this important community project.

Financial Implications

There are no financial implications at this stage of the project.

Strategic Plan / Policy Impact / Climate Impact

This report links to the Corporate Strategic Plan 2024-2027 within the Community Development focus area and the high-level goals to develop shovel-ready projects to access available funding, and to attract new business and ensure sufficient supply of industrial land.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the CAO dated March 23, 2026 concerning the Port of Sault Ste. Marie be received as information.

Respectfully submitted,

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