



Economic Development Strategic Plan

City of Sault Ste. Marie Economic Development Corporation

Final Report

February 2024

Table of Content

1. Introduction	5
2. Assessment and Analysis	7
2.1 Baseline Economic Analysis.....	7
2.1.1 Regional Socio-Economic and Demographic Profile	7
2.2 Full-Spectrum Sector Analysis	14
2.2.1 Location Quotient Analysis	14
2.2.2 Economic Driver Business Count	16
2.3 Assessment of Local Development and Redevelopment Opportunities	25
2.3.1 Inventory of Available Commercial and Industrial Lands	25
2.3.2 Information Gathering Matrix	27
2.3.3 Benchmarking	33
2.4 Investment Readiness Assessment (Community Competitive Review)	34
2.4.1 Incentives	34
2.4.2 National and Regional Comparative Differentiators for the City	36
2.4.3 Diversity & Inclusive Business Strategy.....	39
2.4.4 Benchmarking	40
2.5 Best Practices in Local Economic Development	47
2.5.1 A Shared Understanding of Economic Development	47
2.5.2 City’s Economic Development, Building and Planning Departments	48
2.5.3 City’s Development Tools and Policies	48
2.5.4 City’s Incentives Programs	49
2.5.5 Existing State and Federal Programs	50
2.6 Community Outreach and Engagement	50
2.6.1 Methodology.....	50
2.6.2 Summary of Consultations: Key Takeaways	51
2.8 Situational Analysis	57
2.8.1 Development Opportunities and Recommendations	65

3. Economic Development Strategic and Action Plan.....	67
3.1 Strategic Priority #1 - Diversify Housing Development Options.....	67
3.1.1 Continue to support housing development projects.....	67
3.1.2 Key performance indicators to support this strategic priority	68
3.2 Strategic Priority #2 - Revitalize the City's Downtown	68
3.2.1 Increase the number of downtown businesses.....	69
3.2.2 Tie infrastructure development to create a “walkable” downtown.....	69
3.2.3 Attract more cultural events and festivals to the downtown	70
3.2.4 Key performance indicators to support this strategic priority	70
3.3 Strategic Priority #3 - Attract and Retain Youth in the City	71
3.3.1 Strengthen the leisure, recreational and cultural offering to meet the needs of the City’s youth.....	71
3.3.3 Increase the number of mental health services and resources available to children, youth and families.....	72
3.3.4 Increase promotion and awareness of the job and career opportunities in the City	72
3.3.6 Key performance indicators to support this strategic priority	73
3.4 Strategic Priority #4 – Advance the Educational Ecosystem	73
3.4.1 Support LSSU in strengthening its relationship, outreach and engagement with the local community.....	73
3.4.2 Key performance indicators to support this strategic priority	74
3.6 Strategic Priority #5 – Increase Support of Local Businesses	74
3.6.1 Strengthen business retention and expansion efforts.....	74
3.6.2 Key performance indicators to support this strategic priority	75
3.7 Strategic Priority #6 - Enhance Tourism Development.....	75
3.7.2 Define the City’s brand and tourism tagline	75
3.7.3 Increase shoulder and off-season tourism development	76
3.7.4 Increase the number of tourism visits to the City	76
3.7.5 Key performance indicators to support this strategic priority	77

List of Table

Table 1. Business Count Location Quotient Analysis Result.....	15
Table 2. Business Count Data, Retail trade, 2020	18
Table 3. Business Count Data, Health care and social assistance, 2020.....	20
Table 4. Business Count Data, Accommodation and food services, 2020	21
Table 5. Business Count Data, Other services, 2020.....	22
Table 6. Business Count Data, Construction, 2020.....	24
Table 7. Information Gathering Matrix	27
Table 8. Benchmarking Taxation, Rental and Cost Factors	33
Table 9. Comparative Differentiators.....	36
Table 10. Benchmarking of attributes and competitive assets	42
Table 11. SWOT Analysis: Tourism & Marketing	58
Table 12. SWOT Analysis: Lifestyle	59
Table 13. SWOT Analysis: Business.....	60
Table 14. SWOT Analysis: Infrastructure	62
Table 15. SWOT Analysis: Education & Workforce.....	64

List of Figure

Figure 1. Available Commercial and Industrial Lands in Sault Ste. Marie	25
Figure 2. Available Lands near Industrial Park Drive	25
Figure 3. Available Lands near Meridian Street and W. 12th Avenue	26
Figure 4. Lands near Portage Avenue.....	26
Figure 5. Lands near I-75 Business Spur.....	27

Table of Appendices (Supplemental Documents)

Appendix 1. Action Plan

Appendix 2. Implementation Plan

Appendix 3. Community Benefits Assessment

Appendix 4. Summary of State and Federal Funding Programs

List of Acronyms

BR	Business Register
CFSUP	Child and Family Services of the Upper Peninsula
CFUP	Community Foundation of Upper Peninsula
CIP	Critical Industry Program
DDA	Downtown Development Authority
LEO-WD	Department of Labor and Economic Opportunity-Workforce Development
LQ	Location Quotient
LSSU	Lake Superior State University
MBDP	Michigan Business Development Program
MDARD	Michigan Department of Agricultural & Rural Development
MEDC	Michigan Economic Development Corporation
MIAAHC	Michigan Alliance Against Hate Crime
MI-STEP	Michigan's State Trade Expansion Program
NAICS	North American Industry Classification System
PMBC	Pure Michigan Business Connect
RRC	Redevelopment Ready Communities
SBCI	Small Business Credit Initiative
SESA	State Essential Services Assessment
SPDC	School of Planning, Design and Construction
SSRP	Strategic Site Readiness Program
UGLG	Units of General Local Government
UPAAA	U.P. Area Agency on Aging
UPRLC	Upper Peninsula Region of Library Cooperation
USDOL	U.S. Department of Labor
WOTC	Work Opportunity Tax Credit

1. Introduction

The Economic Development Strategy and Action Plan has been prepared for Sault Ste. Marie Economic Development Corporation (EDC) in a manner that will bring the community together to address and overcome obstacles, while taking advantage of opportunities designed to help move the City forward in achieving economic prosperity and transitioning into a complete community.

The Economic Development Strategy (the “strategy”) is the result of a series of planned steps, research, assessments and analyses where findings have been validated and vetted against the local community through a comprehensive and highly engaged public and stakeholder engagement process.

The Strategy report begins with an overview of the current economic ecosystem and landscape of the City of Sault Ste. Marie. By not only presenting insights into the City’s socio-economic and demographic profile, the assessment also compares the City against three strategic locations, namely Petoskey, Escanaba and Port Huron to better understand the City’s investment readiness and competitive positioning. Additionally, a series of best practices in local economic development, including recommendations for development tools and policies, and available government funding programs have been incorporated to add further strength to the Strategy.

The public and stakeholder consultation process brought together and engaged manufacturers, financial institutions, real estate professionals, service providers, economic leaders, tourism operators and associations, academia, the general public and local youth and young professionals. Feedback was collected through a series of focus group discussions, one-on-one meetings and online public surveys. The results of these consultation activities were summarized in such economic pillars as tourism and marketing, lifestyle, business and industry, infrastructure, education and workforce, and non-specific areas of economic development. The Project Team assessed and evaluated these prevailing themes to establish a series of development opportunities and recommendations that the EDC could monitor, further evaluate, prioritize and execute at the right time and when the right conditions are in place.

This work allowed the Project Team to complete a Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis on each of these economic pillars, necessary to support the identification of opportunities and challenges (risks) based on the environment that currently exists within the City and more specifically related to

many of the key foundational pillars which ultimately led to the creation of the Strategy including diversifying housing development options, revitalizing the City's downtown, attracting and retaining youth in the city, advancing the educational ecosystem, increasing support for local businesses and enhancing tourism development.

Leading up to the development of the strategy, the Project Team facilitated a visioning session and validation workshop with members of the EDC and its board through a workshop-supported discussion.

To assist the EDC in executing and realizing the goals and objectives contained within this Strategy, its mission is achieved through six strategic priorities that have been identified and presented throughout this Plan. Each strategic priority is broken down by a series of objectives and corresponding tasks (action items) for the EDC, and in some cases, their economic partners to carry out. While the objectives themselves are supported by a series of Key Performance Indicators, budget estimates are provided to the sub-actions with planned outcomes and a recommendation on the best suited project lead and corresponding support partners.

Each action is recognized for its return on investment as a benefit back to the City which is aligned with local businesses, the local labor force, the municipality, the local economy, and/or the local tourism industry.

A timeline indicates when the EDC (or the identified Project Lead) should execute and remain actively involved in completing each action (and sub-action) over the course of the four-year Action Plan. This timeline includes each actions' priority level, the project lead and potential participating partners.

2. Assessment and Analysis

2.1 Baseline Economic Analysis

2.1.1 Regional Socio-Economic and Demographic Profile

The objective of the Regional Socio-Economic and Demographic Profile is to assess the current state of the economic environment and its surrounding communities. This baseline economic analysis measures regional differences between Sault Ste. Marie and its surrounding areas. This exercise will help identify potential market differentiators and strengths that will aide in the development of strategies and recommendations to support business retention, expansion and attraction; expand the shoulder and off-season tourism industry; attract year-round businesses; support multi-residential development; among other relevant economic development factors. This section uses data from Statistics of U.S. Businesses (SUBS), Dun & Bradstreet-Hoovers and Statistics Canada 2021 Census Profile¹ (for Sault Ste. Marie in Ontario) and focuses on five areas with different geographical sizes for comparison. Data was derived for Sault Ste. Marie (Michigan); the cities of Petoskey, Escanaba and Port Huron; and the State of Michigan, subject to availability.

2.1.1.1 Income – Individual vs Household

The Project Team analyzed each city separately to obtain a complete economic spectrum of the distribution of populations in the comparable urban and rural areas. Demographics vary between regions and it is important to break down the information regionally.

Mean income was among the key economic indicators analyzed. Individual and household income is one of the most common metrics used when analyzing the purchasing power of a population. Chart 1 reveals a spread of \$23,348 on an individual level between the cities and the State of Michigan. Excluding Michigan State, the City of Petoskey reported the highest mean income of \$47,540. This is in comparison to the City of Escanaba with the lowest mean income of \$29,059. The City of Sault Ste. Marie has the third highest mean in terms of individual income (\$41,460) which is very close to Port Huron (\$41,991).

A similar pattern exists when considering household incomes. Chart 1 revealed a spread of \$47,546 between the cities and the State. Again, the City of Petoskey ranked highest (\$96,140) and Escanaba the lowest (\$48,594). The City of Sault Ste. Marie and Port Huron had similar incomes (\$56,310 and \$56,464 respectively).

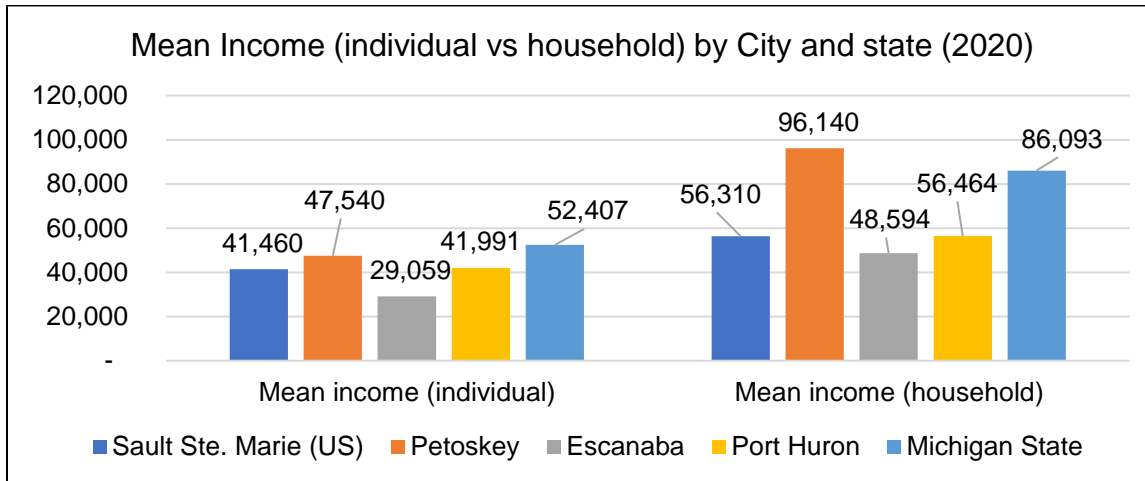


Chart 1. Mean Individual vs Household Income (2020)

Throughout the State, the number of housing units decreased from 2,083,970 (2016) to 2,055,474 (2021). The City of Sault Ste. Marie followed a similar trend with a slight decrease of 210 housing units (Chart 2). Port Huron experienced a significant decrease from 13,812 to 6,082 (a difference of 7,730, representing a decrease of more than 50%). On the opposite end, the number of housing units in the cities of Petoskey and Escanaba increased by 307 and 196 respectively.

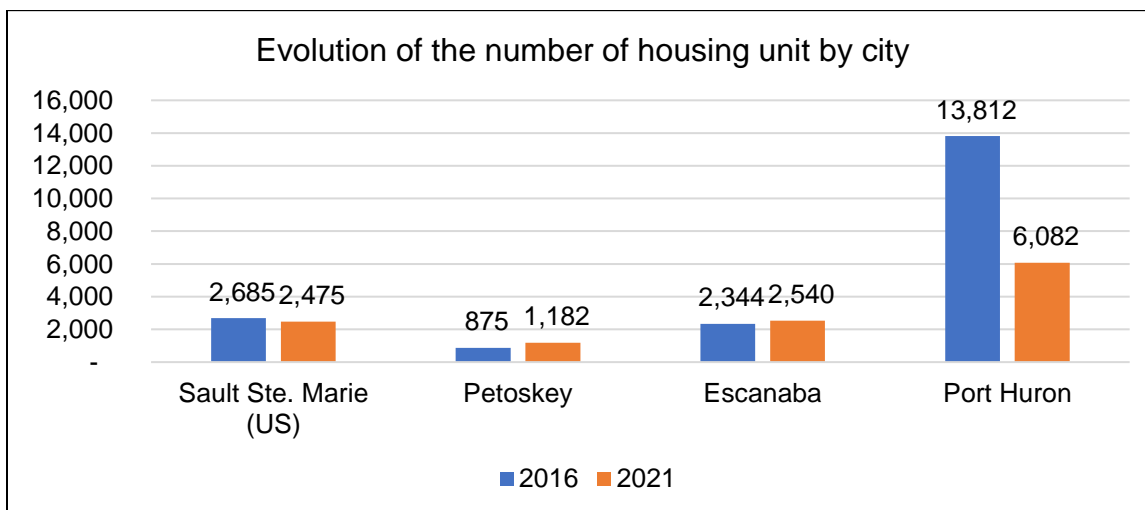


Chart 2. Evolution of the number of housing units (2016-2021)

2.1.1.2 Population by City

Chart 3 compares the 2016 and 2021 population counts between the four cities and

Chart 4 presents the percentage change in population by city (between 2016 and 2021), The State of Michigan is not presented in Chart 3 due to its exceedingly high population count (10,050,811 in 2021).

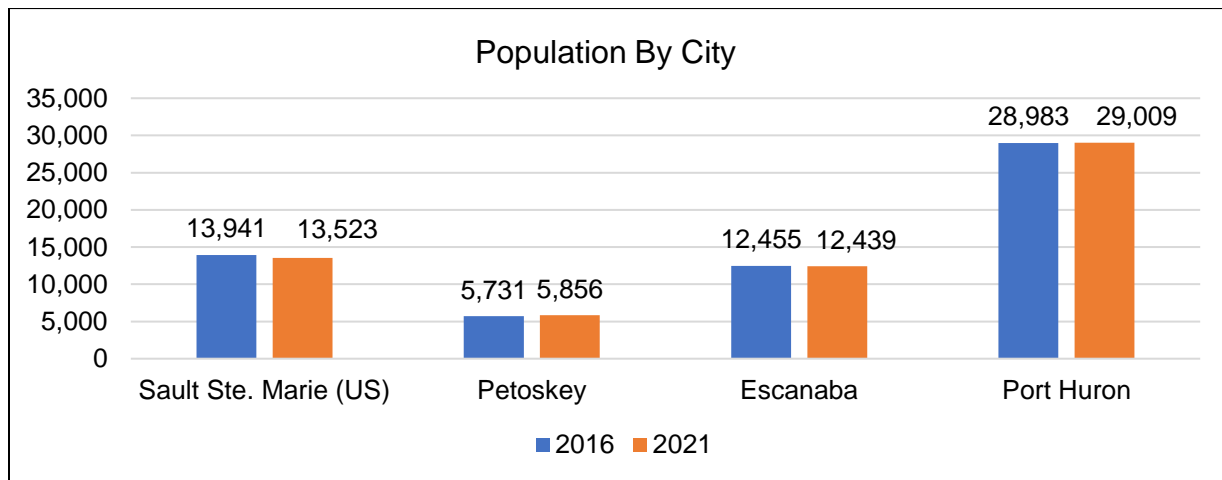


Chart 3. Population by City (2016 and 2021)

The key takeaway from these charts is that Sault Ste. Marie was the only city with a declining population (-3%) during that period. Escanaba and Port Huron’s population remained stable meanwhile Petoskey’s population increased by 2%.

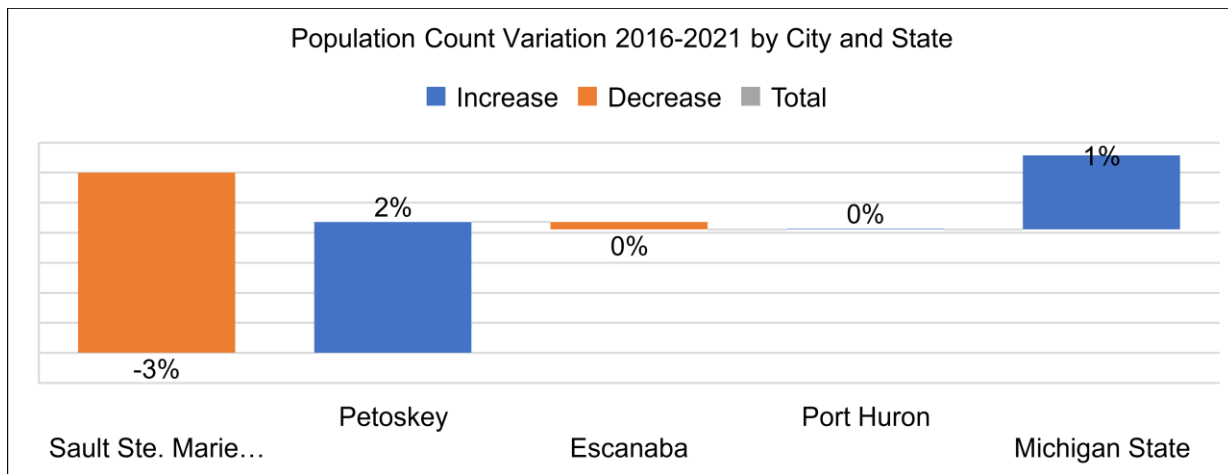


Chart 4. Population Count Variation 2016-2021 by City and State

2.1.1.3 Employment

In Chart 5, the participation rate varies from 51.9% to 68.9% with Escanaba City having the lowest participation rate and Petoskey with the highest. Following the pattern seen in the income comparison, Sault Ste. Marie has the second highest participation rate, followed by Port Huron (61%), Michigan State (60.9%) and Escanaba (51.9%).

The City of Sault Ste. Marie, Port Huron and Michigan State have similar employment rates (approximately 56% +/-). Again, Escanaba has the lowest employment rate at 48.7%.

It was observed that while Sault Ste. Marie has one of the highest participation rates, the city also has the highest unemployment rate of all compared regions.

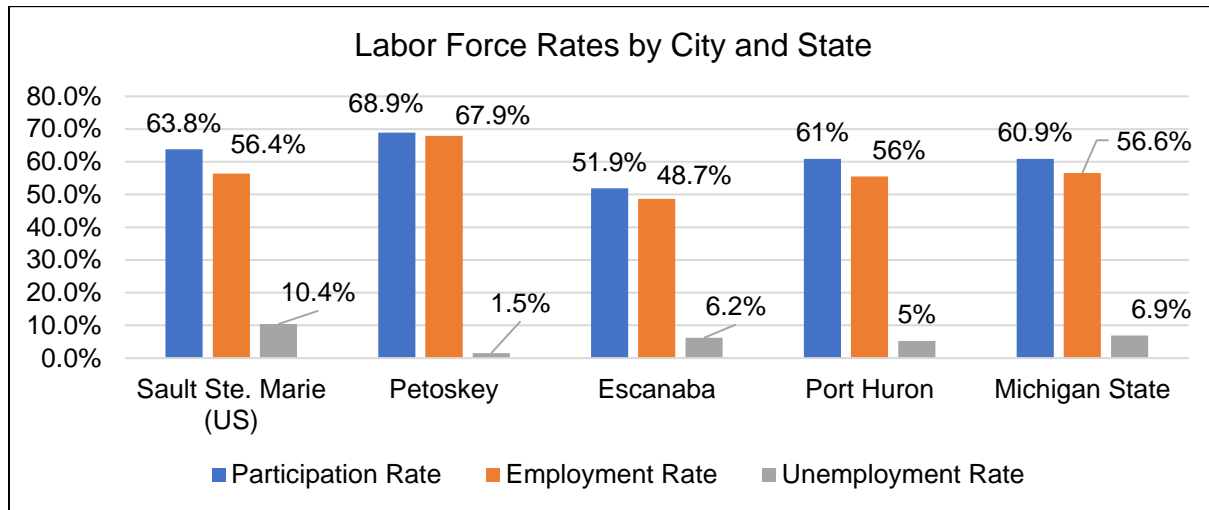


Chart 5. Labor Force Rates by City and State

A method for measuring the level of entrepreneurship in a region is to consider its level of self-employment. Chart 6 illustrates the per cent of each comparable region that is self-employed and compares those figures to the state average. Exactly 5% of the labor force of Michigan State, Port Huron and Sault Ste. Marie (US) are identified as self-employed. The labor force of Petoskey has a slightly higher number of self-employed individuals (6%). Escanaba has the lowest percentage (3%) of self-employed people in their communities.

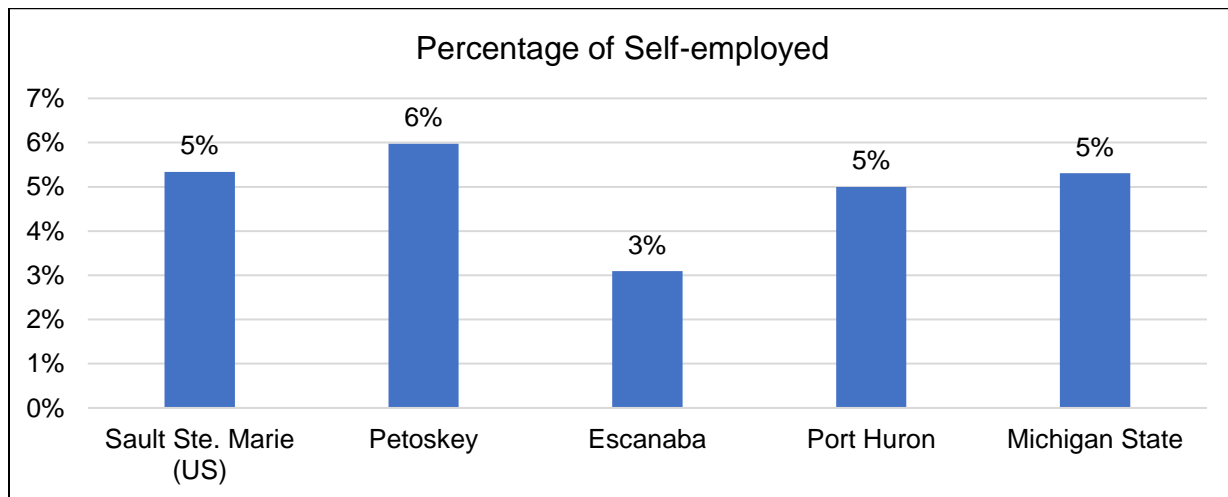


Chart 6. Percentage of Self-Employed (2021)

2.1.1.4 Education Level

Chart 7 identifies the highest level of education achieved for the four comparable cities. Sault Ste. Marie reported 2,570 individuals with a bachelor’s degree or higher since, which falls behind Port Huron which ranked highest (3,691). Within Sault Ste. Marie, it was observed that a slightly larger cohort of individuals, compared to those who received a bachelor’s degree or higher, only received their high school certificate (2,789).

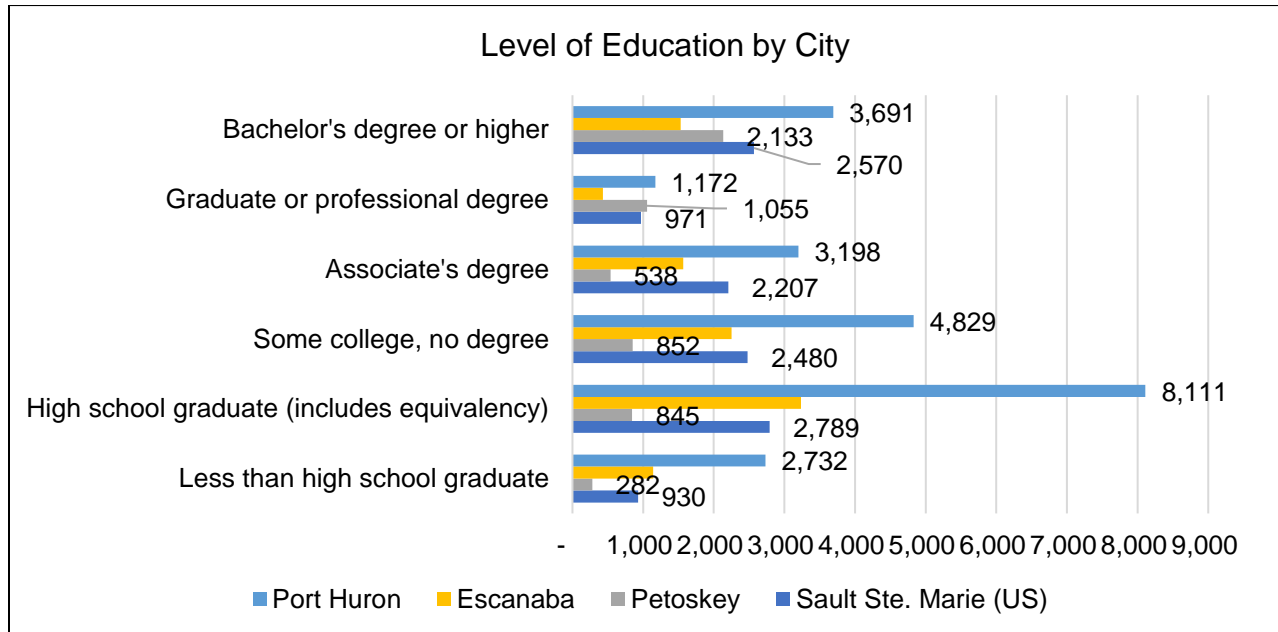


Chart 7. Level of Education by City

2.1.1.5 Labor Force by Industry

To understand the local labor force, Chart 8 presents the number of the total labor force by industry using the North American Industry Classification System (NAICS). Not only will this provide a glimpse into the prevailing industries with the highest (or lowest) levels of corresponding labor pools, but it can also serve to determine if there are any gaps in labor force based on the field of study and business activities. It was noted that a position associated with finance and accounting is a transferrable skillset which could be employed in one of the many industries presented below.

Based on the results in Chart 8, the top five industries in Sault Ste Marie are: 1) educational services and health care and social assistance (1,659); 2) arts, entertainment and recreation and accommodation services (1,079); 3) retail trade (877);

4) public administration (538); and 5) manufacturing (447).

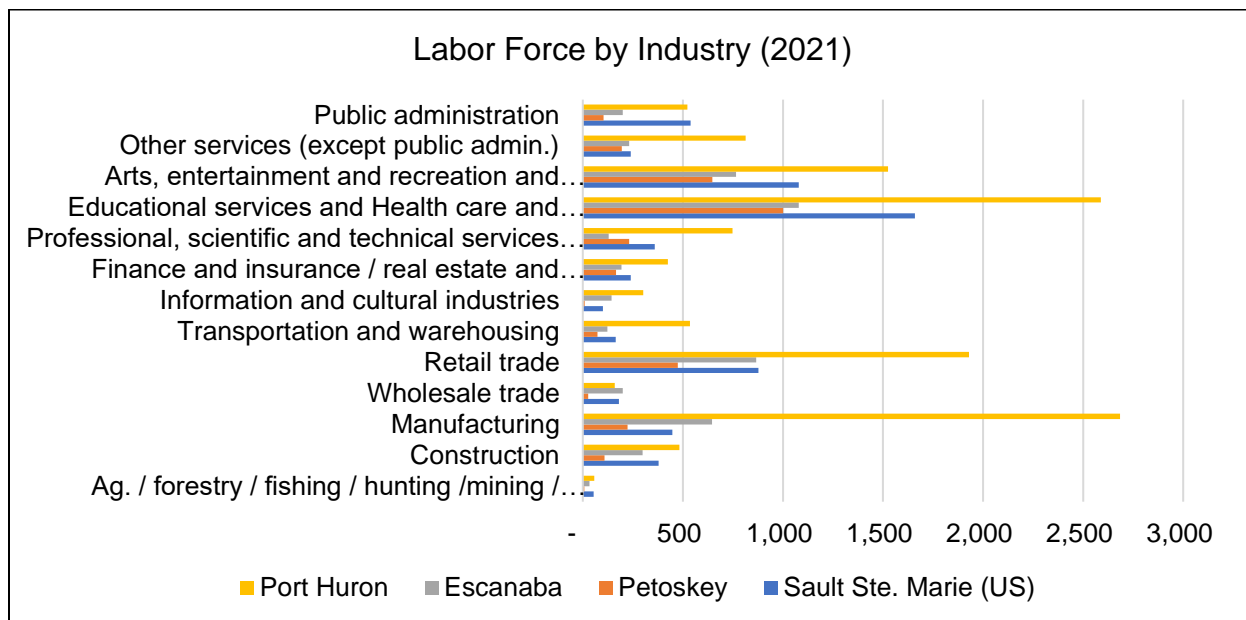


Chart 8. Labor Force by Industry by NAICS Code (2021)

2.1.1.6 Place of Work and Work Commute

As today’s workforce continues to adapt to the realities of ever-changing work arrangements due in part to the global pandemic, such as moving to a work-from-home arrangement, it will become increasingly important to track these changes as trends in new work environments have the potential to assist in future municipal planning considerations. Of the comparable regions, Sault Ste. Marie ranked second as the highest number of individuals working from home (344) compared to Port Huron (481). Petoskey reported 240 individuals working from home and 66 were noted in Escanaba.

The average commuting duration varied from 11.3 minutes (Escanaba) to 21.5 minutes (Port Huron), both being lower than the State average (23.8 minutes). Sault Ste. Marie fell into the middle of the five regions compared with a duration of 13.2 minutes.

Chart 9 illustrates that a significant number of people living in Michigan and the specific cities studied are commuting to work using their car / truck / van alone. Carpool and walking were two other alternatives reported, but at a slightly lower rate.

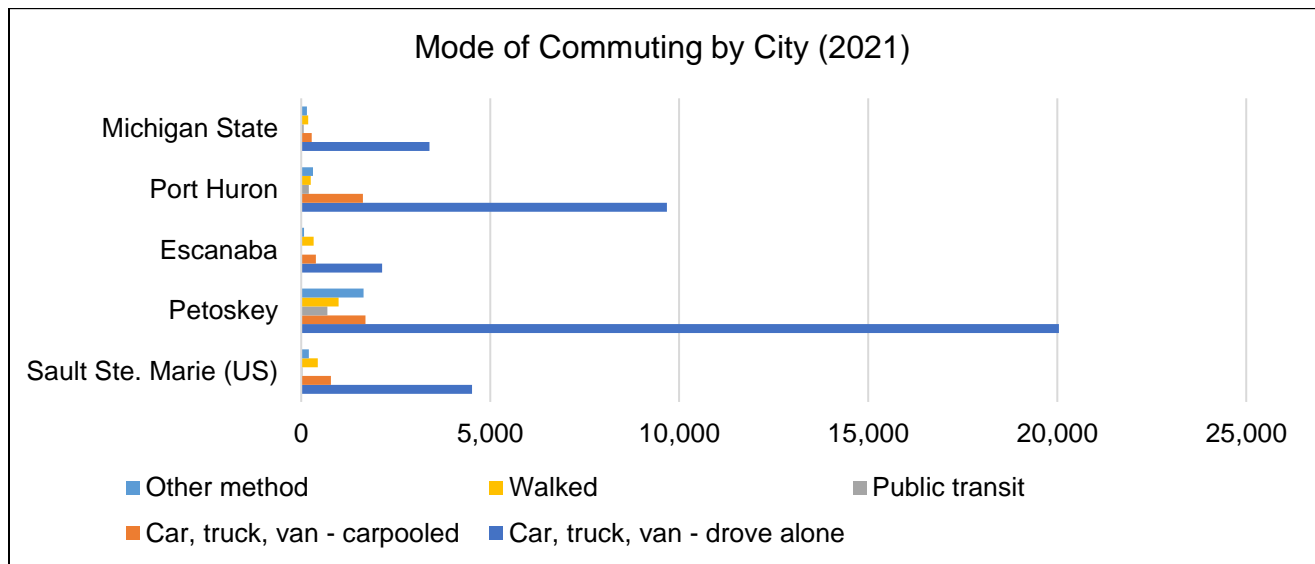


Chart 9. Mode of Commuting by City (2021)

2.2 Full-Spectrum Sector Analysis

2.2.1 Location Quotient Analysis

The Location Quotient (LQ) analysis is a valuable statistical method used to assess the concentration of specific industries or occupations within a given region in comparison to a reference region, typically at the state or national level. To calculate the LQ, the share of employment in a specific industry or occupation in the region of interest is divided by the share of employment in the same industry or occupation within the reference region. In this report, the Project Team examined the industry and occupational concentrations in Sault Ste. Marie, Michigan, comparing them to state averages.

Due to data limitations from the United States Census Bureau, the LQ analysis for Sault Ste. Marie relied on 2020 business count data obtained from the County Business Pattern program. Consequently, this analysis emphasizes the concentration of businesses in various industries rather than employment concentrations. This distinction may cause the LQ values to not fully represent the economic activity or employment levels within each industry. The State of Michigan serves as the comparison location for this calculation.

It is essential to note that the County Business Pattern datasets are derived from the Business Register (BR), a comprehensive database of all known single and multi-

establishment employer companies maintained and updated by the U.S. Census Bureau, as well as the annual Report of Organization survey. Consequently, businesses lacking a registration number and those with local operations but registered elsewhere are not included in this dataset. Additionally, the data may not capture certain businesses, such as crop and animal production; rail transportation; postal service; pension, health, welfare, and vacation funds; trusts, estates, and agency accounts; offices of notaries; private households; and public administration.

Table 1. Business Count Location Quotient Analysis Result

Business Count Location Quotient (LQ) Analysis					
NAICS 2-digit	Industry	Sault Ste. Marie Business Count	Michigan Business Count	Location Quotient	Strength
11	Agriculture, forestry, fishing and hunting	0	625	N/A	
21	Mining, quarrying, and oil and gas extraction	0	306	N/A	
22	Utilities	0	424	N/A	
23	Construction	40	19,831	0.91	Moderate
31-33	Manufacturing	19	12,143	0.70	Low
42	Wholesale trade	18	10,260	0.79	Moderate
44-45	Retail trade	94	33,088	1.28	High
48-49	Transportation and warehousing	14	7,147	0.88	Moderate
51	Information	13	4,207	1.39	High
52	Finance and insurance	30	12,719	1.06	Moderate
53	Real estate and rental and leasing	16	8,772	0.82	Moderate
54	Professional, scientific, and technical services	28	21,641	0.58	Low
55	Management of companies and enterprises	0	1,526	N/A	
56	Administrative and support and waste management and remediation services	19	11,612	0.74	Low
61	Educational services	0	2,400	N/A	
62	Health care and social assistance	75	27,426	1.23	Moderate
71	Arts, entertainment, and recreation	10	3,401	1.32	High
72	Accommodation and food services	58	20,506	1.27	High

Business Count Location Quotient (LQ) Analysis					
NAICS 2-digit	Industry	Sault Ste. Marie Business Count	Michigan Business Count	Location Quotient	Strength
81	Other services (except public administration)	57	22,681	1.13	Moderate
99	Industries not classified	0	345	N/A	
Total		491	221,060		

In Sault Ste. Marie, the Retail trade, with a LQ of (1.28), Information (1.39), Arts, entertainment, and recreation (1.32), and Accommodation and food services (1.27) industries show high LQ values, indicating that these industries have a relatively strong presence in the local economy compared to the state of Michigan.

Moderate LQ values were observed in Construction (0.91), Wholesale trade (0.79), Transportation and warehousing (0.88), Finance and insurance (1.06), Real estate and rental and leasing (0.82), Health care and social assistance (1.23), and Other services (except public administration) (1.13). These industries have a presence in Sault Ste. Marie that is somewhat comparable to their presence in the broader state economy.

Low LQ values are seen in Manufacturing (0.70), Professional, scientific, and technical services (0.58), and Administrative and support and waste management and remediation services (0.74), suggesting that these industries have a lower concentration of businesses in Sault Ste. Marie compared to the state of Michigan.

It is important to note that several industries, such as Agriculture, forestry, fishing and hunting; Mining, quarrying, and oil and gas extraction; Utilities; Management of companies and enterprises; Educational services; and Industries not classified, have no reported business counts in Sault Ste. Marie, making their LQ values not applicable (N/A).

2.2.2 Economic Driver Business Count

In this section, the Project Team derived business count data at the 4-digit NAICS level for the top five (5) sectors with most business establishments in Sault Ste. Marie. The 4-digit level data provided a closer look at different business activities in each of these sectors and paints a portrait of Sault Ste. Marie’s business inventory.

It was noted that due to the U.S. Census Bureau's Noise Infusion methodology, which is applied to protect the confidentiality of individual businesses, the sum of establishments per 4-digit industries may not precisely match the numbers reported at the 2-digit level. This discrepancy is a result of small, controlled amounts of random error introduced to the data to maintain confidentiality while preserving overall accuracy and usefulness. Despite this minor discrepancy, the 4-digit NAICS code analysis still provides valuable insights into the distribution and concentration of business establishments across various sub-industry sectors.

2.2.2.1 Retail Trade

As presented previously, the retail trade industry (NAICS 44-45) has the greatest business counts in the City, with 94 business establishments. Among the 4-digit sub-industries, Automobile dealers (NAICS 4411) have a total of five establishments in Sault Ste. Marie. Automotive parts, accessories, and tire stores (NAICS 4413) have three establishments with less than five employees, totaling seven establishments in the area. Electronics and appliance stores (NAICS 4431) have four establishments. Building material and supplies dealers (NAICS 4441) have six establishments. Grocery stores (NAICS 4451) have four establishments, while specialty food stores (NAICS 4452) have three. Health and personal care stores (NAICS 4461) have three establishments with five to nine employees, totaling five establishments. Gasoline stations (NAICS 4471) have the highest number of establishments, with 11 in total. The establishments are distributed across the different employee size categories: four establishments with less than five employees, four establishments with five to nine employees, and three establishments with 10 to 19 employees. Clothing stores (NAICS 4481) and shoe stores (NAICS 4482) have five and four establishments, respectively, with each having three establishments with less than five employees. Sporting goods, hobby, and musical instrument stores (NAICS 4511) have four establishments. General merchandise stores, including warehouse clubs and supercenters (NAICS 4523), have eight establishments, with three of them having 10 to 19 employees. Office supplies, stationery, and gift stores (NAICS 4532) have six establishments with less than five employees, totaling eight establishments.

Table 2. Business Count Data, Retail trade, 2020

NAICS 4-digit	Industry	Establishments with less than 5 employees	Establishments with 5 to 9 employees	Establishments with 20 to 49 employees	Establishments with 10 to 19 employees	All establishments
4411	Automobile dealers					5
4413	Automotive parts, accessories, and tire stores	3				7
4431	Electronics and appliance stores					4
4441	Building material and supplies dealers					6
4451	Grocery stores					4
4452	Specialty food stores					3
4461	Health and personal care stores		3			5
4471	Gasoline stations	4	4		3	11
4481	Clothing stores	3				5
4482	Shoe stores	3				4
4511	Sporting goods, hobby, and musical instrument stores					4
4523	General merchandise stores, including				3	8

NAICS 4-digit	Industry	Establishments with less than 5 employees	Establishments with 5 to 9 employees	Establishments with 20 to 49 employees	Establishments with 10 to 19 employees	All establishments
	warehouse clubs and supercenters					
4532	Office supplies, stationery, and gift stores	6				8
4543	Direct selling establishments	4				4

2.2.2.2 Health Care and Social Assistance

The health care and social assistance industry (NAICS 62) in Sault Ste. Marie has the second highest number of business establishments (75 businesses). At the 6-digit level, Offices of physicians (NAICS 6211) represent 21 establishments, with nine having less than five employees and seven having five to nine employees. Offices of dentists (NAICS 6212) account for six establishments, with three establishments in each of the smaller employee size categories. Offices of other health practitioners (NAICS 6213) comprise 12 establishments, distributed evenly between the less than five and five to nine employee categories. Residential intellectual and developmental disability, mental health, and substance abuse facilities (NAICS 6232) have seven establishments, all with 20 to 49 employees. Continuing care retirement communities and assisted living facilities for the elderly (NAICS 6233) account for five establishments, with three of them having 20 to 49 employees. Individual and family services (NAICS 6241) have eight establishments, three of which have less than five employees. Lastly, child day care services (NAICS 6244) consist of six establishments, with four of them having less than five employees.

Table 3. Business Count Data, Health care and social assistance, 2020

NAICS 4-digit	Industry	Establishments with less than 5 employees	Establishments with 5 to 9 employees	Establishments with 20 to 49 employees	Establishments with 10 to 19 employees	All establishments
6211	Offices of physicians	9	7			21
6212	Offices of dentists	3	3			6
6213	Offices of other health practitioners	5	5			12
6232	Residential intellectual and developmental disability, mental health, and substance abuse facilities				5	7
6233	Continuing care retirement communities and assisted living facilities for the elderly			3		5
6241	Individual and family services	3				8
6244	Child day care services	4				6

2.2.2.2 Accommodation and Food Services

The Accommodation and food services industry (NAICS 72) has 58 business establishments in Sault Ste. Marie as of 2020. Traveler accommodation establishments (NAICS 7211) total 12, with three establishments having five to nine employees, three with 20 to 49 employees, and four with 10 to 19 employees. RV (recreational vehicle) parks and recreational camps (NAICS 7212) account for three establishments. Drinking places serving alcoholic beverages (NAICS 7224) have seven establishments, with four of them having less than five employees. Restaurants and other eating places (NAICS 7225) make up the largest sub-sector with 34 establishments, which are distributed across different employee size categories: 10 establishments with less than five employees, three with five to nine employees, eight with 20 to 49 employees, and 11 with 10 to 19 employees.

Table 4. Business Count Data, Accommodation and food services, 2020

NAICS 4-digit	Industry	Establishments with less than 5 employees	Establishments with 5 to 9 employees	Establishments with 20 to 49 employees	Establishments with 10 to 19 employees	All establishments
7211	Traveler accommodation		3	3	4	12
7212	RV (recreational vehicle) parks and recreational camps					3
7224	Drinking places (alcoholic beverages)	4				7
7225	Restaurants and other eating places	10	3	8	11	34

2.2.2.2 Other Services (Except Public Administration)

The Other services NAICS industry (NAICS 81) consists of sub-industries that were not captured by other two-digit codes. This industry includes 57 business establishments in Sault Ste. Marie. Automotive repair and maintenance establishments (NAICS 8111) make up 14 businesses, with nine having less than five employees and four with five to nine employees. Personal and household goods repair and maintenance (NAICS 8114) have three establishments, all with less than five employees. Personal care services (NAICS 8121) account for 10 establishments, with six having less than five employees and three with five to nine employees. Religious organizations (NAICS 8131) consist of 11 establishments, six with less than five employees and four with five to nine employees. Civic and social organizations (NAICS 8134) have seven establishments, six of which have less than five employees. Finally, business, professional, labor, political, and similar organizations (NAICS 8139) are represented by three establishments in the area.

Table 5. Business Count Data, Other services, 2020

NAICS 4-digit	Industry	Establishments with less than 5 employees	Establishments with 5 to 9 employees	Establishments with 20 to 49 employees	Establishments with 10 to 19 employees	All establishments
8111	Automotive repair and maintenance	9	4			14
8114	Personal and household goods repair and maintenance	3				3
8121	Personal care services	6	3			10
8131	Religious organizations	6	4			11
8134	Civic and social organizations	6				7

NAICS 4-digit	Industry	Establishments with less than 5 employees	Establishments with 5 to 9 employees	Establishments with 20 to 49 employees	Establishments with 10 to 19 employees	All establishments
8139	Business, professional, labor, political, and similar organizations					3

2.2.2.1 Construction

The Construction industry (NAICS 23) has 40 business establishments in Sault Ste. Marie as of 2020. Residential building construction establishments (NAICS 2361) account for 11 businesses, seven of which have less than five employees. Foundation, structure, and building exterior contractors (NAICS 2381) consist of seven establishments, with six having less than five employees. Building equipment contractors (NAICS 2382) make up 11 businesses, seven of which have less than five employees. Building finishing contractors (NAICS 2383) have three establishments, all with less than five employees. Lastly, other specialty trade contractors (NAICS 2389) are represented by four establishments in the area, with three having less than five employees.

Table 6. Business Count Data, Construction, 2020

NAICS 4-digit	Industry	Establishments with less than 5 employees	Establishments with 5 to 9 employees	Establishments with 20 to 49 employees	Establishments with 10 to 19 employees	All establishments
2361	Residential building construction	7				11
2381	Foundation, structure, and building exterior contractors	6				7
2382	Building equipment contractors	7				11
2383	Building finishing contractors	3				3
2389	Other specialty trade contractors	3				4

2.3 Assessment of Local Development and Redevelopment Opportunities

2.3.1 Inventory of Available Commercial and Industrial Lands

The following figures represent the commercial and industrial vacant lands which were included within the assessment of local development and redevelopment opportunities. A summary of the individual property attributes are included in

Table 7.



Figure 1. Available Commercial and Industrial Lands in Sault Ste. Marie



Figure 2. Available Lands near Industrial Park Drive

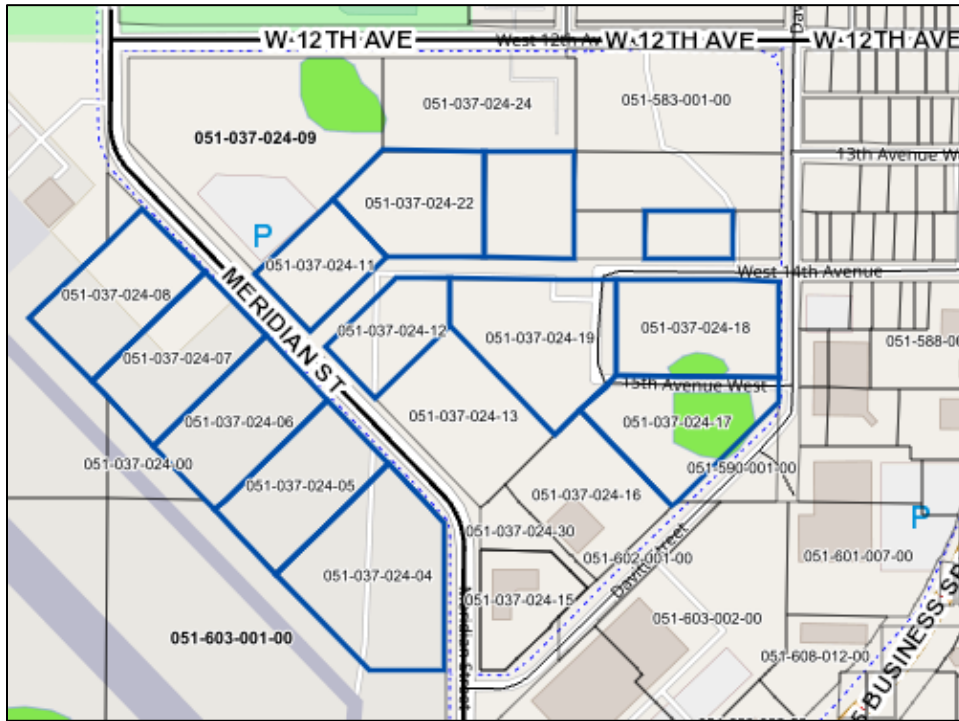


Figure 3. Available Lands near Meridian Street and W. 12th Avenue



Figure 4. Lands near Portage Avenue

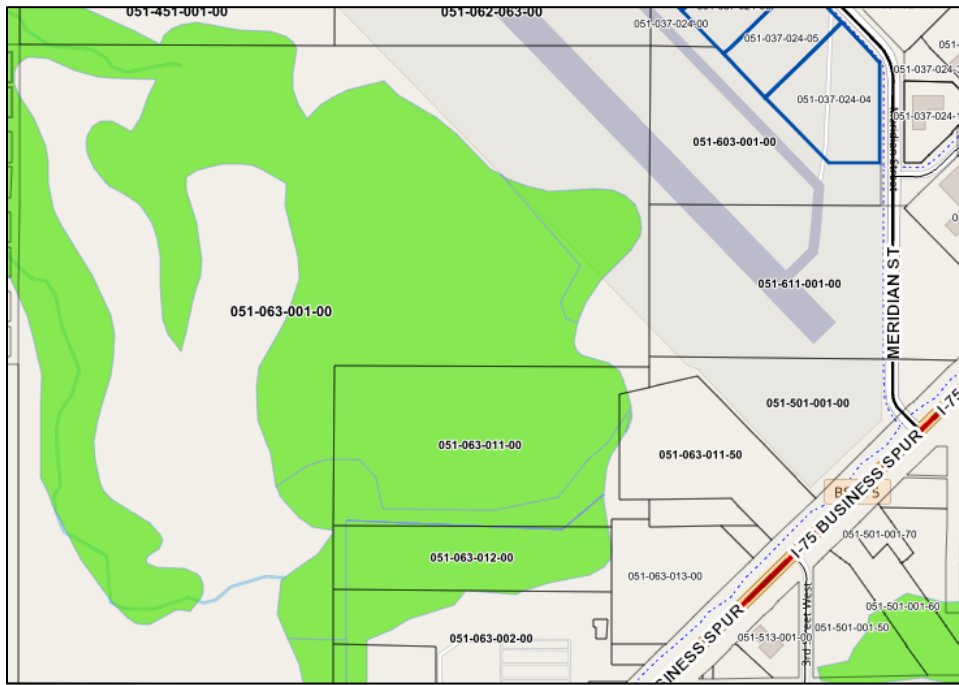


Figure 5. Lands near I-75 Business Spur

2.3.2 Information Gathering Matrix

An information gathering matrix was established (see

Table 7) to describe all key information related to zoning, permitted uses, land size, developable coverage area, type of servicing, known contamination issues, previous land use, adjacent land uses and other items.

Table 7. Information Gathering Matrix

Property (Parcel #)	Zoning	Permitted Use	Land Size (Acres)	Assessed Value (\$)	Wetlands	Adjacent Land (Parcel #)
051-884-012-00	I1	Industrial	3.79	n/a	Yes	051-884-010-50 051-884-010-00

Property (Parcel #)	Zoning	Permitted Use	Land Size (Acres)	Assessed Value (\$)	Wetlands	Adjacent Land (Parcel #)
						051-884-013-10 051-884-013-00
051-884-013-10	I2	Industrial	1.648	n/a	Yes	051-884-013-00 051-884-12-00
051-884-010-00	I1	Industrial	3.14	7,500	Yes	051-884-011-00 051-884-010-50 051-884-007-00
051-884-014-00	I1	Industrial	3.767	n/a	Yes	051-884-015-00 051-871-001-00
051-037-024-08	AP	n/a	2.54	n/a	No	051-037-024-07
051-037-	AP	n/a	2.54	n/a	No	051-037-

Property (Parcel #)	Zoning	Permitted Use	Land Size (Acres)	Assessed Value (\$)	Wetlands	Adjacent Land (Parcel #)
024-07						024-08 051-037-024-06 051-037-024-00
051-037-024-06	AP	n/a	2.54	n/a	No	051-037-024-07 051-037-024-05 051-037-024-00 051-603-001-00
051-037-024-05	AP	n/a	2.54	n/a	No	051-037-024-06 051-037-024-04 051-603-001-00
051-037-024-04	AP	n/a	4.11	n/a	No	051-037-024-05 051-603-001-00

Property (Parcel #)	Zoning	Permitted Use	Land Size (Acres)	Assessed Value (\$)	Wetlands	Adjacent Land (Parcel #)
051-037-024-22	I1	Industrial	2.56	n/a	No	051-037-024-09 051-037-024-11 051-037-024-24 051-037-024-21
051-037-024-21	I1	Industrial	1.74	n/a	No	051-037-024-22 051-037-024-24 051-586-018-00
051-037-024-11	I1	Industrial	1.11	n/a	No	051-037-024-22
051-037-024-12	I1	Industrial	1.11	n/a	No	051-037-024-13 051-037-024-19
051-037-024-17	I1	Industrial	2.77	n/a	Yes	051-037-024-16

Property (Parcel #)	Zoning	Permitted Use	Land Size (Acres)	Assessed Value (\$)	Wetlands	Adjacent Land (Parcel #)
						051-037-024-18 051-037-024-19
051-037-024-18	I1	Industrial	2.86	n/a	Yes	051-037-024-17 051-037-024-19
051-037-024-19	I1	Industrial	3.48	n/a	No	051-037-024-12 051-037-024-13 051-037-024-16 051-037-024-17 051-037-024-18
051-037-024-20	I1	Industrial	0.75	n/a	No	051-586-001-00 051-586-018-00 051-586-

Property (Parcel #)	Zoning	Permitted Use	Land Size (Acres)	Assessed Value (\$)	Wetlands	Adjacent Land (Parcel #)
						001-10
051-063-001-00	SPLIT	n/a	119.082	n/a	Yes	051-603-001-00 051-611-001-00 051-063-011-00 051-501-001-00
051-063-011-00	B3	n/a	n/a	n/a	Yes	051-063-001-00 051-063-012-00 051-063-011-50 051-063-013-00
051-063-011-50	SPLIT	n/a	7.1	387,100	Yes	051-501-001-00 051-063-011-00
051-154-	MS	n/a	6.599	244,000	No	051-154-

Property (Parcel #)	Zoning	Permitted Use	Land Size (Acres)	Assessed Value (\$)	Wetlands	Adjacent Land (Parcel #)
598-00						600-00

2.3.3 Benchmarking

The City's rental and other cost factors were compared with the cities included in the Baseline Economic Analysis. Data on rental and land acquisition cost were taken from realtor website². A property tax estimator tool was utilized from Michigan's Department of Treasury website³, to determine the Millage Rates in this exercise.

Table 8. Benchmarking Taxation, Rental and Cost Factors

Cost Category	Sault Ste. Marie (MI)	Petoskey	Escanaba	Port Huron
Rental Apartment/House Cost (Average)	\$0.78 per sq.ft	\$1.19 per sq.ft	\$1.01 per sq.ft	\$1.21 per sq.ft
Acquisition Land Cost (Average)	\$29,015.25 per acre	\$89,873.08 per acre	\$76,191.98 per acre	\$186,776.52 per acre
Sales Tax Rate	6%	6%	6%	6%
Property Tax – 2021 Millage Rate – Principal Residence or Qualified Farm	44.14	35.06	42.2	43.76

² <https://www.realtor.com/>

³ <https://treas-secure.state.mi.us/ptestimator/PTEstimator.asp>

Cost Category	Sault Ste. Marie (MI)	Petoskey	Escanaba	Port Huron
Property Tax – 2021 Millage Rate – Second Home, Rental or Business	62.32	53.06	60.38	61.94

2.4 Investment Readiness Assessment (Community Competitive Review)

The Project Team undertook an investment readiness assessment to establish a portrait of the current state of the municipality and the identification of the municipality’s capabilities, capacity (foundational elements) and assets that reinforce the areas’ competitiveness, attractiveness and investment readiness against state, national and global economies.

2.4.1 Incentives

Within the State of Michigan, the City of Sault Ste. Marie has access to all MEDC business and tax incentives, Michigan Works!, Michigan Department of Agricultural & Rural Development (MDARD), Invest UP and other institution and agency resources and tools to attract and retain workers and businesses in the area.

Pure Michigan Business Connect (PMBC) provides a matchmaking service through events and a community for businesses where they facilitate one-on-one business meetings between purchasers and suppliers.

Opportunity Zones were recently enacted in the 2017 Tax Cuts and Jobs Act. The program is designed to incentivize patient capital investments in low-income communities nationwide that have been cut off from capital and experience a lack of business growth. Sault Ste. Marie is part of the Prosperity Region 1 in Chippewa County.

Refer to Appendix 4 for a summary of funding programs and/or incentives made available throughout the State of Michigan along with a program description.

2.4.1.1 Recommendations

Through an assessment of the incentive programs presented above, there are various incentives provided by economic development organizations for which can benefit businesses within Sault Ste. Marie. At the local level, direct City incentives are limited and increasingly more difficult to identify. To improve the local incentives offering specific to Sault Ste. Marie, the following recommendations are offered:

- Increase redevelopment opportunities with tools for businesses and the community.
- Focus more on downtown revitalization incentives and programs (such as reinstating the Façade Improvement Program).
- Increase promotion and awareness of City and State incentives to businesses and residents, through:
 - Regular business visits
 - Promotional flyers
 - Online social media campaigns
 - Website page explaining all incentives offered by the City

2.4.2 National and Regional Comparative Differentiators for the City

Table 9 provides a summary of comparative differentiators of the City to that of the Upper Peninsula and the State of Michigan.

Table 9. Comparative Differentiators

Comparative Differentiators			
Community Assets	Sault Ste. Marie	Upper Peninsula	Michigan State
Associations	<ul style="list-style-type: none"> • Young Professional Association • Sugar Island Historical Preservation Society • Optimal Medical Foundation • Chippewa Watershed Conservancy 	<ul style="list-style-type: none"> • Upper Peninsula Travel & Recreation Association • Community Foundation of Upper Peninsula (CFUP) • SAIL Disability Network of the Upper Peninsula • EUPISD (plan for special education) • Upper Peninsula Research and Extension Center • UP Area Agency on Aging (UPAAA) / UPCAP • U.P. Land Conservancy • Upper Peninsula Environmental Coalition 	<ul style="list-style-type: none"> • Michigan Works! Association • Detroit Crime Commission • Michigan Alliance Against Hate Crime (MIAAHC) • Small Business Association • Michigan Small Business Development Center • MI Women • 500 charitable groups and foundations • 25+ special needs and education groups • Aging Services MiSeniors • 70+ environmental groups

Comparative Differentiators			
Community Assets	Sault Ste. Marie	Upper Peninsula	Michigan State
Physical Space	<ul style="list-style-type: none"> • Fishing and hunting spots • Beautiful landscape • Trails (hiking, skiing, ATV, snowmobiling, biking) • Forest • Campsites • Parks • Great Lakes • Golf courses (two) 	<ul style="list-style-type: none"> • Tahquamenon Falls • Bear Ranch • Trails (biking, hiking, skiing, snowmobiling) • Mountains: Keweenaw Peninsula, Marquette and the Porcupine Mountains • Forest • Campsites • 22 state parks and recreation areas • Great Lakes 	<ul style="list-style-type: none"> • 103 state parks and recreation areas • 140 state forest campgrounds • 13,496 state park campsites • Playgrounds (biggest – Innovation Hills in Rochester Hills) • Trails (biking, hiking, skiing, snowmobiling) • Fishing and hunting spots • Boating Access • Great Lakes
Institutions	<ul style="list-style-type: none"> • 5 elementary schools • Sault Area High School (modern Skill Center) • University (LSSU) • Bayliss Public Library • Hospital • Children’s Museum • Fire and Ambulance (SSM) • Eagle WUPN (FM radio) 	<ul style="list-style-type: none"> • Additional Universities: Michigan Technological University, Northern Michigan University • Colleges: Bay College, Bay Mills College • 17 hospitals • Upper Peninsula Region of Library Cooperation (UPRLC) • Superior District Library • Upper Peninsula Resource Center 	<ul style="list-style-type: none"> • 93 universities and colleges • 141 hospitals (2020) • MSU Libraries • Library of Michigan • Michigan Community Services • Samaritas (social services) • National Association of Social Workers Michigan • 12 museums

Comparative Differentiators			
Community Assets	Sault Ste. Marie	Upper Peninsula	Michigan State
	station)	<ul style="list-style-type: none"> • Child and Family Services of the Upper Peninsula (CFSUP) • Museums • Peninsula Township Fire Department • 19 radio, newspapers & television 	<ul style="list-style-type: none"> • Fire services
Local Economy	<ul style="list-style-type: none"> • SSM EDC • Chippewa County EDC • LSSU Business Center • Business • Chamber of Commerce • Downtown Development Authority • Sault Convention and Visitors Bureau • Banks 	<ul style="list-style-type: none"> • EUP Regional Planning • Invest UP • Pure Michigan • Banks • 37 Chamber of Commerce and Tourism Associations 	<ul style="list-style-type: none"> • MEDC • Michigan Department of Agriculture and Rural Development (MDARD) • School of Planning, Design and Construction (SPDC) • Michigan Chamber of Commerce • Banks

2.4.3 Diversity & Inclusive Business Strategy

The Project Team developed a series of strategies that the City could adopt to assist in the recruitment of national companies, while also providing support to local businesses and demonstrating their commitment to diversity and inclusion:

- **Improve Promotion of Incentives Program in Sault Ste. Marie:** Understanding that businesses have access to many incentives in Michigan, the available incentives and different organizations (roles and programs) could benefit from increased promotion and awareness by the City and the EDC. The website provide external links, but direct information could be beneficial for companies. Many residents and businesses are unaware of the programs available and as a result, are not utilizing this resource (for example, the role of Michigan Works! is not understood by many residents).
- **Create Video Testimonials and Promotion of Success Stories:** The EDC could increase the number of local success stories through the creation of video testimonials. Community consultations throughout the development of this strategic plan indicated that not everyone is aware of the role and milestones achieved by the EDC. As a result, this leads to a misunderstanding of their value and economic development impact.
- **Create a Diversity and Inclusion Task Force:** Sault Ste. Marie could create a task force comprised of individuals from diverse backgrounds, including members of minority groups, to provide guidance on how to make the city more welcoming and inclusive for businesses and entrepreneurs of all backgrounds. The task force could help identify the unique needs and challenges faced by underrepresented groups and develop targeted strategies to address them.
- **Promote Local Incubators and Accelerators:** There is an opportunity for Sault Ste. Marie to promote and support local business incubators and accelerators that focus on promoting diversity and inclusion. These organizations could provide resources and support to underrepresented entrepreneurs and businesses, such as mentorship, networking opportunities, and access to funding.
- **Leverage Community Partnerships:** Sault Ste. Marie could leverage partnerships with local community organizations, such as ethnic and Tribe chambers of commerce or advocacy groups, to reach out to underrepresented communities and provide support and resources for businesses and entrepreneurs.

- Develop Inclusive Recruitment Practices:** Sault Ste. Marie could develop recruitment practices that are inclusive and seek to attract a diverse range of businesses and entrepreneurs. This could include actively recruiting businesses and entrepreneurs from underrepresented communities, providing translation services or language assistance, and creating networking events that promote diversity and inclusion.
- Offer Diversity and Inclusion Training:** Sault Ste. Marie could offer diversity and inclusion training for local businesses and entrepreneurs to help promote a culture of inclusivity and understanding. The training could focus on issues such as unconscious bias, cultural competence, and creating a welcoming and inclusive workplace environment.

By adopting these strategies, the City could create an environment that is attractive to national companies while also supporting local businesses and entrepreneurs. The focus on diversity and inclusion could help to promote a welcoming and inclusive environment that attracts businesses and entrepreneurs of all backgrounds, while also helping to create a more vibrant and diverse business community.

2.4.4 Benchmarking

A benchmarking was performed to compare the City's attributes and competitive assets against the three jurisdictions previously used in the baseline economic analysis and full spectrum: Petoskey, Escanaba and Port Huron.

Key takeaways from Table 10 were observed and later confirmed during the consultations process:

- The other three jurisdictions possess many associations designed to help youth, women, crime awareness, environmental issues, housing and other topics. It was noted that Sault Ste. Marie has fewer of these associations available locally.
- All cities are focused on the development of outdoor recreational activities, which can improve the life quality of the residents. These cities attract individuals who enjoy skiing, snowmobiling, fishing, hunting, hiking and biking in trails. Residents who appreciate beautiful landscapes and fresh air reside in these cities.
- Sault Ste. Marie is known as a University Town (LSSU). There is currently no community college in the area.
- Health services are more limited in Sault Ste. Marie than the other communities (which offer pregnancy care, cardiovascular and orthopedic services among other healthcare and medical services).

- Sault Ste. Marie's local development environment and business support organizations provide positive benefit and value to businesses (such as SSM EDC, Chippewa County EDC, DDA, Sault Area Chamber of Commerce, CVB, etc.). The main challenge continues to be ensuring that businesses are taking advantage of the existing services and incentives offered.

Table 10. Benchmarking of attributes and competitive assets

Attributes and Competitive Assets				
Attributes and Competitive Assets	Sault Ste. Marie (Michigan)	Petoskey	Escanaba	Port Huron
Associations	<ul style="list-style-type: none"> • Presence of a Young Professional Association • Different foundations and nonprofits (regarding history and preservation) • Environmental group for watershed in Chippewa 	<ul style="list-style-type: none"> • Bay View Association (summer experience) • Goodwill Northern Michigan brings foods to neighbors and helps people find home • Youth Associations: Soccer, YMCA, Northmen Den (food, tutoring) • Women Resources: Center • Zonta Club • United Way of Northwest Michigan • Petoskey-Harbor 	<ul style="list-style-type: none"> • Delta County Cancer Alliance • Internationals Association of Lions Clubs • Youth Assistance Program • YMCA • Michigan Master Gardener Association • Delta County Historical Society 	<ul style="list-style-type: none"> • C.A.P.T.U.R.E Association (crime awareness and prevention) • Special Response Team (daily fight) • Blue Water YMCA • Ennis Center for Children • Michigan Society Sons of the American Revolution • Blue Water Sportfishing and Sportsman's Association • Community Foundation of St.

Attributes and Competitive Assets				
Attributes and Competitive Assets	Sault Ste. Marie (Michigan)	Petoskey	Escanaba	Port Huron
		Springs Area Community Foundation (charitable funds) <ul style="list-style-type: none"> Tannery Creek Condominium Association Habitat for Humanity 		Clair County <ul style="list-style-type: none"> The American Red Cross Michigan Region United Way of St. Clair County Blue Water Citizens Against Crime Neighborhood Association Olde Town Historic Neighborhood Sherman Woods Association Eastern Michigan Rental housing Association
Physical Space	<ul style="list-style-type: none"> Renown for its outdoor recreation activities (fishing, hunting, trails, camping) 	<ul style="list-style-type: none"> Renown for its beautiful landscape, historic architecture and outdoor recreation 	<ul style="list-style-type: none"> Fishing, biking, hiking, riding ORV, golf, watersports Tennis and basketball courts 	<ul style="list-style-type: none"> Fresh water, dine in restaurants Many parks of Port Huron Beaches

Attributes and Competitive Assets				
Attributes and Competitive Assets	Sault Ste. Marie (Michigan)	Petoskey	Escanaba	Port Huron
	<ul style="list-style-type: none"> • Landscape (forests, lakes, parks) • Natural resources (lumber, forest, oil, mining) • Parks & recreational facilities 	<ul style="list-style-type: none"> • opportunities (water sports, hiking, skiing, ice skating, sledding) • Natural resources (forest) 	<ul style="list-style-type: none"> • Biking trails • Campsites • Walking trails and labyrinth • Several fields, playgrounds and parks • Catherine Bonifas Civic Center (gym) 	<ul style="list-style-type: none"> • Hiking, biking and birding trails (mountain) • Huron National Forest (Lower Peninsula of Michigan) • Known as the Maritime Capital of the Great Lakes • Fishing, hunting
Institutions	<ul style="list-style-type: none"> • Sault Area Schools • College Town • 1 hospital • New children’s museum • 6 museums • Fire and Ambulance services • Eagle FM radio 	<ul style="list-style-type: none"> • High quality medical facilities (McLaren Northern Michigan Hospital – cancer care, heart and vascular care, orthopedic services) • MCDC (My Community Dental Centers) • Pregnancy Care 	<ul style="list-style-type: none"> • Escanaba Area Public Schools • Bay College (training and education programs) • Michigan State University • Bonifas Arts Center (art exhibits, performances and 	<ul style="list-style-type: none"> • Port Huron Schools • St. Clair County Regional Educational Service Agency • East Shore Leadership Academy • Baker College • Ross Medical Education

Attributes and Competitive Assets				
Attributes and Competitive Assets	Sault Ste. Marie (Michigan)	Petoskey	Escanaba	Port Huron
	<ul style="list-style-type: none"> station for information diffusion 	<ul style="list-style-type: none"> Center of Petoskey Petoskey District Library Museums, galleries, and performance venues: Little Traverse Historical Society Crooked Tree Arts Center Blissfest Music Organization Little Traverse Civic Theatre WMCU Public Media Winter Communications 	<ul style="list-style-type: none"> educational programs) OSF St. Francis Hospital & Medical Group Pregnancy Services of Delta County U.P. State Fair and Waterfront Art Festival 	<ul style="list-style-type: none"> St. Clair County Community College University of Michigan (Flint) 2 hospitals (Lake Huron Medical Center, McLaren Port Huron) St. Clair County Library System Michigan Museums The Times Herald (Port Huron media)
Local Economy	<ul style="list-style-type: none"> Sault Tribe (presence of Native American Culture and related history) 	<ul style="list-style-type: none"> Chamber of Commerce Petoskey Area Visitors Bureau 	<ul style="list-style-type: none"> Delta County Commerce Center Michigan Small Business 	<ul style="list-style-type: none"> Blue Water Area Chamber of Commerce Blue Water

Attributes and Competitive Assets				
Attributes and Competitive Assets	Sault Ste. Marie (Michigan)	Petoskey	Escanaba	Port Huron
	<ul style="list-style-type: none"> • EDC (SSM and Chippewa) • LSSU Business Center • DDA • Chamber of Commerce • SCVB • Banks and financial institutions 	<ul style="list-style-type: none"> • Northwest Michigan Works • Banks 	<ul style="list-style-type: none"> • Development Center • Delta County Economic Development Alliance • DDA 	<ul style="list-style-type: none"> • Convention and Visitors Bureau • Economic Development Alliance of St. Clair County
Other	<ul style="list-style-type: none"> • Quality of life (low crime rate) • Small town atmosphere • Location (multimodal: highways, airport, waterfront) 	<ul style="list-style-type: none"> • High quality of life and strong sense of community • Small town atmosphere • Natural location hub (transportation: airport, ferry) • Home Builders Association of Northern Michigan 	<ul style="list-style-type: none"> • Quality of living (low cost of living) • Many industrial parks • Location and transportation (Port of Escanaba, Delta County Airport) • Delta Solid Waste Management Authority (DSWMA) 	<ul style="list-style-type: none"> • Port Huron Housing Commission • Blue Water Bridge Authority • Blue Water Area Transit • Amtrak (railroad service)

2.5 Best Practices in Local Economic Development

2.5.1 A Shared Understanding of Economic Development

To assist the City in working towards achieving a more inclusive and shared understanding of economic development across its administration, local business community, residents and others who are actively or indirectly involved in helping the City achieve economic prosperity, it is important to emphasize collaboration, communication, and strategic planning. The following are a list of recommendations to support this process:

- **Engage Stakeholders** by involving a diverse range of stakeholders, including local businesses, community organizations, residents, educational institutions, and government agencies, in the economic development process. Their input and perspectives can provide valuable insights and ensure that economic development initiatives align with the needs and priorities of the community.
- **Communicate Clearly and Transparently** to help foster open and transparent communication channels to ensure that all stakeholders are informed and engaged throughout the economic development process. Regularly communicate updates, progress, and challenges, and solicit feedback from stakeholders to ensure that their voices are heard and considered.
- **Promote Education and Training** by supporting initiatives that promote education, workforce development, and skills training to enhance the competitiveness of the local labor force and attract new businesses and industries to the municipality. Collaborate with educational institutions, vocational training programs, and industry partners to identify skill gaps and develop training programs that meet the needs of employers.
- **Foster Entrepreneurship and Innovation** by creating an environment that supports entrepreneurship, innovation, and small business development. Provide resources, support services, and incentives to help entrepreneurs and small businesses start, grow, and thrive in the municipality. Encourage collaboration between local businesses, startups, incubators, and accelerators to spur innovation and create new economic opportunities.
- **Invest in Infrastructure and Quality of Life** by investing in infrastructure projects, such as transportation, utilities, broadband, and public amenities, that enhance the municipality's attractiveness to businesses, residents, and visitors. Focus on improving the quality of life, including access to affordable housing, healthcare, education, cultural amenities, and recreational opportunities, to attract and retain talent and investment.

- **Measure and Evaluate Impact** by establishing key performance indicators (KPIs) and metrics to measure the effectiveness and impact of economic development initiatives. Regularly evaluate progress against these metrics and adjust strategies and priorities as needed to ensure that resources are allocated effectively and goals are achieved.

This economic development strategic plan, in and of itself is one of the most relevant examples of providing a community with a shared understanding of economic development. Such a strategy is intended to outline long-term goals, objectives, and action plans for promoting economic growth and prosperity. A strategy, such as this, should be based on thorough research and analysis of local economic conditions, strengths, weaknesses, opportunities, and threats. This strategy is also supported with KPIs, allowing the City to measure and evaluate the impact of the recommendations presented below.

By following these best practices and fostering a collaborative and inclusive approach to economic development, municipalities can work towards building a shared understanding and commitment to creating a thriving and resilient local economy.

2.5.2 City’s Economic Development, Building and Planning Departments

The City’s Planning & Zoning Department is responsible for the following elements in Sault Ste. Marie:

- Ensuring that development is planned, constructed and documented;
- Providing professional advice and technical expertise to City Commission;
- Reviewing building permits for zoning compliance; and
- Responding to public inquiries.

2.5.3 City’s Development Tools and Policies

In 2018, the City of Sault Ste. Marie established a Master Plan detailing the visions and the values of its people and their government for their next 20 years. The document informs future investments, development and growth, and provides a basis for land use regulations. The Master Plan serves as a tool for decision-making based on the City’s historic neighborhood land use patterns as well as a new vision for some neighborhoods and districts.

Sault Ste. Marie is zoned into 16 districts: B-1, B-2, B-3, I-1, I-2, O-S, P-1, R-1, R-1A, R-2, RM-1, RM-2, RM-3, RS-2, RS-V, T, Split-Zoned and MS. The zoning pattern is that of: commercial which spans the I-75 business spur and downtown; industrial along the

waterfront from downtown heading east; and residential in the middle of the City as well as the west and east waterfronts.

The Downtown Form-Based Code encourages and qualifies the implementation of the following policies relating to the Community, the Block and type of Building. The following represent the key takeaways from these policies:

- Neighborhoods should be the preferred pattern of development and that districts specializing in a single use should be the exception;
- Civic, institutional and commercial activity should be embedded in downtowns, not isolated in remote single use complexes;
- A range of open spaces including parks, squares and playgrounds should be distributed within neighborhoods and downtowns;
- Buildings and landscaping should contribute to the physical definition of thoroughfare as civic places;
- Design of streets and buildings should reinforce safe environments, but not at the expense of accessibility, especially to those with disabilities;
- Civic buildings and public gathering places should be provided as locations that reinforce community identity and support self-government.

For the Downtown Area, a Regulating Plan has been produced, describing the District's boundaries and all notations, references and other information shown thereon shall be as much a part of the Code.

There are not a lot of redevelopment tools provided by the City, but MEDC provides a "Redevelopment Ready Communities" (RRC) Resiliency Toolkit to break down resilience across topics so a community can assess and address resiliency respective to their capacity, but also to push communities to think broader and more holistically about their physical, social and natural systems.

2.5.4 City's Incentives Programs

There are currently limited incentive programs available within the city. The City benefits from national programs (on a State level), such as those made available through Michigan Works!, MEDC, Invest UP and other key economic development organizations (incentives described in section 2.4.1). The recommendations to support the economic development strategic plan would be to:

- Reinstate Façade Improvement Grant Program
- Improve the City incentives offer by adding redevelopment tools

2.5.5 Existing State and Federal Programs

There are many existing development tools and incentives programs promoted by the State and at the federal level. The incentive programs depicted in Appendix 4. Summary of State and Federal Funding Programs provides a summary of funding programs and/or incentives made available throughout the State of Michigan along with a program description.

2.6 Community Outreach and Engagement

The aim of the Community Outreach and Engagement process is to complement the efforts deployed during the information gathering phase by obtaining more localized and deep insights in order to support an analysis of the relevant observations and findings from a broad perspective. Consultations are an integral part of building knowledge on a community, while also empowering and engaging leaders, stakeholders, academia, and government in the process.

2.6.1 Methodology

A series of focus groups discussions and one-on-one meetings were conducted with key stakeholders (both in-person and virtually). In collaboration with the EDC, leaders and stakeholders were identified amongst the following groups:

- EDC
- City and economic local leaders
- Business leaders
- Real estate professionals and developers
- Manufacturers
- Service providers
- Banks / financial institutions
- Large employers
- Small businesses
- Academia
- Economic development entities at the local, regional and state level (such as CCEDC, NEMCOG, MEDC)
- Youth and young professionals
- Others

A project letter of introduction was sent to targeted stakeholders describing the meetings' objectives. The objective of these consultations was to identify and deepen the Project Team's understanding of tourism, the community (including assets, culture, issues, opportunities), market industry trends, potential industries to attract, plans that could support business investment attraction, economic assets and actions to build upon, issues or opportunities tied to manufacturers, service providers and other issues that stakeholders may be facing with tied to infrastructure, funding, government relations, supply chain among others.

As part of the engagement process, two online surveys were promoted throughout the community: one General Public Survey and one Youth Impact Survey targeting 15 to 29 years olds who reside within the city. All results were summarized in Appendix 4 and Appendix 5 and provide detailed information on the organizations and individuals consulted and the specific results emanating from both surveys.

2.6.2 Summary of Consultations: Key Takeaways

The key takeaways are comprised of thoughts, opinions, ideas and suggestions coming from the engaged stakeholders and are summarized below:

2.6.2.1 Tourism & Marketing

- Tourism is perceived as a key economic driver for the City of Sault Ste. Marie (all season recreational activities, casino, high paying jobs in tourism).
- Tourism is a part of economic development which is not always well understood.
- Rental property is prominent in the area during the main tourist seasons; seasonal residence is a popular type of accommodation (summer).
- The Sault Convention and Visitors Bureau has invested \$2 million to improve their visitors tracking.
- There is a difference in opinion regarding the tourism marketing strategy where some consider that there is good marketing to promote tourism activities and obtain funds, and others feel that Business Development Tourism is not very active.
- Branding is unknown or nonexistent. Too many people are telling a different story when they promote the area and tend to not prioritize common goals (which can often represent a lack of alignment between local governments and agencies).
- There is a distinction (not always well understood) to make between branding and reputation. While Sault Ste. Marie has a great reputation, there is no branding (or a common image that comes to mind when one thinks of Sault Ste. Marie).

- Branding should be developed from the inside-out, where the brand is first determined internally (within the community) prior to promotion and awareness to external jurisdictions.
- There is an opportunity to create tourism packages for Canadians who usually come to shop and fuel up their vehicles. There is an opportunity for customized tourism day packages to be developed and promoted.
- Social media is well utilized to disburse and relay pertinent information.

2.6.2.2 Lifestyle

- Strong quality of life (clean and fresh air, low cost of living, recreational outdoor activities, good climate with no extreme temperatures) is a key reason influencing residents to stay or for people to return to the area.
- The community feels safe with a low crime rate and correctional facilities/prisons in the area. It is perceived as a good place to start a family and raise children.
 - One trend is residents leaving the area and coming back years later to raise their children. The City could promote the area through these people by making them ambassadors of the community.
- There is a difference of perception between the community and non-residents. Non-residents view the community as warm, friendly with a small town and homie feel meanwhile the community sees itself in a more negative light.
- There is still a good sense of belonging in the community, however, it is not necessarily shared by newcomers. The community does not trust people easily and it is reflected in their interactions with newcomers.
- Some residents are stuck “living in the past” which is reflected in the community culture. There is a high resistance to change.
- Youth retention is a challenge. There is a lack of activities and amenities for youth and families. Parents need to travel to neighboring communities for clothing, experiences and specific activities.
- Only 53% of children in Chippewa County have an available slot for childcare.
- Mental illness is increasing in the community leading to more homelessness and a higher suicide rate (specifically youth), meanwhile there is a lack of health professionals in the area (such as psychiatrists, therapists). These professionals are leaving the area.
- There is also a lack of specialists (in general, including, but not limited to dentists, plumbers, lawyers, etc.) in Sault Ste. Marie.
- The area is known for its outdoor recreation offering, but there is a lack of indoor recreation activities (such as no movie theater and lack of “fancy” restaurants). There is a need for more public gatherings space (both indoor and outside).

2.6.2.3 Business

- There is a well-established business ecosystem in the Sault: businesses and entrepreneurs feel well supported by the City, including the many local business support organizations (such as the Sault Area Chamber of Commerce, DDA, Youth Association, SPDC, CBD, EUP, financial institutions, etc.)
- Good incentives are in place to attract investments (banks and the area is promoted by real estate professionals).
- The pandemic has affected many industries by disrupting the supply chain (such as lumber, transportation, logistics & distribution, health), meaning that these industries are in the process of recovery (trying to achieve pre-pandemic productivity levels).
- Collaborating with neighboring communities to grow complementary industries is an opportunity as it is important to avoid overlap.
- There are tremendous business and job opportunities throughout and in proximity to the City, including: the Soo Locks Project, Eagle Mine (300-400 jobs), steel production, medical device, manufacturing (ammunition), forestry, farming, food and beverage, exploration and mining, gaming and high tech (automotive testing side, autonomous vehicle steering, drone, military, satellite imagery, aerospace and command centers). However, businesses are struggling to taking advantage of these opportunities.
- Remote work has high potential in the area: working from home for companies situated outside of Sault Ste. Marie.
- Collaborating with the university (LSSU) to enhance entrepreneurship and careers in high tech.
- Integrating sustainability into business practices or operations (solar panels, environmental business practices).
- The Foreign Trade Zone is a competitive asset for the City of Sault Ste. Marie. It allows international companies to export products into the U.S. market. This could potentially be of significant value to Canadian businesses, especially those operating on the other side of the border in Ontario. The global pandemic has affected the economic ties between Sault Ste. Marie, Michigan and its Ontario counterpart. Rebuilding this relationship will open new possibilities and opportunities for collaboration.
- Information is not tracked about imports and exports from bridge administration.

2.6.2.5 Infrastructure

- There are many infrastructure assets in the community: strong hydroelectricity, water access (underpriced waterfront), highway access, airport (in the city and a second in Kincheloe), walkability around the lake and small scale of bus transportation.
- Broadband and electricity are two areas of improvement: there is a perception that working with CN is difficult and that broadband coverage could be improved.
- Residents and visitors appreciate the easy access (20-min. drive) to Chippewa County International Airport, but the number of flights is limited (twice daily).
- Low-cost housing is available in the City even though the housing price is slightly higher than Gaylord. However, these houses are dated and require significant renovation and improvement that not all can afford. No new houses have been built since 2015.
- There are reliable builders in the community, but with the rising building cost (since the global pandemic), it has become increasingly difficult to find builders and developers to construct an apartment complex.
- There is limited housing development (south of the Power Canal) with no planned subdivision development and limited housing stock.
 - A County Annex Building (\$1.5M invested to create nine market rate residential units)
 - Two buildings on same parcel where transformed into 8-12 units with two commercial spaces
- The City is focused on intensifying the Main Street and downtown core and supporting its revitalization, including:
 - Painting murals
 - Signage
 - Buildings improvement
 - Crosswalks
 - Wayfinding
- A number of downtown buildings require improvement and many owners are not utilizing their buildings, either to their full capacity, or at all.
- There is a lack of space downtown to build more apartment complexes.
- Other than the Soo Locks project, there are not many water-related opportunities.
- Integrating sustainability into the City's infrastructure and utilities by exploiting more natural resources, investing in electric charging stations, capacity for biomass power generation (represents an untapped potential).
- There is a demand for pilot and flight training operations at the airport.
- Opportunities in development and redevelopment:

- Reactivate the City's Façade Improvement Grant
- Brownfield redevelopment
- Focus on increasing mixed-use buildings

2.6.2.6 Education/Workforce

- LSSU is a significant economic asset for Sault Ste. Marie:
 - Prides itself on being the smallest public university in the state which is a key advantage for students looking for hands-on training
 - There needs to be a focus on rebuilding ties/relationships between the university and the City/residents
 - The indoor aquatic center is well utilized by the community
 - Community business classes are given to the community
 - Available internships (more academic based as opposed to practical internships)
 - Achievement scholarships available on average of \$27,500 (while debt upon graduation is approximately \$22,000)
 - University has established a onsite COVID-19 testing clinic for the community to utilize
 - There exist good relationships with partners to gain access to equipment and labs
 - Visits in neighboring High Schools (three to four times in recent years), however, relationships need to be rebuilt with these neighboring schools
 - Vacant rooms are rented during the summer
 - Dorms are not fully occupied
 - The dormitory building itself is dated (constructed in 1972)
 - There are increasing opportunities for trade, training and other relevant educational programs
- Opportunity to improve alumni programs (with a focus on alumni tracking)
- There is a marginal program advisory committee, but nothing official.
- The culinary school is now operating independently (no partnership with LSSU)
- LSSU is attractive to students, but there are other universities and colleges in neighboring communities which overlap in programs offered.
- LSSU is interested in working and collaborating with businesses to increase the number of opportunities for students, but it can be difficult to reach out to companies.
- There are strong and reliable talent attraction organizations such as Michigan Works! and MEDC that promote the assets of the City (marketing groups, podcasts, etc.).

- There are opportunities to further promote careers in criminal justice and engineering, given that there is a strong program offering at LSSU
- Michigan Works! organizes job and classroom training for teenagers through Myleap and Myreach.
- Seasonal and temporary workers are often employed in the region. For example, the Soo Locks Project is attracting a number of temporary workers who might remain in the city following the completion of the project.
 - There is potential in converting seasonal workers into permanent, year-round workers. The challenge lies in educating them on the various services and supports that are available to them.
- Workforce attraction and retention continues to be a challenge:
 - Attracting high skilled labor
 - Low employment rate (decline in number of applications)
 - Labor shortage (aerospace, airports, prison, tourism, economic development, coast guard)
 - A growing wage disparity (more high paying job)
 - Population is declining with an aging population ready to retire (with no business succession plans in place)

2.6.2.7 Non-Specific Areas of Economic Development

- The strategic plan should lay the foundation for the City's path forward and it should assist the City and the EDC in understanding the priorities and activities by which to focus and invest their time and resources.
- The strategy must be easy to explain and understood by the community.
- All local government stakeholders should work together towards common goals.
- The Sault Tribe has great projects in progress.
- The community perceives a lack of incentives in comparison to Traverse City and Marquette. It remains difficult to compare the incentives in Michigan with other state-wide incentives offered throughout the country.
- There is a perceived disconnect and disengagement from the City that could be related to the change in management.
- There are some negative perceptions and connotations of the hospital by the community that need to be addressed.

2.8 Situational Analysis

Building upon the results of the Baseline Economic Analysis, Investment Readiness Assessment / Community Competitive Review, and the results of the Community Outreach and Engagement Process (which included conversations with Council, Senior Management, Planning and Development Personnel and the Regional Economic Development Partners), the Project Team carried out a Situational Analysis.

A Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis was undertaken as a way to assess the City's existing economic base; identify opportunities and challenges based on the environment that currently exists within the City; potential future market forces; opportunities for partnership and the threats posed by neighboring cities; opportunities for interjurisdictional partnerships within the City of Sault Ste. Marie and throughout region; identification of infrastructure issues that may constrain economic growth; among other differentiation factors.

Table 11. SWOT Analysis: Tourism & Marketing

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> • Tourism is a key economic driver for the city. • Seasonal residence (rental property). • Casino (good tourist asset). • All season recreation (skiing, hiking, ATVs, snowmobiling, trails). • Good marketing to promote activities. • City benefits from significant word-of-mouth promotion. 	<ul style="list-style-type: none"> • Business Development Tourism is not very active. • Limited tourism strips within the City. • Canadians are coming to the city, but they are not tourists (as they are focused on shopping and fueling up their vehicles). • No clear branding of the community exists. • Everyone promotes the area differently (lack of alignment of the City's main story). 	<ul style="list-style-type: none"> • Promote outdoor recreational activities to tourists (through open houses). • Strengthen branding, promotion and awareness of the City as a great tourism destination. • Sault Convention and Visitors Bureau's \$2M investment to improve visitor tracking. 	<ul style="list-style-type: none"> • Brand is different than reputation (good reputation, however, branding is unclear)

Table 12. SWOT Analysis: Lifestyle

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> • Favorable cost of living (low property cost, utility cost). • Safe community (low crime rate). • Positive perception of the community by outsiders (warm, home feel, friendly). • Quality of life (clean air, clean water, proximity to water). • Good climate (no extreme temperature). • Good local realtors who represent the city well. • Great place to raise families and children (small town atmosphere). • Beautiful scenery. • A sense of belonging is shared by existing residents. 	<ul style="list-style-type: none"> • Lack of indoor recreational activities. • The community is harder on itself than non-residents. • Youth retention is neglected in the area. • Lack of activities for kids / children / teenagers. • Lack of “fancy” restaurants (dining options). • No movie theater. • The sense of belonging is not necessarily shared by new residents (closed community, not trusting others). • Lack of professional services (legal, dental). 	<ul style="list-style-type: none"> • Attractive residential opportunities. • Incentivize those who relocate back to the city to act as local ambassadors. • Strengthen the nightlife atmosphere (concerts, music performances, cultural events, etc.). • Strengthen relationships with Sault Tribe. • Profile and highlight local history and preservation. • Increased number of I-500 events. • A cultural change is happening where residents are more progressive, more open-minded and welcoming new ideas. 	<ul style="list-style-type: none"> • Residents are travelling to neighboring communities for clothing and experiences. • Increase in mental illness within the community, including homelessness. • Rising suicide rates in youth. • Medical professionals are leaving the area. • Only 53% of children in Chippewa County have an available childcare slot.

Table 13. SWOT Analysis: Business

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> • The City supports businesses and entrepreneurs well. • A strong young professionals Association helps enhance entrepreneurship. • Good number of business support organizations and agencies, including: Sault Area Chamber of Commerce, DDA, Youth Association, SPDC, CVB, EUP and financial institutions. • Businesses try to source locally as much as possible. 	<ul style="list-style-type: none"> • Major industry still recovering from global pandemic (lumber, logistics, transportation). 	<ul style="list-style-type: none"> • Eagle Mine (300-400 jobs). • Work-from-home environment. • Soo Locks project brings many temporary workers to the city who may ultimately remain in the region. • Opportunity to support the Michigan Aerospace Initiative. • Growing number of opportunities for youth with proper promotion and awareness. • Further develop and expand the entrepreneurship ecosystem by leveraging SmartZone and LSSU’s Career Technology Center. • Opportunities in steel production, medical device, manufacturing, timber/sawmill, farming, 	<ul style="list-style-type: none"> • Evidence of overlapping business activity with neighboring communities (opportunity to look for complementary synergies). • The private sector may be missing out on business development opportunities due to lack of awareness and education.

Strengths	Weaknesses	Opportunities	Threats
		<p>food, mining, gaming, ammunition manufacturing.</p> <ul style="list-style-type: none"> • High tech: automotive testing side, autonomous vehicle steering, drone technology, military training, satellite imagery • Sustainability (environmental business practices; integrating solar panels and green spaces). • Foreign Trade Zone: ability to access Ontarian companies exporting in the U.S. (building relationships with Ontarians). • Collaboration with Luce County to support their lumber/sawmill industry. 	

Table 14. SWOT Analysis: Infrastructure

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> • Reliable access to hydroelectricity. • Water access. • Airport in the city. • Highway infrastructure (I-75) • Walkability adjacent to the waterfront. • Small scale bus transportation system. • Existing tax abatements. • Low cost housing available, but many require significant improvements. • Reputable developers in the city. 	<ul style="list-style-type: none"> • Not all broadband coverage is reliable. • Limited air passenger service (two flights daily from Kincheloe). • No planned subdivision development. • No housing stock. • Limited housing development (south of the Power Canal). • Dated housing stock and older commercial buildings. • Limited opportunities for waterfront development. • Water usage restrictions. • The city is one of the most expensive place to ship to in the U.S. (from a supply chain perspective). 	<ul style="list-style-type: none"> • Increased broadband will be required in the future. • Improved downtown with murals, paintings, signage, buildings, etc. • Capacity for biomass power generation (untapped potential). • Support the natural resources extraction industry from the city. • Rising demand for pilot and flight training schools (airport). • County Annex building \$1.5M to create nine market rate residential units (Spring 2023). • Brownfield redevelopment. • Reactivate the City's Façade Improvement Grant program. • Increase the number of mixed-use buildings. 	<ul style="list-style-type: none"> • Not every family possesses the income to make renovations to their homes. • CN's change in management has made it difficult to maintain strong ties with the organization. • It has become increasingly difficult to support local businesses due to rising costs.

Strengths	Weaknesses	Opportunities	Threats
		<ul style="list-style-type: none">• Electrical vehicle charging stations.• Planned subdivision development.• Closing supply chain gaps.	

Table 15. SWOT Analysis: Education & Workforce

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> • Talent attraction supported by Michigan Works! and MEDC (through marketing groups, podcasts, etc.) • Achievement scholarships available at LSSU. • LSSU is the smallest public university in the state (a key advantage for students, hands-on training). • Internships available through LSSU. • Access to equipment and labs at LSSU. • Dormitory capacity during summer months can support temporary workers. • Community business classes available to increase skillsets. 	<ul style="list-style-type: none"> • Labor shortages of a skilled and low skilled workforce. • The city has a low employment rate. • Rising disparity in wages. • Culinary school (operates independently). • Marginal program advisory committee. • No trailing spouse program to provide match making or awareness of employment opportunities. 	<ul style="list-style-type: none"> • Increased promotion of academic training in criminal justice and engineering at LSSU. • Development of skilled trades and training opportunities at LSSU. • Increased number of public open houses at LSSU. • LSSU to strengthen its relationship with and increase number of annual visits with local high schools. • LSSU to rebuild its trust and reputation and with the local community. • Improve alumni tracking with LSSU. • Support seasonal workers in becoming full-time. 	<ul style="list-style-type: none"> • Population decline with a growing number of retirees and aging population. • A number of businesses do not have a succession plan in place. • Other universities and colleges in neighboring communities (ex. Petoskey) are attracting students out of the city. • Difficult to establish opportunities and outreach to foster collaboration between LSSU and local businesses. • Difficult to attract and retain a high skilled workforce.

2.8.1 Development Opportunities and Recommendations

Tourism & Marketing	Lifestyle	Business	Infrastructure	Education & Workforce	Non-Specific Areas of Economic Development
<ul style="list-style-type: none"> • Cruise ship activities (such as boating festivals). • Day packages for Canadians. • Increased number of local festivals to attract Canadians and those from downstate. • Special Canadian night discounts. • Establish community brand (supported by such themes as connectivity, international border, Soo Locks, home to the largest Tribe east of the Mississippi). • Increase number and variety of historical tours and 	<ul style="list-style-type: none"> • Increased number of children’s activities (cultural, sport). • Increased number of dining options (fine dining, healthy fast food, coffee shops). • Evaluate demand to establish another sports team. • Attracting specialists (dentists, doctors, lawyers, etc.) 	<ul style="list-style-type: none"> • Annual or semi-annual job fairs. • Opportunities to support many industries from Sault Ste. Marie, including: steel production, medical devices, manufacturers, timber/sawmill, farming, food, mining, gaming, ammunition, high tech: automotive testing side, autonomous vehicle steering, drone technology, military training, satellite imagery. • Indoor farming. • Support supply chain with Canadian 	<ul style="list-style-type: none"> • Improve access to broadband. • Explore opportunities for further leverage waterfront development opportunities. • Support infrastructure needs to necessary for subdivision development. • Invest in downtown infrastructure (signage, murals, trash/recycle bins, etc.). • Continue to explore opportunities to meet future public transportation needs. 	<ul style="list-style-type: none"> • Focus on training and skills development for young professionals. • Collaborate with Bay Mills Community College and LSSU for trade training opportunities. • Advocate for increased mentorship and internship opportunities. • Encourage businesses to invest in employee skills development and training in exchange 	<ul style="list-style-type: none"> • Maintain strong relationships with neighboring communities. • Advocate for virtual doctor services. • Evaluate demand for aircraft hangar development opportunities at the airport. • Evaluate demand for pilot training programming at the airport. • Advocate to increase the number of alternative transportation options in the city to meet demand (such as Uber/Lyft). • Develop business case to attract a

Tourism & Marketing	Lifestyle	Business	Infrastructure	Education & Workforce	Non-Specific Areas of Economic Development
<p>those which can showcase Native Americans.</p> <ul style="list-style-type: none"> Outdoor dining events in the downtown. 		<p>businesses on Ontario side of the border (Foreign Trade Zone).</p> <ul style="list-style-type: none"> Increase number of year-round businesses. Continue to evaluate value proposition to attract a major hardware store (Home Depot, Lowes or Menards). 		<p>employee retention for an agreed upon number of years.</p>	<p>rehabilitation center for youth to the city.</p>

3. Economic Development Strategic and Action Plan

The economic development strategic plan is based upon six strategic priorities:

1. Diversify housing development options;
2. Revitalize the City's downtown;
3. Attract and retain youth in the City;
4. Advance the educational ecosystem;
5. Increase support of local businesses; and
6. Enhance tourism development.

All strategic priorities, objectives, actions and sub-actions are detailed throughout this section. Partners, budgets and key performance indicators are associated with each of the objectives contained within the economic development strategic and action plan.

3.1 Strategic Priority #1 - Diversify Housing Development Options

To support permanent residents of the City of Sault Ste. Marie, a focus on diversifying housing development options is an essential step which contributes to attracting more year-round residents. This will lead to an increase in housing stock tailored to middle-income households and will increase the quality of low-income housing. This Strategic Priority forms the basis for Diversifying Housing Development Options and is based upon on the following objective:

3.1.1 Continue to support housing development projects

To support the objective necessary to continue support of housing development projects, the following actions have been identified:

- **Update the local housing market assessment** to better understand the availability of housing options, existing housing stock and future demand to accommodate planned population growth.
- **Increase housing stock tailored to middle-income households** by collaborating with developers, financial institutions and the City's Planning and Zoning Department to identify land development opportunities as well as barriers to increasing local inventory of middle-income housing.⁴
- **Increase the quality of low-income housing** by developing incentives and

⁴ The City's Main Street District could be prioritized for housing development opportunities.

redevelopment tools with key partners.

- **Monitor opportunities for planned subdivision development** by continuing dialogue with private landowners and surplus parcels of City-owned land.
- **Ensure regulation and infrastructure are in place to support various housing development options, including mixed-use buildings** by working with the City’s Planning and Zoning Department.⁵

3.1.2 Key performance indicators to support this strategic priority

The following key performance indicators have been identified to assist the EDC with measuring the planned outcomes associated with this strategic priority of continuing to support housing development projects:

- Number of building permits issued
- Number of developed land parcels
- Number of homes sales closed
- Number of housing policies amended to encourage development
- Number of income-g geared housing units secured

3.2 Strategic Priority #2 - Revitalize the City's Downtown

Prioritizing the revitalization of the City’s downtown is a necessary step in meeting the strategic priorities of City of Sault Ste. Marie as it strengthens the attractiveness of the City to prospective businesses which are evaluating relocation or expansion projects and which may be dependent on having access to a local labor force. A vibrant and dynamic downtown also contributes to increased local tourism and supports local businesses. This Strategic Priority forms the basis for Revitalizing the City’s Downtown is based upon on three objectives:

1. *Increase the number of downtown businesses*
2. *Tie infrastructure development to create a “walkable” downtown*
3. *Attract more cultural events and festivals to the downtown*

⁵ The objective is to understand and amend (where necessary) the requirements and policies necessary to encourage further subdivision development, multi-residential, affordable housing and retirement residence projects.

3.2.2 Increase the number of downtown businesses

To support the objective necessary to increase the number of downtown businesses, the following actions have been identified:

- **Develop incentives, programs and policies** that encourage existing building owners to convert vacant building spaces into leasable commercial, residential and/or mixed-use spaces.⁶
- **Develop and execute a marketing strategy and outreach campaign** to attract year-round business retailers, service providers and/or experience operators to the downtown.

3.2.3 Tie infrastructure development to create a “walkable” downtown

To support the objective necessary to tie infrastructure development to create a “walkable” downtown, the following actions have been identified:

- **Strengthen and expand the City’s Façade Improvement Grant** by developing new downtown funding programs which can be utilized as business retention, expansion and investment attraction tools.⁷
- **Identify, inventory and assess existing/missing infrastructure needed** to improve the downtown experience of visitors, residents and businesses.
- **Develop a program focused on expanding / improving downtown signage, wayfinding, crosswalks and building improvements/preservation.**
- **Develop and launch a “Downtown Beautification Initiative” focused on the Arts** by increasing public art in the downtown (such as murals, mosaics, window paintings, statues, flowerpots, fountains), embedding art into natural resources and amenities, and beautifying the City’s downtown recycling and garbage bins by a local artist or designer.
- **Assess the feasibility of incorporating electric charging stations downtown** by identifying the rightful location for electric charging stations and determining associated costs and sources of funding.
- **Explore opportunities to create more public spaces for residents and visitors downtown** through the identification of potential locations and to assess the costs related to the construction of a new outdoor event space.

⁶ The objective is to regular service-based businesses so that they operate on a building’s second floor (and above) throughout the downtown.

⁷ This can be expanded to include aging residential dwellings in the downtown district.

3.2.4 Attract more cultural events and festivals to the downtown

To support the objective necessary to attract more cultural events and festivals to the downtown, the following actions have been identified:

- **Preserve and promote existing historic buildings and cultural assets,** including incentivizing downtown businesses to hire local artists / artisans for decorative murals, ironwork and other enhancements.
- **Inventory and promote the City’s existing downtown facilities capable of hosting cultural events and festivals.**
- **Develop and execute a marketing strategy and outreach campaign to attract operators of cultural events** by leveraging social media platforms, newsletters and other means of communication.

3.2.5 Key performance indicators to support this strategic priority

The following key performance indicators have been identified to assist the EDC with measuring the planned outcomes associated with this strategic priority of revitalizing the City’s downtown:

- Number of downtown businesses
- Ratio of occupied downtown commercial spaces
- Number of downtown businesses that have applied for financial incentive programs and business support programs
- Number of downtown public gathering spaces
- Number of downtown community events and festivals

3.3 Strategic Priority #3 - Attract and Retain Youth in the City

An important component in the future growth of the City is youth attraction and retention. Considering the current and future needs of local youth and young professionals is paramount to developing a strategy that aims to retain them within the City. These young professionals represent the workforce and leaders of the City's future. This Strategic Priority forms the basis for Attracting and Retaining Youth in the City is based upon on three objectives:

1. *Strengthen the leisure, recreational and cultural offering to meet the needs of the City's youth*
2. *Increase the number of mental health services and resources available to children, youth and families*
3. *Increase promotion and awareness of the job and career opportunities in the City*

3.3.1 Strengthen the leisure, recreational and cultural offering to meet the needs of the City's youth

To support the objective necessary to strengthen the leisure, recreational and cultural offering to meet the needs of the City's youth, the following actions have been identified:

- **Assess the feasibility to assess the demand for various indoor and outdoor gathering spaces** (tailored to youth leisure and recreational experiences and which could be used for music/concerts, art performances, arcades, bowling alleys, etc.).⁸
- **Promote and organize more activities targeting youth and families** (such as movies in the park, cultural festivals, waterfront events, etc.).

⁸ This activity could be coordinated with the Sault Area Chamber of Commerce that could help identify potential gathering spaces (owned by a member/business).

3.3.3 Increase the number of mental health services and resources available to children, youth and families

To support the objective necessary to increase the number of mental health services and resources available to children, youth and families, the following actions have been identified:

- **Increase awareness of the importance of the local supports and resources available to children and youth** to address mental health and substance abuse addictions in collaboration with the MyMichigan Medical Center Sault, Sault Area Schools and pos-secondary institutions in the area.
- **Undertake a feasibility study to assess the demand to establish a local rehabilitation center** that delivers mental health services to children, youth and families.⁹
- **Develop and implement a marketing campaign to attract mental health professionals to support local youth** (such as psychologists, counselors, clinical social workers, psychiatrists, family nurse practitioners, etc.).

3.3.4 Increase promotion and awareness of the job and career opportunities in the City

To support the objective necessary to increase promotion and awareness of the job and career opportunities in the City, the following actions have been identified:

- **Collaborate with the local business community to understand job vacancies and required skillsets** (as well as their succession plans, roles and responsibilities needed, and training requirements).
- **Promote existing career and entrepreneurship opportunities to local students** by organizing annual visits and an annual career job fair at Sault Area Schools.
- **Increase the level of collaboration between businesses and neighboring academic institutions** to develop new internship / mentorship opportunities.

⁹ There are several rehabilitation centers near Sault Ste. Marie. The City could benefit from having its own center to support youth and families dealing with mental health issues.

3.3.6 Key performance indicators to support this strategic priority

The following key performance indicators have been identified to assist the EDC with measuring the planned outcomes associated with this strategic priority of attracting and retaining youth in the City:

- Number of indoor gathering spaces
- Number of outdoor gathering spaces
- Number of activities targeting youth and families
- Number of mental health services and resources for children, youth and families
- Number of mental health professionals
- Ratio of young residents using mental health services
- Level of awareness of job and career opportunities

3.4 Strategic Priority #4 – Advance the Educational Ecosystem

The City of Sault Ste. Marie is recognized and known for its educational ecosystem, specifically for the presence of Lake Superior State University (LSSU). Employment and post-secondary education opportunities are crucial to retain and attract young talent and families in the area. This Strategic Priority forms the basis for Advancing the Educational Ecosystem within the City.

3.4.1 Support LSSU in strengthening its relationship, outreach and engagement with the local community

To support the objective necessary to assist LSSU in strengthening its relationship, outreach and engagement with the local community, the following actions have been identified:

- **Establish a recurring schedule that brings together leaders from the City of Sault Ste. Marie, Sault Tribe and LSSU** to increase collaboration, communication and partnership building.¹⁰
- **Establish a recurring schedule that brings together members of LSSU with Sault Area High School** to reinforce the importance of higher education, the educational programs available at LSSU and how to start planning for it today.
- **Increase the number of community events that can be held at LSSU** by

¹⁰ These three entities were identified as key organizations necessary to support the continued growth of the City of Sault Ste. Marie.

increasing efforts to organize and promote monthly community events at the university.

- **Increase industry-academic collaboration between local businesses and LSSU** to explore opportunities in continuous learning, trades training, research and development, testing and prototyping.
- **Improve community awareness and recognition of the successes of LSSU to the local community** (such as highlighting their programs, graduates, economic impact, local contribution, etc.).

3.4.2 Key performance indicators to support this strategic priority

The following key performance indicators have been identified to assist the EDC with measuring the planned outcomes associated with this strategic priority of advancing the educational ecosystem:

- Number of visits to Sault Area High School by LSSU
- Number of community events held at LSSU
- Number of new partnerships and/or opportunities that bring together private sector businesses and LSSU
- Number of public job fairs held at LSSU

3.5 Strategic Priority #5 – Increase Support of Local Businesses

Supporting local businesses is vital to not only maintaining the City's vibrant downtown areas, but all areas of the City where business and industry are situated. It also has the added benefit of supporting the City's strong seasonal tourism industry and indirectly, enhancing the overall lifestyle of those who call home to Sault Ste. Marie. This Strategic Priority forms the basis for Increasing Support for Local Businesses within the City.

3.5.1 Strengthen business retention and expansion efforts

To support the objective necessary to strengthen business retention and expansion efforts by the EDC, the following actions have been identified:

- **Formalize the EDC's business visitation program** by establishing a defined business visitation schedule and providing regular updates on the key outcomes.
- **Provide assistance to help business owners overcome obstacles to business growth.**
- **Educate local businesses on the available county-wide, state and federal**

funding programs, resources and incentives to support business development, façade improvements, hiring and training, succession planning or other programs offered to local businesses.

3.5.2 Key performance indicators to support this strategic priority

The following key performance indicators have been identified to assist the EDC with measuring the planned outcomes associated with this strategic priority increasing support of local businesses:

- Number of scheduled business visits held
- Number of business inquiries received
- Percentage of business inquiries resolved
- Number of referrals made to business support partners
- Number of incentive and funding programs conveyed to local businesses
- Number of awarded business incentives / loans
- Value of awarded business incentives / loans
- Number of new jobs created
- Amount of new commercial building square footage constructed

3.6 Strategic Priority #6 - Enhance Tourism Development

As an area most notably known for its tourism assets and experiences, the City of Sault Ste. Marie should continue to enhance its local tourism development by further diversifying the number of experiences while increasing the number and type of tourism experiences (offerings) during the shoulder and off-season. To support this strategic priority, three objectives should be considered:

1. *Define the City's brand and tourism tagline*
2. *Increase shoulder and off-season tourism*
3. *Increase the number of tourism visits to the City*

3.6.1 Define the City's brand and tourism tagline

To support the objective necessary to define the City's brand and tourism tagline, the following actions have been identified:

- **Seek input from the local community** to help influence and define the City's brand and tourism tagline.

- **Refresh and optimize branding and city-wide messaging** to ensure that all local government organizations and private-sector businesses involved in tourism development and promotion are aligned.¹¹
- **Promote the new branding and tourism tagline** through the development of marketing packages and promotional campaigns.

3.6.2 Increase shoulder and off-season tourism development

To support the objective necessary to increase shoulder and off-season tourism, the following actions have been identified:

- **Support the “OUT Housing Consortium” concept**, related to parks and recreation activities.
- **Develop a series of year-round single/multi-day tourism packages for Ontarians** through collaboration with tourism operators and strategic partners.¹²
- **Explore opportunities with local businesses to expand their tourism offering during shoulder/off-season periods** through products and services development, supported by joint marketing and promotional efforts.

3.6.3 Increase the number of tourism visits to the City

To support the objective necessary to increase the number of tourism visits to the City, the following actions have been identified:

- **Support local tourism operators** in the development and expansion of tourism-based programs and experiences through the identification of eligible funding programs/incentives while also providing guidance to ensure that programs and experiences comply with regulatory policies.
- **Collaborate with tourism boards** to develop various trending tourism packages and leverage their networks to expand marketing outreach of the City’s tourism

¹¹ Stemming from the General Public Online Survey, “common branding” was identified as a necessary step in the development of this strategy with a priority that all stakeholders and those who are involved in articulating the City’s value proposition (including residents) are sharing the same stories and messages the same way.

¹² The objective is to educate and entice Ontarians, living within a three-hour commute of the International Bridge to spend more time in the city through the promotion of unique visitor packages, incentives, discounts and increased promotion and awareness of activities and experiences within the city.

offering throughout Michigan and beyond.¹³

- **Promote existing digital marketing channels**, including the Sault Ste. Marie App¹⁴ to help tourists plan their next visit and navigate the city and points of interest.
- **Assess the feasibility to establish more passenger air service options** in collaboration with the Chippewa County Economic Development Corporation.¹⁵
- **Increase the number of local restaurant options** with emphasis on introducing more healthy fast-food eating establishments within the City.
- **Continue to explore and monitor for waterfront development opportunities** and ensure that regulations are in place to enable the City to quickly respond to qualified opportunities as they are identified.¹⁶

3.6.4 Key performance indicators to support this strategic priority

The following key performance indicators have been identified to assist the EDC with measuring the planned outcomes associated with this strategic priority of enhancing tourism development:

- Number of tourism-based businesses opened during shoulder season (Mar-May, Sep-Nov)
- Number of tourism visits
- Number of food and beverage businesses
- Number of waterfront events, activities and festivals

¹³ The development of tourism packages can be single/multi-day in duration, can fall within a specific season and may be inspired by a specific theme (such as outdoors, historical, family, museum, water related, food & beverage, etc).

¹⁴ <https://saultstemarie.com/introducing-the-sault-ste-marie-app/>

¹⁵ This includes consultations with the airport staff, airlines and the general public to understand the demand for passenger air services, destinations and costs related with attracting and maintaining this type of service.

¹⁶ Qualified waterfront development opportunities may include festivals, events, the conversion of land to outdoor spaces, the construction of new buildings as indoor spaces, or other related opportunities.