



our next steps



**Sault Ste. Marie
Economic Development
Corporation
2003 REPORT**



Sault Ste. Marie
**ECONOMIC
DEVELOPMENT
CORPORATION**



DEVELOPMENT
Sault Ste. Marie
a division of the SSMEDC



**ENTERPRISE
CENTRE**
Sault Ste. Marie
a division of the SSMEDC



TOURISM
Sault Ste. Marie
a division of the SSMEDC

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MESSAGE FROM THE PRESIDENT & CEO

On behalf of the Sault Ste. Marie Economic Development Corporation Board, Tourism SSM and Enterprise Centre Sault Ste. Marie Management Committees, our many volunteers, and staff team, as President and C.E.O., I am proud to present our *2003 Annual Report*.

The SSMEDC has seen the successful implementation of our two new divisions, Tourism Sault Ste. Marie and the Enterprise Centre Sault Ste. Marie. Under the leadership of partners supporting these divisions, they have really driven home new opportunities for the tourism and small business sectors in Sault Ste. Marie. The Economic Development Office has also seen consistent growth in new clients and successful new investments such as the Anthony Domtar facility and rapid build out of new Call and Contact Management Centres (e.g., The Sutherland Group). New jobs and new tax base which enhance diversity in Sault Ste. Marie.

Partnership has been critical in building our capacity to promote and market Sault Ste. Marie. This year the CDC, City and SSMEDC formed the Destiny Sault Ste. Marie partnership. It is the vehicle, which coordinated the community economic diversification strategy. In it, the SSMEDC has taken the responsibility to complete a number of important projects.

In its second year of operation the Industrial Marketing Partnership is starting to pay dividends. It is anticipated that the hard work and effort of the staff team under the leadership of Carmen Provenzano, M.P., Global IMS Committee, and Joe Sniezek, Chair, Management Committee will see new manufacturing investment in 2004.

The financial support of the community partners, FedNor and the Northern Ontario Heritage Fund Corporation has been essential. With their assistance Sault Ste. Marie, has made good progress by target marketing new private sector investment. Over 1,000 private sector companies have received the message on why Sault Ste. Marie is a great place to invest.

The KPMG Competitive Analysis Study measured 27 cost components and included an analysis of these costs in 121 cities worldwide. It reinforces Sault Ste. Marie as one of Canada's most cost effective places to do business.

The SSMEDC continues to support major community and regional partnerships such as Safe Communities, Community Quality Initiative, ADNet, Science Works!, and several others that promote economic development and quality of life opportunities that will make this community the best for life, work, learning and play.

As community champions, we would like to express our appreciation to our many partners, volunteers, patrons, clients and the hard working staff who have supported our success in creating our *Destiny Sault Ste. Marie*.

D. Bruce Strapp
President & CEO

MESSAGE FROM THE CHAIRMAN

Thank you for reading the SSMEDC *2003 Annual Report*.

I am pleased to report that Sault Ste. Marie Economic Development Corporation is running smoothly and on the right course. It has an experience executive committee and board; a superb CEO; highly motivated staff; corporate governance in step with the times; strategic directions in place and fitted carefully within the broader framework of the community's Destiny program. As an organization that depends for its governance on volunteers we are indeed fortunate for the dedication of our directors and committee members. We enjoy excellent cooperation and support from the mayor and council.

As it should be, SSMEDC remains position in the center of economic development in Sault Ste. Marie and the unprecedented host of projects currently underway.

These initiatives will bear fruit in the future just as those that matured this year are the result of earlier efforts. To use an agricultural analogy: plant the seeds now, wait patiently for some of them to sprout, nurture and tend them as they mature. As with many other enterprises the business of economic development has a rhythm and cycle. New projects must be started each year if we are to harvest the benefits in the future. In that way 2003 was similar to any other year – but the volume continues to grow as the community exerts heroic efforts to maintain and diversify its economy.

Consequently, SSMEDC is busier than ever before and its scope of responsibility continues to grow. Valuable civic initiatives such as the Industrial Marketing Strategy (IMS) and the Community Quality Initiative (CQI) use the SSMEDC as an administrative support platform and resource from which to accomplish their missions.

Particularly noteworthy this year is our construction of an office building to house the new incoming Call Centre owned by The Sutherland Group. This effort came to fruition as the result of a particularly creative effort led by our CEO working closely with the tenant, the city, FedNor and NOHFC. A tenancy agreement was negotiated, an architect hired, building contracts signed, construction commenced and by August 2004 the SSMEDC will become a landlord for the first, but I suspect not the last, time. It is very gratifying to fulfill our mandate in the community in this very positive and tangible way.

Of course there are stresses and strains on the organization and its people as we exert our best efforts to rise to the challenges of our Northern Ontario location, the vagaries of the global economy and the expectations of the citizens of Sault Ste. Marie. But we are familiar with the uncertainty of creating new enterprises, at being in the eye of the storm, and we look forward with confidence to even more exciting times next year.

Mike Barker
Chairman of the Board

OUR NEXT STEPS....

A healthy economy is essential to Sault Ste. Marie's vitality and quality of life. It provides jobs for local residents and the tax base for infrastructure, schools, parks, public safety, and other public facilities and services. While the region's natural setting sets the stage and determines the parameters within which the economic development may take place, virtually every other feature of community life stems from the area's economic health.

The Sault Ste. Marie Economic Development Corporation (SSMEDC) strives to create an environment for business to flourish. It continues to encourage economic growth and diversification in the community by providing and facilitating the necessary motivation, guidance, and support to identify, evaluate, and implement activities that generate jobs and wealth. SSMEDC also markets Sault Ste. Marie to prospective clients and visitors by communicating its services and accomplishments.

The city of Sault Ste. Marie (SSM) is dealing with significant challenges as it seeks to diversify and strengthen its economic base and overcome the challenges associated with its traditional dependency on Algoma Steel. The loss of such a large portion of the local economy necessitated that a major adjustment process be undertaken to manage the social changes that faced the community and to re-build and strengthen the local economy.

SSMEDC is working with private and public sector proponents, community partners and government to produce strategic outcomes consistent with the city's economic development strategy, *Destiny Sault Ste. Marie*. The immediate objectives of this strategy are the creation of 3,000 new jobs within two years and 8,000 within ten years.

SSMEDC's strategies are supportive of six growth engines identified by *Destiny Sault Ste. Marie*. These include:

- ***Traditional and New Industry Development***
- ***Tourism and Marketing Development***
- ***Small Business Development***
- ***Knowledge-based Development***
- ***Health, Social and Public Sector Development***
- ***Trade and Export Growth***

Within each Growth Engine, the report identifies specific goals, objectives, strategies and activities necessary to make the initiatives happen. It provides a framework to facilitate economic growth and guide investors, non-government organizations and federal, provincial, and municipal governments as we strive towards mutual benefits of economic prosperity in a diversified, growing and vibrant community.

With improved transportation and technology, free trade and other market influences, there have been significant changes over the past few years in the way global business is conducted. Companies are putting more emphasis than ever on selecting the most suitable communities in which to establish and expand operations. The Economic Diversification Strategy, is a framework that will help guide Sault Ste. Marie's economic development efforts to create a stronger, more

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diversified economy. Sault Ste. Marie will be prepared to provide a suitable business environment but also a competent labour force, education, training opportunities and a quality lifestyle.

DESTINY SAULT STE. MARIE OUR COMMUNITY...OUR STRATEGY...OUR FUTURE...

Destiny Sault Ste. Marie (SSM), a strategy for economic development, helps oversee and provide guidance on projects and initiatives focused on strengthening and diversifying the local economy. Destiny SSM is a partnership of the Community Development Corporation, the City of Sault Ste. Marie, the Chamber of Commerce and the Sault Ste. Marie Economic Development Corporation. FedNor has been instrumental in providing an investment of \$500,000 towards this two-year initiative.

Since July 2003, there has been a commitment for a total project investment of over \$75 million. From this, to date, approximately 600 new jobs have been created with an additional 700 temporary construction jobs. Key initiatives identified by Destiny SSM include the Odena Rail Spur, the E-commerce Contact Centre, Algoma University College's Information Communications Technology Centre, Sault College's Workforce Development Project, Science Works!, the Industrial Land Development and the Canadian Bushplane Heritage Centre's Object Theatre.

Destiny Sault Ste. Marie has earmarked specific initiatives and projects as "priority" for the upcoming year based on their do-ability and their potential rewards. These include the Waterfront Development, the Science Works! initiative, future Searchmont expansion, exploration of opportunities in the Multi-Modal, Value-added Wood and Energy sectors and ongoing support for health, IT and educational infrastructures. Identifying a "Strong Educational Infrastructure" as a key community priority demonstrates Destiny SSM believes a strong education infrastructure is important to this community and that both local institutions are on the leading edge of their respective niches, and require strong community support and ongoing government lobbying to maintain their positive momentum for future growth.

Destiny's objective is to create 1,500 direct jobs in the community by 2005. Associated construction will create further employment in the community. Destiny's long-term goal is to generate 8,000 jobs over the next 10 years. The key outputs of Destiny SSM will be new jobs, population recovery and a varied economy, capable of growth. Destiny SSM is a partnership involving the private sector and all levels of government and key community stakeholders. Destiny Sault Ste. Marie is a living strategy with built in mechanisms to enable ongoing evaluation, response and updates to changing circumstances as well as identify new initiatives.



SSMEDC MISSION AND VISION

MISSION

The Sault Ste Marie Economic Development Corporation is a non-profit organization funded by public and private partners. Its purpose is to facilitate job creation and economic diversity for the benefit of Sault Ste. Marie.

VISION

The Sault Ste. Marie Economic Development Corporation is a recognized leader in supporting and promoting an environment that generates sustainable employment in a healthy, growing and diversified economy.

SSMEDC – OUR DIVISIONS

The Sault Ste. Marie Economic Development Corporation is made up of divisions – Tourism Sault Ste. Marie, Enterprise Centre Sault Ste. Marie, the Economic Development Office, the Industrial Marketing Strategy, and a community lead partnership, the Community Quality Initiative.

THE SSMEDC STRATEGIC PLAN 2003-2004 TWO-YEAR STRATEGIC OBJECTIVES

Working with private and public sector proponents, community partners and government we will produce strategic outcomes consistent with the Destiny SSM objectives of 3,000 new jobs within two years and 8,000 within ten years. The SSMEDC goal is supportive of, but not exclusive to, the Destiny SSM Growth Engines, namely:

- *Traditional and New Industry Development*
- *Tourism and Marketing Development*
- *Small Business Development*
- *Knowledge-based Development*
- *Health, Social and Public Sector Development*
- *Trade and Export Growth*

Key priorities and an annual operating plan will form an annual addendum to this plan.

SUPPORTING STRATEGIES

Supporting strategies for accomplishing the Corporation's goals include:

1. Providing and/or facilitating the necessary motivation, guidance, coordination and support to identify, evaluate, promote and implement economic activities that generate jobs and wealth.
2. Operating in a constructive, inclusive, effective style that promotes partnerships and support and maintains the EDC in its role as the central agency for economic development in the community.
3. Marketing SSM and the SSMECD to prospective clients and visitors, and communicating our services and accomplishments to clients, partners and the community.
4. Ensuring the Board provides effective governance and strategic direction to the President & CEO and approves priorities that are consistent with our Vision and Objectives.
5. Ensuring that the President & CEO prepares an Annual Operating Plan that allocates staff and resources in a manner consistent with priorities identifies specific actions being undertaken to accomplish them and provides the Board with monthly progress reports.

TOURISM SAULT STE. MARIE

The SSMECD's tourism division, Tourism Sault Ste. Marie (TSSM), was formed in order to bring the local tourism industry together in partnership to promote Sault Ste. Marie by developing a Destination Marketing Strategy and to grow our local economy in the world's fastest growing industry – tourism.

The Tourism Sault Ste. Marie mandate is to be the lead organization on tourism marketing and to provide strategic direction for tourism development to SSMECD and the City of Sault Ste. Marie. TSSM is responsible for the marketing of the city's tourism product as well as being an industry advocate.

TSSM continues to strengthen the local economy through its partnerships with private sector tourism businesses. Currently, 45 tourism partners contribute to the group. In 2003, these partnerships and a shared strategic focus allowed TSSM to access provincial and federal programs and increase its marketing funds to a total of \$2.6 million.

Because of its success TSSM has been identified as an industry-leading model by other destination marketing organization across the province. Last year, Sault Ste. Marie also became the home of the new northern office for the Ontario Tourism Marketing Partnership.

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Tourism Sault Ste. Marie has defined five tourism marketing and development priorities. It is striving to:

- *Establish Sault Ste. Marie as a four-season vacation destination;*
- *Increase overall visitation, length of stay, occupancy levels, and expenditures of visitors to the community;*
- *Expand its role as the city's tourism marketing organization through co-operative initiatives with the private sector and appropriate government agencies;*
- *Foster the culture of Naturally Gifted and emphasize the ideology in all future strategic planning and program; and assist in developing new tourism products for Sault Ste. Marie*

This past year, TSSM surged forward with many successful accomplishments. Here are some of the highlights of activities undertaken by Tourism Sault Ste. Marie during 2003.

Golf and Gaming Program

Continuation of the "Package" program involving Crimson Ridge Golf Course, Casino Sault Ste. Marie and 14 accommodation partners, provided the consumer with rounds of golf, casino vouchers and accommodations for one price point, was once again implemented.

A \$40,000 marketing program supported this initiative, including magazine ads, Michigan public relations, media fairs, and a direct mail campaign. This provided TSSM with another selling point for the new Sault Ste. Marie leisure market.

In the first year of the program, over 340 packages were sold directly to consumers. Additionally, significant media exposure was realized as a result of the project.

Festival and Events

The Festivals and Events "Product Team" determined the need to establish a one-stop service to promote and enrich Sault Ste. Marie's festivals and events, increase the quality of life for residents and to attract tourism to Sault Ste. Marie and area. For 2003, a Festivals and Events Researcher position was created to coordinate and facilitate a series of event workshops; to work directly with the industry to determine a model by which the festivals and events can grow to attract more visitors; and to disseminate information and implement the data capture models with the Industry Partners to establish a permanent office.

The Festivals and Events research was conducted with twenty new and established participating local events through two phases: 1) interviews and questionnaires; 2) discussions, analytical reviews and actionable recommendations to move forward. The method for research was conducted through one-on-one interviews, questionnaires and group discussions.

The Festivals and Events brochure, developed in 2002, is in its second year with double the copies printed to 20,000 distributed in Ontario and Michigan.

Ontario's North

This marketing initiative involved the five major cities in Northern Ontario (Sault Ste. Marie, Sudbury, North Bay, Timmins, and Thunder Bay) as well as the six major attractions. This

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marketing initiative targets non-traditional and long haul markets and positions Northern Ontario as a destination for consumer, travel trade and meeting/convention market segments.

TSSM was instrumental in writing the business plan and budget for submission to the Northern Tourism Marketing Committee, which approved funding for \$750,000 towards this project.

By being part of this program, Sault Ste. Marie became part of a \$750,000 marketing program. TSSM's \$30,000 commitment has resulted in additional benefits by having the program coordinator housed in the EDC offices. Successful implementation of these program augers well for TSSM in the provincial tourism offices.

FedNor/OTMP Marketing Program

Through OTMP, a \$150,000 marketing program was realized to assist in highlighting summer activities in Sault Ste. Marie. This program was instrumental in increasing the direct sale of the Agawa Canyon Packages.

With assistance from FedNor, a \$200,000 marketing program was developed to promote winter tourism in the city. This initiative helped create advertising campaigns that assisted in the direct sale of Snow Train Packages, as well as Searchmont Ski Packages.

Web Site

Continuing to work with the local Internet firm, Lucidia Studios, the TSSM web site was further developed by integrating "virtual tours" of many of the attractions and by introducing an on-line contest for consumers to enter. Additionally, all "packaged" vacation opportunities were posted on the web site for consumers to access

The web site maintained a constant level of over 50,000 – 60,000 hits per day, with up to 2,700 unique visitors per day. The TSSM site remains one of the main "referring" sites to the many private sector partners.

Conventions, Meetings, and Sports Tourism

After the successful launch of the new marketing and promotional campaign for conventions, meetings, and sports tourism in 2002, Tourism Sault Ste. Marie created a "lure" brochure for potential client groups that helps position Sault Ste. Marie as "Central To Your Success". TSSM attended eight trade shows throughout the year in the Conventions, Meetings, and Sport Tourism markets. As a result of these shows, databases were created and the lure brochure was distributed to qualified contacts.

Although visitation from these markets increased from 2001 to 2002, the number of delegates visiting Sault Ste. Marie fell in 2003. Total TSSM clients for 2003 was 11,765 with a direct spending of \$5,882,500, down from 2002 with 14,550 delegates spending \$6,365,625. This decline in attendance and spending is a direct result of SARS that impacted all of Ontario.

Agawa Canyon Packaging Program

This "package" program is the flagship of the TSSM Marketshare initiatives. It involves the Agawa Canyon Tour train and 25 accommodation partners, creating two-night packages for one price.

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New for this year was the inclusion of the 4-Culture Passport into the program. This provided value-added components in pre-paid vouchers for the Canadian Bushplane Heritage Museum, the Ermatinger-Clergue National Historic Site, the Sault Ste. Marie Museum, and the Art Gallery of Algoma.

In a year of depressed tourism across Ontario as a result of the SARS issue, as well as the lagging economy, over 6,100 of these packages were sold directly to consumers, creating over 12,000 room nights for the city.

Searchmont Packaging Program

This “package” program involves Searchmont Resort and 26 accommodation partners, and provides 2-day vacations, including accommodations and ski lift tickets for one price.

A major advertising campaign supports this initiative, primarily in the Michigan and regional domestic markets. Over 1,560 2-night packages were sold directly to the consumer, providing over 3,100 room nights to Sault Ste. Marie.

The Little NHL Bid

The Little Native Hockey League bid submission to host their annual hockey tournament was accepted and Sault Ste. Marie hosted this tournament during the March Break 2004. Sault Ste. Marie welcomed over 115 teams with an estimated spend of over \$4 million.

ENTERPRISE CENTRE SAULT STE. MARIE (ECSSM)

Entrepreneurs are the backbone and the future of our economy. Since November 2000, Enterprise Centre Sault Ste. Marie (ECSSM) has provided service free of charge to clients offering a variety of valuable resources that are designed to ensure client success.

Our Mandate

The mandate of ECSSM is to provide confidential and professional advisory services to clients in the process of starting or expanding their small business, generally defined as less than five years in operation and fewer than 10 employees.

The Enterprise Centre has pinpointed the following small business development priorities:

- *Regional promotion and marketing of entrepreneurship programs and services*
- *Small business client servicing*
- *Special projects and initiatives focused on target groups*
- *Strategic partnerships with public and private sector organizations*

This past year, ECSSM had a great many number of accomplishments. Here are some of the highlights of major projects that were undertaken by Enterprise Centre Sault Ste. Marie during the 2003 fiscal year:

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Youth Development

ECSSM has been one of the most successful Enterprise Centres in many of our youth development initiatives, including the High School Business Plan Competition and Summer Company programs. ECSSM provided training, seminars, outreach and program development for more than 1,200 youth over the course of the year. Some of the specific projects are listed below.

Summer Company

This program is designed to provide training and up to \$3,000 for a returning student to start and run his or her own summer business. This is an initiative created by the Ministry of Economic Development and Trade, and is administered by Enterprise Centres throughout the province. ECSSM had the most placements in this program for the third year in a row with 18. The total number for our center over the past three years is 52 and includes participants from Blind River, Wawa, Bruce Mines, Thessalon, Elliot Lake, and Sault Ste. Marie. ECSSM will continue to be the most successful EDC in the province this year and will target applicants from the Algoma region and First Nation communities to increase our demographic.

Algoma District Secondary School Business Plan Competition

ECSSM received more than 50 plans for the Ministry of Economic Development and Trade sponsored competition this past spring. The first place winners shared a \$1,000 prize for their “Computer Consulting and Techni-Cal Solutions” business plan. The competition continues to attract plans from outside Sault Ste. Marie, and in fact, the top three winners were all from the Blind River area. There were prizes totaling \$2,500 given to the winners of the Algoma region event held in August. The first place winner(s) from this competition are entered into the regional and provincial competitions held each fall.

Winter Cities Youth Forum

ECSSM helped market and organize the youth portion of the Winter Cities Forum that took place in Sault Ste. Marie in early February. ECSSM’s General Manager acted as Master of Ceremonies for the event and used the forum as an opportunity to promote the Enterprise Centre and its partners to the region’s youth. A Youth Vision document was produced during this event.

Northern Ontario Youth Leadership and Entrepreneurship Conference

ECSSM, in partnership with BRIDGE/AUC, organized and hosted this initiative from the Ministry of Enterprise, Opportunity and Innovation in May 2003. Over 160 high school students from throughout the Algoma District attended. The participants enjoyed a full day and evening’s worth of activities, motivational speakers, and workshops that provided both practical information and a great source of inspiration, showing everyone that everything they needed to become successful is already inside of them.

SaultYouth.com

This is an initiative of the Sault Ste. Marie Youth Opportunities Taskforce, of which ECSSM is a member. ECSSM/SSMEDC initially took on the responsibility of the site’s creation (through RFP process) and its initial management. Day-to-day operations were passed along to the Youth Opportunities Assessment Project staff who actively promoted the website, and contributed content. The site acts as an opportunities database for youth and is one tool for ECSSM to promote its Young Entrepreneurs Strategy.

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Bridges to Better Business 2003

ECSSM hosted this year's Bridges to Better Business with a focus on business growth. The event was very successful with over 150 participants including small business owners, young entrepreneurs, students, professionals, bankers, as well as medium-sized business representatives. ECSSM joined forces with a Northern Networks Conference happening concurrently, to jointly sponsor keynote speaker, Astronaut and Scientist, Dr. Roberta Bondar. ECSSM also donated \$1,000 of the proceeds to the United Way.

The average score for the event based on the participation surveys for each of the components was 4.34 / 5.00. ECSSM created the Steering Committee and was responsible for the organization and successful completion of the event, as well as the follow-up report.

Global Trade Bridge 2003

Following up on two previous Irish trade missions, ECSSM staff helped to organize and host an 11-member Irish Trade mission including business and government representatives. The event included a three-day business-matching event organized by ECSSM staff and hosted at various venues throughout the community. The contingent also took a short tour through other communities in Algoma including Chapleau, and Wawa, where they also held meetings with local business. Participating groups identified several business trade opportunities.

Destiny Project (Economic Diversification Strategy)

ECSSM figures prominently in this document put forward by the City and the EDC and will continue to contribute to its success through partnership, strategic planning, and implementation of current future programs.

<p>SSMEDC ECONOMIC DEVELOPMENT OFFICE & THE INDUSTRIAL MARKETING STRATEGY (IMS)</p>

The SSMEDC's Economic Development Office was instrumental in supporting the City's Industrial Marketing Strategy (IMS) and its implementation. The IMS was initiated by Carmen Provenzano, M.P., as a mechanism to attract new jobs and invest to Sault Ste. Marie. This IMS is a partnership that involves collaboration and funding from three levels of government (City of Sault Ste. Marie, FedNor, and the Northern Ontario Heritage Fund Corporation, and Human Resources Skills Development Canada) and community agencies (the Sault Ste. Marie Airport Development Corporation, the Community Development Corporation, and the SSMEDC). The IMS staff team and sector specialists consisted of a Coordinator, three research staff, and four private sector specialists. Over 1,000 companies identified the strategy that represented the best opportunity for investment attraction and retention were researched. By the end of 2003, the following number of companies were researched and contacted within the respective sectors of the strategy:

- *255 Value-added steel products*
- *270 Value-added wood products*
- *60 Aviation (maintenance, repair and overhaul)*
- *140 Bio-industries*



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The IMS will continue to lead efforts to enhance traditional new industry development by focusing on the key sectors:

- *Aviation repair maintenance and overhaul*
- *Value-added steel products*
- *Value-added wood products*
- *Forest-related bio-industries*

The sector specialist consultants continue to travel to all parts of Canada and the United States to visit potential opportunities, which greatly assisted Sault Ste. Marie to build on its economic strengths. Thorough detailed marketing materials were developed which identified the competitive advantages Sault Ste. Marie has to offer in order to attract potential businesses.

In addition, the IMS through the SSMEDC in partnership with SSMCDC has submitted an application for Sault Ste. Marie to be part of the KPMG Competitive Alternatives study. This study is a comprehensive report for comparing business costs in North America, Europe, and Asia-Pacific. This report will contain essential information for any company seeking cost advantage in locating international business operations. The report along with its findings is expected in March 2004. Planning for an outbound Italy trade mission to Northern Italy is currently being planned for mid 2004. During a November 2004 investment mission to Italy, positive responses from companies interested in setting up in Sault Ste. Marie due to their close proximity to the American market was instrumental in planning for this upcoming mission.

The IMS, through its wood sector specialist, was part of the SSMEDC's Forestry Task Committee to save the Domtar hardwood mill.

The ODENA Reload Centre rail spur project was coordinated by the IMS with assistance from FedNor and private sector funding from ODENA. The construction of the rail spur will lead to new business opportunities in warehousing, transportation, and industry. Reload activity along with job creation has occurred on that site with continued success and economic stimulation in 2004.

The IMS through its research team and our sector specialist Craig Howard, Bio Forest Technologies Inc. is supporting the development of biotechnology (e.g., bio-energy, bi-products, etc) opportunities in Sault Ste. Marie. Building on the Science Works! initiative with partners such as the City of Sault Ste. Marie, the Canadian Forestry Service, the Ontario Forest Research Institute, ULERN, Algoma University College, PUC and several others, Sault Ste. Marie was a leader in developing a new pan northern biotechnology initiative. The Northern Ontario Biotechnology Initiative, a pan Northern Ontario partnership of bio-tech firms, research, academic, and economic development officers was started in cooperation with the Ministry of Economic Development and Trade, the Northern Ontario Heritage Fund Corporation, and FedNor. This project is to support the growth of the bio-technology industry in Northern Ontario and is strategically linked to the Ontario clusters that are developing.

The IMS will continue its role in marketing Sault Ste. Marie for the purpose of attracting external companies to our community and in addition expand our local industrial base from within.

**BUSINESS GROWTH, RETENTION & ATTRACTION
PRIORITIES FOR DEVELOPMENT**

Client Servicing of Contact Management Centres

The SSMEDC's Economic Development Office moved forward on its E-Commerce Centre, along with partners, Team Sault Ste. Marie and the Corporation of the City of Sault Ste. Marie. This past year, the SSMEDC continued to perform business growth, retention, attraction and readiness in all sectors.

The following are some highlights.

Significant projects that the Economic Development Office continues to support in the knowledge-based industry are:

- *Algoma University Information Communication and Technology Centre*
- *Sault Ste. Marie Innovation Centre*
- *Algoma District Network (ADNet)*

The Economic Development Office is also a strategic and financial partner in RAPIDSUCCESS. RAPIDSUCCESS has implemented the Trade Advisory Program with the support of FedNor and this plays an important role in supporting new and existing exporters in the Algoma District. The Economic Development Corporation worked with the City of Sault Ste. Marie in developing a new International Relations Strategy that will lead to a new community partnership promoting Sault Ste. Marie internationally.

The Economic Development Office continues to work closely with the City on specific strategies pertaining to Industrial Lands, the new Zoning Bylaws, the Tourism Gateway Initiative, the Skateboard Park, and has been an effective organization in supporting business in navigating the required City regulations in cooperation with City staff and ultimately City Council.

COMMUNITY QUALITY INITIATIVE

The Community Quality Initiative, a community based group of volunteers dedicated to quality entered into a partnership with the Sault Ste. Marie Economic Development Corporation to support administration and logistical support. Under the leadership of Gerry McGuire, Chair, the CQI with funding support from its community partners, the City of Sault Ste. Marie and FedNor developed a strategy to support quality in Sault Ste. Marie.



THE NEXT STEPS...LOOKING INTO THE FUTURE

The Sault Ste. Marie Economic Development Corporation continues to work with the private sector, community partners, and the three levels of government in producing strategic outcomes such as new employment and investment for Sault Ste. Marie and the region. This is consistent with the Destiny Sault Ste. Marie Strategy, the City's plan for economic diversification.

At the heart of it all is the SSMEDC, creating partnerships for prosperity and engines that will collectively work to drive and diversify Sault Ste. Marie's economy.

This is our community...our strategy...our future...these are our next steps.

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STAFF MEMBERS 2003

Nevin Buconjic
Small Business Advisor

Robert Derbyshire
ECSSM General Manager

Matthew Di Flumeri
Information and Technology

John Febbraro
Industrial Marketing Coordinator

Carole Heitman
Receptionist

Tom Hernden
Economic Development Officer

Debbie LaFleur
Manager, Corporate Services

Cher Leveille
Comptroller

Ian McMillan
Director of Tourism

Susan Myers
Manager, Marketing and Tourism

Bruce Strapp
President and CEO

Margaret VanLandeghem
Finance Administration Officer

CONTRACT STAFF 2003

Alynn Burke
Youth Development Coordinator

Christine Dixon
Industrial Marketing Coordinator

Samantha Fera
Industrial Marketing Administrator

Jeff Greco
Industrial Marketing Administrator

Norm Jaehrling
Economic Development Officer

BOARD OF DIRECTORS 2003

Mike Barker
Chair

Ralph Barker

Brian Babcock

Duane Buchanan

Dr. David De Yoe

Bill Durnford

Stephanie Gosselin

Chris Greensted

Jim Harmar

Brady Irwin

Geoff Meakin

Cathy McLelland
Secretary

Don Mitchell

Greg Punch
Treasurer

Robert Reid

Dr. Celia Ross

Mayor John Rowswell
Ex-Officio

Peter Vaudry

OPERATING COMMITTEE 2003

Bruce Strapp
Chair

Brian Babcock
Human Resources

Bruno Barban
Education – Community Enhancement

Bill Durnford
Tourism

Joe Fratesi
Advisor

**Sault Ste. Marie
Economic Development
Corporation
2003 REPORT**

Georgios Maninos
Industrial Marketing Intern

Jaysson Peircy
Industrial Marketing Administrator

Karen Poirier
CQI Administrative Assistant

Nancy Rosset
CQI Coordinator

Derek Sibenik
Small Business Advisor

Charlotte Wiseman
Festivals and Events Researcher

Don Gerrie
Tri-National Line

Don Mitchell
Business Line

Linda Ryan
Youth Line

Charlie Whitfield
Telematics

Wilf Lefresne
Telematics – Alternate

<h2 style="margin: 0;">SAULT STE. MARIE ECONOMIC DEVELOPMENT CORPORATION</h2>

SUMMARIZED BALANCE SHEET

December 31, 2003

WHAT WE OWN

Cash and Investments	412,995
Receivables	743,427
Prepaid Expenses	2,627
Capital Assets	520,023
Rail Spur	544,270
	<u>\$2,223,342</u>

WHAT WE OWE

Payables	\$479,465
Deferred Revenue	463,966
Rail Spur Loan Payable	544,270
Long Term	390,000
Deferred Capital Contributions	181,953
	<u>\$2,059,654</u>

WHAT IS LEFT

Reserve for Special Projects	\$105,590
Balance	58,098
	<u>\$163,688</u>
	<u><u>\$2,223,342</u></u>

SUMMARIZED STATEMENT OF OPERATIONS

December 31, 2003

WHERE THE MONEY CAME FROM

City of Sault Ste. Marie	\$1,570,900
Government of Canada	636,502
Province of Ontario	1,173,009
Interest	7,555
Other (See Schedule 1)	573,214
	<u>\$3,961,180</u>

WHAT THE MONEY WAS SPENT ON

Salaries & Benefits	\$875,453
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	Development	1,114,218
	External Promotion & Marketing	1,032,696
	Advertising & Internal Servicing	563,235
	Networks & Subscriptions	17,371
	Administration (See Schedule 1)	280,682
	Professional Fees	4,775
	Amortization	4,773
		<u>\$3,893,203</u>
Net Income		<u>\$67,977</u>

**SCHEDULE 1:
ADDENDUM TO SUMMARIZED STATEMENT OF OPERATIONS**

Other Revenue Comprised Of:

Business Partners	\$456,700
Advertising Sales	84,777
Publications	372
Registrations	15,328
Other	16,037
	<u>\$573,214</u>

Office and General Expenses Comprised Of:

Insurance	\$21,752
Bank Charges	598
Meetings	15,513
Executive Committee	6,386
Office Supplies	33,346
Photocopying	12,510
Equipment Maintenance/Upgrades	15,016
Furniture/Equipment Purchases (Funded)	3,275
Equipment Leasing	22,769
Postage/Courier	94,531
Communications	30,714
Disposals	1,589
Professional Development/Training	5,380
Miscellaneous Expense	17,303
	<u>\$280,682</u>

SSMEDC ANNUAL STATISTICS REPORT 2003

Activity	Number
Media Releases/Media Interviews.....	86
Projects, Task Committee Meetings Attended	530
Client Consultations	2,436
Presentations, Workshops, Training Sessions Attended	245
Grand Openings Attended	13
Phone Calls Received on Direct Lines	16,695
Phone Calls Received at Reception	12,614
Industrial Tours	16
Client Visits	224
Unique Web Visitors	284,700
Pages of Information Viewed on SSMEDC Website (Hits).....	2,519,595
Emails Received at Direct Address	40,254
Emails Received through Reception	5,272
Tourism/Business/General Packages Distributed.....	5,526
Group and Welcome Packages	12,470
Convention Groups.....	51
Trade Shows Attended	19
Presentations/Workshops/Seminars Hosted by SSMEDC	577
Walk-In Traffic.....	3,386
Number of Companies Researched Through IMS	561



Sault Ste. Marie
ECONOMIC
DEVELOPMENT
CORPORATION



TOURISM
Sault Ste. Marie
a division of the SSMEDC



ENTERPRISE
CENTRE
Sault Ste. Marie
a division of the SSMEDC



Sault Ste. Marie Economic Development Corporation

99 Foster Drive, Sault Ste. Marie, Ontario, Canada P6A 5X6

Phone: (705) 759-5432 Fax: (705) 759-2185

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