



Crown Corporation

B U S I N E S S P L A N S

FOR THE FISCAL YEAR 2009–2010

Harbourside Commercial Park Inc. ***Business Plan 2009–2010***

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Message from the Minister and the President

Harbourside Commercial Park Inc. (HCPI) was established by Executive Council in August 2006, in concert with the establishment of a second Crown corporation, Nova Scotia Lands Inc. (NSLI). NSLI, while active in site remediation activities, also provides a number of project management services for HCPI.

HCPI started operations as a Crown corporation in fiscal 2007–2008. With the decommissioning of Sysco then basically complete, attention was turned to site remediation and redevelopment. HCPI was created to manage commercial development of the remediated areas of the former Sysco plant site.

HCPI has successfully concluded the sale of land to ProtoCase Inc. This was the first land sale for HCPI for the construction of a new building and is seen to be an important beginning for HCPI in meeting its mandate of establishing a viable commercial park on the former Sysco site. Presently, there are active negotiations for other land sales for the construction of new buildings. To date, there are 16 tenants on the newly established commercial park site.

One major tenant is the Cape Breton Regional Municipality, which has entered a lease-to-purchase arrangement for a large building, formerly part of the steelmaking operation. The Sydney Tar Ponds Agency is also constructing a \$8.2-million building to be used in the cleanup of the tar ponds.

In 2009–2010, HCPI will continue to focus its efforts on ensuring the successful operation of the park. Former Sysco management staff have been retrained for property management activities. The site redevelopment plan is being updated to reflect changing usages. An additional 30 acres (12 hectares) of the former steel plant property will be remediated, redeveloped, and added to the existing 65-acre (26-hectare) commercial park. All of these redevelopment activities will have positive implications for the municipality's tax base.

The Honourable Bill Estabrooks
Minister of Transportation and
Infrastructure Renewal

Gary Campbell
President,
Harbourside Commercial Park Inc.

Mission

To develop and maintain a viable industrial and commercial park comprising properties formerly owned by Sydney Steel Corporation (Sysco), including maintenance of buildings and grounds, where necessary, and the sale and lease of real estate for commercial purposes.

Link to Strategic Goals

As a Crown corporation, HCPI's strategic objectives and priorities are designed to assist the government in achieving vibrant communities and economic development. The present successful development of a commercial park on the former Sysco site contributes to the economic and environmental well-being of Sydney and Cape Breton Regional Municipality.

The proven ability of HCPI to attract new businesses to the former Sysco site signals to all that the province has been successful in changing the focus of activities on the former site. Previously, efforts had been concentrated on the demolition of the former steel plant. Since that has been completed, the focus has now turned to site remediation and commercial redevelopment of this large former heavy industrial site.

Planning Context

As a Crown corporation, Harbourside Commercial Park Inc., (HCPI) reports to a board of directors. The Minister of Transportation and Infrastructure Renewal is the minister responsible for the Crown corporation. HCPI maintains its office at Sydney, Nova Scotia, along with a presence at the department's head office in Halifax.

HCPI is responsible for the remediated lands on the former Sysco property. HCPI was incorporated in August 2006 and began operations April 1, 2007. HCPI is also responsible for Sydney Utilities Limited (SUL), which is a wholly owned subsidiary of HCPI. SUL is responsible for the control of the two water utilities that were part of the Sysco infrastructure and a substantial water supply for the regional municipality and industrial activities at the former Sysco site.

Approximately 70 acres (28 hectares) of the former Sysco site have been completely decommissioned and remediated. In 2007–2008, HCPI purchased this land, along with other properties from Sysco at fair market value. HCPI will manage the process of selling and/or leasing this property to commercial users and will manage existing tenants currently in place.

The remainder of the Sysco site will be remediated over time. As additional parts of the site are cleaned and became available for sale or lease, it is intended that HCPI will purchase the property from Sysco.



HCPI will be guided by important key principles. These principles include strict attention to environmentally safe practices, a strong commitment to the health and safety of workers, respect for local communities, adherence to fiscal responsibility and public accountability, and the practical use of local labour and supplies.

- as the sole owner of SUL, ensure that SUL manages the liabilities associated with the existing major water treatment and distribution utility, located in Sydney River. SUL will also manage the former Grand Lake water system, which will be reactivated to provide a process water supply to Harbourside Commercial Park.

Strategic Goals

HCPI's overall strategy is to advance its objectives with respect to establishing a fiscally viable commercial business park at the former Sysco steel mill site.

More specifically HCPI will

- develop Harbourside Commercial Park into a premier commercial park, through marketing and site development
- provide business and other opportunities to the communities of the Cape Breton Regional Municipality
- expand and evolve the site as property is remediated and purchased from Sysco
- maintain sound health and safety practices in order to minimize the potential risk of injury to workers, visitors, tenants, suppliers, and others who may visit the site
- maintain adequate security on the site to prevent the loss of provincial property and site assets

Core Business Areas

The following are the core business functions of HCPI

HCPI Operations

The location of HCPI is ideal as a commercial business park. HCPI's core objectives are the continued development and operation of the park and all associated buildings and facilities, including a subsidiary company (Sydney Utilities) to manage water supply to the park facility.

Former Sysco Site Redevelopment

As the former Sysco site is remediated, work will continue to evolve the property into useful and valuable real estate that will be managed by HCPI.

Planning for Future Site Development and Use

As more property is remediated and purchased by HCPI, HCPI will continue to

develop a long-term plan that clearly establishes its vision for the site. Included in the planning document will be potential uses of the land and a strategy to attract new businesses to the park that support the vision.

Priorities for 2009–2010

HCPI Operations

- Continue to attract new tenants to the commercial park
- Enhance the second development phase of the Sysco site, through infrastructure development and aesthetic enhancement, making the site attractive to business and community
- Complete restoration of buildings designated for use in the park
- Develop and implement marketing strategies promoting the commercial park and its assets
- Improve the HCPI website, as a sales and information tool promoting the park
- Assist the Whitney Pier Historical Society in their efforts to develop a walking trail adjacent to the park, making resources and land available, where possible

Development of Infrastructure on Existing Remediated Lands

- Complete greening project on the south end of the site
- Install rail through the east/central area of the site
- Extend Inglis and Wabana Streets to the Cross Road
- Landscape areas adjacent to new roads
- Realign Sydney Port Access Road to allow for better and more efficient public use
- Realign fencing, releasing cleaned and remediated real estate to HCPI. This will include all lands to Cross Road

Planning for Future Site Development and Use

- Working with key stakeholders, develop a vision for the future of the park and adjacent properties
- Develop a long-term strategic plan for the future use of the site
- Develop a financial plan to assist with the future purchase of remediated lands of the former Sysco site, as they become available



Budget Context

	Budget 2008-09 (\$ 000s)	Actual 2008-09 (\$ 000s)	Budget 2009-10 (\$ 000s)
Revenue			
Leases and Rent	750	891	975
Sale of Land	25	0	—
Total Revenue	775	891	975
Expenses			
General Operating Expenses	646	487	750
Management Fees	112	88	115
Total Expenses	758	575	865
Net Income (Loss)	17	316	110
Capital Expenditure	—	—	250

Note: HCPI does not have any employees. HCPI contracts with NSLI for the park's operation, project management, and marketing of the park.

Outcomes and Performance Measures

Core Business Area 1

Harbourside Commercial Park Operations—property management, leases, property sales, and management of contracts

Outcome	Indicator	Measure	Target: 2009–10	Strategies to Achieve Target
Continued development of commercial park	Additional services online	Additional property available for sale or rent	65 acres (26 hectares)	Management of various contracts
Turnover of infrastructure (roads, sewer, water) to municipality		Acceptance by CBRM	All of Phase One infrastructure	Meetings and legal correspondence with CBRM
Sale of developed industrial lots	Surveys completed	Number of deeds prepared	4 additional lot sales	Marketing activities
Rental of office space	Square footage available for rent	Number of leases	5 new leases finalized	Marketing
Promotion of park facility		Number of inquiries		Promotional material prepared



Core Business Area 2 *Development of infrastructure on existing remediated lands*

Outcome	Indicator	Measure	Target: 2009-10	Strategies to Achieve Target
Continued development of roads and services		Amount of infrastructure completed	1.5 km of new roads and services	Management of construction contracts
Additional property remediated for redevelopment		Level of site remediation activity	Approximately 70 acres (28 hectares)	Management of environmental engineering contracts

Core Business Area 3 *Planning for future site development and use*

Outcome	Indicator	Measure	Target: 2009-10	Strategies to Achieve Target
A final long-term land use plan		Updated planning report under way	Final land use plan	Planning consultant contract