

HARBOURSIDE COMMERCIAL PARK INC.

**ANNUAL ACCOUNTABILITY REPORT
FOR THE FISCAL YEAR 2010-2011**

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1.0 Accountability Statement

The accountability report of Harbourside Commercial Park Inc. (HCPI) for the year ended March 31, 2011, is prepared pursuant to the *Provincial Finance Act* and government policies and guidelines. These authorities require the reporting of outcomes against the HCPI's Business Plan information for the fiscal year 2010-2011. The reporting of Harbourside Commercial Park Inc. outcomes necessarily includes estimates, judgements and opinion by HCPI's management.

This accountability report is the responsibility of HCPI's management and is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in HCPI's Business Plan for the year.



Bill Estabrooks

Minister, Department of Transportation and Infrastructure Renewal



Gary Campbell

President, Harbourside Commercial Park Inc.

2.0 Message from Harbourside Commercial Park Inc.

I am pleased to present Harbourside Commercial Park Inc.'s Accountability Report for the 2010-2011 fiscal year. This report provides an overview of HCPI's priorities and accomplishments.

During the 2010-2011 fiscal year, HCPI continued to market and promote the first 100 acre phase of remediated former Sysco lands. One new commercial building and the sale of another has been completed, with negotiations underway for the sale of three additional properties. Two former Sysco office buildings have been redeveloped and are fully leased to a variety of commercial users. A large structure which was formerly part of the steel making operation is under a lease to purchase arrangement with the Cape Breton Regional Municipality.

An additional 55 acres of former Sysco lands has been transferred to HCPI which will continue to focus its efforts on the successful operation of the commercial park.

I hope you will find the information helpful in understanding HCPI's progress in establishing a fiscally viable commercial business park at the former Sydney Steel site.

Sincerely,



Bill Estabrooks

Minister, Department of Transportation and Infrastructure Renewal

3.0 Introduction

The Annual Accountability Report is a report on the progress achieved by HCPI towards the goals, priorities, performance measures and financial targets established in the 2010-2011 Business Plan and is available at <http://www.harcom.ca>.

Harbourside Commercial Park Inc. was established in August 2006 to manage commercial development of remediated areas of the former Sydney Steel (Sysco) plant site. 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 had been part of the Sysco infrastructure, and a substantial water supply for the regional municipality and industrial activities at the former Sysco site.

HCPI's mission is to develop and maintain a viable industrial and commercial park comprising properties formerly owned by Sydney Steel Corporation. This mandate includes the maintenance of buildings and grounds, where necessary, and the sale and lease of real estate for commercial purposes.

As a Crown corporation, HCPI reports to a Board of Directors. The minister responsible for the Crown corporation is the Minister of Transportation and Infrastructure Renewal. HCPI maintains its office at Sydney, Nova Scotia, along with a presence at the department's Head Office in Halifax.

3.1 Report Structure

This report is organized into two main sections. The first section outlines HCPI's progress and accomplishments against the priorities identified in the 2010-2011 Business Plan. The next section provides details regarding performance measures and the results achieved. The financial result of Harbourside Commercial Park Inc. are reported on in the Audited Financial Statements. These statements are available at <http://www.harcom.ca>.

4.0 Priorities and Accomplishments

Harbourside Commercial Park Inc. secures the majority of its funding from property rentals and sales, along with a management fee for administration of the park facility.

The work of HCPI is closely aligned and integrated with the activities of Nova Scotia Lands Inc.

In addition to the ongoing activities that support the development and marketing of Harbourside Commercial Park, HCPI can report the follow accomplishments:

Property Leases

HCPI has negotiated 15 office and property leases.

Property Sales

Three sales agreements are under active discussion.

Lease of Wharf and Back Up Lands

The renewal of the Sysco Wharf and Back Up Lands lease to PEV was being studied, with a decision made not to renew the existing lease.

Development of infrastructure on Existing Remediated Lands

Landscaping, realign Sydney Port Access Road, realign fencing, construction of new soccer field, Inglis Street and Wabana have been extended to north end of site.

Park Promotion

Promotional material, including an improved web site, has been developed and taken to various trade shows.

Port Promotion

HCPI is an active participant in the Sydney Port Corporation and the Sydney Marine Group.

5.0 Performance Measures

This section provides detailed information on the outcomes and performance measures of Harbourside Commercial Park Inc.

Outcomes and measures outlined in the 2010-2011 Business Plan included the following targets. The status of these targets is:

Outcome	2010-2011 Target	Status
Continue management of the park	Four lot sale and all office space leased	100% complete Management of the park is ongoing
Lease renewal for marine facility and back-up lands	Consider renewed lease	Notice given that lease will not be renewed
Commissioning of Grand Lake water utility	Water system complete	Complete
Shut down of Sydney River system	Planning for and decommissioning underway	50% complete
Future site use of HCPI and adjacent sites	Approved plan for adjacent sites and HCPI	Complete

6.0 Financial Results

	Budget 2010/11 (\$000s)	Actual 2010/11 (\$000s)	Variance (\$000s)
Revenue:			
Leases and Rent	1,000	978	22
Sale of Land/Buildings	20	0	20
Other	40	0	40
Total Revenue	1,060	978	82
Expenses:			
General Operating Expenses	915	729	186 ¹
Management Fees	115	101	14
Total Expenses	1,030	830	200
Net Income (Loss)	30	148	118

¹Allocated roof repair not done.