

Crown Corporation

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

FOR THE FISCAL YEAR 2014–2015

Harbourside Commercial Park Inc.

Business Plan 2014–2015

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Message from the Minister and the President

Harbourside Commercial Park Inc. (HCPI) began operations as a Crown corporation during the 2007–2008 fiscal year, with the mandate to manage the commercial development of remediated areas of the former Sydney Steel property.

Since the opening of the first phase of the commercial park, levels of employment have steadily increased. The 15 businesses within the park have 152 full-time employees plus an additional 96 part-time workers.

Harbourside Commercial Park personnel are actively dealing with prospective tenants interested in land and building purchases. Because of demand, the park has reached full capacity for rental of available office space in existing buildings.

Harbourside Park has contributed, and continues to contribute, to the local economy and provides an excellent area for new and existing businesses to develop. The 2014–2015 fiscal year looks very positive, as new tenants choose Harbourside as their business location.

The Honourable Geoff MacLellan
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, and the sale and lease of real estate for commercial purposes.

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 in Sydney, Nova Scotia, along with a presence at the department's head office in Halifax. The address for HCPI's website is <http://www.harcom.ca>.

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 had been part of the Sysco infrastructure and a substantial water supply for the regional municipality and industrial activities at the former Sysco site.

Approximately 187 acres of the former Sysco site have been remediated to industrial standards. In 2014–2015, HCPI will purchase Phase IV and Phase V of the former Sysco property at fair market value. HCPI will

manage the process of selling 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 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.

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

- continue to develop Harbourside Commercial Park into a premier commercial and marine 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 property management and operation of the park and all associated buildings and marine facilities.

Pictou Wharf Activities

The work at the wharf is nearing completion. The electrical installation will be completed by the end of May. We will develop an operating protocol to allow full use of the dock area. Advertising will be done, with HCPI managing operations at the wharf.

Planning for Future Site Development and Use

As more property is remediated and purchased, HCPI will continue to participate in the development of a long-term plan that clearly establishes its vision for the site and adjacent properties. Included in the planning document will be potential uses of the land and a strategy to attract to the park new businesses that support the vision. The former Coke Ovens property will become available for commercial development. The Sydney Tar Ponds (Open Hearth Park) and adjacent area will enhance the commercial attractiveness of the business park.

Priorities for 2014–2015

HCPI Operations

- Continue to develop and implement marketing strategies promoting the commercial park.
- Continue to attract new tenants to the commercial park.
- Enhance the third and fourth development phase of the Sysco site, through infrastructure development and aesthetic enhancement, making the site attractive to business and the community.
- Purchase the Phase IV and Phase V land from Sysco and transfer to HCPI.
- Intricately link the Open Hearth Park to Harbourside Commercial Park to enhance land value and attractiveness.
- Continue to update HCPI's website as a sales and information tool promoting the park.
- Develop protocols to allow for commercial development of the Coke Ovens site (Harbourside East).

Development of Infrastructure on Existing Remediated Lands

- Improve marketing and signage for the park.
- All roads in the Phase I to III areas of the park have been turned over to CBRM.

Planning for Future Site Development and Use

- Work with key stakeholders to expand our vision for the future of the park and adjacent Tar Ponds and Coke Ovens site properties.
- Sale of land to Cape Breton Explorations (CBEX) will be completed and construction of a biomass generating station will begin this summer.
- Sale of land to Nova Scotia Lands for construction of a maintenance building.
- Development of the property sold to Horizon Achievement Centre.
- Sale/lease of administration building.
- Sale of 4 acres of land to Department of Education.

Budget Context

	Estimate 2013-14 (\$)	Forecast 2013-14 (\$)	Estimate 2014-15 (\$)
Revenues			
Leases and rent	975	774	831
Sale of land	31	48	156
Other	66	51	24
Total revenue	1,072	873	1,011
Expenses			
General operating expenses	825	738	782
Management fees	100	80	91
Total expenses	925	818	873
Net income (loss)	147	55	138
Capital expenditure	1,350	0	1,000

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

Outcomes and Performance Measures

Core Business Area 1 HCPI Operations

Outcome	Measure	Base Year	Target: 2014–15	Trends	Strategies to Achieve Target
Continued management of the park	Number of property sales and leases	2008–09	Four properties sold	2014–15: 100%	Continue marketing activities
Rehabilitation of Pictou Wharf	Upgrading of wharf area	2013–14	Operational by end of summer	2014–15: 100%	Electrical work to be completed end of May
Transfer of Phase I/V land to HCPI	Remaining Sysco land transferred to HCPI	2011–12	All land transferred	2014–15: 100%	Payment for remaining lands to occur this year

Core Business Area 2 Sydney Utilities Activities

Outcome	Measure	Base Year	Target: 2014–15	Trends	Strategies to Achieve Target
Transfer of SUL assets to HCPI	HCPI to take over SUL's responsibilities	2012–13	100% turnover of assets completed	2013–14: 100%	Transfer completed

Core Business Area 3 Planning for Future Use

Outcome	Measure	Base Year	Target: 2014-15	Trends	Strategies to Achieve Target
Land use plan to be expanded to include Coke Ovens site	Develop operating and sales protocols for Coke Ovens land	2014-15	Plan for Coke Ovens site	2014-15: 100%	Arrange for completion of Langan/SPAR Rd intersection
Use of Open Hearth Park concession building	Develop and Implement an RFP	2014-15	Operational concession area	2014-15: 100%	Award contract