

Crown Corporation

B u s i n e s s P l a n s

for the fiscal year 2015–2016

Harbourside Commercial Park Inc.

Business Plan 2015–2016

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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. In the past year, HCPI has also taken possession and control of the former Bowater property in Liverpool, Nova Scotia.

Since the opening of the first phase of the commercial park, levels of employment have steadily increased. The 15 businesses within the Sydney park have 165 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 2015–2016 fiscal year looks very positive, as new tenants choose Harbourside as their business location.

Just as importantly, the Sydney site is self-supporting. It operates independently of government funds.

The Honourable Labi Kousoulis
Minister of Internal Services

Gary Campbell, President,
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 Internal Services 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 www.harcom.ca.

HCPI is responsible for the remediated lands on the former Sysco and the former Bowater property (Port Mersey Commercial Park). 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 are a substantial water supply for the regional municipality and industrial activities at the former Sysco site.

HCPI acquired the former Bowater mill site in Liverpool, Nova Scotia, in conjunction with Nova Scotia Lands Inc. (NSLI). This site is being developed as Port Mersey Commercial Park and currently has a number of active leases.

Approximately 75 hectares (189 acres) of the former Sysco site have been remediated to industrial standards. In 2015–2016, 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.

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

- provide business and other opportunities to the communities of the Cape Breton Regional Municipality
- 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
- promote development of Port Mersey Commercial Park (former Bowater site)

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.

Port Mersey Operations

Located in Liverpool, Nova Scotia, the site is approximately 35.6 ha (88 acres) in size and is within 1 km of Highway 103. HCPI's objective is to manage and operate the park and all buildings and marine facilities.

Pictou Wharf Activities

The work at the wharf is nearing completion. The electrical installation is completed and will be powered up this summer. An operating protocol will be developed 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 (Harbourside East) 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 2015–2016

HCPI Operations

- Continue to develop and implement marketing strategies promoting HCPI and Port Mersey Commercial Parks.
- Continue to attract new tenants to both parks.
- 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.
- The purchase of Phase IV and Phase V land from Sysco and transfer to HCPI is near complete.
- Continue to intricately link the Open Hearth Park to Harbourside Commercial Park to enhance land value and attractiveness.
- Promote development of Harbourside East.
- Continue to update HCPI's and Port Mersey's websites as a sales and information tool promoting the parks.
- Establish operating protocols for Pictou Wharf.

Development of Infrastructure on Existing Remediated Lands

- Improve marketing and signage for the park.
- Complete new maintenance building for Nova Scotia Lands (NSLI).
- Make Port Mersey site improvements.

Planning for Future Site Development and Use

- Work with key stakeholders to expand our vision for the future of the park and adjacent Open Hearth Park and Harbourside East properties.
- Sale of land to Cape Breton Explorations (CBEX) will be completed, and construction of a biomass generating station will begin this summer.
- Develop the property sold to Horizon Achievement Centre.
- Sell administration building to Pharmaceutical Company.
- Sell 28.3 ha (70 acres) of land to Cape Breton Regional Municipality for development.
- Sell former maintenance building to Safety Check.
- Sell water treatment plant (2.4 ha / 6 acres) to Municipal Capital Group.
- Lease terminal building at Port Mersey.
- Lease maintenance shops at Port Mersey.
- Lease warehouse to Walmart at Port Mersey.
- Continue wharf usage development at Port Mersey.

Budget Context

	Estimate 2014-15 (\$ 000)	Forecast 2014-15 (\$ 000)	Estimate 2015-16 (\$ 000)
Revenues			
Leases and rent	831	961	628
Provincial funding	0	0	421
Economic development	0	0	0
Sale of land	156	(41)	260
Other	24	3,843	24
Total revenue	1,011	4,763	1,333
Expenses			
General operating expenses	782	1,328	1,180
Management fees	91	91	151
Total expenses	873	1,419	1,331
Net income (loss)	138	3,344	2
Capital expenditure	1,000	0	1,000
FTEs	—	—	—

Note: HCPI and Port Mersey do not have any employees. HCPI and Port Mersey contract 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: 2015-16	Trends	Strategies to Achieve Target
Park land is in high demand for lease or purchase	Number of property sales and leases	2008-09	Four properties sold	2015-16: 100%	Continue marketing activities
Rehabilitation of Pictou Wharf	Upgrading of wharf area complete	2013-14	Operational	2015-16: 100%	Electrical work is completed
Transfer of Phase IV/V land to HCPI	Remaining Sysco land transferred to HCPI	2011-12	All land transferred	2015-16: 100%	Payment for remaining lands to occur this year

Core Business Area 2 Sydney Utilities Activities

Outcome	Measure	Base Year	Target: 2015-16	Trends	Strategies to Achieve Target
SUL effectively delivers process water to HCPI	HCPI to continue to manage SUL's responsibilities	2012-13	Operational	2015-16: 100%	Complete

Core Business Area 3 Port Mersey Commercial Park

Outcome	Measure	Base Year	Target: 2015–16	Trends	Strategies to Achieve Target
Port Mersey Park is in high demand	Number of property leases	2014–15	Increase 3 properties leased	2015–16: 100%	Continue marketing activities
Upgrades to Port Mersey Wharf	Complete upgrades	2014–15	Make dock self-sustaining	2015–16: 100%	Continue marketing activities

Core Business Area 4 Planning for Future Use

Outcome	Measure	Base Year	Target: 2015–16	Trends	Strategies to Achieve Target
Land-use plan to be expanded to include Harbourside East	Develop operating and sales protocols for Harbourside East land	2014–15	Plan for Harbourside East	2015–16: 100%	Arrange for completion of Lingary/SPAR Rd intersection