

**Nova Scotia Lands Inc.
Crown Corporation
Province of Nova Scotia
Business Plan
2010 – 2011**

Message from the Minister and President

Since its establishment in 2006, Nova Scotia Lands Inc. (NSLI) has achieved very steady progress in several major environmental and site redevelopment areas. The decommissioning of the Sydney Steel (Sysco) plant has been completed, and the environmental cleanup of the 185 hectare site is in the final stages. The first two phases, totaling 48 hectares (120 acres) have been completely serviced and turned over to Harbourside Commercial Park Inc. (HCPI) for commercial development. On the remaining portion of the former Sysco steel plant site, significant progress has been made in addressing heavily contaminated soils, with over 150,000 tonnes having been remediated. NSLI has also taken the lead on a couple of major projects under the federal/provincial Tar Ponds cleanup agreement and was able to significantly save time and project costs. As well, the first phase of environmental assessment has been completed on two substantial former Sysco properties, within the community of Sydney Mines.

Since NSLI has identified a major liability to the Province in the continued operation of the approximately 100 year old Sydney River water supply, built to service the former steel plant, the design has been completed and construction underway for a new industrial water supply at Grand Lake to service the Harbourside Commercial Park tenants. This work is being carried out in consultation with the Cape Breton Regional Municipality, to ensure it is complementary to their existing municipal potable water supply to the commercial park.

In 2010-2011, the principle role of NSLI will be to continue the remediation/redevelopment activities at the former Sysco site, recycle any remaining products of value and put in place the necessary infrastructure for development of the site into a viable commercial park facility. Working in collaboration with HCPI, we will continue to assist in marketing this park to regional, national and international interests. NSLI will also put to use their substantial environmental cleanup experience to deal with other provincially owned contaminated sites, as well as assisting the Sydney Tar Ponds Agency in advancing their \$400 million project adjacent to Sysco and Harbourside Commercial Park properties.

Cooperative efforts will also continue with the regional municipality in planning for viable reuse of provincially owned properties, in order to assist the municipal government to rebound from the loss of major industry.

Honourable Bill Estabrooks
Minister of Transportation and
Infrastructure Renewal

Gary Campbell
President,
Nova Scotia Lands Inc.

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Mission

To prioritize for action, assess, and, where necessary, remediate provincially owned properties, with the objective of returning these lands to reusable condition, with no substantial safety or environmental concerns.

Planning Context

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

NSLI was incorporated in August, 2006 and began operations effective April 1, 2007. In recognition of the planned wind up Sydney Steel Company (Sysco), it was determined that future activity related to the continued remediation of Sysco's property would be conducted by NSLI. Approximately 48 hectares (120 acres) of the former Sysco site has been completely remediated to industrial standards and is being developed as a major industrial park facility. The remainder of the Sysco site will be remediated, over time, by NSLI and will eventually be available for commercial redevelopment.

As more land is remediated, it is anticipated that Harbourside Commercial Park Inc. (HCPI), another provincial Crown corporation, will purchase the land at fair market value, as part of its inventory for further development of the park. NSLI has entered into a management agreement with HCPI, whereby NSLI supervises the operations of the commercial park, as well as assisting in marketing the park.

Throughout its operations, NSLI, 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.

Some of the challenges that NSLI faces in managing the remediation of the former Sysco site is the changing environmental regulations. While extremely important, it does have an impact on the timing of the cleanup of the former site. Determining the extent of the environmental remediation required on sites owned by the former Sydney Steel Company that are outside of the Sysco site also presents a challenge.

In addition to conducting the remediation of the Sysco property, NSLI will work in partnership with provincial government agencies and departments, as it plays a new role in providing management, operation, security, and administrative services in the remediation of environmentally challenged sites under the control of the Province of Nova Scotia.

Strategic Goals

NSLI's Strategic Goals

NSLI's overall strategy is to advance its objectives with respect to decommissioning, remediation, and future use of the former steel plant site, as well as other provincially owned properties. Further, NSLI staff will continue to provide their considerable environmental experience in support of the federal/provincial program to clean up the Tar Ponds and Coke Ovens sites. The underlying goal of NSLI will be to protect the Province's interests and its fiscal position regarding environmentally challenged sites.

More specifically, NSLI will:

- continue remediation activities at the former Sysco site, until completed
- continue to put in place the required infrastructure to allow for redevelopment of the site as a viable commercial park facility
- continue to cooperate with the Cape Breton Regional Municipality in planning activities for viable reuse of former Sysco lands and assets, including necessary water supply, in efforts to increase the municipal tax base
- assist in prioritizing provincially owned sites under its mandate, to ensure that present public safety issues or serious environmental concerns are high on the action list
- assess and, where necessary, remediate provincial lands for future uses, in an environmentally sound manner, meeting the Province's obligations and strengthening relations with the local communities;
- maintain adequate security on sites, to prevent the loss of provincial property and site assets, as well as maintaining safe conditions
- actively market Harbourside Commercial Park as a viable location to establish commercial and light industrial enterprises

Core Business Areas

Former Sysco Site Rehabilitation and Redevelopment

Demolition of the plant infrastructure has been completed, and the environmental remediation of the property is well advanced. Some areas require continued environmental site assessment (ESA) studies and may need further remediation and future monitoring.

As the former Sysco site is remediated, work will continue to redevelop the property into useful and valuable commercial real estate.

Support to the Tar Ponds and Coke Ovens Project

With the former extensive Sysco property separating the Tar Ponds and Coke Ovens sites, much of the federal/provincial cleanup agreement activity is staged on the NSLI managed property. Also, since much of the Tar Ponds/Coke Ovens remediation activity is very similar to the work already completed by NSLI on the former Sysco site, support to the Tar Ponds project has logically grown. Furthermore, remediated areas of the former Sysco site, as well as the Tar Ponds and Coke Ovens sites will require long term monitoring activity. NSLI will be well positioned to oversee this required monitoring activity.

Environmental Assessment and Remediation of Other Sites

Based on prioritization, some other former Sysco properties require environmental site assessments or additional physical assessment. Physical assessment may include locating buried hazards, underground tunnels or surface soil subsidence.

Remediation or restoration plans will be developed and implemented, as required. Remediation may include removal of hazards, site leveling and grading, soil and seed application, tree planting, remediation of contaminated soils, redirection or treatment of ground waters, and other activities.

Development of the Grand Lake Water Supply System and Shutdown of the Sydney River System

The continued operation of the extensive approximately 100 year old Sydney River water supply system has been identified as an increasing liability to the Province. Since the system has, over the years expanded to provide water to residential customers, it has become a potable water system requiring chlorination. With the shutdown of Sysco, the majority of this treated water is now being over-flowed to the storm water system and eventually to Sydney Harbour. This has led to Environment Canada serving notice to NSLI, under the Federal Fisheries Act. Since there continues to exist a substantial requirement for process water within the Harbourside Park, a new water supply is being developed using the much closer Grand Lake. When this system has been completed, the old Sydney River water system will be shut down and decommissioned.

Reuse of Blast Furnace Slag, By-Products

Slag materials were produced as a by-product of the steel making process. Several hundred thousand tons of these products on the former steel mill site. It has been demonstrated that several of these products are valuable as construction aggregates, filter media and concrete aggregates. NSLI will continue to encourage and assist private sector companies to reuse these products for construction activities and in stabilization and solidification of the Sydney Tar Ponds.

Priorities for 2010-2011

Former Sysco Site Rehabilitation

- Complete Phase II and III ESAs in the tank farm area
- Finish remediation of isolated contamination areas
- Remediate other areas (pending ESA results)
- Oversee disposal activities at electric arc furnace dust pit
- Remediate high dump sludge
- Complete the final portion of underground and above ground fuel pipe removal

Former Sysco Site Redevelopment

- Complete installation of rail through the east/central area of site
- Complete installation of Phase III roads (southern half of the north end of the site)
- Landscape areas adjacent to new roads
- Complete development of park area (soccer/rugby field and running track)
- Continue grading and leveling of ore field area

Support to the Tar Ponds and Coke Ovens Project

- Act as contract manager for work on the tar cell area of the Coke Ovens site
- Serve on and support the federal/provincial Project Management Committee
- Oversee disposal within the NSLI landfill cell of un-recyclable debris removed from the Tar Ponds
- Co-Chair the Environmental Management Committee

NS Sites Review and Prioritization

- Complete review of all available documentation related to other former Sysco sites
- Continue to meet with those with vested interests (Natural Resources, Public Works and Government Services Canada, etc.) who may have knowledge of the sites and may have already identified issues or have had assessments done
- Where possible, physically visit and walk throughout any identified sites where health and safety issues could be of concern
- Update priority project list for future remediation consideration

Environmental Assessment and Remediation of Other Sites

- Complete physical assessments on selected sites
- Complete CCME based Phase I ESAs on selected (higher priority) sites
- If issues are identified, develop a priority list to remove public safety hazards and environmental concerns at prioritized sites

Development of the Grand Lake Water Supply System and Shutdown of the Sydney River System

- Finalize construction activities for the Grand Lake system
- Engage the Public Utilities Board to establish a water rate for customers
- Liaise with CBRM water utility in the shutdown of the Sydney River system
- Plan and implement the decommissioning of the Sydney River water system
- Plan for operation of the Sydney River dam and fish ladder

Performance Measures

Department Mandate:					
OUTCOME (immediate or inter- mediate)	MEASURE / RATIONALE	DATA Base Year - 2006	TRENDS	TARGET 2011 (Target for end of next Fiscal Year)	Strategies to achieve target
Core Business Area 1 – Sysco Site Rehabilitation and Redevelopment					
Outcome	Measure	Base Year:	Trends	Annual Target	Strategic Actions
Continue with final environmental site assessments	Complete final two areas	2008-09	2008-09 – 75% 2009-10 – 90%	100%	Contract final two environmental assessment studies
Finalize solidification (Hazco) contract	Complete North End site project	2007-08	2008-09 – 50% 2009-10 – 90%	Work complete	Manage final contract work
Remove final above and underground piping	Remove hazardous material pipeline	2007-08		Complete removal activity	Tender and award work

Continue soil remediation activities	Complete final two areas of site	2006-07		Complete high dump area	Tender and award work
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Department Mandate:					
OUTCOME (immediate or inter-mediate)	MEASURE / RATIONALE	DATA Base Year - 2006	TRENDS	TARGET 2011 (Target for end of next Fiscal Year)	Strategic Actions to achieve target
Core Business Area 2 – Support to the Tar Ponds Project					
Outcome	Measure	Base Year:	Trends	Annual Target	Strategic Actions
Tar cell area remediated and redeveloped	Finalize last major contract	2009-10	2009-10 – 30%	Work completed	Manage awarded contract
Manage operation of contaminated material cell		2010-11	2010-11 – 30%	Work ongoing	Oversee placement of material to ensure no damage to cell liner

Department Mandate:					
OUTCOME (immediate or inter-mediate)	MEASURE / RATIONALE	DATA Base Year - 2006	TRENDS	TARGET 2011 (Target for end of next Fiscal Year)	Strategic Actions to achieve target
Core Business Area 3 – Environmental Assessment of Other Sysco Sites					
Outcome	Measure	Base Year:	Trends	Annual Target:	Strategic Actions
Finalize two EA studies	Approve final reports	2009-10	2009-10 – 80%	Reports complete	Comment on and accept final reports
Identify health and safety issues	Document issues and develop action plan	2009-10	2009-10 – 20%	All main H & S issues dealt with	Use internal resources to repair any issues presenting a safety concern

Department Mandate:					
OUTCOME (immediate or inter- mediate)	MEASURE / RATIONALE	DATA Base Year - 2006	TRENDS	TARGET 2011 (Target for end of next Fiscal Year)	Strategic Actions to achieve target
Core Business Area 4 – Grand Lake Water Supply					
Outcome	Measure	Base Year:	Trends	Annual Target:	Strategic Actions
Finalize construction and commission water supply	Final contracts complete	2009-10	2009-10 – 80%	Water system in use	Oversee existing contracts
Shut down Sydney River system	Prepare decommissioning plan	2010-11		Sydney River system shut down	Develop decommissioning plan

Budget Context

	Budget 2009-2010 (\$000s)	Forecast 2009-2010 (\$000s)	Budget 2010-2011 (\$000s)
Revenue:			
Management Fee from HCPI	115	115	115
Other	545	2,505	3,500
Total Revenue	660	2,620	3,615
Expenses:			
Payroll	1,260	1,180	1,260
General and Administrative Expenses	800	525	490
Project Management	100	36	100
Security Services	275	271	125
Site Reconstruction	10,015	8,444	3,098
Cleanup and Containment	2,945	2,880	5,710
Total Expenses	15,395	13,336	10,783
Recovery from Sysco	14,850	10,931	7,383
Net Income	115	215	215
FTE's	11	11	11