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Accountability Statement

The Accountability Report of Nova Scotia Lands Inc. (NSLI) and Harbourside Commercial Park Inc. (HCPI) for the year ended March 31, 2019 is prepared pursuant to the Finance Act and government policies and guidelines. These authorities require the reporting of outcomes against the NSLI and HCPI Business Plans for the fiscal year just ended. The reporting of the NSLI and HCPI outcomes necessarily includes estimates, judgments and opinions by NSLI management.

We acknowledge that this Accountability Report is the responsibility of NSLI management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the NSLI and HCPI 2018-2019 Business Plan.

Original Signed By

The Honourable Lloyd P. Hines
Minister, Transportation and Infrastructure Renewal

Original Signed By

Paul LaFleche
Board Chair

Original Signed By

Stephen MacIsaac
President and CEO

Message from the Minister

I am pleased to present Nova Scotia Lands Inc.'s Accountability Report for the 2018-2019 fiscal year. NS Lands has several separate entities that they manage on behalf of the Province. They include:

- Harbourside Commercial Park
- SYSCO
- Sydney Utilities

Nova Scotia Lands and its representative bodies exist to ensure proper remediation and management of former industrial and government-owned sites. The intention is to clean sites for government, community or commercial re-use. NS Lands continues to expand its service offering to other departments and agencies ensuring our expertise is maximized throughout government. Priority remediation activities in 2018 included Boat Harbour and Harrietsfield.

Nova Scotia Lands oversees operations at Harbourside Commercial Park in Sydney, Port Mersey Commercial Park in Liverpool and this year has acquired Trenton Commercial Park. The intention is to ensure best re-use.

This year, by special resolution, a Health Infrastructure Division was created to oversee the largest infrastructure build in Nova Scotia history. This team will oversee the construction of both the QEII Redevelopment Project and the Cape Breton Redevelopment Project.

We look forward to continuing to address remediation and site re-development needs throughout the Province.

Sincerely,

Original Signed By

The Honourable Lloyd P. Hines
Minister, Transportation and Infrastructure Renewal

Message from the President and CEO

I am pleased to present Nova Scotia Lands Inc.'s Accountability Report for the 2018-2019 fiscal year. This report provides an overview of both NSLI's priorities and accomplishments.

The last fiscal year has seen significant changes within the NS Lands Division including the provision of environmental remediation services internal to government, the acquisition and sale of government owned lands across the Province and the creation of the new division for health infrastructure.

Sincerely,

Original Signed By

Stephen MacIsaac, RPF, P.Eng
President and CEO

Financial Results – HCPI

	2018-2019 Estimate	2018-2019 Actuals	2018- 2019 Variance
	<i>(\$thousands)</i>		
Departmental Expenses:			
General Operating Expenses	917	1,329	412
Management Fee	148	148	0
Total: Departmental Expenses	1,065	1,477	412
Additional Information:			
Leases & Rent	203	203	0
Provincial Funding	510	2,599	2,089
Sale of Land	350	5	(345)
Other	12	81	69
Total: Revenue, Fees and Recoveries	1,075	2,888	1,813
TCA Purchase Requirements	0	0	0
<u>Departmental Expenses Variance Explanation:</u>			
Environmental monitoring expense recovery realized.			
Decreased amortization, property taxes and administrative expenses.			
Addition of Trenton Commercial Park environmental liability expense.			
<u>Revenue, Fees and Recoveries Variance Explanation:</u>			
Sale of Land- expected sales didn't happen prior to year end.			
Other- Additional revenue from interest on GIC investments, recoveries from PMCP miscellaneous sales and property tax.			
Grant related to acquisition of Trenton Commercial Park assets.			

Financial Results – NSLI

	2018-2019 Estimate	2018-2019 Actuals	2018- 2019 Variance
	<i>(\$thousands)</i>		
Departmental Expenses:			
Payroll	1,015	1,276	261
General and Administration	830	312	(518)
Sysco LTMM	3,190	160	(3,030)
OH Park and CO LTMM	886	448	(438)
Boat Harbour	9,152	9,943	791
Pictou Wharf	2	6	4
DNR Mines	400	328	(72)
Future Building/School Demolition Project	500	0	(500)
Marine Vessel Program	1,000	0	(1,000)
Provincial Business Parks Management	1,000	0	(1,000)
Trenton Operating & Demolition	0	904	904
Harrietsfield Project	0	311	311
Dams Project	0	186	186
Health Infrastructure	0	1,518	1,518
Tidal Energy	0	23	23
Northern Pulp Studies	0	75	75
Other	0	8	8
Slag	0	146	146
Total: Departmental Expenses	17,975	15,644	(2,331)
Additional Information:			
Management Fee - HCPI	148	148	0
Pictou Wharf	0	6	6
OHP LTMM & Admin Fee	1,163	725	(438)
Boat Harbour & Admin Fee	9,521	10,312	791
Sysco LTMM & Admin Fee	3,559	525	(3,034)
DNR Mines Project & Admin Fee	492	406	(86)
Admin Fee – Port Mersey	184	184	0
Future Building/School Demolition & Fee	648	0	(648)
Marine Vessel Program & Admin Fee	1,111	0	(1,111)
Provincial Business Parks & Admin Fee	1,092	0	(1,092)
Trenton Operating & Demolition	0	999	999
Harrietsfield Project	0	354	354
Dams Project	0	89	89
Health Infrastructure	0	1,518	1,518

	2018-2019 Estimate	2018-2019 Actuals	2018- 2019 Variance
Tidal Energy	0	30	30
Miscellaneous Income	12	126	114
Slag		170	170
Total: Revenue, Fees and Recoveries	17,930	15,592	(2,338)
TCA Purchase Requirements	0	0	0

Departmental Expenses Variance Explanation:

Payroll – New employees and previous sub-contractors converted to employees.
 General and Administration – Legal fees, consulting, and repairs and maintenance lower than budget.
 Sysco LTMM – Tank Farm and Dam repair projects didn't proceed and legal fees invoiced directly to Sysco.
 OH Park and CO LTMM – Less sampling during year, water treatment plant did not require media change out and park improvements deferred.
 Boat Harbour – As the general services consultant was engaged earlier than expected last year, some items are progressing sooner.
 DNR Mines – Cost to develop conceptual closure plan and associated recovery lower than budgeted.
 Several projects didn't materialize while unexpected projects did happen.
 Slag – cost of slag sales not budgeted.

Revenue, Fees and Recoveries Variance Explanation:

OHP LTMM & Admin Fee, Boat Harbour & Admin Fee, DNR Mines, and Sysco LTMM & Admin Fee – revenue variances directly related to variances in expenses as noted above.
 As noted in the expenses explanations several projects didn't materialize while unexpected projects did happen.
 Miscellaneous Income – Interest income from GIC investment was not budgeted.
 Slag – Unexpected sales of slag.

Financial Results – PMCP

	2018-2019 Estimate	2018-2019 Actuals	2018- 2019 Variance
	<i>(\$thousands)</i>		
Departmental Expenses:			
Payroll	679	467	(212)
General and Administration	1,992	1,813	(179)
Site Reconstruction	40	0	(40)
Admin Fee to NSLI	184	184	0
Total: Departmental Expenses	2,895	2,464	(431)
Additional Information:			
Miscellaneous Recoveries	0	156	156
Leases	220	80	(140)
Wharf Usage	350	90	(260)
Equipment Rentals	30	9	(21)
Econ. Dev. PNS Recovery	1,259	1,259	
PNS Grant	1,000	1,000	
Total: Revenue, Fees and Recoveries	2,859	2,594	(265)
TCA Purchase Requirements	0	0	0
<u>Departmental Expenses Variance Explanation:</u>			
Payroll – Executive involvement in operation decreased and contract employee trimmed.			
General and Administrative – Wharf maintenance not required			
Site Reconstruction – landscaping plans not completed			
<u>Revenue, Fees and Recoveries Variance Explanation:</u>			
Miscellaneous Recoveries – unknown year to year so not budgeted – significant recovery of property and utilities from capital leases.			
Leases – Mainly capital leases which require HCPI to immediately recognize gains rather than rental revenue appearing in Port Mersey.			
Wharf Usage – Lease expired.			
Equipment Rentals – Fewer rental requests from tenants.			

Measuring Our Performance

Nova Scotia Lands Inc. is a Crown corporation owned by the Province of Nova Scotia. It was incorporated in 2007, with its principal role originally to continue with remediation activities at the former Sydney Steel Corporation (SYSCO) site and put in place the necessary infrastructure for redevelopment of the site into a viable commercial park facility. NS Lands has several separate entities that they manage on behalf of the Province. They include:

- Harbourside Commercial Park
- SYSCO
- Sydney Utilities

This year, by special resolution, a Health Infrastructure Division was created to oversee the construction of both the QEII Redevelopment Project and the Cape Breton Redevelopment Project.

Vision

Nova Scotia Lands Inc. is a Crown corporation responsible for environmental clean-up of government owned sites, brownfield management and infrastructure development.

Mission

To ensure proper remediation and best use of provincial land assets.

Core Values

- To be transparent and accountable
- To capitalize on human and built strengths and recognize a competent and capable workforce
- To ensure a safe working environment

Goals / Objectives

Core Programs:

1. Environmental Analysis and Remediation
2. Parks and Land Management
3. Asset Inventory Management (Information only)
4. Boat Harbour (considered separate from #1 due to the magnitude of the project and special legislation).
5. Infrastructure Development (Health)

The accountability report intends to update the reader on progress made under the above listed core programs.

Goal: Environmental Analysis and Remediation

A. Long Term Monitoring and Maintenance of Former Sydney Steel Property

Nova Scotia Lands Inc. (NSLI) was incorporated in 2007 to finalize the decommissioning of the Sydney Steel (SYSCO) plant, redevelop the 180-hectare (445 acre) site, assist in the remediation of the Sydney Tar Ponds and provide the Province with technical support in the remediation of other provincially owned contaminated lands. No further environmental site assessments are needed, however ongoing monitoring is required.

All SYSCO properties have experienced some form of remediation and, accordingly, transferred to Harbourside Commercial Park for development and / or sale.

NSLI has now completed the fifth year of a long-term maintenance and monitoring program approved through the Federal/Provincial partnership.

B. Long Term Monitoring and Maintenance of Former Tar Ponds and Coke Ovens Site

The LTMM for the former Tar Ponds area now known as Open Hearth Park and Harbourside East (former Coke Ovens site) is being implemented. On these sites, NSLI continues to undertake the required monitoring, and results of this have been found acceptable by NSE. Open Hearth Park continues to see heavy usage by the community during the reporting period with such events as: school events, charitable activities by nonprofit groups and a multitude of sports activities.

C. Project Management

NS Lands provides project management services on various provincial and provincial / federal remediation initiatives. These include:

- Remediation of former gold mine sites – NSLI were engaged in 2017 by NSDNR to assess two of the former gold mine sites: Montague Mines in the Halifax Regional Municipality and Goldenville in Guysborough, Nova Scotia. In 2018, NSLI engaged a consulting group, led by Intrinsik, to assess the Crown lands associated with the former mine tailings from an environmental perspective.
- Removal of abandoned vessels within the Province – NSLI are assessing a number of boats, identified by a provincial committee for abandoned boats, to secure funding under the newly formed Transport Canada Abandoned Boats Program.
- Facility demolition – NSLI offers oversight services, both internally and to external departments, for project management and construction oversight on various demolition projects across the Province.

- Former industrial site remediation – NSLI provides remedial expertise to both internal groups and external departments specific to brownfield site remediation. In 2018, one of these sites, the former RDM site in Harrietsfield, was assessed for environmental impact and remedial design by NSLI and their consultants, who have developed a remedial action plan for the site.
- Dam Risk Assessments – NSLI has been facilitating a multi-departmental effort to conduct risk assessments on provincially owned dams. A report was compiled this year making recommendations on dam operations, maintenance and governance.

Goal: Provincial Commercial Parks Management / Land Management on Brownfield Sites

A: Harbourside Commercial Park

Harbourside Commercial Park Inc. (HCPI) was established in August 2006 to manage commercial development of remediated areas of the former Sydney Steel (SYSCO) plant site. All assets of Sydney Utilities Ltd. have been transferred to HCPI. HCPI is responsible for the control of the two water utilities (Sydney River and Grand Lake Water Systems) that have been part of the SYSCO infrastructure and a substantial water supply for the regional municipality and industrial activities at the former SYSCO site. Staff continue to market and sell properties in the park.

B: Port Mersey Commercial Park

In 2012, the Province acquired the former Bowater site with the intention to own, manage and maintain services, sales and leases. NS Lands staff currently promote, negotiate, lease and sell property and building space on site.

C. Trenton Commercial Park

In 2018-19, NSLI acquired the former DSME site in Trenton, now named Trenton Commercial Park. Since acquisition, NSLI has been focused on making TCP investment ready for the private sector, with a view to once again making the site a lasting contributor to economic growth to the local area and the Province.

C: Pictou Wharf

Pictou Wharf was built by the Province in 1988 to assist local Pictou County marine industries and is owned by Nova Scotia Lands Inc. This is a common user wharf facility consisting of approximately 300 feet of berthing face and a dredged depth of +/- 28 feet. Since 2001, the wharf and 6.5 acre backup land facility are currently under a lease arrangement.

Goal: Asset Inventory Management

The Nova Scotia government has a large holding of property throughout the province. This inventory of property is currently captured on a provincial database housed by GeoNova under Property Online. Efforts are underway to create a “value added table” of editable information including – ownership, property status, current / future use, and any additional relevant comments about the property. The intention is to create a real time inventory of available and surplus property that could assist senior government staff and Cabinet with decision making.

Goal: Boat Harbour Remediation

The *Boat Harbour Act* received Royal Assent in May, 2015, and set January 31, 2020 as the date for stopping effluent from the Northern Pulp Mill from going into the Boat Harbour Effluent Treatment Facility. The Boat Harbour Effluent Treatment Facility is situated in Pictou County and has received effluent from industry since 1967, which has cumulatively contaminated the sediments in the facility, as well as in some of the wetlands adjacent to the facility. The intent is to return Boat Harbour to a tidal estuary.

Considerable progress has been made to date, and the momentum to continue remediation planning through broad engagement with public sector stakeholders and regulators, consulting engineers, academic advisors, as well, community engagement with the Pictou Landing First Nation is critical.

This year marks the completion of the pilot scale work. This effort will inform the clean up stage moving forward.

The project is subject to the Canadian Environmental Assessment Agency review. This process is currently underway.

Goal: Infrastructure Development – Health

NS Lands has created a Health Infrastructure Division to be responsible for the largest infrastructure build in Nova Scotia history. This team will oversee the construction of both the QEII Redevelopment Project and the Cape Breton Redevelopment Project. This division continues to recruit senior staff.