



business
plan and
strategic
framework



*shaping places.
charting our future.*

proudly evolving from **Waterfront** Development





board chair/ ceo message

*It is an exciting time to be in
Nova Scotia at the water's edge.*

It is where our ocean economy is building. It is where world-class researchers and industry innovate and collaborate to connect with new markets. It is where visitors come to experience and celebrate our maritime culture. It is where our residents, current and future, find inspiration. There is a new momentum in Nova Scotia and at the centre of this energy is "place".

Our place by the sea is our greatest natural advantage. It gives the world a reason to know us, to do business with us and to visit us. It shapes our culture and industry on and off the water's edge, and it always has. The extent to which we are able to harness this natural competitive advantage, and develop it sustainably, will determine our future prosperity.

2018 is filled with promise. Tourism will build on unprecedented visitation in 2017, and our waterfronts continue to be key trip motivators and our most visited destinations. The COVE project will open for business, with a diverse collection of ocean technology companies, and start ups. The Queen's Marque precinct is a transformative central Halifax waterfront project, and plans for substantial public open space in this precinct will develop this year. A Master Plan for Lunenburg's working waterfront takes shape through industry and public consultation, as the Halifax Harbour master plan is updated to consider new opportunities for development in Dartmouth Cove,

on Harbour Islands and in a new cultural hub on the Halifax Waterfront. We will begin the work to consult with the Peggy's Cove community to inform a new master plan to improve the visitor experience, enhance provincial assets and provide and improve opportunities for business.

Central to successful, inclusive places are connectivity and accessibility and advancing each of these objectives will impact our province in transformative ways. High quality, reliable, high speed Internet is critical economic infrastructure. We will implement the strategy under the oversight of the Nova Scotia Internet Funding Trust to deliver high speed Internet to 95% of Nova Scotians with a focus on minimizing public investment and maximizing the quality and reliability of the user experience. This project will be based on partnerships, with private sector internet service providers, utilities, municipalities and users working together to connect Nova Scotia.

Nova Scotia is being recognized around the world as an incredible place to visit, as a centre for oceans innovation and as a great place to live.

In 2018, as our mandate expands to include responsibility for strategic economic land and infrastructure across Nova Scotia, we will work with community and industry to develop a 5 year strategic plan that responds to and informs this challenge. And we will continue to advance transformative projects that are important for Nova Scotians.

Regards,

Dale Godsoe & Jennifer Angel

Chair of the Board President & CEO

becoming develop nova scotia

Waterfront Development's purpose was to redevelop and revitalize the lands surrounding Halifax Harbour, Lunenburg Harbour, and any other lands designated by its shareholder, the Province of Nova Scotia.

Waterfront Development harnessed the potential of our waterfronts by developing ideas, infrastructure, and experiences that stimulate business investment and community pride.

This work contributed to the transformation of waterfronts from brownfield sites to some of our most visited destinations, created platforms for business, spaces for innovation and the centres of our community, and driving significant economic impact for Nova Scotia.

Now, Develop Nova Scotia's mandate will expand to include the development of high-potential property and infrastructure to drive inclusive economic growth across Nova Scotia.

We will be re-branding to Develop Nova Scotia and a 5-year strategic plan that responds to this new mandate will be developed over the coming year with Nova Scotians.

PLACEMAKING

At the centre of our strategic planning is the concept of place as a catalyst for economic development.

At its most basic, a place is a space or location that has meaning for people¹. The stronger the meaning, the better the place. And our work is Placemaking - the planning and development and management of land and infrastructure by and for people; "...creating and enhancing a community's assets to improve its overall attractiveness and livability".¹ Place has an essential role in economic development.

In the knowledge economy, quality of life is a critical determinant of the decision to locate and invest in a community. Great places signal quality of life. And quality of life drives the decision to put down roots. Industry and investment follow talent¹. Attractive urban environmental and cultural experiences are an important aspect of 'placemaking' in the innovation and entrepreneurship ecosystems. In this context, the beauty, dynamism and accessibility of place is a significant contributor to the creation of a highly livable environment.

A focus on the creation of great places will contribute to developing a compelling and differentiating value proposition for Nova Scotia on a world stage, which is important not only to attract population growth, but also to drive strategic sector growth. Great places attract visitors who are looking for authentic, cultural experiences.² Great places are central to successful innovation districts.³

¹Place Matters: The Role of Placemaking in Economic Development. International Economic Development Council

²Tourism Nova Scotia Strategy – Target Markets

³Brookings Institute

Over time, Develop Nova Scotia's expertise in placemaking has developed as part of the marine enterprises ecosystem. We now serve important roles as:



one

An aggregator of a broad range of economic activities, including major event planning and hosting, commercial development, retail and tourism, marine tourism and superyacht visitation.

two

A catalyst for innovation and commercialization, through the creation of the physical assets and platform required for successful innovation clusters and districts.

three

A facilitator of a wide range of economic development partnerships, including resources and specialty in planning and consultation, land development and construction, marine asset management and program management.

Although not on the balance sheet, these activities and this leadership serve to create a broad range of positive economic results and impacts within the context of making places.

If we get them right, which we believe is a function of shaping our communities and our province by and for Nova Scotians, through partnerships with the private and public sectors, and engagement of our diverse community, these places we create will celebrate our uniqueness and our authentic culture and they will inspire and attract people and investment.

new mandate and mission

We are becoming the province's crown corporation with responsibility for the development of strategic economic infrastructure to support inclusive economic growth in Nova Scotia. This includes real property, improvements to land, and physical assets with demonstrable, direct and indirect benefits to support strategic sector and population growth.

A key new project in 2018-19 will be to lead the implementation strategy for rural Internet in Nova Scotia on behalf of the Internet funding trust.

This year we will identify additional strategic infrastructure opportunities that have the potential to generate greater economic returns and increase contributions to sustainable and inclusive growth across Nova Scotia.



vision

Nova Scotia is among the world's great places.

mission

We will create sustainable places in Nova Scotia that attract and inspire people and investment.



strategic framework

OUR BUSINESS PLAN IS GUIDED BY 4 STRATEGIC PILLARS:

1. build on ocean advantage (unique assets)

Develop highest potential property and infrastructure to attract people and investment to Nova Scotia

STRATEGIC GOALS

Identify High Potential Property: Identify properties owned by province and others with high potential to support development of strategic sectors and population growth.

Increase Economic Activity and Impact: Increase economic activity and GDP growth in Nova Scotia through sustainable development of high potential land and infrastructure.

Drive Innovation Agenda: Identify and support the province's innovation agenda through planning, development and/or program support of high potential properties and infrastructure across Nova Scotia.

Attract Visitors: Create destinations through placemaking that contribute to increasing tourism value to \$4B by 2020.

Connect Nova Scotia: Identify and develop unique assets to connect rural Nova Scotia.



2. plan for people (placemaking)

*Plan and create **authentic**, sustainable places by and for Nova Scotians*

STRATEGIC GOALS

Increase Province Wide Reach: Engage with communities across Nova Scotia in placemaking activities/planning.

Design and Implement Authentic Engagement: Develop and implement innovative engagement programs that successfully reach our diverse community to reflect our whole community.

Increase Social Inclusion and Accessibility: Increase accessibility and ensure places we create are inclusive and welcoming for all people.

Champion Sustainability: Plan for and create sustainable places that balance economic, social and environmental sustainability.

Strategic Activation: Activate places with diverse, high quality programming that attracts people.



3. preserve & enhance public access & the public interest

Steward provincial properties and resources to the highest standard and efficiency to maximize value and build trust

STRATEGIC GOALS

Establish Financial Stability: Multi-year program budgets, enhancing flexibility, driving efficiency, and maintaining accountability.

Leverage Properties to Generate Revenue: Review existing business/programs and explore new business opportunities to drive revenue.

Demonstrate Fiscal Responsibility: Continuously seek opportunities to improve operational efficiency and reduce costs.

Transparency: Update and optimize Internal Controls and systems and actively seek out ways to maximize transparency.

Achieve Operational Excellence: Strive for excellence in all areas of operation, exhibiting leadership in sustainable property management and providing a clean, green and safe experience on all properties.



4. foster a culture of innovation and action (capability/capacity/brand)

Build and develop and enable communities of creative, courageous problem solvers who draw inspiration from around the province and the world to deliver excellence

STRATEGIC GOALS

Drive Innovation: 10 land/infrastructure related innovation action initiatives by 2020.

Build Brand: Build brand of crown corporation and marketing/communication plan to increase confidence in the value of the organization.

Establish Place: Establish leadership role in placemaking and increase understanding of its impact on inclusive economic development: strategic sector and population growth.

Provincial Alignment: Align with private and public sector partners, provincial departments, and crown corporations working in economic development provincially and regionally to champion role of placemaking in economic development.

core functions

Develop Nova Scotia has a continued responsibility for the planning, development and management of a significant portfolio of waterfront real estate, including buildings and wharves and boardwalks.

Develop Nova Scotia will continue to develop waterfront properties with high potential to contribute to economic growth in key sectors, build on our ocean advantage, and help to create a distinctive global brand for our province that is attracting talent to our shores.

As the province of Nova Scotia's crown corporation responsible for sustainable development of strategic economic land and infrastructure in Nova Scotia, we have a small, highly skilled team of professionals with expertise in the following areas:

Public & Stakeholder Engagement:

We engage with public and private organizations, as well as the public at large, to understand broad community priorities, ensure our projects are inclusive, and ultimately design projects, and properties and programs that are uniquely Nova Scotian, reflecting our shared heritage and aspirations.

Land & Infrastructure Planning:

We plan projects that reflect our heritage and culture, maintain public access to the water's edge, prioritize maximum economic value, as well as social inclusion and environmental sustainability, in determining land use, and creating conditions for business success.

Infrastructure Development & Management:

Our multi-year development projects attract private and public investment and enhance strategic properties and infrastructure to build key destinations and centres of innovation.

Property & Project Management:

Our portfolio includes some of Nova Scotia's highest profile and most visited properties. We have expertise in commercial and industrial property maintenance and management, including specialized expertise in the management of marine infrastructure, and complex private sector project partnerships.

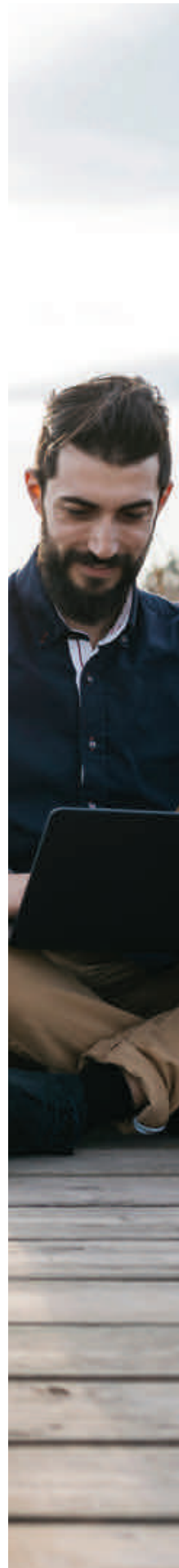
Business & Program Development:

Our assets are leveraged as a platform for private and public sector investment and participation, and developed as a platform for businesses, events, and social enterprise to seed, grow and prosper. This activity itself contributes to the quality of place for people. Revenue generated from operations is reinvested in the property for public benefit.

priority activity

Accessibility and connectedness are critical attributes of great places. An important new project for Develop Nova Scotia within the new mandate will begin in 2018- 19 by supporting the province's commitment to deliver high quality, reliable high speed Internet to rural Nova Scotia.

The Province has created an Internet Funding Trust to support projects that will help bring better internet services to under-served communities and businesses across Nova Scotia. Develop Nova Scotia will be responsible for leading the implementation strategy for this important project.



key projects 2018-19

Our development model is through private sector partnerships that will drive economic growth and prosperity. Develop Nova Scotia will continue to develop opportunities that foster innovation and entrepreneurship and create the places where businesses grow and thrive.

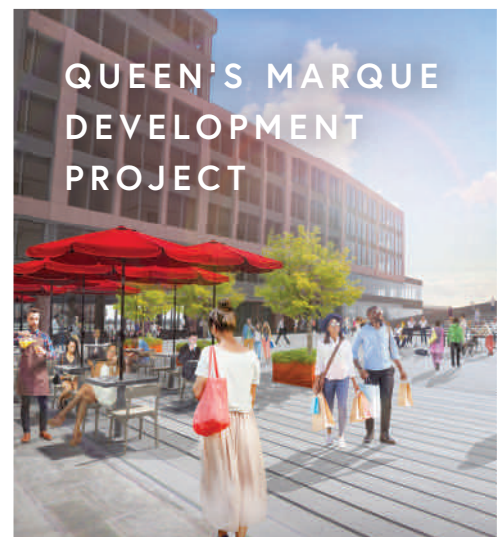
multi-year projects

Develop Nova Scotia will continue to work on the following development projects in fiscal 2018-19:



The Centre for Ocean Ventures and Entrepreneurship (COVE), a place of ocean technology commercialization and an anchor of an emerging Halifax Innovation District, will open this year. Develop Nova Scotia will manage the property and contribute to its ongoing development to support a vibrant cluster of ocean business. Operationalizing COVE will be a focus, as we welcome new companies to our waterfront.

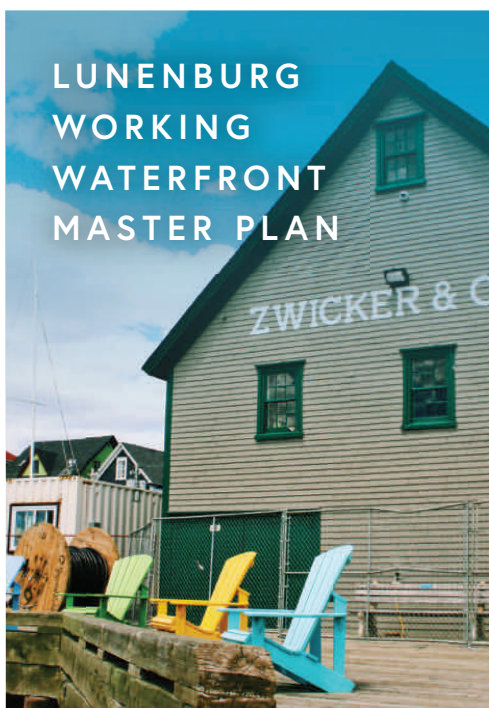
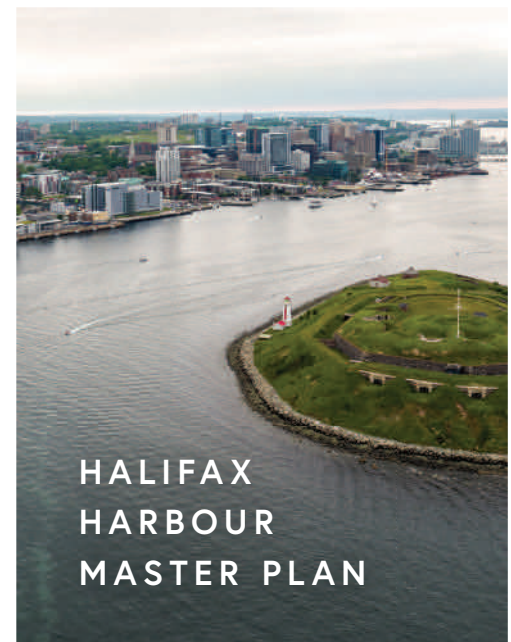
The \$200M Queen's Marquee development project by Armour Group Limited continues to advance at pace for a 2019-20 opening. It is a compelling new destination on the waterfront, with more than 75,000 square feet of new public space and three new wharves supporting vibrant marine activity, retail business, as well as places to live, work and stay.





The Cunard project, \$100M private investment in the south waterfront by Southwest Properties is expected to advance this year. Building on substantial public consultation already completed, public space planning is underway, and will include robust public consultation to advance plans this year.

The Halifax Master Plan will be updated through consultation to reflect recent advancements and set direction for emerging opportunities and challenges. The scope of the Plan will include Halifax Harbour: Halifax and Dartmouth Waterfronts, as well as the Harbour Islands and will consider, among other lenses, full accessibility and social inclusion, the emerging Innovation District, Boardwalk North and the interface with the Cogswell Project, the new Cultural Hub, the small business cluster at New Place, as well as the Queen's Marque and Cunard Development Projects and significant new and public open space. The Plan is connected to the Strategic Plan also being undertaken in this fiscal year.



We will advance the Lunenburg Master Plan this spring through public consultation which will guide future growth and investment. Key projects include the Zwicker recapitalization which will support the Lunenburg waterfront marina facilities and provide space for businesses to operate, a revitalized shipyard cluster of marine companies which will be developed through consultation with tenants and industry, as well as a renovated Big Boat Shed, to facilitate heritage boatbuilding and visitor access in harmony with an active, adjacent marine industrial site. Together these projects involve both public and private sector partners and each has the potential to add significantly to the visitor experience in Lunenburg while preserving and invigorating the working waterfront for year-round economic activity.

other initiatives

Develop Nova Scotia will facilitate, support, and/or lead the following activities in 2018-19:



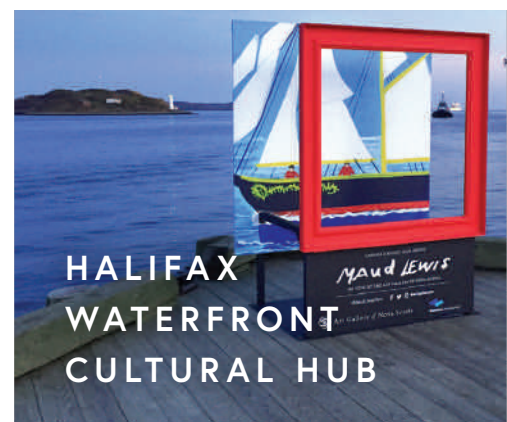
We will work with waterfront businesses, partners and events to elevate the quality of experiences, expand the diversity of options, and extend the Boardwalk program season. Updated tenant and partner marketing, enhanced Boardwalk events program, advancing heritage and interpretive programming, and new amenities and public space improvements, will contribute to an increasing diversity and quality of the waterfront experience, with something for everyone while remaining true to the authentic working waterfront.

Working with the Accessibility Directorate of the Province and community stakeholders, we will advance planning and projects to make the Halifax Waterfront accessible and socially inclusive for our whole community.



With strong growth in visitation and interest by the valuable niche visiting boat market, we will develop this market this year. In terms of product development, we will expand our Halifax marina operation to include new infrastructure at Alderney Landing through a partnership with HRM, providing increased capacity for free daily visits as well as visiting boats. We will expand marina services in Lunenburg, as well as improve the visitor experience through collaborative program development. And around the province, together with partners including Tourism NS, boat builders, marine trades and private sector marina and tourism operators, we will enhance and refine program and marketing efforts to welcome new visitors by sea to Nova Scotia.

Together with the Art Gallery of Nova Scotia and the Nova Scotia College of Art and Design, we are working on a concept for a Cultural Hub on the Halifax Waterfront. Program development and project due diligence are underway with the province to inform a recommendation to advance this project.





measurement & evaluation

For continuing activity, Develop Nova Scotia will retain its existing performance measures for 2018-19. These are:

COMMERCIAL REVENUE

An important part of revitalization of waterfront lands is their use by the private sector, generating economic activity and supporting entrepreneurialism, as well as adding activity and vibrancy to the public space. Revenue is an indicator of this use. It also reflects the level of activity by the public generally, through parking uptake and through commercial rents from tenants which in part reflect percentage of gross sales. (Revenue is measured in \$'000s.)

VISITOR SATISFACTION

A significant number of visitors come to the Halifax, Bedford, Dartmouth and Lunenburg waterfronts annually. Measurement of activity and quality of experience are critical feedback components of Develop Nova Scotia's effort to continuously improve the waterfronts under our management.

We implemented the following measures in 2017-18: Pedestrian counts and a satisfaction survey.

MANDATE TRANSITION

Over the coming year, we will develop key performance indicators that align with the Inclusive Economic Development Goals the new mandate.

As part of the strategic planning and mandate revision process, Develop Nova Scotia will develop an appropriate measurement and evaluation framework that will include direct and indirect impacts of strategic projects and priorities in such areas as: sector growth, cluster development, entrepreneurial growth, and private sector leverage, among others to be determined in collaboration with stakeholders and the Province.



financial

Develop Nova Scotia recognizes two major considerations to financial operations in 2018-19:

ongoing operations

To meet ongoing commitments related to multi-year projects and new initiatives under development within the original mandate.

transition capacity requirements

To facilitate the transition to the expanded organization, Develop Nova Scotia requires the following:

one

Incremental increase in operating expenses of \$2,500,000; and

two

One-time investment of up to \$750,000 in transition costs including stakeholder and community engagement and consultation.

Further, additional financial considerations may emerge as the policy direction and new mandate are finalized with the Province. These items will be addressed as required and are outside of the scope of the 2018-19 Business Plan.

budget

financial summary/ budget context

develop nova scotia budget 2018-19

	2017-18 estimate \$	2017-18 actual \$	2018-19 estimate \$
revenue			
rents and wharfage	1,785,000	2,000,000	3,072,000
parking	1,700,000	1,540,000	1,487,000
other income	1,242,000	771,000	154,000
tall ships	2,250,000	2,758,000	-
grant income	1,490,000	1,425,000	3,933,000
total revenue	8,467,000	8,494,000	8,646,000
operating and administrative expenses			
program expenses	920,000	907,000	2,279,000
maintenance / repairs and other	1,125,000	1,250,000	1,206,000
administrative expenses	2,052,000	2,110,000	5,161,000
tall ships	2,250,000	2,610,000	-
total expenses	6,347,000	6,877,000	8,646,000
surplus (deficit) before capital	2,120,000	1,617,000	-
capital grants (dob)	19,226,000	14,274,000	2,190,000
capital grants (lae/nsc)	3,586,000	6,546,000	1,868,000
total capital grants	22,812,000	20,820,000	4,058,000
amortization	845,500	854,000	1,700,000
gain on disposal of fixed assets	(370,000)	820,000	-
surplus (deficit) after other items	23,716,500	22,403,000	2,358,000

notes: 2017-18 budget compared to 2017-18 actuals:

Rents and wharfage increase is from a strong summer for tenants, resulting in increased rents. Parking revenue is lower due to the closure of lots for a busy event season, including Tall Ships event, as well as the Queen's Marque development.

Other income is under budget due to less activity than expected at the Bedford site, resulting in a lower recognition of deferred revenues for the Bedford development.

Tall Ships revenues were higher than budget due to additional recoveries from Rendez-Vous Quebec to support increased expenses in programming and operations.

Maintenance expenses are over budget due to additional Halifax boardwalk repairs and electricity costs for COVE vessels which were fully recovered.

Capital grants reflect additional spending at the Queen's Marque development for soil remediation and decreased spending at the COVE development. Unspent capital budget at COVE will be carried forward to 2018-19 to complete the project.

There was a net gain on land transactions associated with the Queen's Marque development.

