



Crown Corporation

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

FOR THE FISCAL YEAR 2013–2014

Waterfront Development Corporation Limited

Business Plan 2013–2014

Table of Contents

Message from the Minister . . . . .	..
Message from the Chair and the President . . . . .	..
Mission . . . . .	..
Vision . . . . .	..
Mandate . . . . .	..
Planning Context . . . . .	..
Strategic Goals . . . . .	..
Core Business Areas and Priorities . . . . .	..
Human Resource Strategy . . . . .	..
Marketing Strategy . . . . .	..
Budget Context . . . . .	..
Outcomes and Performance Measures . . . . .	..

Message from the Minister

Building on the strengths of *jobsHere*, Waterfront Development is harnessing the strategic advantage of our harbours. This will strengthen our global connections and attract investment and people to our shores.

In order to maximize the potential of the waterfront, we have asked Waterfront Development to develop and implement a comprehensive vision and development plan for the waterfront lands around the Halifax Harbour. We need to know what opportunities exist, and how to take advantage of them, so we can harness the full strength of this important economic driver for Nova Scotia.

The *jobsHere* strategy sets clear direction for this work. Building upon the opportunities created in shipbuilding, Waterfront Development is implementing public and private sector innovations to achieve environmental and economic goals. New urban developments and growing recreational marine business are increasing business activity on our waterfronts.

In addition to this focused economic strategy work, Waterfront Development is taking the time and effort to incorporate great public-realm improvements into all of its projects. These world-class public spaces – wharves, boardwalks, trails, art, playgrounds, and signature events – not only add value to Nova Scotia waterfront businesses, they create the type of communities in HRM and Lunenburg that are attractive for citizens and visitors alike.

Halifax Harbour is a national asset, the heart of our capital city, and an economic driver for the province. Lunenburg is a UNESCO World Heritage site. Nova Scotians must ensure that we continue to leverage their full potential.

The Honourable Percy Paris
Minister of Economic and Rural Development and Tourism

Message from the Chair and the President

The *jobsHere* strategy enables WDC to set a clear direction within its property development work. We have identified and accelerated opportunities for development and continue to re-invest money in the public spaces and activities of the waterfront.

These construction projects will create jobs, and they will generate long-term business activity in line with the sectors identified by *jobsHere*.

One sector in particular is set to produce excellent results for Nova Scotia and ocean sector. We are identifying and acting on land opportunities that will enable the province to increase business activity in the oil and gas, shipbuilding, ocean technology, and marine renewable energy sectors. Our waterfront, coupled with our cluster of ocean scientists and technicians, creates the potential to build a strong and vibrant future for Nova Scotia.

The waterfront lands not only harness this economic potential, they also enable us to showcase the best of Nova Scotia to the world. Nothing could have demonstrated this more aptly than Tall Ships Nova Scotia 2012, when with the help of wonderful partners, we welcomed the world to our shores and for which we were awarded North American *Port of the Year* by Tall Ships America.

We believe a vibrant waterfront will make Nova Scotia known as one of the world's greatest places to live and do business, and we are pleased to be able to contribute to this vision.

Colin MacLean
President and CEO

John Holm
Chair

Mission

Waterfront Development Corporation Limited harnesses the waterfront's potential by developing ideas, infrastructure, and experiences that stimulate business investment and community pride.

Vision

Through our collaborative approach, we will create a new collection of animated and well-connected waterfront destinations that capture people's imagination and distinguish us among the world's greatest waterfronts.

Mandate

Waterfront Development Corporation Limited exists for the purpose of redeveloping and revitalizing the lands surrounding Halifax Harbour and any other lands designated by its shareholder, the Province of Nova Scotia.

Guiding Values

Waterfront Development Corporation Limited is a provincial Crown corporation, carrying out a public mandate in a private sector environment. In fulfilling our public obligations we will exhibit the following values in addition to the compassion, courage, and initiative that characterizes past successes.

Commitment: Work hard to forge and sustain partnerships that generate positive economic and societal returns.

Accountability: Uphold the public's trust by ensuring access to the water's edge, fiscal accountability and involvement in the dialogue about waterfront development, and transparency with our plans.

Flexibility: Take the extra step to understand and champion business partners who share our values and vision for the waterfront.

Excellence: Be a strong and knowledgeable voice on economic development, planning and design, partnership models, and waterfront development.

Foresight: Generate for Nova Scotians a positive financial return to reinvest in a continuous upward spiral of waterfront opportunities.

Sustainability: Create the capacity for future waterfront uses and enjoyment by harmonizing our economic goals with environmental sustainability.

Planning Context

As the last several years have made clear, Nova Scotia's economic performance is deeply influenced by events and the economic health of the world outside its borders. The economic recovery from the "Great Recession" continues to be slower worldwide than many forecasters anticipated as 2012 marked another year that they



reduced forecast growth. Europe has slipped into another recession, and a number of developing economies have growth calming. Uncertainty driven by concerns over sovereign debt in Europe, a slow American recovery with periods of political gridlock, and slower growth in emerging markets serve to act as drag on confidence affecting private sector investment. Although well below pre-recession levels in many measures, the American economy is starting to show some signs of a strengthening recovery. Nova Scotia's immediate outlook is expected to be slower than long-run trends, but in the medium term a number of projects (e.g., naval ships contracts, Nova Centre) will enhance Nova Scotia's growth projections in the future.

Economic growth in Nova Scotia is strongly linked to investment and trade performance. Combine this with the ongoing restructuring of the Nova Scotia economy, and *jobsHere* continues to be very relevant. Learning the right skills for good jobs, growing the economy through innovation, and helping business be more competitive globally, with the common emphasis on improving productivity, are a continuing focus for economic development efforts in Nova Scotia.

At Waterfront Development, we are taking advantage of a strong residential market outlook to accelerate two major developments: Cunard Block in Halifax and WDC-1 in Dartmouth. And we have initiated a strategy to focus on land

development opportunities that will support our growing marine and ocean sector, one that accounts for a significant contribution to Nova Scotia's economy.

Strategic Goals

The longer-term direction of Waterfront Development is captured in three strategic goals.

Place: Designing and Developing a Great Waterfront

We will tap into ideas from around the world to create and champion a waterfront that highlights the competitive advantages and beauty of Nova Scotia.

We will

- establish processes for local and international exchange of ideas on waterfront development
- champion high standards of design for the built environment along the waterfront
- articulate Waterfront Development principles to guide our work and interaction with partners
- integrate sustainable practices in the development of the waterfront

Partner: Business Development and Engagement

We will accentuate the attributes of our waterfront to create business opportunities for investment on and beyond the water's edge.

We will

- engage in high-performing partnerships with the private and public sectors
- identify and implement lines of business that make innovative use of waterfront locations
- make it easy for people to do business with us
- enhance the infrastructure that supports waterfront businesses

People: Animating the Waterfront with New Experiences

We will create an environment for experiences that are attractive and allow people to access and explore waterfront destinations.

We will

- create clean, healthy, and safe places for people on the waterfront
- host waterfront events and festivals for a wide variety of audiences
- provide open spaces for people to gather and enjoy the waterfront
- create connections to move in and among waterfront destinations

Core Business Areas and Priorities

The Department of Economic and Rural Development and Tourism is working with us to establish a common business plan. It will help us to align our work with the department and other Crown corporations and allow us to leverage their strengths to achieve larger goals than we might achieve alone.

1. Waterfront Planning

The corporation engages with public and private sector organizations, as well as with the public at large, in planning projects that contribute to the development of world-class waterfronts.

- **Cunard Block Design Development:** We will be moving forward with the final planning and construction of this \$75 million commercial development with a new private sector partner.
- **WDC-1 Conceptual Design:** Utilizing the feedback received during 2011 public consultations, we will be completing the design and tendering the development opportunity this year within the objective of initiating construction in 2014.
- **Dartmouth Cove Comprehensive Plan:** Working with private landowners and residents in the area, Waterfront Development and HRM will complete a



plan that will guide the redevelopment of the area into a mixed-use neighbourhood that incorporates the historical and active industrial activities of the past.

- **Public Art:** In partnership with the Art Gallery of Nova Scotia, Waterfront Development will continue an enhanced multi-year public art program to add interest and vibrancy to the public outdoor spaces managed by the corporation.
- **Mill Cove and Birch Cove Comprehensive Planning Projects:** Waterfront Development will be working in partnership with community members and HRM to finalize a plan for development of the Bedford waterfront.
- **Provincial Harbour Lands Strategy:** Building on previously completed work, Waterfront Development is engaged in a process to implement a strategy to focus on land development opportunities that will support a growing marine and ocean sector.

2. Infrastructure Development

Waterfront Development's multi-year development projects attract investment and maintain the centerpieces of our waterfront.

- **Sands @ Salter:** Further development of public amenities and infrastructure to facilitate events and public use and enjoyment of the waterfront.
- **Queen's Landing Market:** Development and recapitalization of wharves,

boardwalks, and plazas to add business activity to the Halifax waterfront.

- **Foundation Boardwalk:** A recapitalization of this portion of the Halifax Boardwalk to improve the visitor experience and maintain the life of the marine infrastructure.
- **Dartmouth Harbourwalk:** Completion of additional green spaces and public amenities along the Dartmouth Harbourwalk.
- **Marine Infrastructure:** Continuation of a multi-year capital upgrade plan for public marine infrastructure.
- **Cable Wharf Pile Repairs:** Reinforcement and repairs to the timber pile structure in support of the redevelopment of the structure.
- **Harbourwalk Wayfinding and Interpretive Signage:** Upgrades to the signage programs to improve the visitor experience on the waterfronts of Dartmouth, Bedford, Lunenburg, and Halifax.

3. Property Management

Waterfront Development owns and manages a waterfront real estate portfolio with properties in Dartmouth, Bedford, Lunenburg, and Halifax. These properties are consistently among the most visited places in Nova Scotia and are a touchstone for the Nova Scotia experience for residents and visitors alike.

WDCL's mandate is to leverage these properties to create value. We layer physical development with high-quality operations, services, and programming to make the natural wonder of the waterfronts under our care accessible and enticing, thus creating waterfront places that are both broadly appealing and uniquely personal. The waterfront means different things to different people. But it is important to all people. We want to ensure that whatever it means, it is meaningful – that people believe in their waterfront.

As the most visited destination in Nova Scotia, our property team work hard to ensure our waterfronts are *Clean, Green, and Safe*.

Clean

Our property maintenance program continues to improve as our staff focus on identifying and implementing efficiencies in their work, and broadly articulating high standards of cleanliness for ourselves, our waterfront partners, and the public. Our shared maintenance agreement with HRM ensures that resources are efficiently deployed and that this high standard of cleanliness is enjoyed across our waterfronts.

Green

Our purchasing activities comply with the provincial sustainable procurement policy, meaning we consider footprint and lifecycle costing in our evaluation of best value.

We continue to leverage our properties to provide incentives for green choices. We

support CarShare HFX with free waterfront parking for all CarShare vehicles. We support a number of community walks and runs and work to ensure the boardwalks under our management are safe and suitable for active, healthy lives. We continue to expand options for travelling to and along the waterfront; as well, we encourage activity on the water, with a new guided kayak tour operator this year. We continue to research emerging green technology and aim to pilot such technology on our waterfronts to learn how we can incorporate it into our operation.

Our successful public spaces recycling program is continuing to expand, with plans to roll out 4-stream recycling depots with solar-powered trash compactors to Bedford, Dartmouth, and Lunenburg, reducing waste volume and trips to collect it, and educating the public on appropriate disposition and separation of waste.

Our achievement of the Blue Flag designation for our marina facilities this year recognizes our compliance with a set of rigorous environmental standards in marina operations. We are the first in Atlantic Canada to be awarded this designation. We are also exploring the implementation of pump-out facilities in Halifax; this would support new regulations that aim to keep our water clean by making it easy for our tenant vessels and visiting recreational boats to be in compliance.



Safe

Continued enhancements to lighting, landscaping to eliminate dark spaces, and a comprehensive security camera program, combined with a strong partnership with our security provider, has resulted in a rigorous, 24/7 security program to ensure that day and night our waterfronts are safe and enjoyable places to be.

We have also made substantial progress on the marine security front through development of a strong relationship with Transport Canada and articulation of our common goals.

Risk Management

An Infrastructure Management plan was completed this year, which provides an important tool for effectively managing assets and mitigating risk. Ongoing enhancements to the Internal Control policy and Occupational Health and Safety program have made our operation safer and continue to build stakeholder confidence.

Lunenburg

Lunenburg waterfront has undergone a number of positive changes in the past five years. In collaboration with the community, we have plans to build on this success, including these goals for the upcoming year:

- Adoption of the new business plan, which involved substantial community consultation.

- Substantial investment in marine infrastructure, including new services, new floating docks at Zwicker, and recapitalization of Wharf L
- Our partnership with the Lunenburg Board of Trade has resulted in the Lunenburg WiFi project moving forward, including self-guided tours of the Lunenburg waterfront rich with the stories of the Old Town, a UNESCO World Heritage site.
- A tender for the sale/lease and recapitalization of the Zwicker building is expected to attract substantial interest and exciting new waterfront development.
- Work continues to establish a long-term lease of the Shipyard site, with a local boat builder, to continue to leverage the success of the Bluenose II project.
- A business plan for the recapitalization of the Yamaha property is underway, which will be used to attract further investment on the waterfront.
- Connection of the Lunenburg marine services with Halifax will provide efficiencies in operation and better promotion of the connection of these two signature Nova Scotia waterfronts by sea.

4. Business Development

Our waterfronts are among the most visited destinations in the province – must-see attractions for visitors and a source of pride for Nova Scotians. They are an important

platform for business. We work to ensure that this value can be leveraged by Nova Scotia businesses, large and small, to bring their products and services to the world. Their success is how we gauge ours. We work hard to ensure that we build strong relationships as a foundation for economic development and business success.

Commercial Tenancies

Complemented by a new promenade from Lower Water Street with enhanced landscaping and new seating in sunny spots along the lagoon, a new and expanded mix of businesses in the kiosks at Queen's Landing this year will create a destination for high-quality local products. Visitors will be able to dine al fresco at the water's edge, walk along the boardwalk with a fun, local treat, engage with local artists and craftspeople, and learn about our storied history. The Queen's Landing Market promises to become a vibrant local destination. Exciting new businesses at Sands at Salter will promote active recreation – on land and on the water – with bike rentals, kayak tours, Segways, and beach volleyball mixing with food trucks and amazing views.

The Waterfront Warehouse is undergoing a major transformation with a full interior facelift and exterior improvements, including an enhanced patio space with water views, new and improved entrance and open space from Lower Water Street, and improved landscaping throughout the site. Murphy's The Cable Wharf (Tourism

Industry Association of Nova Scotia Business of the Year 2012) is working on plans for an enhanced patio seating area at the end of Cable Wharf.

Children's Precinct

Our new submarine playground is an unqualified hit. The "children's precinct" by the Maritime Museum of the Atlantic will be polished with new seating and cover, lighting, and more ways to play for little people. This, alongside the completion of the Sackville Landing recapitalization and improvements to the Visitor Information Centre, promises another great waterfront destination for young and old.

Marine Services / Berthing

Our marine infrastructure continues to grow, with new floating docks planned for deployment this year at key locations, extending important public access to our waterfronts by land and by sea. We will work on a comprehensive marketing plan for marine services that engage other marina stakeholders around the province. A new promotion program will highlight our free daily berthing program and, well beyond our borders, our world-class marina program for visiting overnight or longer-term sailors.

We welcome all ships – small and tall – and look forward to leveraging our beautiful sailing grounds for incredible Nova Scotia boating experiences (and maximum economic impact).



Event Plan

Signature Events: It was literally a sea of incredible events on the waterfronts this year: Tall Ships 2012, TD Halifax JazzFest (*The Coast Award* (silver) winner for Best Festival, Halifax International Buskerfest (*The Coast Award* (gold) winner for Best Festival, The Word on the Street literary festival, FIVB World Junior Volleyball for an unprecedented second time in one city, an incredible Nocturne, Bedford Days, Celtic Mass by the Sea, multiple regattas, a free concert series, wonderful walks and runs benefitting a variety of organizations, a rubber duck derby in support of Alzheimer's, a tugboat tug of war by Awesome Halifax, and the list goes on.

How could we possibly top this lineup in 2013? With the best event organizers around, we are proud that high-quality event partners want to continue to raise the bar every year for the waterfront and for Nova Scotia. A new downtown holiday market is in the planning stages with passionate partners. We are starting the season with a bang (or song) with the 25th anniversary of the East Coast Music Awards main stage at The Waterfront Warehouse.

Sponsorship

We are exploring opportunities to leverage our properties to create new revenue streams through corporate sponsorship. Both our physical properties, which comprise the most visited destinations in the province, and our virtual properties, including our

updated website my-waterfront.ca and the free Wireless Waterfront infrastructure, offer tremendous real estate value.

Parking

Parking lots are a transitional use of waterfront land, but they also provide an important service to the public. Revenue associated with parking is reinvested in waterfront improvements for the public's benefit. Parking operations are not glamorous, but because we operate lots, we aim to do it well.

We continue to improve lot operations to ensure easy, efficient transactions and to ensure that the capacity available is well communicated to the public and leveraged to support downtown businesses.

Human Resource Strategy

Waterfront Development is a knowledge-based organization, with specialization in commercial real estate, urban planning, construction, engineering, landscape design, business accounting, and public consultation.

It is vital that we invest in the learning and growth of our people so that we can continuously improve the work we do on behalf of the public.

The human resource priorities are

1. learning plan for our organization
2. review of our compensation practices

Marketing Strategy

The waterfronts of Halifax and Lunenburg are the two most visited destinations in Nova Scotia. With new development projects coming to market, substantial public space enhancements planned and already completed, and a broad collection of activities and events to enjoy, the number of residents living and working and enjoying activities across all of our waterfronts will continue to increase.

All of this leads to business opportunities and the need to engage our stakeholders and publicly communicate the goals and timelines of our work.

We will develop a comprehensive marketing promotions plan that can serve as a touchstone for promoting and communicating our work. We will work toward enhanced collaboration by engaging waterfront stakeholders for more efficient investment and better results.

We will continue to work with partners to offer high-quality events and programming across our waterfronts, investing in events and opportunities that align with our objective of accessible, high-quality entertainment and activities that represent the best of Nova Scotia.

We continue to invest in our website with interactive, informative pages that are enticing and easy to use. Enhanced signage on all of our waterfronts will guide the waterfront experience and provide key partner

information. We will invest in programs that better engage the communities in which we work, including public information sessions, well-publicized consultation on our development projects, and clear channels to capture community feedback. We will measure and evaluate our success.

Marketing and Communications Objectives

1. Create awareness and support for the development projects and business opportunities on our waterfronts.
2. Align the community and economic interests of the waterfronts through stakeholder engagement and government strategies.
3. Promote the assets and amenities of our waterfronts to create extraordinary waterfront experiences.

Budget Context

Financial Management

In fiscal 2012–2013 the corporation achieved its breakeven budget while advancing its development plans and continuing its many valuable partnerships with tenants and other stakeholders. These partnerships add vitality and animation to the waterfronts of Halifax Harbour and Lunenburg, which ultimately create long-term economic benefit. The corporation ran a very successful province-wide Tall Ships Festival in July 2012. The



corporation ran a breakeven budget for this well-known event, with the economic benefits accruing to the province and municipalities of the host ports.

The corporation again has a breakeven budget for fiscal 2013–2014, before amortization of assets that were funded by capital grants from the province. WDC adopted Public Sector Accounting Standards, which require capital grants to be recognized as income. The amortization of the funded assets is reflected as an operating expense over their useful life. During the past year, we issued an RFP for a mixed-use development on our Cunard lot. This is the property on the Halifax waterfront between Bishop's Landing and the newly refurbished NS Power building. We anticipate moving this project forward through fiscal 2013–2014, while at the same time advancing plans for other strategic properties that are in varying stages of the planning process. The development of our collective portfolio of properties over time will provide greater financial stability to Waterfront Development through long-term land leases, enhanced economic return to the province and municipalities through job creation and a broadened tax base, and continued public access to great waterfronts.

We have a budget that is, in effect, a transition budget as we get closer to commencing the changeover of strategic properties from interim use as parking lots to exciting developments. This budget is supportive of that goal. We expect over the coming years to

present budgeted revenue that has increased rent and decreased parking. Consistent with creating great public spaces and developments, Waterfront Development traditionally reinvests its cash flow into its infrastructure. This increases the public enjoyment, security, and financial return of our waterfront assets. The corporation will continue this tradition in fiscal 2013–2014.

Budget

	Estimates 2012–13 (\$)	Forecast 2012–13 (\$)	Estimates 2013–14 (\$)
Revenue			
Rents	1,388,000	1,422,800	1,403,000
Parking	2,000,000	1,902,000	2,000,000
Other income	420,000	491,800	433,000
Grant income	283,000	283,000	276,000
Total revenue	4,091,000	4,099,600	4,112,000
Operating expenses			
Insurance	92,400	96,000	100,000
Labour and benefits	210,000	267,350	240,000
Repairs and maintenance	323,800	300,569	306,100
Security	166,500	166,500	166,500
Utilities	151,000	154,734	156,800
Various other	387,900	403,147	381,700
Total operating expenses	1,331,600	1,388,300	1,351,100
Income from property	2,759,400	2,711,300	2,760,900
Program expenses			
	305,000	153,900	170,000
Tall Ships revenue	2,500,000	2,020,600	—
Provincial grant	310,000	393,200	—
Tall Ships expense	2,810,000	2,410,700	—
Total Tall Ships surplus	0	3,100	0
Lunenburg revenue	225,000	323,600	185,000
Lunenburg grant	374,200	374,200	374,200
Lunenburg expenses	599,200	697,800	559,200
Total Lunenburg	0	0	0
Administration expenses			
Amortization	751,000	755,700	784,000
Interest on long-term debt	25,000	22,600	30,000
Office, consulting, and general	486,400	570,200	550,900
Salaries and contracts	998,000	1,008,000	1,045,000
Staff expenses and benefits	194,000	204,000	181,000
Total administration expenses	2,454,400	2,560,500	2,590,900
Surplus (deficit) before other items	0	0	0
Other items			
Capital grant amortization	—	—	(106,000)
Capital grant	4,750,000	500,000	0
Annual surplus (deficit)	4,750,000	500,000	(106,000)



Outcomes and Performance Measures

Core Business	Outcome	Measure	Base Year Measure	Target 2013-14	Strategies to Achieve Target
Financial	Strong financial management	Revenue	2012-13: \$3,388,000	\$3,403,000	Financial management strategy
Property management	Clean, safe, well-maintained assets	Percentage public satisfaction*	89%	95%	Property Management priority
Waterfront planning	Priorities for waterfront lands complete	Revenue reinvested in public infrastructure	\$700,000	\$995,000	Waterfront Planning, Infrastructure Development, and Property Management priority
Business development	Learning for Good jobs	Number of student placements or people trained	3	10	Business Development
Business development	Facilitate business to be more competitive	Number of new tenants and/or expanding operations	3	16	Infrastructure Development Asset Management
Human resources	Aligned goals, learning, and engagement	Goal completion	100%	100%	HR strategy
Corporate governance	Continuous improvement and best practices	Percentage goal completion	100%	100%	Corporate Governance strategy

* 2009 Halifax Harbour Waterfront Market Segmentation and Targeting Study (Corporate Research Associates)