
OPENING REMARKS

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A / CEO ECBC

*ECBC Public Meeting
Glace Bay, NS*

Wednesday, March 5, 2014

- Thank you.
- Good evening ladies and gentlemen.
- Thank you for coming to ECBC's fifth public meeting.
- The purpose of these meetings is to provide ECBC's commercial and community stakeholders with an update on the Corporation's activities and outline some of the strategic directions for the future.
- As Acting CEO of ECBC, it is my pleasure to chair this evening's proceedings and to introduce members of our leadership team who are also present:
- Bob MacDonald
Executive Director General, Site Operations and Remediation

- Joe Cashin
Director General, Commercial Development
- Tom Plumridge
Director General, Community Economic Development
- Gerard Shaw
Director General, Property Development & Management
- Sherri Beresford
Director, Finance, Budgets and Audit
- Edmund MacEachern
Director, Human Resources
- DA Landry
Director, Communications & Corporate Secretary
- Also I want to introduce members of our Board:

- Our Board of Directors is made up of individuals who live, work and volunteer in our local communities. They understand the challenges we face from outmigration and the troubling high unemployment rates, participation rates and productivity gaps.
- As you may know, ECBC is the principal federal government organization with a legislated mandate to facilitate economic development and to diversify the base of the Cape Breton economy. It was established by an act of legislation over 25 years ago.
- The Corporation's mandate extends across all of Cape Breton Island and includes the town of Mulgrave on the mainland side of the Strait of Canso.
- ECBC has played a major role in the economic development of this Island for many years.

- I would venture to say that it would be difficult to name a significant development on this Island that ECBC has NOT been part of in one way or another.
- ECBC's legislation is flexible and no other region in Canada has a federal Crown corporation dedicated to its economic development.
- In addition to its own programs, ECBC is responsible for the administration of the economic development programs of ACOA, and since 2010 it is also responsible for the assets, liabilities and responsibilities of the former Cape Breton Development Corporation. This includes responsibility for CBDC lands, the management of mine-water, mine site remediation and administration of various programs in support of former miners and their families.
- ECBC's economic impact is significant.

- Through our own economic development programs, ECBC invested \$14.8 million in the Cape Breton economy last year.
- Under ACOA programming, we committed \$16.4 million.
- More than \$50 million was spent on environmental remediation and human-resource legacy responsibilities of the former Cape Breton Development Corporation.
- And more than \$1.9 million was spent on the remediation of the heavy water plant site on behalf of Atomic Energy of Canada Limited.
- In total, ECBC invested approximately \$83 million in the Cape Breton economy last year..

- This has resulted in an additional \$34 million in leveraged investment from other sources for an overall financial impact of almost \$118 million.
- ECBC funded a total of 282 projects last year in communities across Cape Breton (176 commercial and 106 community development).
- The past year has been busy.
- We have been involved in a number of key initiatives.
- ECBC was instrumental in the development of the Strategic Framework for Economic Prosperity. Prepared in consultation with community and business stakeholders, the Prosperity Framework identifies opportunities to advance the Cape Breton-Mulgrave economy in the near and long-term.

- In the recently released Ivany Report “Now or Never – An Urgent Call to Action for Nova Scotians,” the Cape Breton Prosperity Framework was cited as an exemplary model of collaboration for economic development.
- That is because it brings together public and private stakeholders, funding agencies and sector participants. We are no longer working in isolation. We are avoiding duplication and identifying near and far term opportunities.
- I believe with the Framework in place, Cape Breton is well positioned to move forward.
- There are 14 working committees including tourism, entrepreneurship, arts and culture, investment as well as engineering and environmental remediation.
- ECBC is involved in all the working groups as either a committee member or chair.

- The Framework will be the focus of ECBC's economic development activities as we move forward.
- In terms of port development, we continue to work with partners to identify commercialization opportunities in both the port of Sydney and the Strait of Canso. The potential for development in both ports is significant.
- Property has been acquired along the Sydney waterfront and the Corporation is participating with the Cape Breton Regional Municipality (CBRM) to develop a vision for waterfront development.
- Here in Glace Bay, ECBC has managed the remediation of the heavy water plant property on behalf of Atomic Energy of Canada Ltd. The site, which has been derelict for decades, will be fully remediated by the spring.

- ECBC has undertaken a comprehensive study to assist local companies benefit from the National Shipbuilding Program and the Muskrat Falls-Maritime Link. It examines the state of preparedness of local companies to capitalize on opportunities and includes recommendations on how to strengthen our competitive position. ECBC chairs this _____ sector committee – Major Projects.
- The development of a four-season resort in Ben Eoin continues. The marina has been built and is fully operational and sustainable. The resort is now positioned to market itself as a four-season destination.

Major events such as Race the Cape, Atlantic Ski Cup and Canada PGA tournament have taken place.

- The complex has the potential to become a major tourist draw for the area.

- In terms of opportunities in the area of environmental remediation and alternative energy, the Verschuren Centre for Sustainability in Energy and the Environment at Cape Breton University, which received over \$10 million in federal support, is advancing its research and development mandate.
- ECBC has provided funding to YAVA Technologies, a private sector-company, that is conducting R & D on green mining technology and advanced battery materials at the Verschuren Centre.
- The Centre is also undertaking research in mine-water management supported by ECBC.
- Another positive in our economy is tourism, which is worth in excess of \$251 million annually. Under the leadership of Mary Tulle and the staff of Destination

Cape Breton, major strides have been made in this sector.

- ECBC works closely with Destination Cape Breton and Golf Cape Breton to promote Cape Breton Island as the premiere golf destination in Canada and the eastern United States.
- Cape Breton enjoyed a strong tourism season in 2013. In fact, our numbers were better than any other area of the Province.
- ECBC was instrumental in the establishment of the tourism marketing levy that with matched ECBC funding is used to market the Island as a tourism destination.
- Obviously, these efforts are working. Cape Breton and the Yukon are the only two regions in Canada that experienced growth in tourism.

- Tourism has been noted in the Ivany Report as being key to the future of the rural economy and ECBC is pleased to continue its support for the industry.
- In the area of commercial development, ECBC provides financial incentives, advocacy, trade expertise and guidance to help businesses establish, modernize, expand and pursue new markets.
- The Corporation assisted 82 companies and business organizations last year with over \$14 million in commercial development funding.
- From an investment readiness perspective, we helped develop Phase 1 of a minerals database that potential investors will be able to use as a resource.
- ECBC also, as chair of the Investment Committee in the Prosperity Framework, worked to host a preliminary

session on investment readiness for local municipalities. Cape Breton municipalities are eager to show the world that they are open to new investment.

- In the Strait area, we helped sponsor the Strait Forward Conference last May. It was intended to help chart a course for economic revival in the Strait.

The noted economist and former Clerk of the Privy Council, Kevin Lynch, spoke about economic development in Cape Breton and encouraged us to find out what we're good at, look at our resources and to invite the world here to view them. With that in mind, ECBC will organize inbound trade missions within the most promising sectors in consultation with the committees under the Prosperity Framework

- ECBC also helped sponsor a competition for local innovation start-up companies.

- The Spark Cape Breton competition will offer four awards of up to \$50,000 in financial assistance to assist with advancing an innovative idea.
- A total of 25 applications were received for the first round of Spark. This is impressive and speaks to the creativity of Cape Breton entrepreneurs.
- ECBC under the entrepreneurship committee in the Prosperity Framework is committed to grow the number of entrepreneurs and the number of business start-ups. Cape Breton University and the Nova Scotia Community College are leading an initiative to create a centre of excellence for entrepreneurship. ECBC will be part of that centre.
- ECBC's Major Events Strategy, which involved investments in a number of recreational facilities, continues to pay dividends.

- Cape Breton successfully hosted the Canadian Senior Boxing Championship and the Canada 55+ Games in 2012 and the World Under-17 Hockey Challenge in December 2013. These events have had very significant economic impacts. These impacts are and have been measured.
- ECBC's total expenditure on commercial development last year totaled \$14.2 million.
- With regard to our work in environmental stewardship, the environmental remediation of former mine sites is nearing completion. Over the last 12 years, \$191 million has been expended on the remediation of 53 former mine sites and the management of mine-water issues.

- More than 80% of approved funding was expended on local contractors, consultants and other service providers.
- The focus now is on long-term care and monitoring of the remediated sites.
- Many of these remediated sites have been turned into community recreational facilities like the Summit Park in Scotchtown, the new rugby pitch and track at Dominion No. 20 on West Avenue in Glace Bay and Dominion No. 4 on Douglas Avenue.
- The \$12.5 million mine-water treatment facility in New Victoria is now fully operational, treating water from former mines. The Neville Street passive mine-water treatment system in Reserve Mines is being expanded.
- Both these facilities insure that mine-water from our former mines does not negatively impact our environment.

- In community development, ECBC supported various initiatives to help communities build on their strengths and develop the necessary infrastructure, business and cultural environment that will encourage investment.
- We continue to provide funding assistance for almost 100 local festivals and events, as well as support for numerous community centres and recreational facilities.
- Last year we provided funding to 13 communities to help with renovations to their community centres.
- ECBC provided assistance through the Community Infrastructure Improvement Fund to 36 recreational facilities totaling more than \$1 million.
- ECBC's total expenditures on community development programming last year was almost \$9 million.

- As you can see, ECBC is committed to facilitating an integrated and strategic approach to issues and opportunities that we face in Cape Breton and Mulgrave.
- It has also been a challenging and eventful year.
- I acknowledge that there was controversy in the spring of last year regarding the development of the Ben Eoin Marina. I acknowledge that it was a lot of money in one project and that there was not a lot of leverage.
- The fact remains, however, that the Ben Eoin Marina is a strategic investment in community infrastructure that will help to generate increased tourism on the Bras d'Or Lake now and for many years to come. It will also contribute to the creation of a four-season resort complex in Ben Eoin that includes the Lakes Golf Course and Ski Ben Eoin. This will generate new economic development.

- In years to come, the infrastructure at Ben Eoin will still be hosting mariners from all over North America as well as major events in golf and ski.
- For now it's business as usual.
- The strength of our organization is our people, many who are here today. ECBC is fortunate that our employees are extremely dedicated to their work and understand that their success is good news for their communities in which they live, work and play. The commitment by the board and the staff is an example of the spirit that I believe was the original intent of ECBC – to work closely and cooperatively with local businesses and organizations to make decisions at a local level for the benefit of our island and to promote economic development.

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- I have come to the end of my formal remarks.
- I invite you to join us for some light refreshments that will now be served.
- We have set up four tables in the room – one for each of ECBC’s four business lines.
- So after you have had a cup of tea and a bite, please feel free to wander by each of the tables.
- If you have questions about a possible commercial development – please talk to Joe Cashin.
- Tom Plumridge will be at the community development table and I encourage you to ask him about your community development ideas.

- Bob MacDonald will answer any questions you have on the environmental remediation and mine-water management work that we have been involved in. We are very proud of what has been accomplished.
- And Gerard Shaw is here to answer any questions on ECBC property development and management responsibilities. Be sure to ask him about the remediation of the Heavy Water site.
- I will also make myself available for any questions you may have.
- Thank you again for joining us here this evening.