

**Cape Breton Regional Municipality**

**Special Council Meeting**

**AGENDA**

**FRIDAY, DECEMBER 19<sup>TH</sup>, 2014**

**9:00 A.M.**

Council Chambers  
2<sup>nd</sup> Floor, Civic Centre  
320 Esplanade, Sydney, NS



# Cape Breton Regional Municipality

## Special Council Meeting

Friday, December 19<sup>th</sup>, 2014

9:00 a.m.

### AGENDA ITEMS

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#### Roll Call

#### 1. Planning Issue:

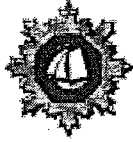
##### 1.1 Final Approval - Public Hearing:

##### a) Proposed Amendments to the CBRM Municipal Planning Strategy to allow for the sale of Archibald's Wharf:

Malcolm Gillis, Director of Planning

- i) Staff Issue Paper (see page 4)
- ii) Email from Dan MacDougall, Deputy Minister of Municipal Affairs, dated December 17, 2014 re: process for sale of Municipal Land (see page 12)
- iii) Email from Dan MacDougall, Deputy Minister of Municipal Affairs, dated December 18, 2014 re: process for amending the Municipal Planning Strategy (see page 15)
- iv) Excerpt - DRAFT Minutes of Special Council Meeting from December 2, 2014 (see page 16)

#### Adjournment



## **ISSUE PAPER**

**FROM:** Malcolm Gillis

**SUBJECT:** Amending the CBRM Municipal Planning Strategy to allow for the sale of Archibald's Wharf

**DATE:** December 18<sup>th</sup>, 2014

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### **INTRODUCTION**

CBRM is in receipt of a request from Canadian Maritime Engineering Ltd. (CME) to convey to them "... the property commonly known as Archibald's Wharf". This property is comprised of a total of 8.63 acres (3.5 hectares) divided into 3.44 acres of land and a 5.19 acre water lot (*refer to figure 1 on Map 1*). In other words, approximately 40% of the property is land and 60% is a water lot. It is located in downtown North Sydney's waterfront between the Marine Atlantic terminus to the north and the former Marine Railway site, now owned by CME, to the south.

According to their web site CME is a multi-faceted organization that services all marine and industrial companies including machining, mechanical, welding, fabrication and specialty coatings. According to their letter of request, CME wants its site along the waterfront of North Sydney to allow them to "become a major hub for ship building and repair" focused on the Federal Government's Department of National Defence coast fleet, commercial and fishery fleets, offshore oil and gas developments and heavy mining development in the Arctic".

CME's interest in the Archibald's Wharf site is because of its proximity to their currently owned property. In 2013 they purchased the former Marine Railway ship repair facility, a 7.14 acre (2.9 hectare) site divided into 3.98 acres of land and a 5.19 acre water lot (*refer to figure 2 on Map 1*). Archibald's Wharf is the immediately abutting property to the north. Their proposal is to construct an 80 ft. by 140 ft. building from which to conduct ship repairs on the land parcel and a 126 ft. by 400 ft. floating dry dock on the water lot.

## **WHY DID CME CHOOSE ARCHIBALD'S WHARF?**

The immediately abutting property to the south of their current site (i.e. the former Marine Railway site) is also owned by the CBRM (refer to figure 3 on Map 1). However, it is essentially the access from Commercial Street to the wharf owned by the Federal Government and used by the local commercial fishers as a docking facility known as the Ballast Grounds. An expansion of the CME site to encompass this CBRM lot parcel would essentially make the Federal Government wharf inaccessible.

There are vacant lot parcels south of the above referenced CBRM lot parcel. If consolidated they would equal approximately 2.73 acres i.e. slightly smaller than the land parcel at the Archibald's Wharf site (refer to figure 4 on Map 1). However, this site would not be contiguous with CME's current site and if the floating dry dock was placed directly in front of this site in the water it would block access to the Federal Government fisheries wharf known as the Ballast Grounds.

During the public consultation process it's been suggested CME establish their business elsewhere in Sydney Harbour. On the Northside there is no other option. The only sector of the entire waterfront of Sydney Harbour's North West Arm designated and zoned for marine ship building and repair is between the M.V. Osprey wharf and the seafood processing plant owned by Northside Holdings Ltd. across from the intersection of Commercial and Regent streets. While sites may be available along the South Arm of Sydney Harbour in the Harbourside Commercial Park (i.e. the business park at the former steel plant site or at Sydport) CME would be obliged to abandon the site they currently own after investing approximately \$2 million in it.

## **WHY IS A PUBLIC HEARING NECESSARY?**

**THIS IS NOT A ZONING AMENDMENT.** According to the CBRM Land Use Bylaw, the site of Archibald's Wharf is already zoned for "manufacturing assembly and repair associated with any marine use". CBRM's Planning Strategy designates three sites along Sydney Harbour for port related business developments other than the fishery i.e.

- the Harbourside Commercial Park at the former steel plant site;
- Sydport business park in Edwardsville; and
- the sector of North Sydney's waterfront from the M.V. Osprey wharf to the seafood processing plant owned by Northside Holdings Ltd.

Archibald's Wharf is within that above referenced sector of North Sydney's waterfront. In other words CBRM Planning Strategy policy considers Archibald's Wharf as part of the working waterfront of the Northwest Arm of Sydney Harbour.

As well, CBRM normally has the legal right to convey land without conducting a Public Hearing and it is a legal and bureaucratic process that occurs regularly without the need for formal sanctioning of Council for CBRM lot parcels already declared surplus. For example, the sale of land in the Northside Business Park would not even require a Motion of Council and certainly not a Public Hearing.

So why the need for the Public Hearing? It is another Part of the Planning Strategy that requires this Public Hearing. Policy 6 of the Recreation Part of the Planning Strategy prohibits the sale of CBRM owned waterfront recreational land with a few exceptions. This proposed transaction does not meet the test of those exceptions. The conveyance of Archibald's Wharf to a private developer would be in contravention of Planning Strategy policy and therefore illegal. CBRM's Planning Strategy was adopted by Council in 2004 pursuant to the enabling obligations of the Municipal Government Act of Nova Scotia. Such a conveyance could be an appealable and legally contested decision adjudicated by the Nova Scotia Utility and Review Board. Hence the need for an amendment.

**We essentially have two contradictory policy directives in the one planning document.** This is unusual, but it is also understandable. Different policy directives prepared separately while focus was on each particular issue could end up in the planning document inadvertently contradicting each other. CBRM's Planning Strategy is a 174 page legal policy document addressing a wide spectrum of land use and service related responsibilities of the Regional Municipality. When such contradictions come to light it is important that the Regional Municipality act to correct the discrepancy and clarify the overall intent of the Planning Strategy. To do that Council must decide which policy deserves priority to facilitate reaching the primary objectives of the Planning Strategy.

### **WHICH POLICY SHOULD BE AMENDED?**

A land use policy advocating for the preservation of publicly owned waterfront land is a noble statement. In a democratic society under a capitalist economic system where private landowners have the right to attain and invest in property, it is important for Government to take the initiative to invest in waterfront land ownership to ensure the general public have access to our Harbour, the Atlantic Ocean, and the Bras D'Or Lake.

On the other hand, the primary objectives of the Planning Strategy are focused on the need to revitalize the regional economy. This Planning Strategy was prepared soon after the closure of the steel plant and the last of the coal mines.

Historically, the foundation of the economic base of Cape Breton County a.k.a. CBRM consisted of 4 pillars:

- the fishery;
- coal mining;
- the steel industry; and
- the shipping industry.

**The one common asset they all had was a sheltered harbour to develop a port.**

Beginning approximately a ½ a century ago, this economic base of Cape Breton began a steady decline. Today, we no longer have the biggest employers i.e. a steel industry or coal mining industry. The fishery is still here, albeit at a much diminished capacity, and that loss has been most acute in the processing part of the industry. The Marine Atlantic service and the cruise ship terminal are still vibrant components of the shipping industry. However, the ship

construction, repair and servicing components have long since been gone. These series of major setbacks have had a crippling effect on the regional economy.

So much focus has been put on the loss of jobs over this ½ century of economic decline, and rightly so. However, what Municipal Government has lost is a healthy tax base. The overwhelming percentage of a Municipality's revenue source is property taxes and a healthy Municipality needs a robust economic base to generate a significant part of its revenue. The catastrophic loss to the region's economic base over the last ½ century has had a devastating effect on the ability of Municipal Government to meet its legislated service obligations. This decline in the region's economic base led to the Province's forced amalgamation of the 8 former municipalities in Cape Breton County almost 20 years ago. 5 of the 8 municipalities were essentially insolvent. And remember, at the time we had still had a steel plant a 3 coal collieries.

To put the decline in revenue in perspective, the 2013 budget of the CBRM was \$140 million. The combined budget of the 8 former municipalities during their last full fiscal year before amalgamation in current dollars would be over \$24 million greater. Part of this is due to the efficiencies derived from the economies of scale with regional Government but a big part of it is the declining economic base to generate revenue.

To put the decline in the economic base in a terms of a demographic perspective, a ½ century ago the population of Cape Breton County a.k.a. CBRM was 131,000. Today it is approximately 100,000 i.e. a decline of 25%. During that same ½ century the population of Halifax County a.k.a. Halifax Regional Municipality grew by over 72% and Canada by 83%. There is not a region of comparable size across the Country which has had such a drastic and consistent demographic decline over the last ½ century as CBRM.

With the decline and/or extinction of the pillars of this region's economic base over the last several decades there have been urgent attempts to address its decline. The introduction of the Northside Business Park in the 1980's initially was promising. During the first few years since its inception, a number of manufacturing industries were introduced. However, that initial period of prosperity has been deflated for most of the subsequent years. The flood of call center business has also subsided. **Neither of these two major initiatives was port related.**

With the internationally acclaimed reputation of Cape Breton Island as a tourist destination, it was hoped the tourism industry would fill part of the gap in the region's economic base. While a vital and integral component of the regional economy, this too has not reached hoped for aspirations. **One of the notable contemporary successes of the tourist industry is port related** i.e. the cruise ship industry and I'm sure Marine Atlantic ferry traffic attracts people who also choose to spend tourist dollars in Cape Breton.

**Both the long term and contemporary history of the region's economic base tell us that the most enduring successes have been realized for industries that have been port related.**

The current (and only) CBRM Planning Strategy was prepared in the early 2000's and adopted in 2004. By then the steel plant was closed and so were the last of the coal collieries. The

direction given by Council was to prepare a planning document with a primary objective of fostering the rejuvenation of the regional economy. It designated three sectors along the waterfront where marine related business developments should be encouraged to develop. One of those three sectors was the North Sydney waterfront highlighted on Map 1 with this report.

North Sydney's reason to be is a port. By the time of its incorporation as a Town in 1885 it had a population of over 2,500. It was the largest urban community on Cape Breton Island. Sydney did not surpass it in size until the steel plant was erected nearly a generation later.

By that time the Archibald family were the dominant entrepreneurs along the North Sydney waterfront. They, and others, had a wide range of shipping and fishery business developments stretching from just south of the North Bar (now known as Indian Beach) to the current site of the seafood processing business at the bottom of Regent Street. All of the planning documents going back to when North Sydney was still an incorporated Town identified this waterfront as North Sydney's working waterfront. The current planning document of the CBRM continues this designation.

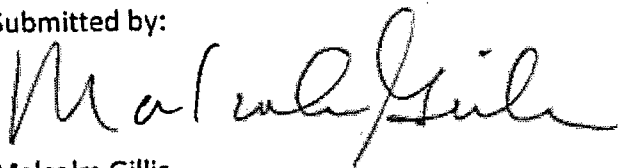
The last marine related business development at Archibald's Wharf was a fish processing plant which closed in 1980 and the Archibald's Wharf site remained abandoned until the current use was introduced in 1994.

CME's introduction to the waterfront brings back the ship construction, repair, and servicing components of the shipping industry, which at one time was one of the primary elements of the shipping industry. They are a credible company which has not received any subsidy from any level of Government.

**Recommendation:**

One of two contradictory policies has to be amended. Based on the contemporary economic history of the region, the context under which the CBRM Planning Strategy was adopted, and the primary objective of that planning document to facilitate the rejuvenation of the regional economy. I recommend that Council amend the CBRM Planning Strategy by revising Recreational Policy 6 of Part 5 as explained in the Amending Bylaw with this issue paper.

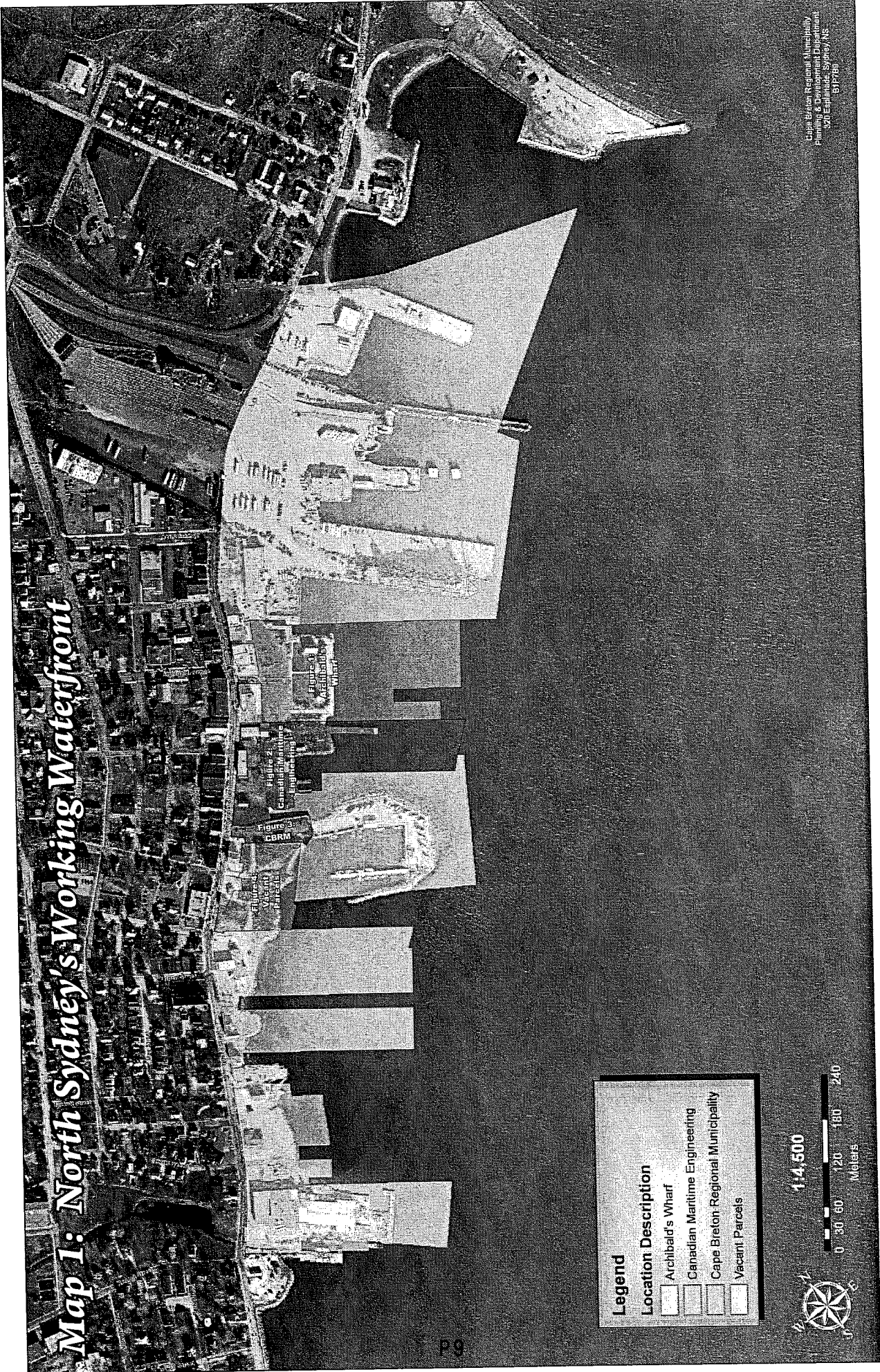
Submitted by:



Malcolm Gillis  
Director of Planning  
Cape Breton Regional Municipality



# Map 1: North Sydney's Working Waterfront



**Legend**

**Location Description**

- Archibald's Wharf
- Canadian Maritime Engineering
- Cape Breton Regional Municipality
- Vacant Parcels

**1:4,500**

0 30 60 120 180 240  
Meters

Cape Breton Regional Municipality  
 Planning & Development Department  
 320 Esplanade, Sydney, NS  
 B1P 6E6

**By-law**  
of the Cape Breton Regional Municipality  
amending the

**Cape Breton Regional Municipality's  
Municipal Planning Strategy**

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Pursuant to Section 205 of the Municipal Government Act of Nova Scotia, the Council of the Cape Breton Regional Municipality hereby amends the Cape Breton Regional Municipality's Municipal Planning Strategy in the following manner:

**THAT:** Part 5, Policy 6 is amended to read as follows:

**POLICY**

6. It shall be a policy of Council that the preservation for public use of beaches and shoreline along the shore of the Bras D'Or Lakes and Sydney Harbour, as well as prominent peninsulas along the shore of the Atlantic Ocean, be a recreational priority for the CBRM. This recreational priority shall be implemented by:
- prohibiting the sale of any CBRM land associated with a waterfront public recreational park unless:
    - *the sale of the land will facilitate the expansion of a health care facility, in which case:*
      - *the site affected does not include lands actually abutting the shore of Sydney Harbour, the Bras D'Or Lake, or the Atlantic Ocean;*
      - *the land to be sold is not within 30 meters (98.4 ft.) of the high water mark of the body of water the Park abuts, nor does it include a motor vehicle or pedestrian trail, the main function of which is to provide access to the shore, and the CBRM is compensated according to the appraised value of the land;*
      - *or the site affected is in a community who's economic raison d'etre has historically been as a marine port, and the site affected has historically been the site of a marine related business development for a period of time much greater than the time it was used as a public recreational asset, and it is located in the midst of a sector of the waterfront of the community which has historically been the nucleus of the community's economic base, and the sale of the land will facilitate the expansion, or re-introduction, of a marine related business development associated with the marine port economic base of the community.*
    - the CBRM continuing to support the concept of an inter-municipal plan for the Bras D'Or Lake focused on its environmental remediation by continuing to participate in the joint planning endeavours of the three levels of government and the First Nations Reserves;
    - the Recreational and Planning Departments and Parks and Grounds Division of the Dept. of Engineering & Public Works establishing a working relationship with the Nova Scotia Departments of Natural Resources and Tourism and Culture focused on

the objective of providing more publicly accessible water frontage along the shores of East Bay and St. Andrews Channel;

- the CBRM identifying public access to the South Arm of Sydney Harbour as a recreational priority.

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**PASSED AND ADOPTED:** by a majority of the whole Council at a duly called meeting of the Cape Breton Regional Municipal Council held on .....

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**MAYOR**

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**CLERK**

**THIS IS TO CERTIFY** that the attached is a true and correct copy of the Amending By-law of the Cape Breton Regional Municipality adopted by Regional Council during a meeting held on ....to amend the CBRM's Municipal Planning Strategy.

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Deborah Campbell, CLERK

-----Original Message-----

From: McDougall, Dan P (DMA)

Sent: Wednesday, December 17, 2014 5:45 PM

To: Marie J. Walsh

Cc: Cecil P. Clarke; John Whalley; Demetri Kachafanas; Michael J. Merritt; Peck, Mark A; Bellefontaine, Laura

Subject: RE: Archibald Wharf

Marie:

Thanks for the email. The MGA provides the framework for the sale of land by Council (sections 50 and 51 are the key sections). The sale of land is a Council decision - the approval of the Minister of Municipal Affairs for the sale of property is not required.

Information bulletin #33 in the Municipal Government Act Resource Binder may be of some assistance to you as it provides general guidance with respect to the sale of land. This bulletin is available on the Department's web page. The bulletin includes a recommendation for municipalities to consult legal advisors which I would encourage you to consider in this circumstance. In particular, CBRM's legal advisors should review the scenario you provided to give Council assurance that market value has been achieved as the Department does not have a role in determining market value.

I trust this answers your question about market value. If there is a need for me or other Department team members to discuss with you or other members of the CBRM staff team I would be pleased to arrange that.

Regards,

Dan

-----Original Message-----

From: Marie J. Walsh

Sent: Wednesday, December 17, 2014 4:49 PM

To: McDougall, Dan P (DMA)

Cc: Cecil P. Clarke; John Whalley; Demetri Kachafanas; Michael J. Merritt

Subject: FW: Archibald Wharf

Greetings Dan,

I wanted to give you the heads up on a potential inquiry that may come your way in terms of a, CBRM owned, land sale at Archibald's Wharf in North Sydney to Canadian Maritime Engineering Ltd. . There is a group that are opposing the sale and I suspect will be contacting the Province in an effort to hold it up using the requirement to obtain market value as there reason to stall or stop the sale. Canadian Maritime Engineering Ltd. (CME) is currently in North Sydney and is planning an expansion of their activities. CME brings to the Port of Sydney significant expertise in custom engineering and manufacturing. The result should be a wide range of opportunities for our region with very positive private sector investment and job creation. We are having a public hearing on Friday morning for an amendment to the land use policy which we expect this group to attend.

It would be helpful if you could review the scenario below, which addresses the question around market value, and provide some feedback so that we have a position from a provincial perspective for our hearing on Friday. If you would like to have a discussion on this, I along with other staff would be available for a call at any time tomorrow.

Thank you for your assistance in this matter,

Marie Walsh, CGA  
Chief Financial Officer  
Cape Breton Regional Municipality

-----Original Message-----

From: John Whalley

Sent: Tuesday, December 16, 2014 10:30 AM

To: All Council; Cecil P. Clarke; Michael J. Merritt; Marie J. Walsh; Demetri Kachafanas; Malcolm Gillis; Mark Bettens; Christina Lamey

Subject: FW: Archibald Wharf

Hello Mayor Clarke and Council,

Further to some questions that have been raised regarding the value of the Archibald's Wharf property, I wanted to explain the recommendation in further detail and I have attached the two relevant appraisals.

First, in the Municipal Government Act, the standard for a sale of property by a municipal government is market value.

Second, for the sale of property at Archibald's Wharf, CBRM considered the commercial assessment of the property, as well as two appraisals. One of the appraisals, which does a comprehensive analysis of the value of waterfront and water lot properties in Sydney Harbor, was within 1% of the commercial assessment, while the second appraisal was substantially higher.

The second appraisal was largely based upon two land transactions, one in North Sydney and one in Sydney. The transaction in North Sydney was the acquisition of the marine railway property by CME. The transaction in Sydney was the sale of 4 Kings Road. On a per square foot basis, the Sydney sale was more than 50% higher than the price paid for the North Sydney property.

Third, in evaluating the available market information I viewed the market assessment and the comparable appraisal as being most indicative of market value - the value being approximately \$530,000.

Fourth, CBRM negotiated the retention of the on-site parking area at Archibald's Wharf, representing approximately one-third of the upland property area, as available for public parking. CBRM also negotiated a right of first refusal for \$200,000 in the event that at some future date CME would decide

to sell the property. CME also provided a commitment of capital investment (\$5 million) for the property.

With all of these considerations, I recommended to Council that the financial offer proposed by CME represented market value for the property. It should be noted that CME also negotiated the purchase of a private business that was located on the site, on land owned by CBRM.

CBRM's principal economic benefit comes from job creation and private sector capital investment. CBRM's annual property tax revenue associated with the property should be on the order of \$100,000 annually once CME makes their planned investments.

Regarding the process of negotiating a proposal for the consideration of Council, CBRM staff would always do this in a private manner without consulting external interest groups or organizations. This process (property negotiation) is based not upon non-disclosure agreements but on the requirement for CBRM administrative staff to be able to make a recommendation to Council before anyone else knows what is being proposed. As per the Municipal Government Act, the staff recommendation is then made to Council in open session.

At that point, the relevant planning requirements determine the requirement for public consultation.

John

**From:** McDougall, Dan P (DMA)  
**Sent:** Thursday, December 18, 2014 2:19 PM  
**To:** Michael J. Merritt; Marie J. Walsh  
**Subject:** For your info. - Archibald's Wharf

Michael/Marie:

FYI – sample language below being used by the Province for public inquiries, media, etc. Discussions between DMA staff and CBRM planning staff helped inform these points.

-The Municipal Government Act (MGA), Section 51 gives municipalities the authority to purchase or sell land at fair market value.

-It is understood that to move forward with the sale of Archibald's Wharf, the municipality must first amend their Municipal Planning Strategy. In order to do this the municipality must proceed through the Planning Document Approval Process, in accordance to Section 205 of the Act. This requirement involves the following steps on the part of the municipality:

- First Reading of the proposed policy amendment
- Public Participation Process
- Public Hearing Notification
- Public Hearing
- Second Reading

-The Public Participation component of this process allows an opportunity for the public to express their views regarding the amendment and to present them to Council. In addition, the Public Hearing requirement provides another opportunity for public input prior to a decision being made.

-The Provincial Government has no role in municipal land sales and matters which involve land use planning fall under the direct jurisdiction of the municipality. Section 8 of the MGA recognizes that planning and decisions involving the development of land are best served by the direct involvement of the municipality, and the mechanisms mentioned above provide the means for public involvement. Councils make the final decisions regarding local planning issues and regardless of the outcome of Council decisions, the Province, through the provisions of the MGA recognizes this process strengthens communities by placing local land use and development decisions in the hands of local authorities.

Please call if you have any questions (902) 266-9312.

Dan

**Port Update:**

**Archibald's Wharf:**

**Motion: Motion:**

Moved by Councillor Keagan, seconded by Councillor Prince, approval of the sale of the Archibald's Wharf property to Canadian Maritime Engineering Ltd. (CME) and to include the following elements in the proposal:

- CBRM will acquire the restaurant located on site for \$25,000;
- CBRM will sell parcel PID#15690514 to CME for \$200,000 (plus an additional \$50,000 contribution to be used for local recreational purposes);
- CBRM will use \$25,000 of the funds from the sale for on-going port development costs;
- CBRM will commit the balance of net proceeds for future recreational development on the North Sydney waterfront, with the intention that this funding can be used to leverage additional provincial and federal funding;
- CBRM will provide a one year-rent-free vendor location for Chill Zone on CBRM property;
- CBRM will relocate the monument that is on the site in consultation with the North Sydney Kinsmen;
- The Bartown Office will be relocated to the Indian Beach facility;
- CBRM will maintain the public parking space on site.

And to approve the four-month port budget to the end of March 31<sup>st</sup>, 2015, as presented.

**Discussion:**

The Director of Planning explained that the sale of Archibald's Wharf requires an amendment to a Policy in the CBRM Municipal Planning Strategy which will therefore require a public consultation process culminating in a Public Hearing of Council.

Council acknowledged that approval of the sale is contingent on the completion of the public consultation and public hearing process with the adoption of the necessary Policy amendment. A committee comprised of the Mayor and senior administration was tasked with the responsibility of organizing and scheduling a Public Participation Program and a Public Hearing of Council.

**Motion Carried**



# CBRM

## ISSUE PAPER

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320 Esplanade

Sydney, Nova Scotia, B1P 7B9

902-563-5514

**To:** Mayor Cecil Clarke and CBRM Council

**Date:** December 1, 2014

**Subject:** Port Development Update

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### Commercial Development

Canadian Maritime Engineering Ltd. (CME) in North Sydney is planning an expansion of their activities. As a result, they have submitted a proposal to CBRM to acquire property owned by the CBRM. The property is shown in the attached map – parcel 15690514.

CME brings to the Port of Sydney significant expertise in custom engineering and manufacturing. The result should be a wide range of opportunities for our region with very positive private sector investment and job creation.

CME is offering \$200,000 for the property. The company is also offering a \$50,000 commitment of funding to be used for local recreational purposes.

CBRM, in evaluating such a commercial proposal, considers the value of adjacent land that has been sold within the recent period. Of equal importance, there is consideration given to the benefit of facilitating private sector investment, as well as the associated employment creation, and generation of new commercial assessment and, therefore, revenue for CBRM.

The intention, if Council approves the sale of CBRM property required for the expansion, would be to use the financial proceeds to re-invest in the development of the waterfront in North Sydney making it more attractive for recreational use.

The goal in all of the work being done is to balance the importance of facilitating private sector investment, essential for job creation, with the role of the Sydney waterfront as public space to be enjoyed by all residents.

In addition to the proposed sale of property by CBRM to CME, there are a number of related items that will need to be addressed to enable CME to proceed.

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In total, then, there are eight elements included in the proposal:

- 1) CBRM will acquire the restaurant located on site for \$25,000;
- 2) CBRM will sell parcel 15690514 to CME for \$200,000;
- 3) CBRM will use \$25,000 of the funds from the sale for on-going port development costs;
- 4) CBRM will commit the balance of net proceeds for future recreational development on the North Sydney waterfront, with the intention that this funding can be used to leverage additional provincial and federal funding;
- 5) CBRM will provide a one year rent-free vendor location for Chill Zone on CBRM property;
- 6) CBRM will relocate the monument that is on the site in consultation with the North Sydney Kinsmen;
- 7) The Bartown office will be relocated to the Indian Beach facility; and
- 8) CBRM will maintain the public parking space on site.

Beyond the encouraging plans of CME, there are additional companies that have expressed an interest in the port.

Some of these proposals, which are well advanced, should be ready to bring forward for the consideration of Council before the end of this year.

The non-disclosure agreements that have been signed with interested private companies have enabled CBRM officials to negotiate commercial agreements for the consideration of Council in an environment whereby the private companies know that their information is not going to be disclosed until they choose to do so. This is vital.

### **Port Governance**

Mayor Clarke will provide a verbal update to Council regarding proposed next steps related to port governance.

### **Financial Reporting**

The following tables provide an overview of activity to date, as well as a proposed budget for the balance of the fiscal year.

**Table 1: Expenditures and Funding, April 1 – November 30, 2014****Expenditures**

Consulting Services	\$157,994
Neil MacNeil (MMC Consulting)	\$31,607
CBCL	\$59,588
Breton Law	\$12,051
Michael Moore	\$54,748
Administration	\$20,000
Travel	\$30,944
Project Delivery	\$27,959
Marketing	\$14,117
Breton Law Outstanding	\$6,017
 Total	 \$257,031

**Funding**

CBRM	\$150,000
ECBC – Carry Forward	\$113,852
 Total	 \$263,852
 Budget Remaining	 \$6,821
Matching Funding – Province*	
Consulting Services – Marketing	\$22,000
Business Cape Breton – Marketing	\$14,117
 Total Available to November 30, 2014	 \$42,938

Note: Provincial funding in the amount of \$100,000 is available for marketing expenses incurred after August 1<sup>st</sup> and before the end of February, 2015.

**Table 2: Expenditures and Funding, Proposed, December 1 – March 31, 2015**

**Expenditures**

Consulting Services	\$50,000
Marketing	\$163,833
Administration	\$20,000
Travel	\$22,988
Project Delivery	\$25,000
Total	\$281,821

**Funding**

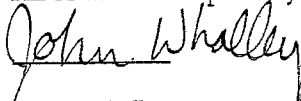
Available from Previous Period	\$42,938
CME Consulting Fee	\$25,000
Balance of Provincial Marketing	\$63,883
Commitment of Private Funds	\$150,000
Total	\$281,821

**Recommendations**

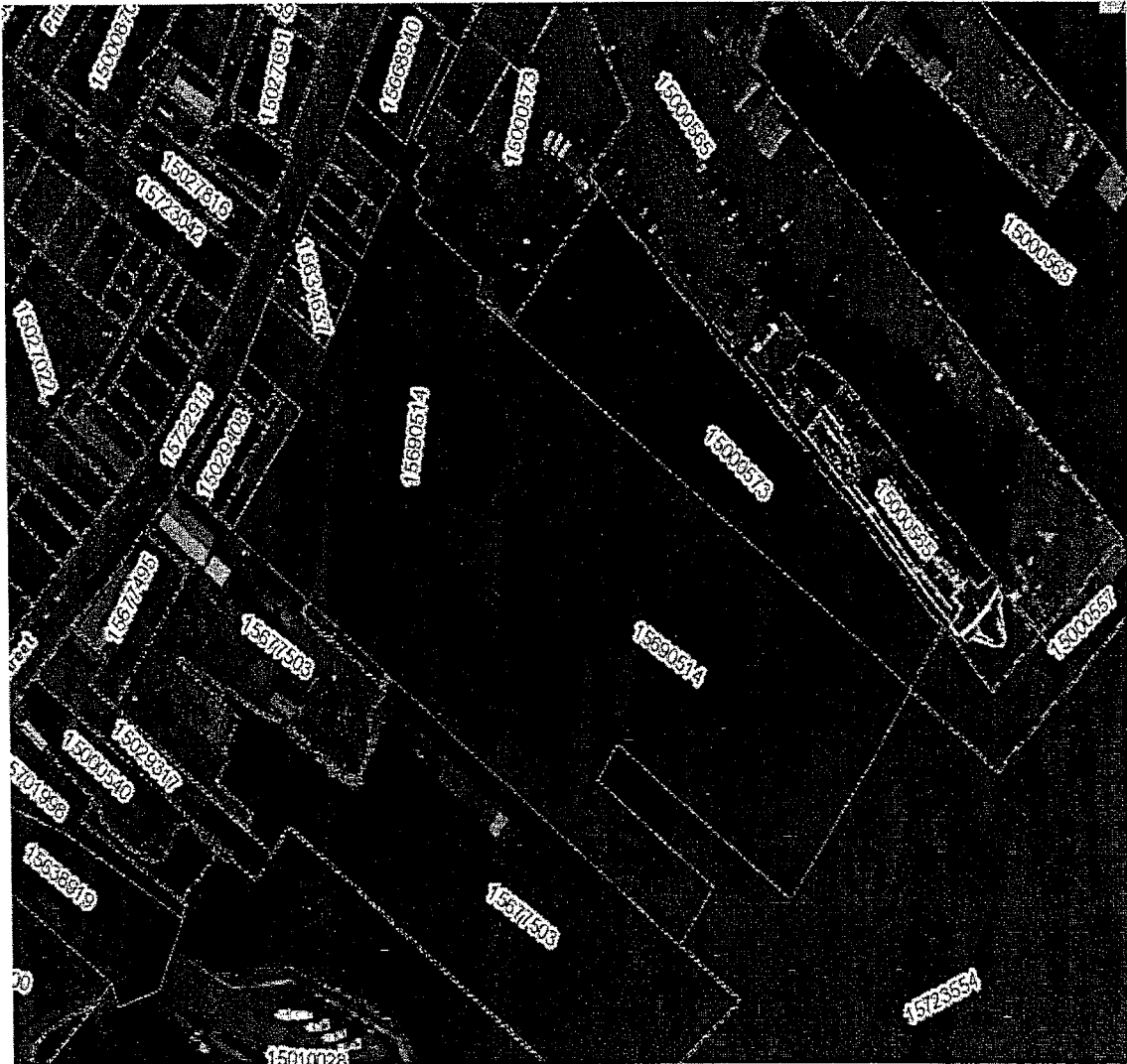
Based upon the foregoing, I recommend that CBRM Council approve the sale of the Archibald's Wharf property to CME, including all of the associated elements that have been set out.

Furthermore, I recommend that CBRM Council approve the four-month port budget to the end of March 31, 2015 as set forth in table 2 above.

All of which is respectfully submitted,

  
John Whalley

Attachment A: Parcel Map





## Canadian Maritime Engineering Ltd

Head Office: 90 Thornhill Drive, Dartmouth, Nova Scotia, Canada B3B 1S3 Tel: 902-468-1888  
Fax: 902-468-1890 www.cmelimited.com



November 17, 2014

Attention:  
Malcolm Gillis  
Planning and Development Department  
Cape Breton Regional Municipality  
Phone 902-563-5027

[mggillis@cbrm.ns.ca](mailto:mggillis@cbrm.ns.ca)

Dear Sir,

I am writing this letter to request the sale of the property commonly known as "Archibald's Wharf" from the Cape Breton Regional Municipality to Canadian Maritime Engineering. We are the owners of the adjoining property commonly known as North Sydney Shipyard.

We wish to purchase the entire parcel to give us a footprint that will allow us to become a major hub for ship building, repair, service and heavy modular fabricating on the East Coast. We need the wharf and the lay down space to be able to support the work we want to bring to North Sydney. Our ambition is to become a major infrastructure supporter of the DND/Coast fleet, commercial and fishery fleets, offshore oil and gas developments and heavy mining development in the Arctic.

Any one of these business streams could bring financial health and success to our endeavour. With four target markets, the right location and infrastructure and local skills available, CME is prepared to build and invest at this site, growing to become a centre of excellence for this type of business and the jobs and economic rewards it creates. We need this footprint now to grow this business or another generation of North Sydney tradespeople will be moving away to work on these projects and vessels elsewhere.

We are a growing Canadian company servicing international markets. We believe the growth of our company will have a direct positive impact on the community of North Sydney in terms of jobs, economic spinoffs and prosperity.

Thank you for your time and consideration and I am available to discuss, elaborate, or present my plan to you or your council on very short notice, because we are very eager to move forward with this endeavour before the opportunity is lost.

Regards,  
Tony Kennedy, President CME

**Service Shop Locations :** CME Marine Works: 1420 Ketch Hbr Rd, Sambro, NS, B3V 1L1, P: 902-868-2007, F: 902-868-2764  
: Western Canada: 825 Admirals Rd, Victoria, BC, V9A 2P1, P: 250-475-3553, F: 250-475-3554  
: Central Canada: 4248 Broughton Ave, N F, ON, L2E 3K6, P: 289-296-6277, F: 905-356-6760  
: Coatings & Crane Div: 11 Acadia St, Dartmouth, NS, B2Y 2N1, P: 902-434-8660, F: 902-434-8550  
Canadian Alberni Engineering: 3101 Bird St, Port Alberni, BC V9Y 4B8, P: 250-723-0111, F: 250-723-0999 www.alberni-cae.com



# Canadian Maritime Engineering Ltd

Head Office: 90 Thornhill Drive, Dartmouth, Nova Scotia, Canada B3B 1S3 Tel: 902-468-1888  
Fax: 902-468-1890 www.cmelimited.com



## LETTER OF INTENT

November 17, 2014

Re: Letter of Intent to Purchase  
Archibald's Wharf  
North Sydney, NS

Att: Mr. Malcolm Gillis  
Cape Breton Regional Municipality  
Planning & Development Department  
320 Esplanade  
Sydney, NS  
B1P 7B9

Subject to the execution of a definitive and mutually acceptable agreement of purchase and sale, within 30 days after execution of this Letter of Intent, the undersigned offers to purchase the property known as Archibald's Wharf, North Sydney, Nova Scotia. In accordance with the following terms and conditions:

1. Seller(s): Cape Breton Regional Municipality

2. Buyer: Canadian Maritime Engineering

3. Subject Property: The property, which is the subject of this offer, is identified as Archibald's wharf. Together with the real property, Buyer is also purchasing all of Seller's rights, title and interest in all of the fixtures, improvements, leases, maps, reports, plans, and other such material is having to do with the Subject Property including all land use entitlements, governmental permits and allocations, and other such governmental and agency approvals.

4. Purchase Price: \$200,000.00

5. Seller shall fully cooperate with Buyer in providing any and all information available regarding the development potential of the property.

Regards,

Tony Kennedy – President  
Canadian Maritime Engineering

Daniel Russell - President  
Russell Industries Corp.

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