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## C.B. 'needs one or two big hits'

ECBC boss proud of year's successes but ready to hand over the torch  
By JOCELYN BETHUNE

HALIFAX, NOVA SCOTIA | Tuesday December 19, 2006



SYDNEY — Rick Beaton is in a reflective mood.

It is a grey and bitterly cold December day, the kind that seems to invite evaluations, reviews and recollections. The university has just unveiled the new Shannon School of Business and the room is filled with well-suited businessmen and academics.

"I'm at the sunset of my career in public service," Mr. Beaton, president of Enterprise Cape Breton Corp., says as he gazes through a window onto a courtyard.

"I came here seven years ago November. I worked extremely hard and I'm not complaining. I made a lot of personal sacrifices, family sacrifices," says the 56-year-old senior federal bureaucrat.

"I'm in my final year," Mr. Beaton says with an air of melancholy. His contract expires Oct. 31 but he's already told the corporation he won't stay that long and he hints at a springtime exit.

His reflective mood shifts when he begins to rhyme off the successes the agency has supported over the past year.

"Louisbourg," he says, referring to the recent \$300-million announcement by two private developers to build a luxury housing resort and spa for rich Europeans, complete with million-dollar homes and two golf courses, outside town.

"The e-commerce project, so tourists can book accommodations online," he continues, ticking off the projects one by one on his fingers.

"The Judique Celtic Music Centre. Small festivals like Festival l'Ardoise, Seaside Days and Festival of the Greens. The economic return on these kinds of events has been significant," despite "four bad years now" for the tourism industry.

His biggest disappointment of the past year has been the failure of Cape Breton Castings, an auto parts plant in North Sydney that was supposed to help diversify the economy.

"We're all bothered by that," Mr. Beaton says. Although no longer a company director, he says he continues to "lose sleep over that."

"We feel for the workers, they've been extremely good. Who would have known years ago that the automotive industry would change so abruptly and go to China, India, Mexico and other low-cost countries?"

"So we've had challenges. But there are more good things than not-so-good things," since the closure of the steel and coal industries in the late 1990s.

Mr. Beaton was hired in November 1999 to run the \$98-million Cape Breton Growth Fund and federal development programs in the area, including Enterprise Cape Breton and the Cape Breton activities of the Atlantic Canada Opportunities Agency, in the wake of Ottawa shutting down the mining industry.

He resigned as chairman and CEO of the growth fund in September, a position he says was strictly volunteer. "It can get very personal here in a small community, much more than I'd like to see. It has impacted pretty much every member of my family in some way or fashion. I didn't experience that in other places.

"The economy is much further ahead. Unemployment is half what it was when I came here. People first complained when I came recruiting call centres that they were going to take the money and leave. That hasn't come to fruition. In fact, Stream is going up to 1,800 (jobs). It doesn't suit everybody, but it suits a segment of the community."

Mr. Beaton says out-migration continues to be a problem, but now with a new twist. It has created a "false economy," with \$3 million per week coming into the island's coffers from Fort McMurray, Alta.

"The money is coming back home and being spent, but while the workers are away, the employment stats are recorded in Alberta, the unemployment ones recorded here."

He says Cape Breton needs "one or two big hits, to bring attention and focus to the island" to get the westward workers back.

"We are working on one project that, if it materializes, will allow for a significant number of people to come back home."

Mr. Beaton danced around what the project may be, preferring instead to drop hints: It will be privately funded, require skilled labour during construction and offer jobs in the \$70,000 range once completed.

"Louisbourg (Resort) will pale in comparison to it, quite frankly."

If the project does come to pass, it will likely be Mr. Beaton's swansong.

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## NSBI focused on IT sector in 2006

By Our Staff

Since Nova Scotia Business Inc. was created as the arm's-length development arm of the provincial government in 2001, it has authorized 44 payroll rebates, assisted in creating up to 13,000 jobs and participated in more than 50 trade missions, which it says have contributed more than \$100 million in sales.

The agency initially focused on attracting call centres to the province, but in the last three years has shifted its focus to knowledge-based industries, including technology and education, financial services and defence and aerospace.

In its year-end report, the agency says that 42 per cent of the jobs it has helped create are in the information technology sector; 16 per cent are in the contact centre industry; 13 per cent in manufacturing; 11 per cent in financial services; and eight per cent in defence and aerospace.

During 2006, the agency made 19 financing deals, the largest with IMP Group to help the aeronautic firm gear up to accommodate a multi-year contract it won for the servicing of Aurora aircraft.

The full list includes:

- IMP Group International Inc., \$17-million loan.
- IMP Group Ltd., \$3.2-million payroll rebate, create 350 jobs.
- Butterfield Fund Services, \$9.1-million payroll rebate, create 400 jobs.
- Citco Fund Services, \$7-million payroll rebate, create 350 jobs.
- On-Line Support (Antigonish), \$2.14-million payroll rebate, create 400 jobs.
- On-Line Support (Liverpool), \$1.16-million payroll rebate (reassignment), create 200 jobs.
- Marsh Captive Solutions, \$2.7-million payroll, create 150 jobs.
- Canadian Sailing Expeditions, \$2.5-million loan guarantee, created 31 jobs.
- L-3 Communications Canada, \$2.48-million payroll rebate, create 210 jobs.
- Consolidated FastFrate, \$1.65-million payroll rebate, create 180 jobs.
- SportsDirect Inc., \$1.6-million payroll rebate, create 165 jobs.

- Olympia Capital, \$1.5-million payroll rebate, create 150 jobs.
  - Corporation Service Co., \$1.4-million payroll rebate, create 160 jobs.
  - HRG North America, \$1.2-million payroll rebate, create 250 jobs.
  - SolutionInc Ltd., \$1.2-million payroll rebate to created 75 jobs.
  - ADP – Automatic Data Processing, \$900,000 payroll rebate, created 175 jobs.
  - Acrobat Research Ltd., \$850,000 payroll rebate, create 115 jobs.
  - Crape Geomatics, \$850,000 payroll rebate, create 75 jobs.
  - Holdright Lumber Products Ltd., \$150,000 loan, maintain 18 jobs.
- Advanced Glazings, Sydney, \$780,000 payroll rebate, create 238 jobs.

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## **Michelin tops ACOA list**

\$10m loan among 245 agency-backed projects in N.S.

By Our Staff



Peter MacKay, the minister responsible for ACOA, announces in September a \$10-million no-interest loan for Michelin's Waterville plant. (File)

There were a few moments during the election campaign when supporters of the Atlantic Canada Opportunities Agency may have been sweating, but the regional development agency made it through the political transition unscathed.

During 2006, ACOA supported 245 projects in Nova Scotia and an additional 50 throughout Atlantic Canada.

Tire giant Michelin got the single-biggest infusion of cash, \$10 million toward a \$91-million expansion of its Valley plant to make double-wide tires for tractor-trailers, but a total of 25 projects received more than \$500,000 support.

Of those big projects, 15 involved support for government or community initiatives like the construction of the Annapolis Basin Conference Centre at Cornwallis Park (\$2.6 million), the Cape Breton Centre for Craft & Design in Sydney (\$1.25 million), downtown Sydney revitalization (\$1 million), the Yarmouth Area Industrial Commission's plan to create a mink farm (\$951,000), broadband upgrades in Baddeck (\$1 million), Kings County (\$863,000), and the construction of various community centres or theatres.

The following are the top 10 biggest contributions or repayable loans made to companies in the province during 2006:

- Michelin North America (Canada) Inc., development of innovative manufacturing equipment, \$10-million loan on a \$91-million investment.
- Island Sunset Resort & Spa, Margaree Harbour, \$500,000 loan to complete expansion of \$7.7-million, four-star tourism facility.
- Advanced Glazings Ltd., Sydney, \$500,000 loan for marketing innovative light-diffusing window product.
- Catalog Teleservices Corp., New Waterford, \$500,000 contribution toward a \$1-million technology upgrade.
- Consolidated Fastfrate (Nova Scotia), \$500,000 loan toward the construction of an \$8.3-million distribution warehouse under construction in Dartmouth.
- Lewis Mouldings & Wood Specialties Ltd., Weymouth, \$500,000 loan toward a \$1.25-million modernization and expansion.
- Magna PowerTrain Inc., North Sydney, \$500,000 loan toward a \$1.1-million tooling refurbishment.
- MedMira Inc., Halifax, \$500,000 loan toward the launch of its rapid HIV test in the European marketplace.
- Northstar Precast Concrete Ltd. and Northstar Construction Ltd., Lower Sackville \$500,000 loan toward a \$1.7-million plan to build a manufacturing facility and acquire equipment.
- BioGas Energy Inc., Halifax, \$489,750 loan toward the creation of an anaerobic-digestion facility to produce biogas.

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## **Industrial Expansion Fund contributed to 18 N.S. projects**

By Our Staff

The province's Industrial Expansion Fund supported 18 projects in 2006, several of which also received support from the Atlantic Canada Opportunities Agency or Nova Scotia Business Inc.

Officials with the Office of Economic Development say that in the past two fiscal years, the fund has helped create or maintain more than 3,000 jobs, created \$88 million in new annual salaries and wages and generated \$10.4 million in new tax revenues.

The same officials estimate the government gets \$3 in direct and indirect tax revenues for every \$1 invested.

The projects supported in 2006:

- Michelin (two projects), Waterville, \$15.1 million for expansion, creates 110 jobs.
- Composites Atlantic, Lunenburg, \$3.2 million, aerospace product development, creates 50 jobs.
- Bay Ferries, Digby, \$2 million, to help keep ferry running until January 2009.
- Federal Gypsum (two financings), Point Tupper, wallboard manufacturer, \$1.5-million loan.
- Rocky Lake Development Association, Bedford, \$1.5 million, buy land for recreational facilities.
- Maritime Pride Eggs, Amherst, \$1.4 million for state-of-the-art egg grading facility, creates 60 jobs.
- Mink ranch and breeding facility, Shelburne, \$950,000 for new mink ranch.
- IMP Aerospace Components, Amherst, \$850,000 loan, creates 40 jobs.
- Consolidated Fastfrate, Dartmouth, \$750,000 for new cargo distribution facility.
- On-Line Support Inc., Liverpool, \$400,000 for infrastructure upgrades to new location.
- Magic Valley Family Fun Park, Pictou County, \$350,000 for installation of new attractions.
- Interhabs, Halifax, \$300,000 for modular home exports to Europe.
- Acrobat, Cheticamp, \$350,000 for opening new contact centre.

- Olympia Capital, Halifax, \$300,000 for recruitment and training.
- Yarmouth Area Industrial Commission, Yarmouth, \$300,000 for new call centre building.
- S&J Potato Farms, Amherst, \$250,000 for equipment upgrades.

Source: Office of Economic Development