

Addendum to Summary Document Outlining Future Use of Textile Mill

One year post-due diligence for this project, the immediate need is to identify funding sources for this project in order to secure this site prior to it reaching a point where it is no longer a recoverable resource. Perhaps the most unfortunate outcome from the failed Mill Island renovation is that the work ended prior to this building becoming weather-tight. In spite of the fact that this building was built like a battleship, the effects of endless seasons of rain with multiple freeze and thaw events have put this site in a state that requires immediate attention, should there be any desire to preserve this site referred to as “The Monument in the Valley” in a recent master’s thesis for an architecture student from Dalhousie University.

Scores of business and community leaders have been consulted for this project. To a person, there is overwhelming support for this effort. Each contact has led to other contacts. All expressed support for making this proposal a reality. Several of these contacts have added to the potential mix of uses for this site. This has been an expected and welcomed evolution. While it is expected that technology and its corresponding business development services remain the primary tenant for this proposed renovated site, there appears now to be a secondary use that will balance the site use between corporate and retail tenants. It is believed that this will strengthen the offering, as it aids in achieving a more diverse tenant composition.

The location of this site is perfectly situated such that it is the natural gateway to the valley and all of the products that are created in the valley. A natural evolution of the project concept has this project now referred to as the Gateway Project, instead of the original concept as a Technology Center. The benefit of the Gateway Project is that it more accurately describes the uniqueness of this site relative to its geographic placement rather than by the use for a large portion of this site. This allows for a common branding opportunity where the components within the center are referred to as Gateway Technology, Gateway Wines (Liquors?), Gateway Tours, Gateway Market, etc.

Further, this site would provide an ideal location for the use of tourism within NS, one of the growth industries in our province. It is envisioned that this location will become the primary stop for all tour groups, tourists, visitors and residents looking for an efficient method of maximizing their tour opportunities.

Interest exists for the following tourism related residents within this building:

- **Private retail liquor store.** Wine producers have an interest in opening a private retail outlet at this site. This would enable this location to become a primary tourism site for the food and beverage industry. It has been suggested that location 2D on page five of the original document be considered for this use. This association has access to a private retail license for the sale of alcohol and had interest in further developing their industry at this location.
- **General use space used for virtual vineyard tours.** Location 2C on the same location diagram has already been suggested to be a lecture/concert/artistic/historic/community use location. It was suggested that this space would be ideal for use in providing lecture space for education purposes for the resident tech companies. It has further been suggested that this space could be used for community lectures, intimate musical performances, and other opportunities that will benefit those residing in the building and/or in the community.

This same space could be used for tourism purposes during the day. The building is strategically located as the first (Gateway) location for those entering the valley for the purpose of touring this portion of the province. Further, there is no reason why the entire province could not be marketed through this site. The vision for the use of this location is that busloads of tourists will be delivered to this building (via the proposed revised exit that empties directly to Colonial Drive) where they can visit the wine producers' retail sales location (2D). While there, they have the opportunity to do a virtual wine tour of several of the wineries that reside provincially. They will pay a nominal charge for a short program that will take them on a virtual tour of the selected tastings for the day. This will allow them to virtually visit our several local wineries while tasting their products. When the virtual tour ends they can return to the retail site for purchases and/or to the restaurants onsite, where they can further sample the food and beverages created in the valley. This effort promotes a growing marketable product/industry and encourages return visits for additional exploration/vacations.

- **Additional virtual tour options.** This same mechanism can be developed for the burgeoning craft brew industry. Further, it could be developed so that visitors could use tablets to take virtual tours of many of the points of interest within NS. Once the system is digitally developed, the consumers could search for opportunities by location, by industry, by event type, by date, or by any of a number of selection criteria.
- **Food service needs.** This building will provide a need for a restaurant to support the needs of those who reside at this site. It is anticipated that this building will support three different restaurant types once the building is at full occupancy. At present, it is suggested that these businesses be located at the 1C-1D locations. In addition to providing services to the tenants of the building, these businesses will be available to serve the volume of tourism traffic that comes to this site for their wine tasting and virtual vineyard tours. Again, this provides the tourism department with a prime opportunity to continue with the provincial tourism marketing via tableside tablets.
- **Gateway Market location.** A local entrepreneur has interest in developing a world-class market at this location. It is being considered that this individual use the remainder of the first floor for this market. As this business grows, there will be an opportunity for an additional building to be added to this site, allowing for this market to grow beyond the footprint of this building. This market serves to add to the draw of this location by offering the single most comprehensive collection of products created in NS in one location in addition to being situated on one of the wonders of the province, where visitors can personally witness the action of the local tides.
- **Consolidation site for products created in valley.** Discussions are presently centering on using this Gateway location as a clearinghouse for trade emanating from the valley.

Proposed use of remainder of building:

- **Technology-centric businesses** and the proposed staff to drive this original concept of offering consolidated support services for these businesses is proposed to reside in sections 2A-B and 3A-C. An initial technology-based tenant is discussing the opportunity to relocate to this site once it is prepared for occupancy.
- **Off-site data retention service and/or cloud computing services** are other possible opportunities that may be leveraged from the server war-room that will exist onsite. Either of

these opportunities would require analysis to determine the profitability of offering these services.

Budget Considerations:

The updated budget for this project has come in at \$5.5m. While this amount has increased from original estimates, it has been prepared by a recognized development firm with experience in this type of renovation. This amount plus the initial purchase price of this site will account for the total of anticipated expenditures to having this site preserved, renovated, and put into service to the benefit of the province generally and to the valley, specifically.

Regarding the purchase price, it is expected that this site will be secured for an amount significantly under \$500k. As a point of leverage, there are no additional offers coming forward to provide a competitive influence to this sale price and, there is now a real potential that the owners will be responsible for the destruction of this building, should it reach the tipping point and degrade beyond the point where it is fiscally feasible to renovate. The expense for this type of liability could easily exceed \$1m, thus providing the sellers with the incentive to accept a nominal offer. It is suggested that this tipping point could be reached within the next 12 months.

Next steps:

- Creation of numbered corporation for purposes of securing building and investors.
- Work with NS Tourism to secure support.
- Work to secure CEDIF funding opportunities for investors.
- Identify funding source to secure site and to make building weather-tight.
-