

# **BUSINESS PLAN 2020/21 TO 2021/22**

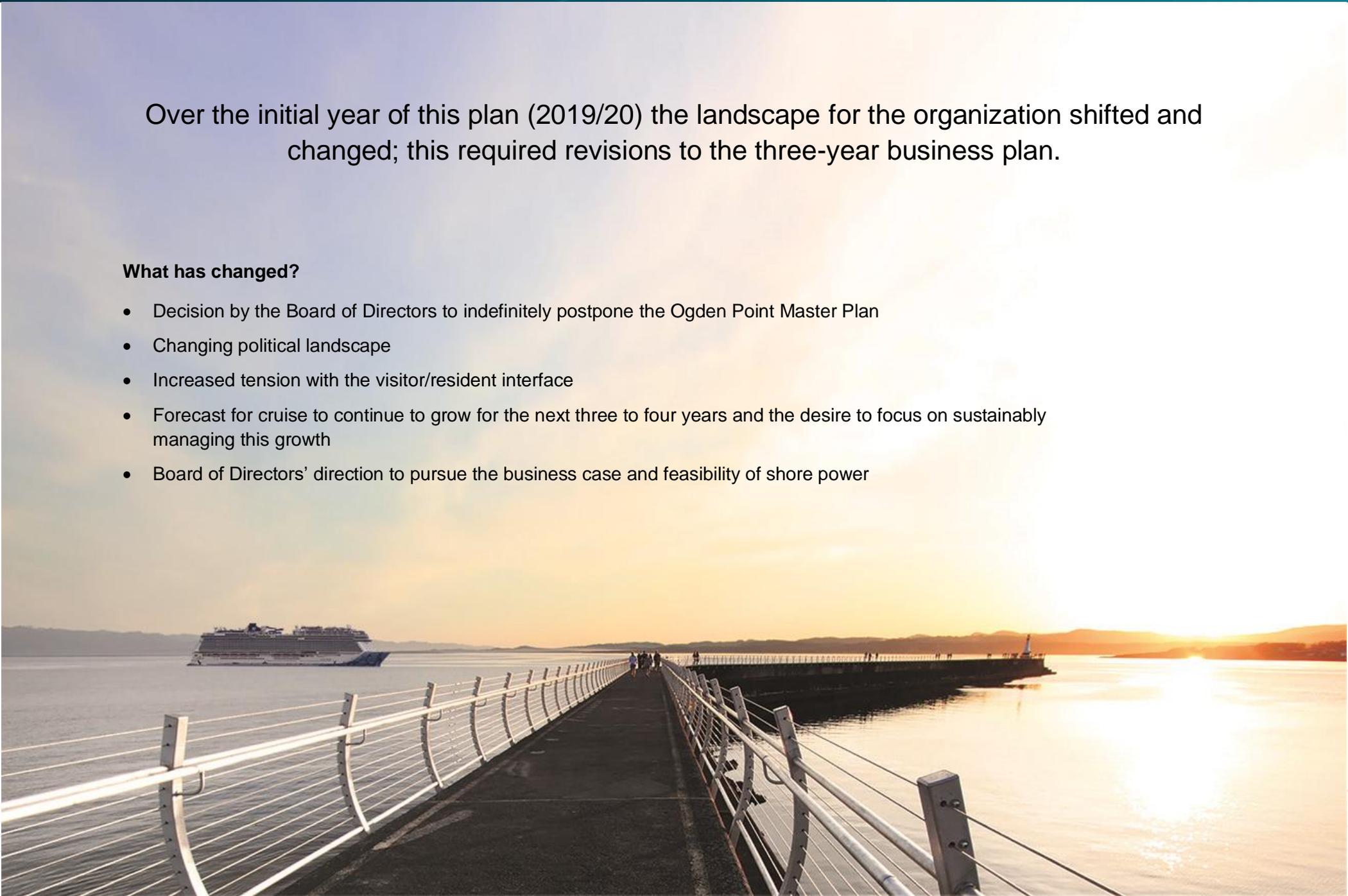
Revised: March 2020



Over the initial year of this plan (2019/20) the landscape for the organization shifted and changed; this required revisions to the three-year business plan.

## What has changed?

- Decision by the Board of Directors to indefinitely postpone the Ogden Point Master Plan
- Changing political landscape
- Increased tension with the visitor/resident interface
- Forecast for cruise to continue to grow for the next three to four years and the desire to focus on sustainably managing this growth
- Board of Directors' direction to pursue the business case and feasibility of shore power

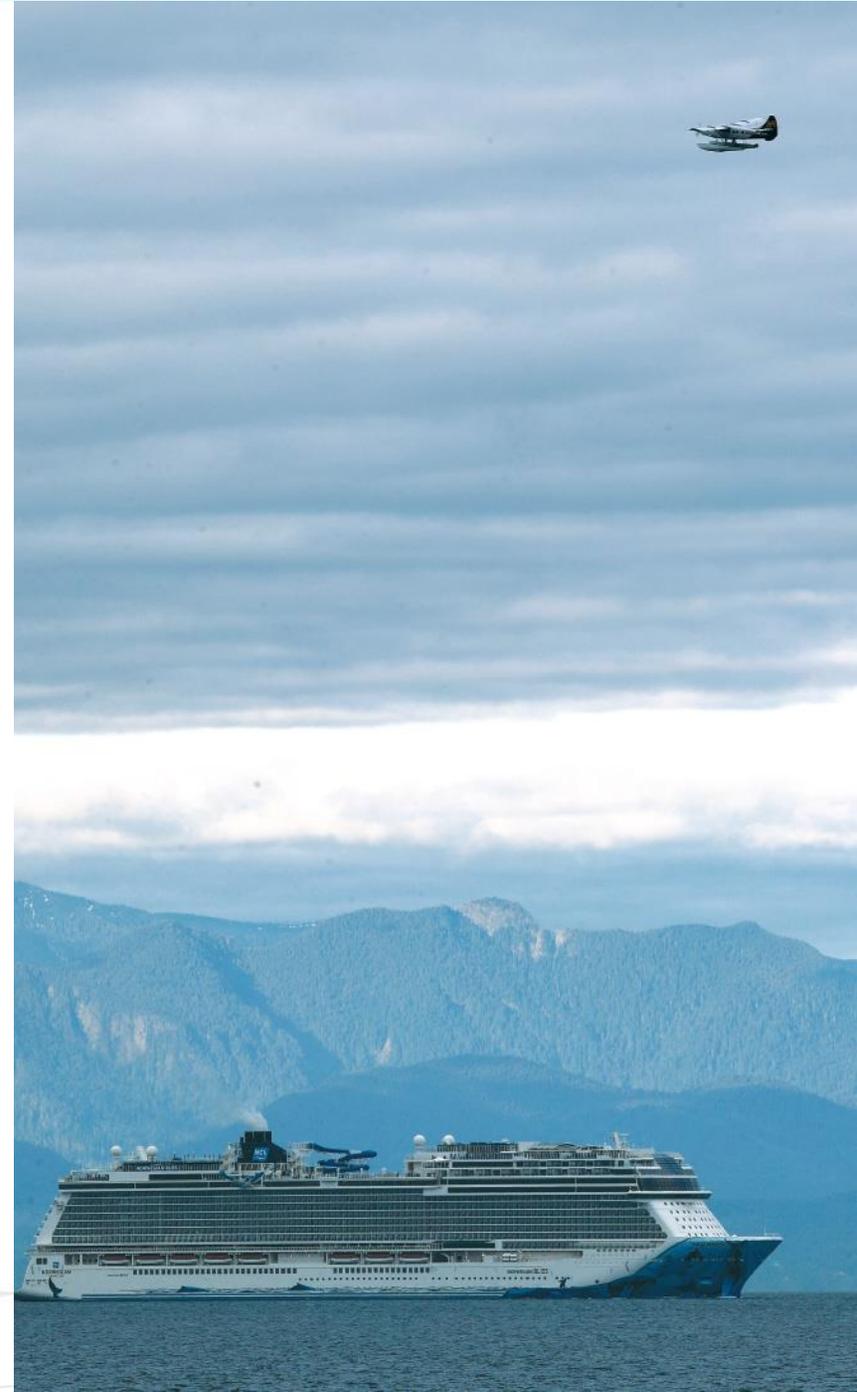


Over the span of the previous three-year plan, the Greater Victoria Harbour Authority (GVHA) focused on delivering our core mandate: “working harbour” activities such as cruise, shipping, and marina operations. We also worked to strengthen relationships and build trust with our stakeholders and partners.

While a ‘reset’ of the business plan is prudent at this time, it’s important to note that much was accomplished during the first year of this original plan.

**Highlights include:**

- Successful repairs to Ship Point in collaboration with the City of Victoria
- Recovery and execution of the installation of the second mooring dolphin at Pier B
- The launch and branding of The Breakwater District at Ogden Point
- Commitment to the Canadian Council for Aboriginal Business’ Progressive Aboriginal Relations (PAR) program
- Launch of the GVHA Indigenous Business Directory
- Engagement regarding fourth berth analysis
- Engagement of Synergy Enterprises and the development of the Emissions Inventory report
- Reset and pause of the Ogden Point Master Plan
- Leadership training and development with leadership team, managers, and supervisors



**For the next two years of this revised business plan, GVHA will:**

- Ensure the long-term sustainability of cruise
- Complete all Facility Condition Assessments and implement asset management strategy
- Develop an investment strategy that strives for long-term financial sustainability with a triple bottom line view
- Develop a strategy for our community amenities including which best investment options, highest/best use/repair programs, etc.
- Continue organizational process improvements
- Develop a human resource strategy focusing on the culture of GVHA and the experience for both employees and customers
- Continue to explore, implement, and maintain sustainability initiatives at all properties through a triple bottom line lens

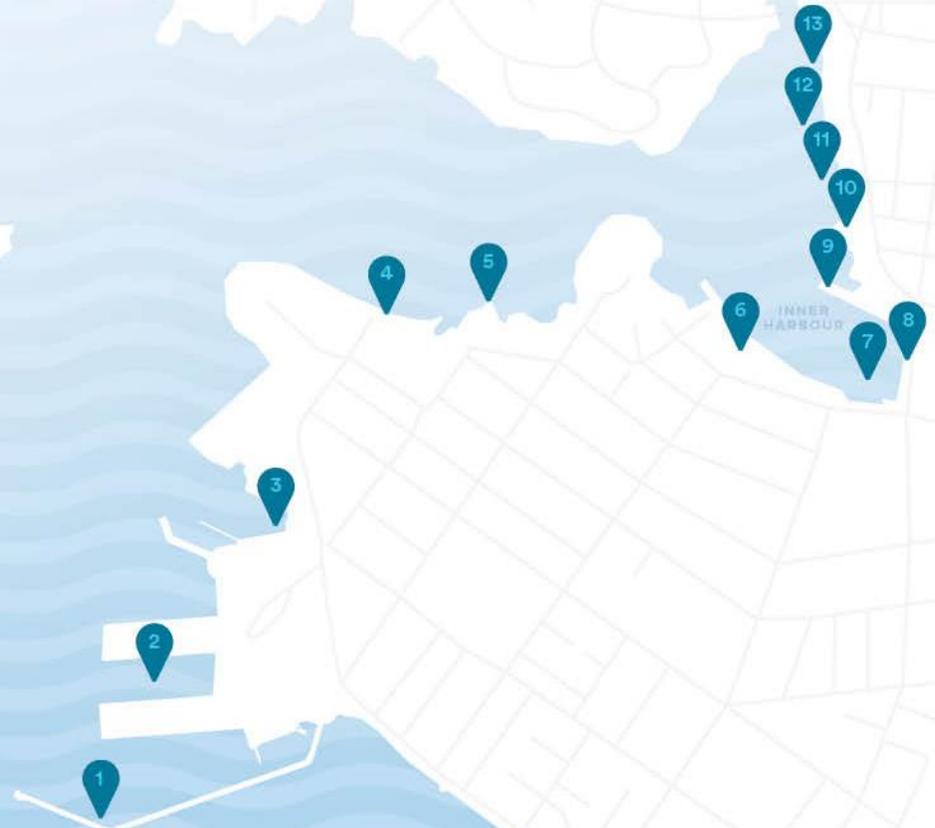


# GVHA ASSETS AT A GLANCE



**We own and operate high-profile community assets along with commercial and marine holdings.**

- 1 Ogden Point Breakwater
- 2 Victoria Cruise Ship and Deep-Water Terminal at Ogden Point
- 3 Public Boat Launch
- 4 Fisherman's Wharf and Fuel Dock
- 5 Raymur Point Customs Dock
- 6 Steamship Terminal
- 7 Causeway Marina
- 8 Inner Harbour Lower Causeway
- 9 Ship Point
- 10 Broughton Street Pier
- 11 Wharf Street Marina
- 12 Hyack Terminal
- 13 Johnson Street Marina



# WHO ARE WE?

Greater Victoria Harbour Authority (GVHA) was created in 2002 to be local champions and stewards of harbour land and marine assets divested from the Federal Government. GVHA is accountable to its eight Member Agencies: Esquimalt Nation, Songhees Nation, City of Victoria, Township of Esquimalt, Capital Regional District, Greater Victoria Chamber of Commerce, Destination Greater Victoria, and Victoria Esquimalt Harbour Society.

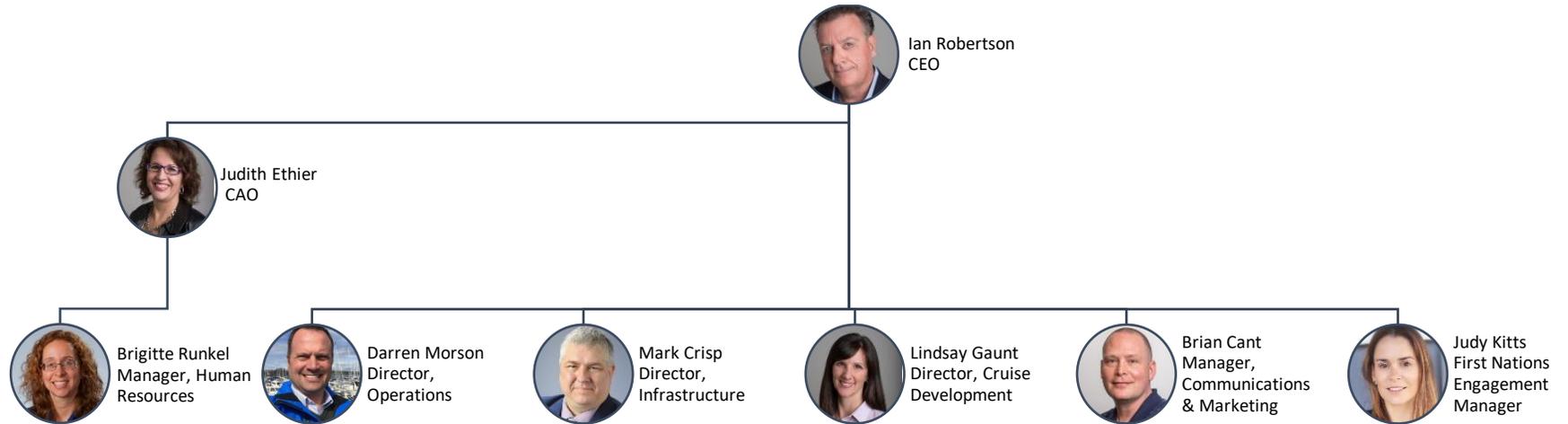
GVHA owns approximately 110 acres of harbour land and seabed, with three main marine properties at The Breakwater District at Ogden Point, Fisherman's Wharf, and the Inner Harbour. Our properties lie within in the traditional territory of the Lekwungen People of the Esquimalt Nation and Songhees Nation.

We are property owners, managers, partners, and advocates for a vibrant working harbour pursuing economic development opportunities for the Capital Region in a socially and environmentally responsible manner. Much of our properties are accessible to the public. Our customers include cruise lines, shipping companies, commercial vessels including marine tourism and commercial fishing vessels, recreational vessels, live-aboard, float homes, and commercial businesses. GVHA derives its revenue from service and licensing fees from its customers.

While GVHA is a not-for-profit society, we generate surpluses to fund our long-term capital plan and to pay for sustaining annual maintenance. GVHA's constitution requires that it, "establish and maintain sufficient working capital to improve existing facilities and develop future additions to harbour facilities," and, "to maintain the operations of the harbour on a self-sufficient basis without recourse to local subsidies and without exposing local communities, Esquimalt Nation, Songhees Nation, or Provincial or local governments to unnecessary liabilities." Within this Business Plan period, GVHA is forecasting surplus funds from operations to reach an average of \$2.5 million per year on its existing infrastructure, which are directly reinvested into its assets for the benefit of the region.



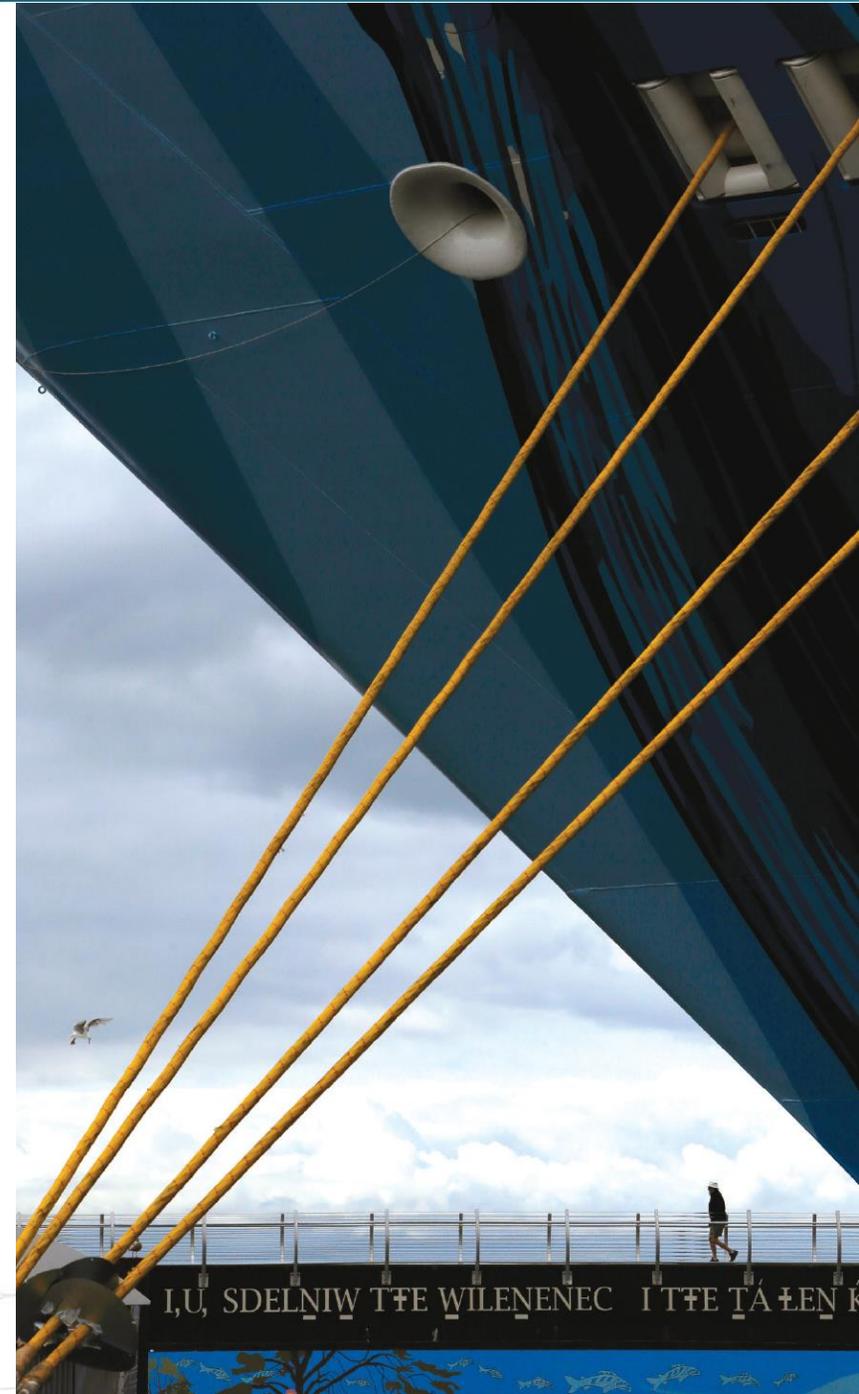
# LEADERSHIP TEAM



# CURRENT LANDSCAPE

Many of the contextual issues and opportunities set out in the previous Business Plan, 2016 - 2019, continue to be relevant and inform our planning. As such, several evolving factors that may impact GVHA's business strategy include, but are not limited to:

- Potential changes or developments in federal policy, including further divestiture of federally owned properties and responsibilities such as the seabed and the water airport to local control in a manner yet to be determined;
- In March 2019 the City of Victoria declared a 'climate emergency' along with several other Canadian cities. The cornerstone of this plan is to reach an 80 per cent reduction in greenhouse gas emissions and transition to 100 per cent renewable energy by 2050
- Evolving environmental standards and technological innovation, and public expectations regarding other emissions, as well as managing the impact on GVHA properties from the anticipated rise in sea level
- The continued growth of cruise and the opportunities and challenges this presents
- Completion of facility condition assessments, specifically at The Breakwater District at Ogden Point
- Upland landowners' plans for harbour land development
- Increased focus on the visitor/resident interface
- Evolving municipal government interest and the tension this creates



# ENTERPRISE RISK MANAGEMENT

GVHA’s Enterprise Risk Management (ERM) program, applies to all staff and assists the organization in achieving its strategic goals by bringing a systematic approach to identifying, analyzing, mitigating, and reporting risks. Our Board of Directors considers risk management to be fundamental to good management practice, and a significant aspect of the Board’s oversight activities.

Effective management of risk provides an essential contribution toward the achievement of our strategy, operational objectives, and goals. Our risk philosophy represents the shared beliefs and attitudes of how we identify and manage risk in its business, including strategic planning, day-to-day decisions, and the operation of our facilities. Our active risks are documented in a corporate risk register and reviewed quarterly by management and Board Committees. Management identified 63 enterprise risk with mitigation strategies and performance measures for each risk. Each enterprise risk is linked to one or more of our strategic goals and falls under one or more of the following risk categories:

Each of our identified risks is given a rating, based on the following components where Probability x Severity = Risk Rating:

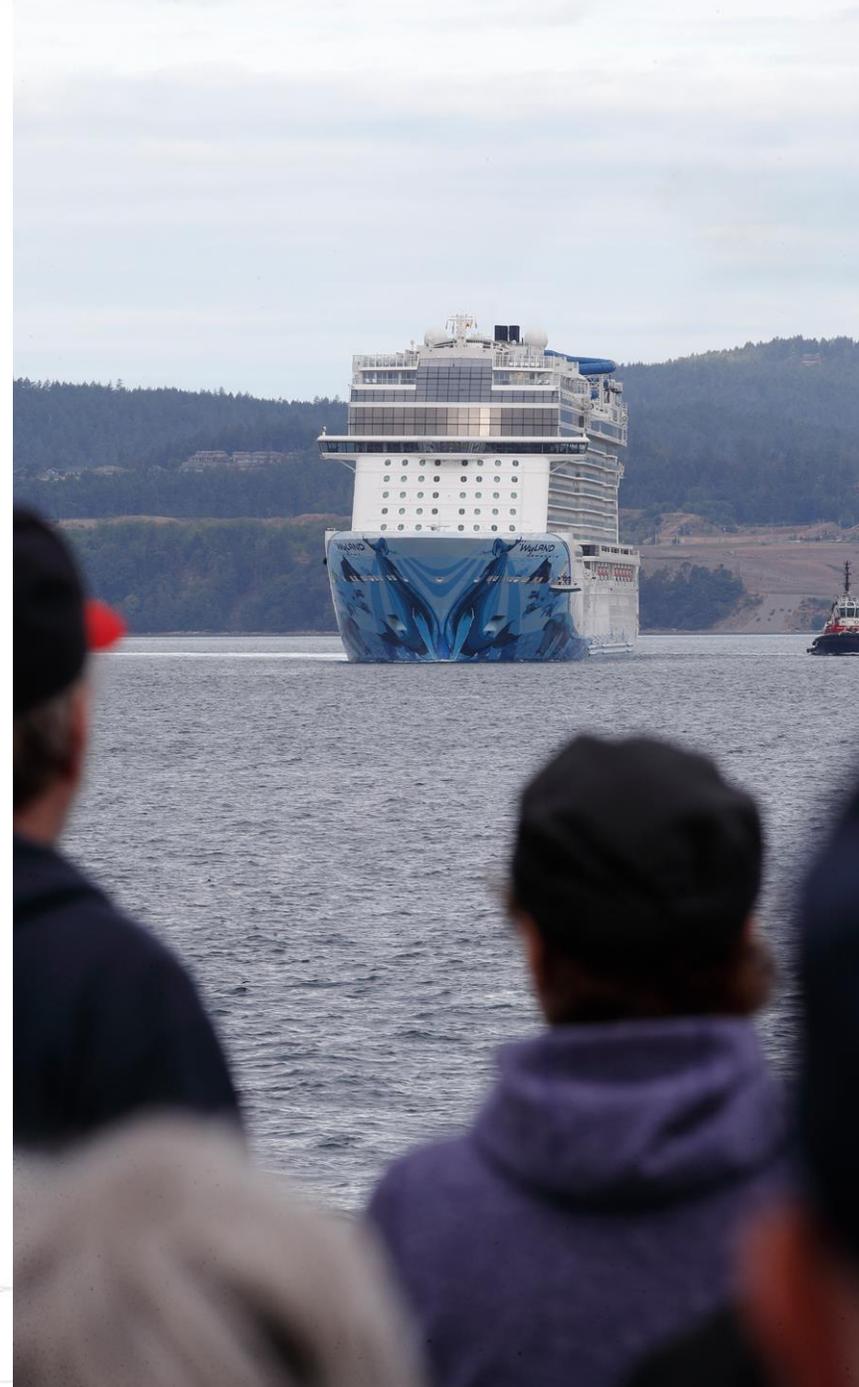
Probability		Severity		Risk Rating
1	Nearly impossible (<5%)	1	Insignificant	<b>1-5 Low</b>
2	Unlikely (5-25%)	2	Minor	<b>6-10 Medium</b>
3	Possible (25-55%)	3	Moderate	<b>12-16 High</b>
4	Likely (55-90%)	4	Critical	<b>20-25 Extreme</b>
5	Imminent (>90%)	5	Catastrophic	

## GVHA's Top Ten Risks:

- GVHA is unable to generate enough cash surpluses to support future strategy and growth
- Development or use of property by neighbors may impact operations and growth
- Regional planning impacts strategic plans and development projects
- GVHA negatively impacts the quality of life with regards to environmental sustainability
- Reliance on one main source of revenue to fund all activities
- Maintenance of adjacent lands impacts services
- Has not effectively communicated with neighbors to manage cruise demand
- Major disaster results in loss of facilities for extended period
- Major assets are not maintained to support activities
- Financial reserve levels are not met

**We envision:**

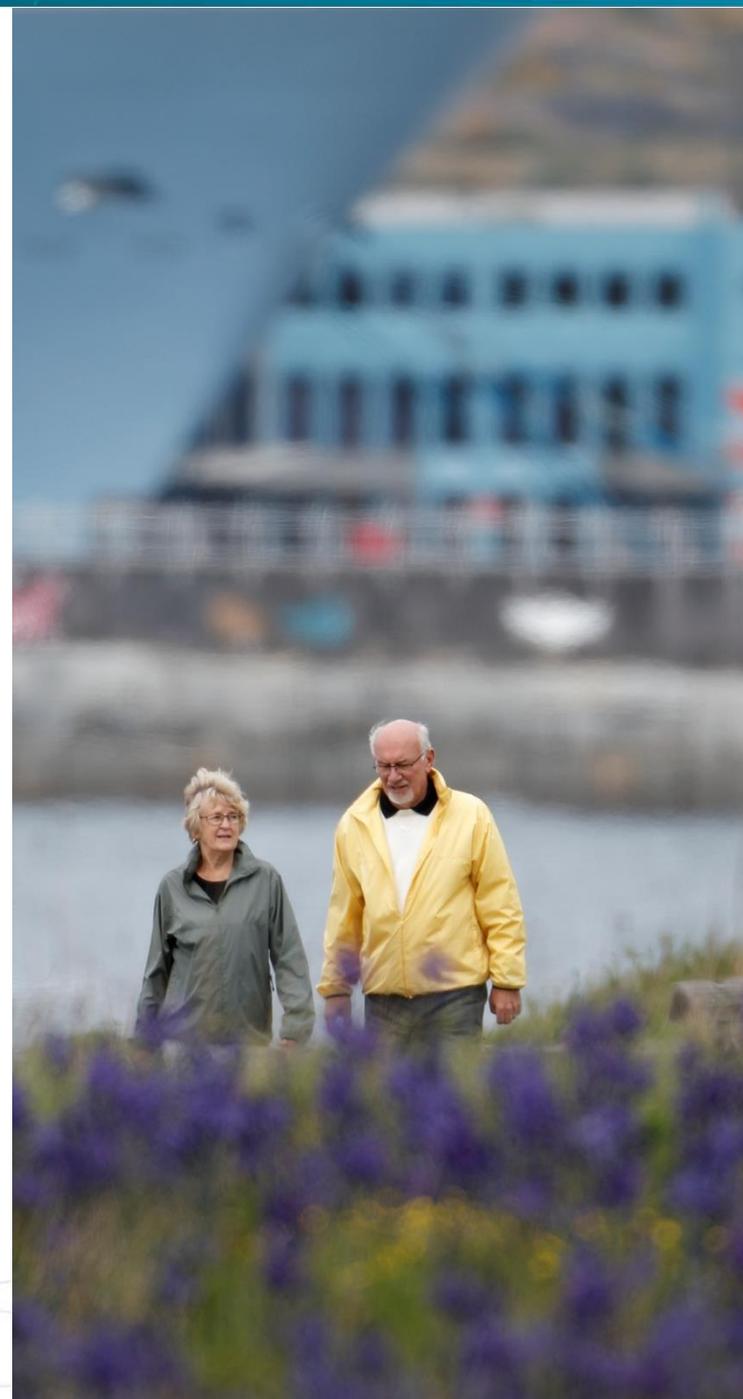
- a working harbour where people live, learn, work, and play; a spectacular gateway into Greater Victoria's past and into its future, with a vibrant look and feel, linking communities and all people together.
- an organization that is recognized by the community as an effective marine asset manager, and as a trusted advocate and partner, working for the common good of the harbour and the region.



# MISSION

In fulfilling our Constitution, we perform three distinct yet complementary roles:

- Owners and managers of the properties entrusted to us through divestiture or under lease;
- Advocates for best water and marine-related use and development of the whole harbour and its assets, regardless of ownership, in accordance with our guiding principles; and
- Partners or collaborators with others in implementing harbour initiatives that drive economic, social and environ



# OUR GUIDING PRINCIPLES

GVHA’s actions and decisions will be guided by the following principles:

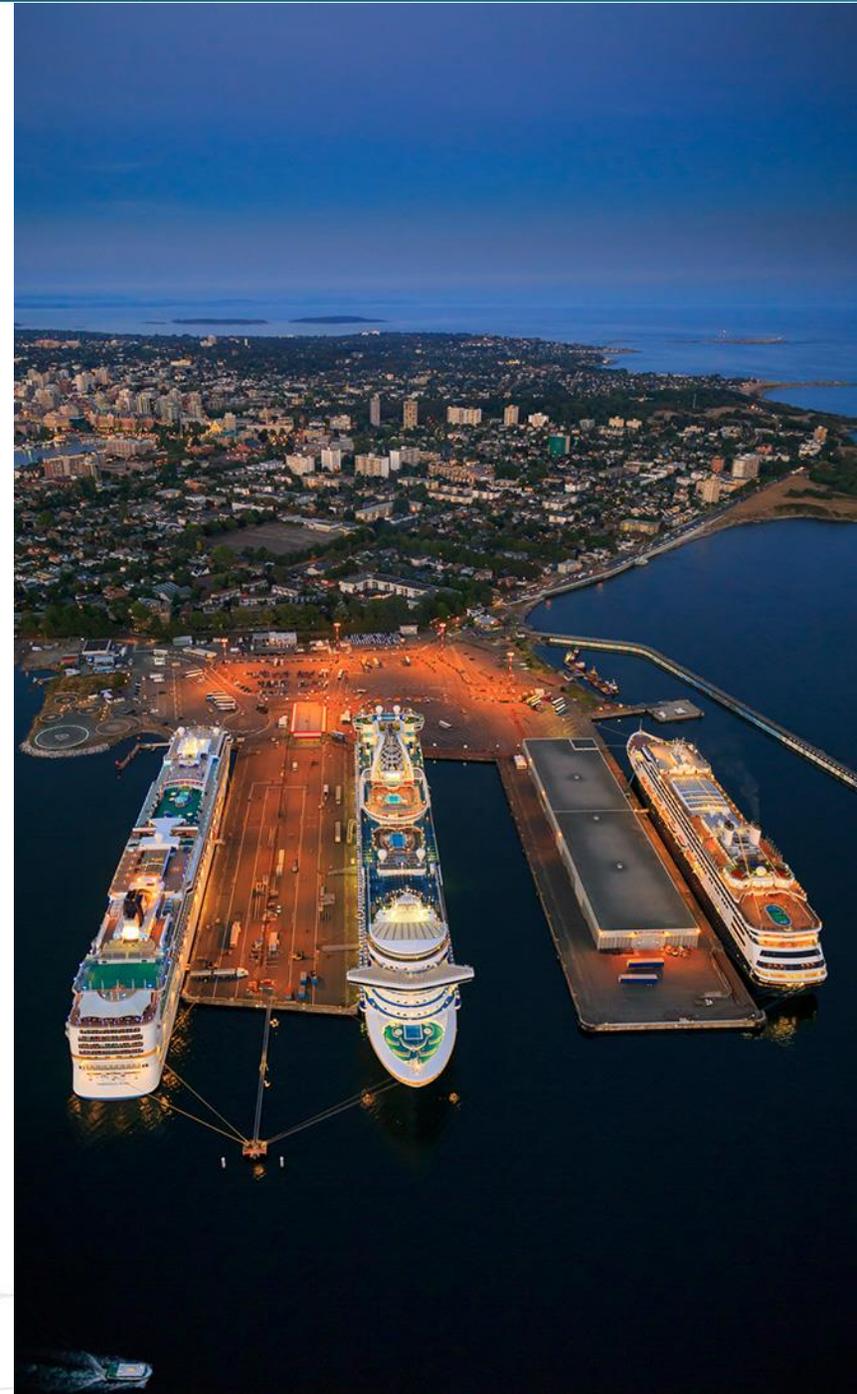
- **First Nations Relationship** – We commit to working in partnership with the Esquimalt Nation and the Songhees Nation as they pursue their cultural and economic aspirations in the Harbour.
- **Triple Bottom Line** – We commit to generating broad economic and social benefit from the use of our properties, while continuously mitigating adverse social and environmental impacts in local neighbourhoods and to our land, air and water.
- **Financial Self-Sustainability** – We commit to structuring and managing GVHA in a financially prudent manner, and to ensuring the long-term sustainability of the organization and its assets without recourse to local subsidies.
- **Working Harbour** - We commit to promoting the Harbour as a working Harbour seeking out opportunities to help advance industrial, commercial and tourism related enterprises – “where commerce requiring the connection between the land and water takes place”.
- **Accountability** – We commit to act in the public interest of the Harbour on behalf of GVHA’s Member Agencies, their stakeholders and the people of the region, and to be held publicly accountable for our activities and results.



# OUR GOALS

We drive our performance and measure every initiative against each of our organizational goals (see detailed version of Performance Dashboard in the Appendix):

1. Economic, Social and Environmental Benefit for the Region
2. Financial Self-Sufficiency and Responsible Stewardship of GVHA Properties
3. A Trusted Advocate for the Working Harbour
4. Governance and Accountability
5. Business Performance and Customer Focus
6. Organizational Effectiveness



**Over the next two years we will initiate and/or complete the following initiatives:**

## **PORT OPERATIONS**

- Cruise sustainability
  - Complete shore power feasibility and business case
  - Pursue environmental impact reduction strategies that will and could include shore power, voluntary environmental tariffs, carbon neutrality, etc.
  - In collaboration with Western Stevedoring explore fourth berth options in the south-island region
  - In collaboration with the Port of Seattle, pursue Pacific Northwest cruise itineraries
  - Implement a sustainable cruise strategy that addresses how we will sustainably grow over the next 10 years and determines what the visitor/resident interface looks like
- Pursue berth utilization during the non-cruise season in collaboration with Western Stevedoring,
- Develop new revenue streams at The Breakwater District at Ogden Point

## **MARINAS**

- Update the facility plan for Fisherman's Wharf, which will include a mid-to-long-range plan including the revitalization of Huron Pier, replacement of the fuel dock, and development that aligns with the zoning and needs of the community
- Pursue customer growth opportunities that support the facility plan
- Enhance the Inner Harbour Summer Line-Up on the Inner Harbour Causeway



## COMMERCIAL

- Address expiring memorandum of agreement with float home owners
- Implement a go-forward strategy with Steamship Terminal given recent tenant movements
- Implement a standardized commercial lease across all properties
- Implement a market rate strategy across all properties
- Explore development opportunities at all facilities as they arise

## COMMUNITY AMENITIES

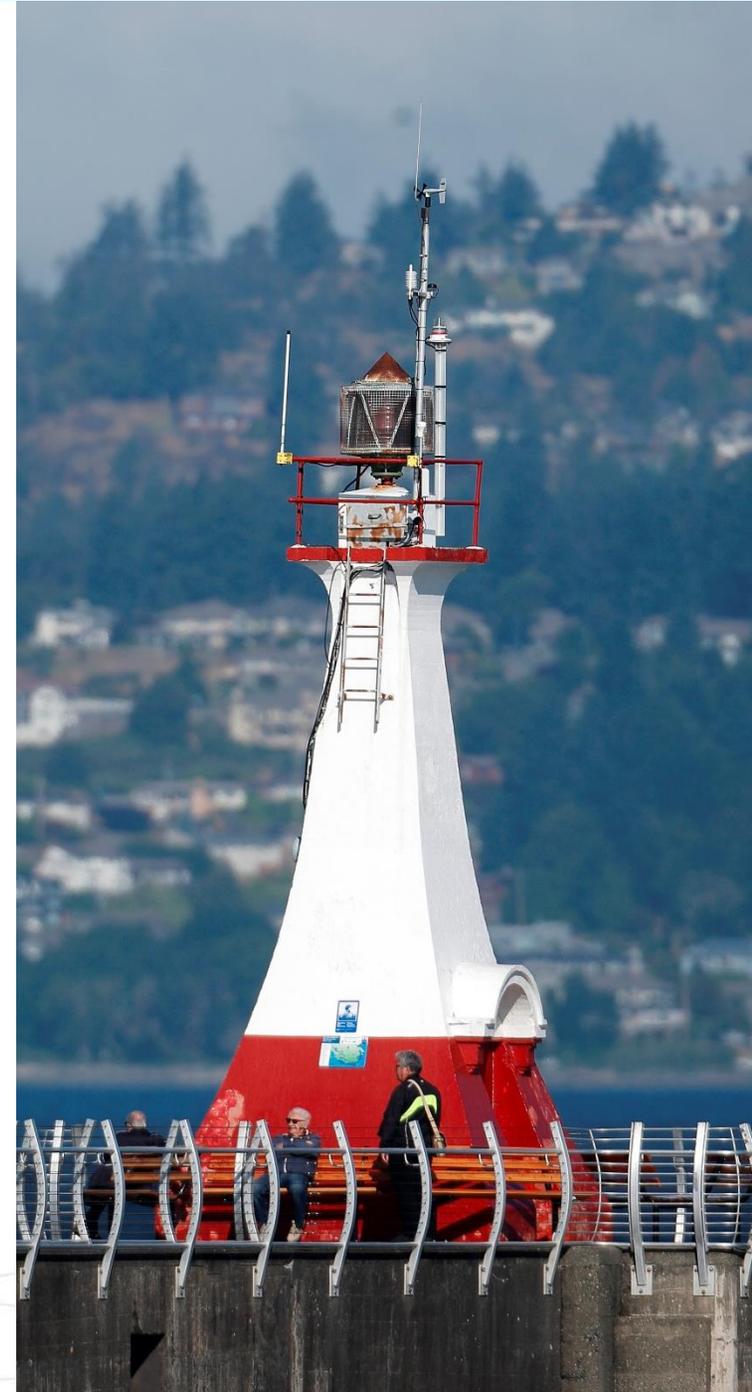
- Develop a strategy to attract public and private investment to sustain community amenities
  - Complete an economic impact assessment of the harbour
  - Develop a government relations strategy to seek government funding

## ASSET MANAGEMENT STRATEGY

- Implement asset management framework
- Complete facility condition assessments across all properties

## ORGANIZATION

- Continue roll out of customer service focus strategies
- Seek efficiencies through ongoing process improvement
- Complete the business continuity plan
- Implement enhanced reporting plans
- Implement revised key performance indicators



## PEOPLE

- Become an employer of choice
  - Support staff training and development opportunities
  - Implement standard onboarding and off-boarding process
  - Implement new performance review process

## FIRST NATIONS

- Continue to develop and implement a First Nations engagement strategy based on our commitment to the Canadian Council for Aboriginal Business' Progressive Aboriginal Relations (PAR) program. This includes:
  - **Employment** – increasing Indigenous participation in our workforce through job shadowing programs and skills and training programs.
  - **Business Development** – support and endorsement of our Indigenous Business Directory and a focus on increasing our procurement from Indigenous businesses.
  - **Community Relations** – pursuit of initiatives that support First Nations economic and cultural interests in the harbour
  - **Leadership** – an effort to play a leadership role in Indigenous relations in Victoria sharing our experience and lessons learned.

## ENVIRONMENT

- Explore environmental contamination cost recovery options at The Breakwater District at Ogden Point
- Reinstate staff-led environmental committee
- Work with Board of Directors to include further environmental oversight
- Re-certify Clean Marine BC (marinas) and Green Marine (deep-water terminal)



# FINANCIALS

Fiscal Year (\$'000)	19/20 Forecast	20/21	21/22
Operating Revenue	\$16,210	\$18,136	\$19,905
Operating Expenses	\$12,645	\$15,116	\$15,873
<b>EBITDA - Cash from Operations</b>	<b>\$3,565</b>	<b>\$3,020</b>	<b>\$4,032</b>
Debt obligation, principle and interest	\$107	\$1,081	\$1,082
<b>Capital Reserve Fund (CRF)</b>	<b>\$3,458</b>	<b>\$1,939</b>	<b>\$2,950</b>

Capital Investment Plan Fiscal Year (\$'000)	19/20 Forecast	20/21	21/22
Ogden Point	\$ 10,004	\$ 4,014	\$ 9,196
Fishermans Wharf	283	152	1,444
Inner Harbour	1,013	252	2,498
Steamship	-	-	-
Community Assets	539	695	620
Corporate	65	18	10
<b>Total</b>	<b>\$ 11,904</b>	<b>\$ 5,130</b>	<b>\$ 13,767</b>

Capital Investment Plan Fiscal Year (\$'000)	19/20 Forecast	20/21	21/22
Capital Repair	\$ 4,292	\$ 1,710	\$ 4,344
Growth Capital	7,072	2,725	8,804
Community Assets	539	695	620
<b>Total</b>	<b>\$ 11,904</b>	<b>\$ 5,130</b>	<b>\$ 13,767</b>

Capital Reserve Fund (CRF) Fiscal Year (\$'000)	19/20 Forecast	20/21	21/22
CRF Opening balance: (Cash on hand )	\$ 8,670	\$ 7,097	\$ 4,936
Add: CRF Contributions	3,458	1,939	2,950
Less: Investment in Capital Repair	4,292	1,710	4,344
Less: Investment in Required Community Assets	539	695	
Less: Investment in Required Growth Assets	200	2,525	
Add: Expected Funding		830	500
Equals: Net annual CRF	- 1,573	- 2,161	- 894
<b>CRF Closing balance</b>	<b>\$ 7,097</b>	<b>\$ 4,936</b>	<b>\$ 4,042</b>