

The following Management Discussion and Analysis (MD&A) addresses the activities and financial performance of the Greater Victoria Harbour Authority (GVHA) for the fiscal year ending March 31, 2021. The information contained in this MD&A has been prepared by management and should be read in conjunction with the audited financial statements.

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WHO WE ARE & WHAT WE DO

About GVHA

The Greater Victoria Harbour Authority (GVHA) was created as a not-for-profit society to assume responsibility for the harbour land and marine assets divested from the Federal Government in 2002. The harbour lies in the Traditional Territory of the Lekwungen People of the Esquimalt Nation and the Songhees Nation.

As a not-for-profit society, GVHA is committed to the stewardship and sustainable growth of Victoria's dynamic working harbour. GVHA is accountable to its eight Member Agencies:



We own and operate high-profile community amenities including:

- Ogden Point Breakwater - a barrier free walkway that is home to the Na'Tsa'Maht- The Unity Wall mural, which depicts art of local First Nations.
- Inner Harbour Lower Causeway - a walkway close to the provincial legislature that is home to Inner Harbour Summer Line Up as well as the, "Welcome to Victoria," flower garden.
- Customs Dock at Raymur Point - Operated by the Canada Border Services Agency
- Public Boat Launch at The Breakwater District - located on the north end of the property.

- Ship Point - located in Victoria's city center and used for public events and celebrations throughout the year

GVHA has fee simple ownership in three main locations: The Breakwater District at Ogden Point, Fisherman's Wharf, and the Inner Harbour in addition to a leaseholder interest with the Steamship Terminal.

<p style="text-align: center;">Breakwater District Terminal</p> <p>A deep-water terminal focusing on both cruise and working harbour uses, the nearly nine hectares of land and seabed includes four berths, warehouse, staging areas, helicopter terminal, and commercial buildings for support services; the breakwater provides both essential protection for the terminal but also a public amenity for the locals and tourists to enjoy</p>	<p style="text-align: center;">Fisherman's Wharf</p> <p>A premier attraction in Victoria of four and a half hectares of land and seabed, providing moorage for pleasure vessels and commercial fishing vessels, fish off-loading facilities, fuel dock, float home community, and other commercial and recreational activities, including Raymur Point, a pocket marina east of the facility, containing the Canada Customs dock</p>
<p style="text-align: center;">Inner Harbour</p> <p>The Ship Point pier and Lower Causeway provide Victorians and visitors an unprecedented recreational area and moorage facility, public pathway around the harbour, host to various marine and community events, eco-tourism activities, and commercial activities; the Wharf Street and Johnson Street Marinas accommodate commercial operators and vessels, annual and guest moorage for pleasure vessels; and float planes housed at the Hyack terminal</p>	<p style="text-align: center;">Steamship Terminal</p> <p>A four-story historic Victoria landmark building alongside the Inner Harbour, which has been restored to a vibrant commercial, and cultural hub with a focus on public access, along with a float and water lot for customer use</p>

Vision

We envision:

- A working Harbour where people live, learn, work, and play; a spectacular gateway into Victoria's past and into its future, with a vibrant look and feel, linking communities and all people together.
- A GVHA 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.

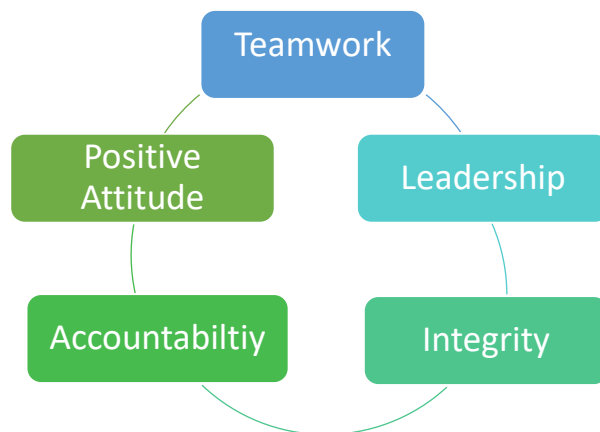
Our Mission

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 environmental benefits for the Region.

Our Shared Values

These shared values guide our interactions with our employees and contractors, member agencies, stakeholders and customers.



Strategic Goals

In 2014/15, GVHA completed a 10-year Strategic planning process that aspired to achieve the following measurable outcomes. With the advent of COVID-19 and the significant disruption to our business, many of our plans were put on hold but we continue to focus on the following:

Economic, Social and Environmental Benefit for the Region

GVHA follows a triple bottom line approach to measuring economic, social, and environmental impacts to the region, including our local First Nations. We are a community-based organization that strives to support a thriving and vibrant community and to protect and enhance the health of the natural environment. We commit to working with all harbour stakeholders to achieve the optimum outcome in the public interest, by generating net benefit for the Esquimalt Nation, the Songhees Nation and for all residents living in and operating businesses in the Capital Region.

Financial Self-Sufficiency & Responsible Stewardship of GVHA Properties

At GVHA we continuously reinvest in our assets to improve the experience that our customers and the public have at each of our facilities. Our asset lifecycle plan is critical to ensuring long-term sustainability of our operations and informs our investment strategy to ensure our financial capacity aligns with asset maintenance and replacement needs.

A Trusted Advocate for the Working Harbour

GVHA supports and facilitates stakeholder collaboration to develop and implement a shared vision for the future of the working harbour. We recognize and respect that the harbour lies in the traditional territory of the Lekwungen Peoples of the Esquimalt and Songhees Nations. We also recognize and respect that GVHA lands and waters are adjacent to several Victoria neighborhoods and as such, GVHA activities must align with the vision and regulatory policies and procedures of the City of Victoria.

The City of Victoria and the Province of BC both recognize the importance of developing a comprehensive harbour plan. As such, GVHA's priority to develop a master plan for the inner harbour facilities will require extensive collaboration with all stakeholders to ensure continued protection/enhancement of the working harbour. We realize that demonstrating the value and relevance of GVHA's role within the harbour is required to increase stakeholder engagement and support. A robust and meaningful consultation and engagement strategy is essential to GVHA's success.

Effective Governance and Accountability

GVHA convenes regular meetings with member agencies to engage in strategic discussions about issues and opportunities. Our Board comprises of Directors that are selected and nominated to competently provide direction and oversight of GVHA's activities. As such we strive to select and appoint directors with a collective range of skills, expertise, and experience. GVHA keeps the public consistently informed around operations and initiatives, and we manage

a transparent and consultative planning process.

Business Performance and Customer Focus

GVHA is committed to ensuring we are conducting our business with an eye on our customer’s needs. To facilitate this, we will be completing Facility Condition Assessments (FCA) of all of our major assets. These FCA’s will give us a path forward to ensure we are maintaining our facilities at the optimum level required.

Organizational Effectiveness

A vital part of our organization is our people. We are striving to engage and motivate our employees to ensure and maintain a healthy working environment and culture during continued challenging times.

Business Plan Initiatives

The table below outlines GVHA’s key business plan initiatives for 2020-22 that support the realization of strategic goals. To realize our long-term goals, particularly a triple bottom line benefit to the Region and financial sustainability, our focus has been on laying the groundwork for future growth, mitigating losses currently experienced at our Inner Harbour properties and implementing cost control measures within the organization.

Initiative Area	Business Plan Initiatives
<p>Port Operations</p>	<ul style="list-style-type: none"> ● Secure funding and complete schematic design for shore power ● 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
<p>Marinas</p>	<ul style="list-style-type: none"> ● 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 commercial development. ● Pursue customer growth opportunities that support the Facility Plan ● Enhance the Inner Harbour summer line up on the Inner Harbour Causeway
<p>Commercial</p>	<ul style="list-style-type: none"> ● Address expiring memorandum of agreement with float homeowners. ● Implement a go-forward strategy with the Steamship Terminal given recent tenant movements

	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Develop a strategy to attract public and private investment to sustain community amenities • Develop a government relations strategy to seek government funding
Asset Management Strategy	<ul style="list-style-type: none"> • Implement asset management framework • Complete facility condition assessments across all properties • Prepare and Implement Facility Maintenance Plans for each property
Organization	<ul style="list-style-type: none"> • Continue to roll out 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ 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 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	<ul style="list-style-type: none"> • Explore environmental contamination cost recovery options at the Breakwater District at Ogden Point and Fisherman’s Wharf • Reinstate staff-led environment Committee • Review options for full time Environmental Manager • Work with Board of Directors to include further environmental oversight • Re-certify Clean Marine BC (Marinas) and Green Marine (deep-water terminal)

Sustainability Policies and Initiatives

Sustainability in our operations is driven by our guiding principles and continued commitment to our community. We unite a wide variety of member agencies – from First Nations, regional and local governments to community-based associations – that all benefit from well-maintained marine and upland harbour facilities.

Through a triple bottom line lens, 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 neighborhoods and to our land, air, and water.

During the 2020/21 fiscal year, many of our initiatives were put on hold as revenues dropped dramatically with the loss of cruise ship calls in Canada. Despite this drop in revenue, we were still able to contribute \$58,000 to First Nations initiatives. GVHA continues to be a leader in Indigenous procurement with the development of our Indigenous Business Directory and a commitment by the organization to procure 2% of our influenceable spend through Indigenous businesses.

Spending on community assets also contributes to our triple bottom line as these assets do not produce any revenue for the society. This fiscal year we spent \$345,000 on managing and maintaining community assets.

GVHA continues to seek ways to mitigate its impact on the environment. During the 2020/21 fiscal year, we spent \$151,221 on investigating the feasibility of Shore Power at The Breakwater District at Ogden Point so that cruise ships visiting our port may plug into electric power, thereby reducing carbon emissions.

Enterprise Risk Management

GVHA has implemented an Enterprise Risk Management (ERM) program to manage the risks inherent in the unique nature of operating a marine-related business. ERM is the process of planning, organizing, leading, and controlling the activities of an organization to minimize the effects of risk on the organization. Our ERM program is based on the internationally recognized principles of ISO 31000. Effective risk management is a key element towards achieving our strategic goals by bringing a systematic approach to identifying, analyzing, mitigating, and reporting risks.

The ERM Risk Register is updated by management and reviewed with the Board of Directors on a quarterly basis. Each risk is analyzed to determine if there have been changes in the level of risk, performance measures or in the mitigation strategies. Each risk is given a rating based on the probability of the risk occurring and the severity to the organization should the risk occur. The maximum rating a risk can receive is 25.

In March 2019, prior to COVID-19, we had 62 risks identified with an average risk rating of 8.8 and had only one risk that had a rating of 20 or 25, which is the extreme rating. As of March 31, 2021, due to the impacts of COVID-19, management had identified 63 risks related to organizational strategic goals and 19 additional risks specifically related to COVID-19. The average risk rating has escalated to be 11.1 and we now have 12 risks that have a rating of extreme. Many of the risks with an extreme rating are beyond the control of management and the board as they are a result of external factors relating to government closures from tourism and travel restrictions and the uncertainty of when those closures will be lifted. This has impacted not only the financial sustainability in the short term, but has resulted in the postponement of capital investments required for the facilities. Management is continually implementing new mitigation strategies to manage the risks.

Risk Category	Definition
Political	Risk arising from government regulation or political priority/event
Economic (external)	Risk arising from changes in the economy
Financial (internal)	Risk threatening financial capacity or long-term sustainability of the organization
Environment	Risk arising from the actual or potential threat of adverse effects on living organisms and the environment by effluents, emissions, wastes, resource depletion, etc.
Technical	Risk arising from activities such as design and engineering, manufacturing, technological process, and test procedures
Social	Risk arising from potential negative impacts to the community (including noise, traffic, air quality), labour conditions or human rights issues
Public/reputation	Risk arising from publicity or public perception,
Operational	Risk arising from potential issues with information systems, employee recruitment and retention, breaches in internal controls, fraud, etc.
Legal	Risk arising from the potential that unenforceable contracts, lawsuits, or adverse judgments could disrupt or otherwise cause negative impact
Safety	Risk arising from potential injury to an individual, or damage to property

COVID-19 Impacts to the Organization

The COVID-19 pandemic continued to challenge the organization throughout the year with the border closed to international travelers and many aspects of our operations closely tied to the tourism industry. With the decision by Transport Canada to suspend cruise ship visitation in Canada first until February 28, 2021, and then extending that suspension to February 28, 2022, we faced an unprecedented financial loss.

Our organization operates in a tourism-focused world with 70% of annual revenues coming from cruise ship visitation and the majority of the remaining balance of revenues driven by tourism-related commercial operations. GVHA is a 24/7, 365 day a year operation; despite this reality, difficult decisions had to be taken to reduce operations to essential service levels only and reduce staff by 47%. With these adjustments and the assistance of federal programs such as the Canada Emergency Wage Subsidy, our not-for-profit organization still realized an EBITDA loss of \$1.1 million for the fiscal year.

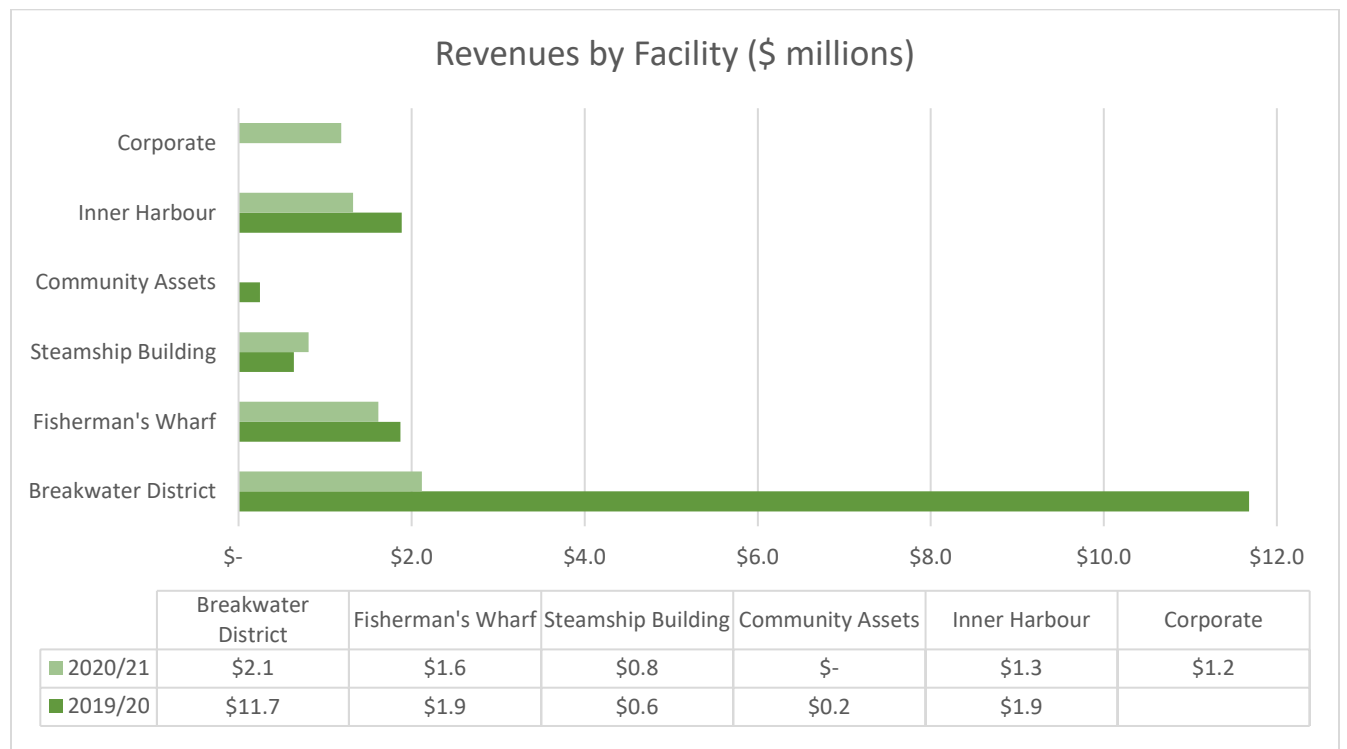
FY 2020/21 FINANCIAL RESULTS

The following details should be read in conjunction with GVHA's annual Audited Financial Statements as of March 31, 2021.

Statement of Operations

Revenues: Revenues for 2020/21 were down in all facilities except the Steamship Terminal due to an agreement by the Province of BC to provide us with rent abatement for the vacant spaces. The steepest decline was at The Breakwater District as the halt of cruise operations caused revenue to significantly decrease by 82%, and by 57% over the entire organization. The Inner Harbour saw a 30% decrease as the borders were closed to American boaters and we extended winter rates to our remaining clients to allow them to stay in the harbour. Revenues at Fisherman's Wharf decreased due to a reduction in commercial client revenue related to decreased customer activity. Corporate revenues include our government funding that was received in the fiscal year.

Gross revenue by facility for the 2020/21 year with 2019/20 numbers for comparison:



*Corporate Revenues are comprised of Government Subsidies

Capital Improvement Fees: In 2010, GVHA, in consultation with cruise lines, implemented a cruise sustainability fee for all ships calling to The Breakwater District to support the essential ongoing investment in cruise infrastructure. With the halt of cruise for this fiscal we did not collect any revenue from the cruise lines for the cruise sustainability fee. We did collect capital improvement fees for the

washroom upgrades at the Steamship Terminal of \$23,982, and the capital recovery fee for the fuel dock of \$42,501.

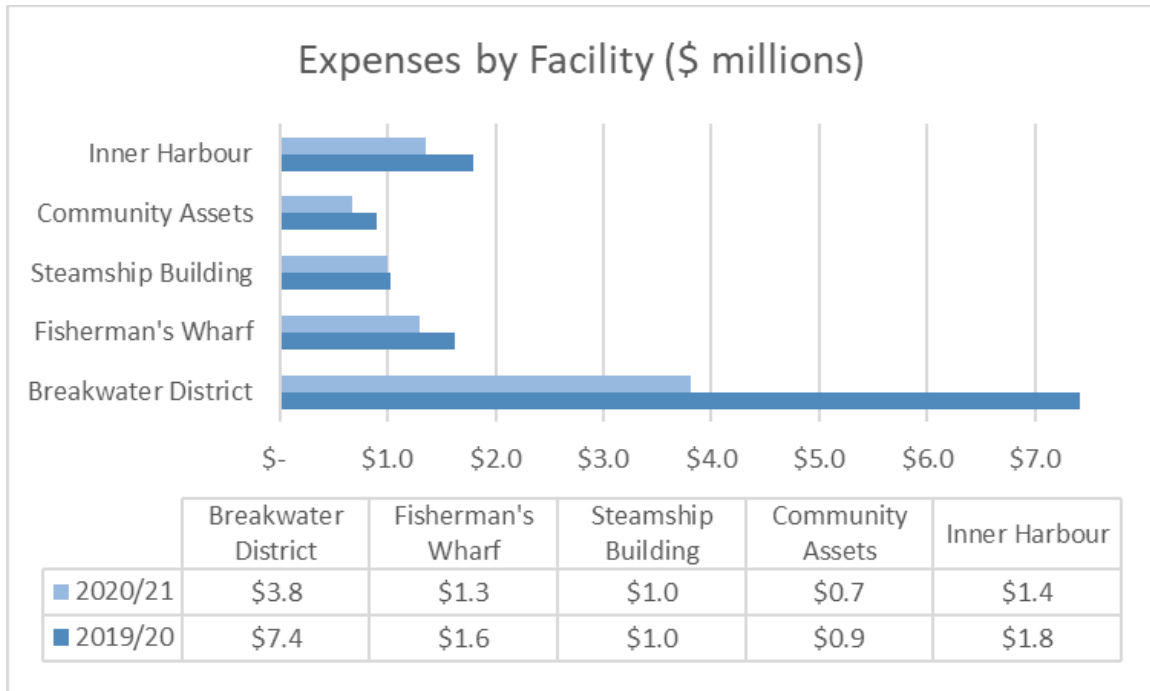
Government Operating Subsidies: GVHA was grateful to receive support from the Government Operating Subsidies in 2020/21. We received the following support from the federal government:

- Temporary Wage Subsidy - \$25,000- given early in the pandemic to help offset wages was received by reducing payroll remittances.
- Canada Emergency Rent Subsidy (CERS) - \$62,812- this program replaced the CECRA and is payable directly to the GVHA to help subsidize our rent.
- Canada Emergency Commercial Rent Assistance (CECRA) - \$427,457- the funding from this program was passed through to our commercial clients to assist them with their rent. GVHA also contributed \$242,316 in rent concessions to the commercial operators so that they could participate in this program.
- Canada Emergency Wage Subsidy (CEWS) - \$1,023,168 – main support given to businesses by the Government of Canada to help offset wage expenses in this difficult time.

The CEWS program and the CERS program are expected to continue until October 2021.

Other recovered costs and in-kind sponsorship: Other recovered costs consist of common area maintenance fees and property taxes recouped from our clients. In-kind sponsorship is amounts we give to community organizations who utilize our facilities to help reduce their costs. Some of the organizations we sponsored this year are moorage for the Victoria Fire Department and Centre for Whale Research; parking for the James Bay Anglers Association at The Breakwater District; storage for Maritime Museum of BC , CFA Santa's Anonymous, the Times Colonist Book Drive; and use of the parking lot at The Breakwater District for the Victoria Police Motorcycle Training.

Expenses: When cruise ships were halted and the borders were closed, GVHA had to pivot to ensure the organization remained financially viable and strong. This required us to halt all capital projects that were not already in progress, cut staff by 47%, and manage the expenses to ensure we were only spending what was necessary to keep the business running. We successfully managed to cut costs by 46% of budget with total expenses of \$8.1 million before amortization and interest.



Deferred contributions: Represent amortized non-cash asset contributions received from Transport Canada at divestiture in 2002, in addition to other federal and provincial cash contributions related to specific capital projects and initiatives as awarded by governmental funding opportunities.

Investment income: Represents gains and losses from GVHA's internally restricted reserve fund and Guaranteed Investment Certificates (GIC's).

Statement of Financial Position

Assets

All surplus cash generated from GVHA operations is reinvested in its facilities and advancing the mandate of the organization. Because of the substantial capital nature of marine assets and the condition of the assets divested to GVHA in 2002, GVHA must generate an operating surplus and build financial reserves to maintain, update, and replace existing capital assets into the future.

In 2014, GVHA established a Restricted Reserve Policy to provide guidance and methodology for restricting sufficient cash reserves in the event of a catastrophic event, material revenue loss and/or debt service coverage. After a loss at the end of the last fiscal, our investments were able to recover and on March 31, 2021 the fund balance was \$7.7 million. The reserve fund is shown as an Investment on the Statement of Financial Position, as it is managed by a third-party firm, where all income is reinvested as earned.

GVHA uses its capital assets to deliver services to its' customers and the public. Initial investment in these assets has been provided from Transport Canada's divestiture. The investment in capital assets includes harbour land (non-depreciable asset), wharves, docks, buildings, piers, Ogden Point

breakwater, furniture, equipment, leasehold improvements, vehicles, and boats, and information technologies.

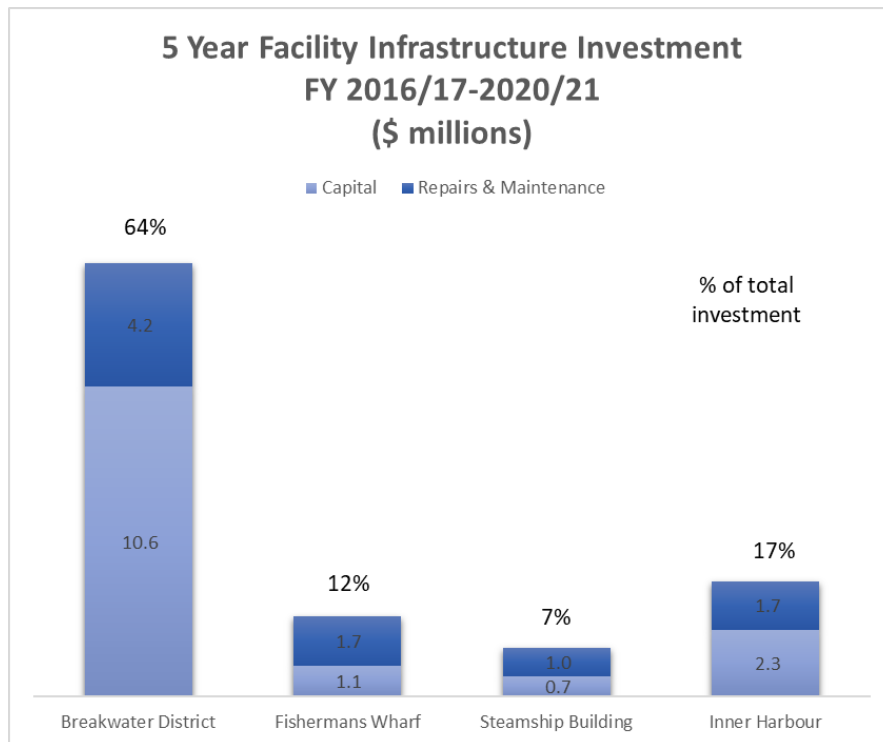
Capital assets as of March 31, 2021 were recorded at a net book value of \$61.2 million (net of accumulated amortization).

At the beginning of the fiscal year all non-essential capital projects were put on hold to try and minimize spending. Despite that we had three priority projects that were completed for the year. Capital investment for the year of \$840,529 (\$5.5 million 2019/20) was comprised of:

Breakwater District

- Completion of the dolphin project- \$366,341
- Facility Condition Assessment- \$322,967
- Shore power feasibility study- \$151,221

GVHA has invested \$23.2 million into its facilities during the last five years, as shown in the table below. While Breakwater District has consumed 64% of the investment (\$14.9 million) the Cruise Sustainability Fee received from the cruise lines has contributed \$4.4 million directly towards the costs.



Liabilities

In 2019/20, GVHA signed a credit facility with Coast Capital Savings Federal to finance the Breakwater District mooring dolphin extension project. This loan was originally classed as long-term debt on the financial statements. However, we set the loan up as a variable interest loan to take advantage of the lower interest rates and flexibility this type of loan affords. The loan is therefore callable by Coast Capital and has been classed on the financial statements under current liabilities as a Demand Loan. The value of this loan on March 31, 2021 is \$6.3 million.

Deferred contributions represent both the assets divested from Transport Canada in 2002 as well as any ongoing contributions from other sources, all of which are amortized over the life of the respective assets.

Net Assets

GVHA's net assets are apportioned into three categories and represent the surplus funds reinvested since inception:

Invested in capital assets, at \$36.6 million

Internally restricted reserve fund relates to the funds allocated for specific use. There are three separate funds that GVHA has currently:

- Restricted Reserve Fund at \$7.7 million
- Cruise Sustainability Fund-\$1.4 million
- Fuel Dock Capital Fund-\$1.18 million

Unrestricted net assets are available to fund the replacement of assets, future growth, and to meet ongoing future obligations, at \$6.2 million

FINANCIAL OUTLOOK & PRIORITIES

Three Year Business Plan

FY 2020/21 was the second year of the 2019/22 Business Plan. Despite COVID-19 causing significant disruptions to our business and the putting on hold of capital projects, we were still able to complete the Facility Condition Assessment for The Breakwater District as per our business plan. For the next year GVHA will continue to focus on:

- Ensuring the long-term sustainability of cruise and the safe return of cruise
- Completing all Facility Condition Assessments and implementing an asset management strategy
- Developing an investment strategy that strives for long-term financial sustainability with a triple bottom line view
- Developing a strategy for our community amenities including which best investment options, highest/best use/repair programs etc.
- Continuing organizational process improvements
- Developing a human resource strategy focusing on the culture of GVHA and the experience for

- both employees and customers
- Continuing to explore, implement, and maintain sustainability initiatives at all properties through a triple bottom line lens

Property Plans

Breakwater District at Ogden Point

GVHA's objective is to ensure the long-term success and sustainability of cruise tourism in Victoria and the Pacific Northwest, in part through its strategic and measured investment in The Breakwater District deep-water terminal infrastructure. In doing so, GVHA aims to provide a port environment that meets the needs of cruise partners and the expectations of shared guests to ensure a safe, secure, and enjoyable shore experience for all. Over the past 10 years, The Breakwater District has experienced an average growth rate of 6% per year in its cruise operations. Although COVID-19 has caused the cruise industry to pause, we anticipate that cruise will return in the 2022 cruise season. It is unclear at this point in time the level to which cruise will return. Due to the significant decline in revenue for the 2020 and 2021 cruise year, many of our initiatives will require external funding. We will concentrate in the next year on ensuring the long-term health of GVHA. Specific initiatives include:

- Promote The Breakwater District as an economic development engine for Greater Victoria
- Preserve cruise industry business and associated benefit for the region
- Implement initiatives to increase and diversify revenue
- Implement measures to mitigate adverse impact of The Breakwater District operations on residents and the environment
- Invest in sustaining maintenance and enhancement/upgrades to capital infrastructure

Fisherman's Wharf

GVHA will continue to implement the Fisherman's Wharf Plan (approved by the city in 2014) to preserve the current variety of activity at Fisherman's Wharf plus:

- Discuss solutions to enhance Fisherman's Wharf public amenities with the City of Victoria and other stakeholders
- Discuss land and water lot issues with the Federal Government
- Complete sustaining maintenance
- Plan for the development of the revitalization of the Huron Street Pier

Steamship Terminal

Full tenancy at the Steamship Terminal continues to be a focus for GVHA, with one pocket of space available on the main level and an office vacancy on the fourth floor. Opportunities include:

- Stable occupancy on all floors
- Forecourt activation
- Advertising revenues from exterior signage

Inner Harbour

Our properties within the Inner Harbour locations contain significant untapped potential and will require capital investment over the near to medium-term. These capital plans will require external funding to ensure the long-term viability of GVHA. We will determine the highest and best use of GVHA land and water properties in the Inner Harbour and act as a catalyst with other harbour property owners to inspire positive change. We will proactively pursue opportunities for the Inner Harbour properties as follows:

- Causeway and Government Street Retaining Wall – develop a campaign to raise funds for the needed investments for the Causeway and consider alternative funding sources and/or service providers for the on-going maintenance responsibilities. We will continue to discuss the need for fair and reasonable rates for the use of the property with public event and festival operators that contribute to the sustainability of the asset.
- Ship Point Pier – investigate the potential to leverage the deep-water at this location and whether a business case may be made for capital reinvestment. Otherwise, we will enter into discussions with our Member Agencies and with public event and festival operators about the future viability of this property.
- Wharf St. Marina – actively investigate opportunities to maximize commercial potential of these sites, including the adjacent uplands (some of which are currently under Treaty negotiation). Investigate potential configuration redesign.
- Hyack and Johnson St. Marinas – maximize the commercial potential and revenue to GVHA of both properties when viewed as one contiguous water lot. We will initiate discussions with upland owners regarding future development and opportunities of looking at both land and water simultaneously. With right of first refusal commitments in place with two partners, GVHA is open to the highest and best use options for these marinas moving forward.

Capital Assets

The advent of COVID-19 has necessitated that we put our capital projects for FY 2021/22 on hold. We will be re-evaluating our capital plans for the next three-year business cycle to focus on priority projects that are required for our aging infrastructure. We have classified our capital into three separate categories, that which concentrates on preserving and enhancing our current capital infrastructure, that which helps promote growth at the facilities and that which is for our community amenities. Any of the projects that promote growth will need to have a positive return on investment before we contemplate completing the project. Due to limited resources, Community asset projects will require external sources of funding for GVHA to maintain long-term viability.