



2009/10 Business Plan



Greater Victoria Harbour Authority

TABLE OF CONTENTS

About the Plan	1
GVHA Planning Process	2
GVHA Planning Cycle	3
Strategic Plan	4
Business Plan	5
Dominant Value Proposition	5
Business Plan Methodology	5
Business Approach.....	5
Enterprise Risk Management	6
Corporate Social Responsibility.....	7
Strategy Map	8
Management and Staff's Shared Values	9
Ogden Point	10
Shipping.....	10
Marinas & Attractions	11
Property Services	12
Marine Transportation	12
Fisherman's Wharf	13
Shipping.....	13
Marinas & Attractions	14
Property	14
Marine Transportation	15
Inner Harbour	16
Shipping.....	17
Marinas & Attractions	17
Property Services	18
Marine Transportation	19
Harbour Development	20
Corporate Services	22
Appendix A – Community & Industry Participation	23
Appendix B – Capital & Special Projects	24
Appendix C – Organizational Structure	25
Appendix D – Annual Community Festivals & Sponsorship	26
Appendix E – 2009 Environmental Scan & Assumptions	27

About the Plan

GVHA is a not-for-profit society with revenues of approximately \$5.0 million and assets appraised at \$150 million in 2007 (\$65 million book value). The business activity of GVHA generates an estimated regional economic impact of over \$175 million annually.

The Business Plan (BP) is a strategy for implementing the Strategic Plan which is defined by the Board of Directors. The BP describes the core business activity of the Society and outlines the priorities and approach to be taken by management for ongoing and new business activities.

- An annual Board planning meeting is held in the fall to review progress and strategy
- The Strategic Plan is approved at the December Board meeting
- The BP is developed and defined by management, in conjunction with the Annual Capital Plan and the Annual Operating Budget
- Substantive changes to activities or management's business approach for the BP are presented to the Board at the December meeting
- The Annual Capital Plan and Operations Budget are presented to the Board for approval in February after being reviewed and recommended by the Audit and Finance Committee
- The BP is presented to the Board by management at the February meeting as an information item
- It is a public document once presented to the Board

About the Balanced Scorecard Approach

The GVHA has adopted the Balanced Scorecard approach.

The Balanced Scorecard is a management tool that provides members with a comprehensive measurement of how the organization is progressing towards achieving its strategic goals.

- This approach uses a set of key performance indicators to drive and assess the success of the strategy (measure leading indicators not lagging indicators)
- The approach protects long-term objectives from short-term optimizations
- This approach facilitates strategic formulation and execution to achieve organizational alignment
- The approach drives strategic budgeting to fund initiatives that will develop new capabilities, reach new customer markets, and improve existing process capabilities
- The approach accelerates continuous performance management
- The approach strengthens internal and external accountability

STRATEGIC PLAN

Mission

Why we exist

Values (Critical Success Factor)

What is important to us

Vision

What we want to be

Strategy (Strategic Goal Statement)

Our game plan

Key Performance Indicators

Leading measures of successful strategy implementation

BUSINESS PLAN

Risk Philosophy

Our risk tolerance

Strategy Map

Translate the strategy into action and set value proposition

Balanced Scorecard

Measure and focus

Targets and Priorities

What we need to do

Key steps

MANAGEMENT PERFORMANCE PLANS

CEO Performance Goals

What is the priority?

Management and Staff Performance Goals

Board / Committee Matrices

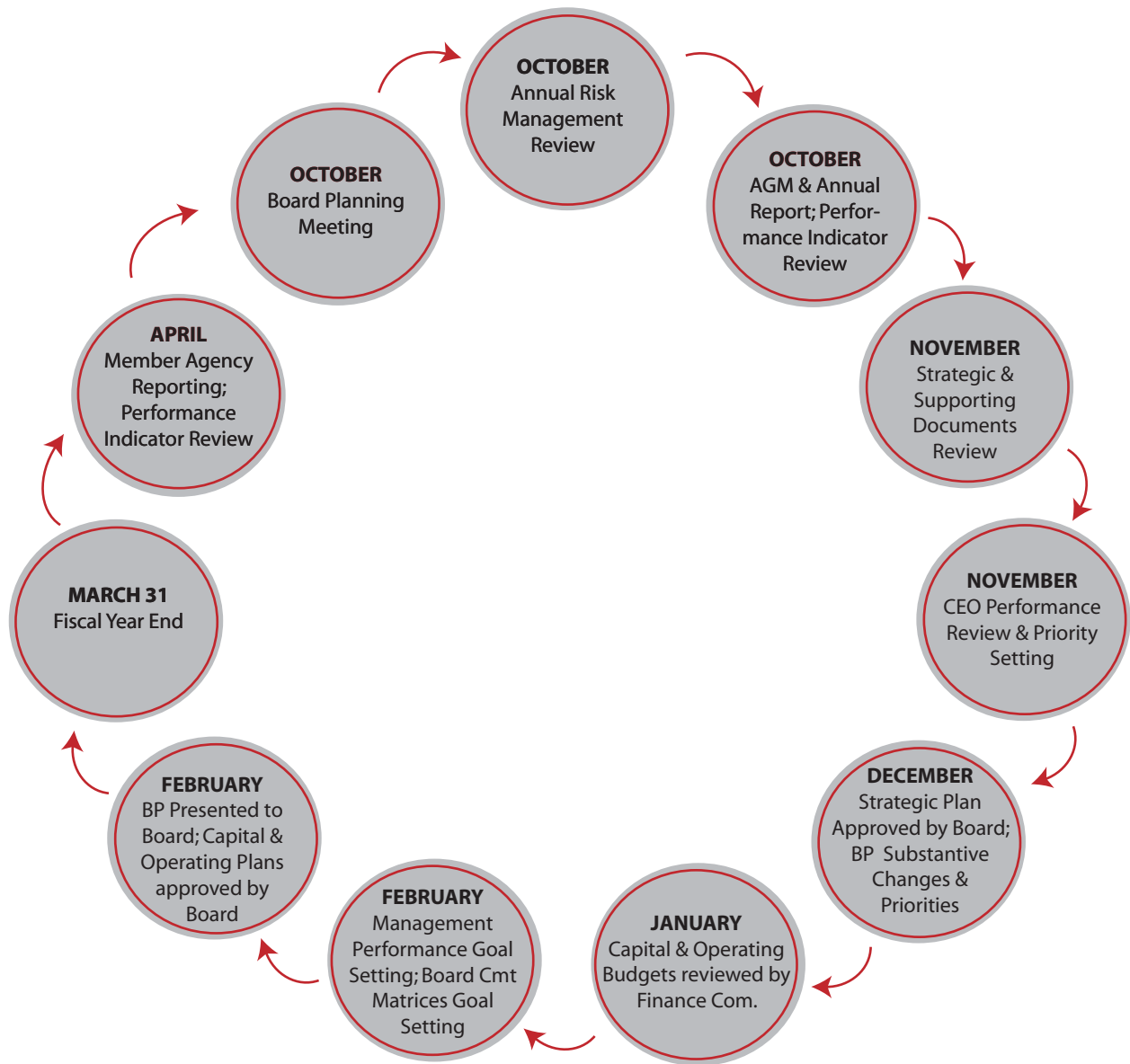
What I need to do

STRATEGIC SUPPORTING DOCUMENTS

- Risk Management Strategy
- Communications Plan
- Facility Lifecycle Plan
- Facility Master Plans, (and site plans)
- Disaster Response Plan and recovery strategy
- Facility Security Plan (ISPS)
- Annual Operating and Capital Budgets
- Human Resources Strategy
- Property Management Program
- Quality Management Program
- Annual Regulatory Review

STRATEGIC OUTCOMES

- Sustainability
- Satisfied Members & Stakeholders
- Delighted Customers
- Safe and Secure Facilities
- Efficient and Effective Process
- Motivated and Prepared Workforce



Strategic Plan

Vision

We envision a harbour where people live, learn, work and play; a spectacular gateway into Victoria's past and into its future, monumental in look and feel, linking communities and all people together.

Mandate

To operate GVHA to optimize current and future assets; to be effective and respected advocates for best water, marine and marine-related use and development of the whole harbour

Critical Success Factors

We will know we are succeeding when the harbour and GVHA assets:

- are busy, dynamic, engaging, thriving
- link people, communities and places
- make the best use of harbour waters and assets
- contribute to a growing and developing local economy
- strengthen partnerships with Esquimalt and Songhees Nations
- achieve financial stability, and social and environmental responsibility

Perspective	Strategic Goals 2009-2014
STAKEHOLDER	Unify the stakeholders in order to develop a vision and comprehensive plan for the harbour
FIRST NATIONS AND GREATER VICTORIA COMMUNITY	Partner with the Esquimalt and Songhees Nations and community agencies to develop opportunities in order to build capacity and contribute to First Nations community goals and regional economic development
FINANCIAL	Manage the business in order to achieve financial sustainability
CUSTOMER	Provide premium product and services in order to attract and retain quality and value adding customers
INTERNAL BUSINESS PROCESSES	Improve the effectiveness and efficiency of our organization in order to increase our capacity and ensure sustainability
PEOPLE & CULTURE	Develop and manage a team culture in order to be engaged and productive

Business Plan

Dominant Value Proposition

GVHA's dominant value proposition is customer intimacy - market value pricing for quality services. The secondary value proposition is product leadership - innovation in meeting current and future customer expectations. The value proposition is derived from GVHA's Strategic and Business Plan strategies. GVHA operates as an enterprising not-for-profit Society.

GVHA strives to achieve the strategic outcomes of:

- Sustainability
- Satisfied members & stakeholders
- Delighted customers
- Safe and secure facilities
- Efficient and effective process
- Motivated and prepared workforce

Business Plan Methodology

GVHA has a high diversity of business activity and customer segments. To understand the Business Plan of the Society each business unit must be considered at each of the facility groupings: Ogden Point, Fisherman's Wharf, and the Inner Harbour. The business units are:

- Shipping
- Marinas & Attractions
- Property Services
- Transportation

For each business unit the customer segments, business approach, and key challenges and opportunities have been identified. Short-term maximizations are carefully considered to ensure the long-term viability of the facilities are not jeopardized.

The other business units, Harbour Development & Corporate Services, are considered cost centres in achieving the long term vision. The approach is focusing on operating as a lean organization while being effective and respected advocates for the whole harbour.

Business Approach

The following is a list of business approaches that are used for all facilities:

Shipping

In order to protect the facilities for future shipping options, the approach is to attract new marine opportunities that will enhance and complement the existing and future activities.

Marinas & Attractions

In order to enhance the value proposition and sustainability, facilities are regularly reviewed in order to optimize the moorage capacity and utilization mix. As part of its corporate social responsibility, GVHA operates numerous public open spaces and, where possible, provides support services to host community festivals and events.

Property

All leases/licences are negotiated at market value as determined by an independent professional appraiser. The continued clean-up of the property titles and obtaining certificates of compliance following divestiture is essential; easements are required for lands that service GVHA properties. Site plans and design standards are being developed for each GVHA property.

Marine Transportation

Support and advocate for marine transportation service within the Inner Harbour and Ogden Point and offer the transportation carriers an excellent location with reliable inter-modal connections.

Enterprise Risk Management

As part of GVHA's planning cycle, management reports in October to the Board on the most significant risks - risks that have the greatest impact to financial position, reputation, and capability to achieve the mandate.

Although the business plan is communicated by facility groupings and lines of business, there are risks that pertain to the organization as a whole. The most significant risks are:

- Maintaining GVHA marine infrastructure
 - GVHA was divested aged assets that require significant capital investment to maintain and to reduce asset obsolescence
 - Ensuring access to capital funds is critical to maintain the high standard of the marine assets
- Customer Relations
 - Enhancing communication on significant issues such as noise & air quality
 - Strengthening the Cruise Tourism Partnership
 - Regularly meeting with customers and stakeholders
- Public Safety
 - Safety is a priority for customers and employees
 - Enhancing security particularly for deep sea operations
- Land Use Planning
 - Comprehensive property management program
 - Facility site and Master Plans
- Stakeholder Relations
 - GVHA's mandate is to be an effective and respected advocate for the harbour – this requires resources generated from its core business lines to support an overall vision
 - Strengthening relationships to work together as a coalition
 - First Nation's initiatives to create awareness and economic opportunity
- Economic Downturn
 - Planning cautiously and building effective contingency strategies will ensure long term success and sustainability

Risk Philosophy

The Board believes that an understanding of enterprise-wide risk and the proactive management of risk are integral to moving GVHA forward in achieving the vision of *"...a harbour where people live, learn, work and play; a spectacular gateway into Victoria's past and into its future, monumental in look and feel, linking communities and all people together."*

The Board's risk philosophy reflects the unique nature and inherent risks of GVHA's marine-related businesses, the public's expectations of access to and the use of GVHA's physical assets, and GVHA's capacity to effectively manage risk.

The development of strategy and the implementation of strategy are considered within the context of an enterprise-wide risk management program. This includes:

- **Awareness:** All material risks affecting GVHA's operations are identified, monitored, and understood throughout the organization.

- **Capacity:** Maximum risk limits are established by the Board that are commensurate with GVHA's financial capital, current and forecasted earnings, and the experience and ability of GVHA's management team.
- **Risk appetite:** Operational risk limits and mitigation alternatives are established by management in alignment with the strategic plan and are approved by the Board.
- **Accountability:** Management is held accountable by the Board for an effective enterprise-wide risk management program.

Corporate Social Responsibility

We strive to achieve corporate social responsibility by ensuring that our activities meet the requirements of sustainable best practices and community investment, while being fiscally responsible.

As part of its corporate social responsibility, GVHA facilitates and participates in the Cruise Tourism Partnership (CTP) which is partnership with Western Stevedoring, the James Bay Neighbourhood Association, the cruise lines and their agents, and the cruise tourism transportation providers. The purpose of the CTP is to provide a high quality visitor experience for our guests and to enhance the quality of life for local residents. This is a GVHA consensus-based document that has been effective at opening a dialogue between the stakeholders. Initiatives that have been implemented as part of this program include the creation of designated transportation routes within the community, Cruise Line Agents working with their clients to minimize vessel announcements and signals while docked at Ogden Point, and education to the cruise passengers on walking routes to downtown.

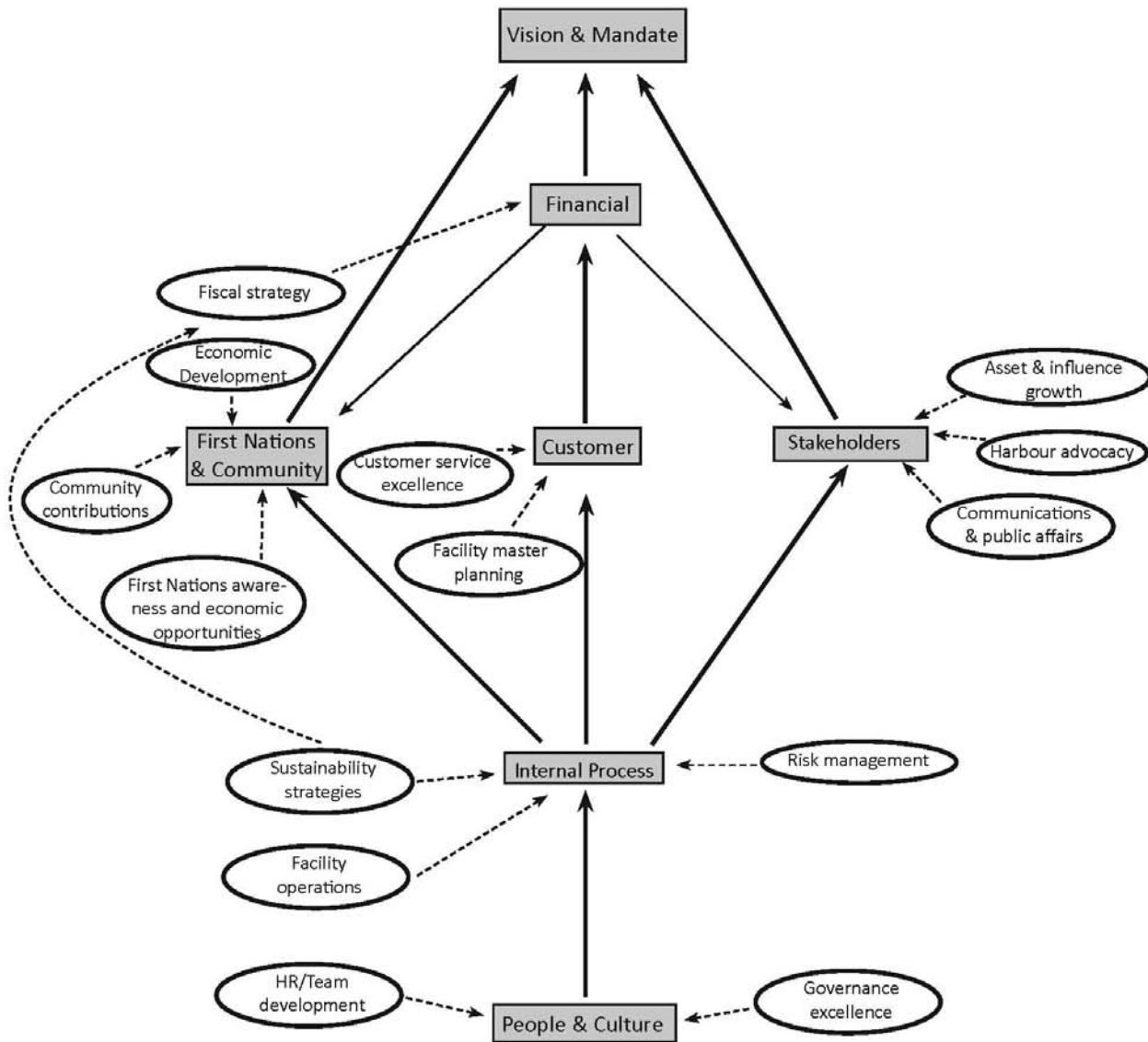
Environmental stewardship

GVHA aims to be a leader in environmental stewardship. Through our management practices, we strive to create an attractive working and living environment balanced with sound fiscal management. GVHA complies with all relevant environmental legislation and considers environmental issues in the planning, design and implementation of all projects. We seek to minimize significant environmental impacts of our activities especially in the areas of pollution control and energy usage.

Current practices include use of 100% biofuel in CVS's shuttle buses, oily water separators in parking lots at Fisherman's Wharf, marine habitat improvements, and LEED's construction techniques. GVHA has participated in air quality studies with VIHA. A vessel sewage pump-out facility has been developed. Sustainable management practices also are practiced internally for corporate office activities. We encourage our customers to participate in developing a healthy environment and to follow green marine practices. GVHA seeks to improve its environmental performance on a continual basis, while preserving the balance between the commercial, recreational, and environmental interests in the harbour.

Social responsibility

Community investment refers to our commitment to working with our stakeholders to ensure GVHA facilities remain active, vibrant, and accessible. Good relations with community stakeholders is key to our success. GVHA sponsors community events in the Inner Harbour that fit with GVHA's vision and mandate. As part of its social responsibility, GVHA participates in economic development awareness opportunities on its properties for the Esquimalt and Songhees Nations. GVHA partners with community stakeholders to maintain two-way dialogue and manages public open spaces to the benefit of all citizens of the Greater Victoria community. Other initiatives include sponsoring First Nations interpretative kiosks, participating in the City of Victoria's vision for a harbour pathway, developing the Fisherman's Wharf common, public access to Ogden Point and the breakwater, and the lively inner harbour atmosphere through the harbour festival program.



Management and Staff's Shared Values

The principles that guide our interactions with each other, member agencies, stakeholders and customers.

Achievement

We practice this by:

- striving for excellence
- showing stick-to-it-ness
- setting goals
- following through
- having the satisfaction of a job well done
- making a positive difference

Integrity

We practice this by:

- being honest
- doing what we say we are going to do
- treating all individuals with respect regardless of their walk in life
- being aware of the consequences of our actions and decisions
- being able to admit mistakes

Family

We practice this by:

- supporting each other, particularly during difficult times
- promoting a team vs. an individual agenda
- leading by example
- keeping the family in the loop
- celebrating

Work-Life Balance

We practice this by:

- setting priorities
- doing as needed to be healthy
- having fun at work
- recognizing personal limits
- open communications
- having a flexible work environment

Individuality

We practice this by:

- respecting our differences
- valuing the input of all
- promoting autonomy and responsibility
- accepting each other's individual natures and styles
- encouraging creativity

Ogden Point

Property Description

The majority of GVHA's Ogden Point property is operated as a deep sea terminal facility. The property includes three 800 ft. berths and one 1,100 ft. berth. Pier A hosts an 110,000 ft² warehouse. The Ogden Point site is approximately 30 acres of land and seabed. Areas not essential to port operations are licenced/leased to complementary business operations.

GVHA has a management and agent contract with Western Stevedoring to operate and manage Ogden Point piers, the warehouse, and the transportation staging area as agents of GVHA. Labour is contracted via the BC Maritime Employee's Association from the International Longshore and Warehouse Union (ILWU #53) Vancouver Island. King Bros. Limited provides the ship agent services for most vessels using Ogden Point. Canada Border Services Agency provides customs clearance (grandfathered port of entry).

The core business at the deep sea terminal is cruise tourism, which has existed in Victoria for many decades. In the 1990's, annual ship calls ranged from 26 to 53 and were small by today's standards. In 2001, when Norwegian Cruise Lines (NCL) began to homeport ships in Seattle, Victoria's cruise industry began a steady period of growth. The other major lines also call from Seattle today. 2008 saw a record 201 ship calls with 399,000 passengers. 215 calls are anticipated in 2009 with 400,000 passengers. The dominant cruise lines are Princess Cruises, Holland America Line, Royal Caribbean International/Celebrity Cruises, and Norwegian Cruise Lines (NCL). Carnival, Crystal Cruises, Seabourn, and Silversea also call.

Shore-x and intermodal transportation are a significant part of the cruise tourism operations. Victoria's shore-x offer products different from that offered in other ports in the Alaska market, and excellent tour packages are supported by reliable intermodal transportation. Taxi, limo, bicycle cab, horse drawn trolley, and shuttle bus staging areas are provided. GVHA has a contract with Cruise Victoria Services (CVS) to provide shuttle bus service to the City centre.

There is limited project cargo activity as well as vessel servicing and short term moorage although a concerted effort is being made to attract cargo transshipment operations. During the cruise season, the warehouse is used for off-loading and storage of provisions for the ships. In the off-season, the warehouse is home to tour bus and small vessel storage. A cable depot resides in the warehouse in support of Global Marine cable repair ships, although the *Wave Venture* no longer home ports in Victoria.

Ogden Point is an approved liberty port (crew are approved for shore leave) for U.S. and other navies of the world. Each year the deep sea terminal welcomes navy vessel visits, ranging from coastal patrol-sized ships at the pier up to aircraft carriers at anchor with crew coming ashore to a barge.

The Pacific Pilotage Authority operates a wharf on the south shore of Pier A South. There is a small vessel boat launch on the north shore of Camel Point operated by a community angler society.

Ogden Point Dallas Road zone is leased to tenants for restaurant, and marine retail. The lands at Ogden Point are occupied by short-term licencees for the storage of new vehicles, buses, construction, and the staging of horse carriage operations. GVHA's workshop and Western Stevedoring's office building also form part of the mixed use. A helicopter port is located on Camel Point.

Shipping

Customer Segments

- Cruise tourism
- Project cargo transshipment
- Naval calls
- Warehousing & logistics

Business Approach

The port lands are a limited strategic resource to be protected for future deep sea shipping options.

The volume of cruise ship calls is expected to remain stable over the next 3-5 years. The opportunity to homeport vessels is constrained by the air lift capacity at Victoria International Airport but is an opportunity for the future . Sustaining the cruise tourism industry in Victoria is a priority for management.

The opportunity to attract new marine service opportunities (including cruise ship provisioning) is complementary to existing activities. Synergy with the Esquimalt Graving Dock may grow project cargo and vessel service activity. Project cargo and deep sea service currently offer only a low financial yield. Management will continue to pursue growth opportunities in these areas where it will not compromise the existing cruise tourism operations. A barge landing facility would open new opportunities.

GVHA supports the Victoria A.M. program of cruise ship welcomers, and continues to develop the Ogden Point Cruise Guide with CVS.

Challenges and Opportunities

The Ogden Point facility has significant marine infrastructure that is aged and subject to degradation. The piers and breakwater were completed in 1918 and are in need of repair, upgrade, and expansion. The recent shipping fee adjustments (i.e. passenger fee, service fees, etc.) will begin to address the accruing maintenance liability. However, the ability to accommodate the growing size of vessels must be addressed to ensure sustainability and to avoid obsolescence.

The deep sea cruise tourism industry is invested extensively in the Alaska destination market in which Victoria participates. Passenger demand for this market is not likely to change significantly; however the industry is growing and evolving rapidly. Changes to the U.S. Passenger Vessel Services Act or its interpretation are unlikely, but continue to be monitored. The Canadian dollar, longshoremen wages, tug fees, and pilotage fees impact the customer's costs and the terminals competitiveness. Canadian Port Authority terminals are competitors with greater cargo activity diversity and financial strength. In Victoria, harbour dues are assessed by Transport Canada and charged to GVHA customers with no portion reinvested into the deep sea terminal. Enterprise risk will be mitigated by diversifying the number of cruise brands and calling ships from multiple home ports. Currently, approximately 80% of Victoria's cruise calls are home-ported in Seattle.

The terminal operates adjacent to a growing residential community and must implement meaningful community relations and industry impact mitigations (e.g. the Cruise Tourism Partnership). Security considerations will continue to add to port management complexity and cost. The regulatory environment following the 2006 Ballot measures in Alaska has deterred the growth of the industry in this marketplace. The financial strength of the dominant tour shore-x operators has been a concern over the past year and must be monitored.

Marinas & Attractions

Customer Segments

- Small vessel launch
- Pilot vessel base
- Public open space

Business Approach

GVHA operates several public open spaces and gardens at Ogden Point. The current open spaces are: the James Bay boat launch, Ogden Point Rotary Park, Ogden Point Pier A pocket interpretative pathway, and the Breakwater. These areas generate no revenue. GVHA receives property tax concessions at Ogden Point only for the breakwater.

The site structures at the James Bay boat launch are degraded and are to be removed and the site improved. The agreement with the Community Anglers Association is to be terminated and GVHA to self manage the site. The City of Victoria provides the Anger's Society an annual grant via tax deferral to support the public boat launch.

Challenges and Opportunities

The marina and marine service (travel lift) potential has not been developed at Ogden Point and is under consideration.

Weather considerations and proximity to deep sea operations impact the potential for marina development and special event usage.

Property Services

Customer Segments

- Restaurant
- Retail (marine)
- Storage & staging area
- Administration Office (Western)
- Parking
- Warehouse office tower

Parking areas support mixed use of activity and is managed by Robbins Parking.

Business Approach

Management is considering the careful development of the surplus lands along Dallas Road and Camel Point to accommodate complementary activities. To enhance this line of business, land use planning is required.

The completion of the certificates of compliance is a priority.

The development of the warehouse office space is being considered for the relocation of the GVHA corporate office.

Considering the development of a new customs facility located between the piers that would include: customs, office and retail spaces. The current customs facilities are considered temporary.

Challenges and Opportunities

A site Master Plan is required to meet the commitment made to the City of Victoria, and to give direction for the development of the site.

Marine Transportation

Customer Segments

- Helicopter port

Business Approach

The helicopter port is operated by Helijet. The water covered lands off Camel Point are used as the landing strip area. Ample vehicle parking is available. The “berm” is in place to mitigate the noise of the helicopter operation.

The deep water areas (Pier A South) offer the potential for marine-based transportation. The site is compromised in the summer months by cruise ship calls and the current pilot vessel terminal. There is adequate upland area for a terminal and vehicle parking. Severe winter weather is a significant limitation. Ferries have operated from the site in the past.

Fisherman's Wharf

Property Description

Fisherman's Wharf combines float home moorage, commercial business, commercial fishing vessel operations, and year-round pleasure vessel moorage into a unique marine destination.

Transport Canada's harbour offices are located at this site.

The Huron Street pier supports the commercial fishing and shellfish industries with a fish off-loading facility.

GVHA acquired the marine fuel dock in 2006 and installed new storage tanks and modern monitoring equipment at that time.

Canadian Coast Guard has a designated float at this site.

Washroom and shower facilities are available to marina tenants in the Shoal Point building and public seasonal washrooms are located on the floats.

GVHA provides parking for the marina, the adjacent park users, and the Shoal Point business sector.

Fisherman's Wharf is accessible to the public. Amenities for the public include vehicle parking, seasonal washrooms and unique shops, food kiosks, marine retail, and eco-tourism services.

Shipping

Customer Segments

- "Active" registered Canadian fishing Vessel (CFV) moorage
- Commercial fish unloading
- Marine Fuel

Business Approach

GVHA will continue to provide a safe facility with functional support infrastructure such as hoists, loading accessibility, parking, and the ability to conduct minor vessel maintenance. Floats are offered at reduced rates to CFV's, with basic support services provided. However, the client mix is changing as a result of the decline of the CFV fleet.

Maintaining competitive pricing and pursuing new bulk sales opportunities are a priority for the fuel dock operator, Victoria Marine Fuels.

Challenges and Opportunities

Risk of marine contamination from the fuel dock is mitigated through a stringent inspection and maintenance routine. Pollution insurance is shared between GVHA and the operator.

The fishing operations at times are noisy (below City of Victoria by-law requirements) and create conflict with the Shoal Point condos. Mitigation measures are being pursued.

The Shoal Point agreement expires Fall 2009 (parking).

The Huron Street pier and hoist are aged.

The size of the CFV is getting larger and creates challenges; also an issue of packer licenses and non active vessels dominating the space.

Marinas & Attractions

Customer Segments

Pleasure Vessel

- Monthly pleasure vessel moorage
- Float home moorage
- Live-aboard pleasure vessel moorage

Commercial

- Commercial tour vessel moorage
- Yellow Line (commercial passenger pick-up)
- Canadian Coast Guard

Festival/Public access

- Tourists and local residents

Business Approach

The current approach is to continue to develop a mixed use and “funky eclectic” marina. The three-year facility upgrade strategy initiated in 2006 will continue to be followed.

GVHA will continue to provide a safe, high quality facility for moorage customers with amenities that include laundry, parking, washrooms with showers, and vessel pump-out service.

Float home customers receive sewage hook-up, garbage pick-up, metered electrical service, parking, and laundry. Float home moorage is an accepted non-conforming use under the City of Victoria by-law. GVHA does not consider it the best marine use for deep water areas. The number of float homes will be attritioned over time to allow for new commercial floating structures. The float homes must comply with the Port of Victoria Float Home Standards.

The float home customers receive one year licence of use moorage agreements with no commitment for an offer of additional terms. Vessel customers are on maximum one year moorage agreements. Commercial customers may be provided a maximum three year lease. Live/work units are considered float homes.

GVHA will partner with the City of Victoria to develop the Heron Cove pathway with a link to Fisherman’s Wharf Park.

Challenges and Opportunities

The facility improvements program (phase 3) may need to be delayed due to the economic conditions.

The residential moorage customers seek tenure commitment which GVHA has determined is not in the best interest of the facility nor the public good, tensions will persist.

Property

Customer Segments

- Food Service
 - Food kiosk
 - Fish store
- Retail
 - Marine Tours
 - Retail
 - Retail/Commercial (Shoal Point)
- Parking
- Harbour Master’s Office – Transport Canada

Business Approach

Fisherman's Wharf commercial sector is evolving as a unique destination attraction of mixed use activities supported by the upland parking and adjacent business precincts.

The completion of the Certificates of Compliance is a priority to enable longer-term tenures to be offered.

Parking is monitored by Robbins Parking.

Challenges and Opportunities

Further development of commercial potential at Fisherman's Wharf is constrained by limited parking and uplands.

Partnerships with Shoal Point condos and the City of Victoria are critical for achieving a mixed-use, marine-focused attraction.

Planned commercial expansion may be limited due to restrictions to the number of structures permitted at Fishermen's Wharf.

Marine Transportation

Customer Segments

- Harbour Ferries
- Hop-on bus services

Business Approach

Victoria Harbour Ferries operates a passenger shuttle service from the floats, and several bus tour operators provide hop on shuttle service to downtown. Designated pick-up areas are provided with public safety a paramount consideration.

GVHA will continue to support the marine transportation clients by enhancing safety in the waterways and roadways. Commercial GVHA licensed busses or vehicles transporting customers for marine tour operators are not restricted at Fisherman's Wharf. Out of town and tour busses are discouraged.

Challenges & Opportunities

Bus services are subject to community concerns regarding noise and air emissions.

GVHA continues its community relations program, including the Cruise Tourism Partnership.

With the assistance of the City of Victoria we will continue to improve traffic patterns including the facility entrances.

Inner Harbour

Property Description

Once a bustling industrial port, the Inner Harbour has evolved and today is the heart of tourism and marine passenger transportation for the City of Victoria. GVHA operates six distinct facilities in the Inner Harbour.

Causeway

Located in the “heart of the city”, directly across from the historic Empress Hotel and Legislature, these facilities are popular transient moorage facilities during the summer months, with limited visitation in the winter. Monthly moorage is offered in the shoulder and winter seasons. Commercial operations include tour vessel and harbour ferry pick-up. The Lower Causeway is a public walkway attraction (designated as a heritage structure by the City of Victoria) and is home to the Victoria Harbour Festival (artists, buskers, jugglers, and performers). Public washroom facilities for the Lower Causeway and the marina are provided in the Provincial Capital Commission (PCC) building. Access to the facilities is through PCC properties at each end or via the steps off Government Street. Parking is available on the north side in the PCC Ship Point facility.

Ship Point

The Ship Point Pier predominately services commercial tour, passenger vessels, and large yachts. Ship Point is home to many of Victoria’s marine and community events. Whale watching boats, fishing charters, and sailing charter vessels make active use of the commercial loading area known as “Yellow Line”. Ship Point serves as an International Ship and Port Security (ISPS) facility for pocket cruise ships. Pleasure vessels of up to 275 ft can utilize the floats and pier. Larger fishing vessels use this facility for moorage and for servicing nets and equipment. Pedestrian access is via PCC property or the Lower Causeway.

Broughton Street

The Broughton Street Pier is used for commercial moorage and has a customs clearance float and a popular food kiosk. A washroom, laundry, and shower facility on the pier is available for use by all Inner Harbour moorage customers. The Broughton Street Pier is a vital link in the harbourfront walkway.

Wharf Street

Wharf Street floats offer some commercial moorage, long-term pleasure vessel monthly moorage, and guest summer moorage for larger vessels. Access to the pier is via PCC property (parking lot). The PCC water-lot is bare ground licensed to the GVHA.

Johnson Street

Johnson Street floats have one large float home tenant and a small craft launch and storage float. The facility is used primarily for moorage of CFV’s and workboats. This facility has limited services, with no sewage hook-up. Access to the property is via the City of Victoria parking lot. The water-lot in front of the Victoria Regent Hotel is leased to the hotel which sublets to Hyack Air for use as an international float plane terminal.

Mermaid’s Wharf

Mermaid’s Wharf is a small marina facility at the base of Swift Street purchased by GVHA in 2007. The water-lot is leased from Transport Canada, and the wharves and chattels are owned by GVHA. Access to services is provided via consent of the upland owner. A public access walkway (City of Victoria) runs along the shoreline. There is no exclusive vehicle parking or washroom facility that supports this pocket marina. The lease with Transport Canada expires in 2010.

Shipping

Customer Segments

- Pocket cruise ships
- Naval Vessels
- Large CFV moorage

Business Approach

With ISPS certification, excellent security, great location, and upgraded electrical service, Ship Point Pier continues to be an ideal facility for pocket cruise ships, naval vessels, Coast Guard and large CFV's.

Challenges and Opportunities

There is significant competition from other ports for the pocket cruise ship market.

The Ship Point pier faces deteriorating piles and retain wall infrastructure that may impose future weight restrictions and significant repair costs.

Marinas & Attractions

Customer Segments

- Pleasure Vessel
 - Annual moorage
 - Seasonal moorage
 - Live-aboard moorage
 - Guest moorage
- Commercial
 - Charter yachts for events
 - Commercial tour vessel moorage
 - Yellow Line (commercial passenger pick-up)
 - Victoria Harbour Festival (includes Ship Point Night Market)
- Festival/Public access
 - First Nations artists
 - Events and festivals
 - Tourists and local residents

Business Approach

The marinas have a different character and customer mix and thus business approach.

Causeway Marina

Management will maintain the unique historical character and public walkway. The marina will continue as a daily guest moorage facility supported by off-season winter monthly moorage. The Victoria Harbour Festival (artist and performers) program is an essential component of the harbour's fabric.

Ship Point

This facility will continue to be used for large yacht moorage, seasonal moorage, commercial operations, and community events.

The Yellow Line Program is critical in supporting the eco-tourism industry in Victoria. The Yellow Line Program and Ship Point Night Market support the destination marketing for cruise and pleasure vessel tourism. Vessel moorage is a priority, therefore, GVHA will limit the building of commercial structures (fixed and floating).

Develop a First Nations traditional Big House on Ship Point with the First Nations Member Agencies with GVHA. The gathering place owned by the GVHA will be used by the partners for: carving, drumming, festivals, meetings, food service, and interpretive opportunities.

Broughton Street

Management is considering using the Broughton Street Pier for commercial vessel activities and will maintain the mixed usage approach including Customs float. Additional floats may be placed to enhance the utilization of this space.

Wharf Street

GVHA will continue to operate Wharf Street as a mixed use facility. Management is working towards the acquisition of a long term PCC water-lot and legal access agreement.

Johnson Street

GVHA is limiting investments and improvements at this facility until completion of site plans. Management is considering leasing the east side to the upland owner. GVHA will support the City of Victoria in the development of the harbour pathway in this area. The nonconforming float home shall be removed.

Mermaid's Wharf

Management is looking for suitable clients for this unique facility. Renew long term water-lot lease in 2010 with Transport Canada.

Property Services

Customer Segments

- Food Service Kiosks
- Patio Rental
- Retail
- Parking

Business Approach

Due to the complex property titles in the Inner Harbour, easements are required for lands that service GVHA properties. Some property rationalization with partner agencies is required. Management will maintain the successful Inner Harbour property services program.

Tour sales kiosks will not be permitted in this area.

Challenges & Opportunities

The complex property boundaries in the Inner Harbour make cooperation with the PCC and City of Victoria essential to success.

The Johnson Street upland is privately owned and has littoral rights implications, which may impact operations. This continues to be monitored.

Customer Segments

- Harbour Ferries
- Vancouver Ferry/Tour

Business Approach

Victoria Harbour Ferries operates a passenger shuttle service from the floats. Designated pick-up areas are provided.

Will continue to support the Victoria-Vancouver ferry service provided by Prince of Whales.

GVHA will continue to support the marine transportation clients by enhancing safety on the floats and in the water-lot.

Harbour Development

Stakeholder Segments

- Member agencies
- All levels of government
- General public
- Local business community

Business Approach

Advocacy and leadership for the harbour's evolution is a critical activity for GVHA to ensure the Society's vision is achieved:

We envision a harbour where people live, learn, work, and play; a spectacular gateway into Victoria's past and into its future, monumental in look and feel, linking communities and all people together.

Advocacy and Leadership

Traditional land use planning activities look at the harbour from the land development perspective rather than that of the harbour as a limited strategic resource. The critical element of harbour development is the interface between the water and land. To achieve successful marine operations uplands are essential. GVHA is in a unique position because it owns key strategic marine assets and has the experience and commitment to social and environmental goals related to marine activity to be able to shape the future of Victoria's harbour. The partnership focus must be retained for the vision to be achieved - particularly with the City of Victoria, Transport Canada, the Provincial Government through the Provincial Capital Commission (PCC), and the Songhees and Esquimalt Nations.

The "Amazing Possibilities" document developed by the PCC and the City of Victoria's Harbour Plan are key documents in setting the vision of Victoria's harbour.

GVHA will establish a leadership coalition to advance planning for a harbour vision and the implantation of such.

GVHA continues to advocate the redevelopment of the Belleville Terminal based on the 2004 MOU with PCC.

Air transportation operations in Victoria Harbour operate from aged or temporary "trailer" structures that are not suitable to the goal of a world class destination. Growth is limited due to a shortage of accessible terminal and moorage space. GVHA will partner with the harbour coalition partners to examine the possibility of amalgamating the marine air terminal into one high-quality facility.

Community Relations

As a not-for-profit society, GVHA is directly accountable to its member agencies and holds itself accountable to all its stakeholders for delivering its stated vision and mandate. Communications are central to success. GVHA's communications plan ensures that information about the organization's activities is disseminated to stakeholders and customers. The plan emphasizes building public confidence in GVHA as stewards of the harbour assets. The industry impact mitigation program builds good community relations and is a commitment to port industry sustainability.

Esquimalt and Songhees Nations

The Victoria region, including the harbour, is the traditional territory of the Esquimalt and Songhees Nations. The Nations are founding members of the Society. GVHA is committed to participating in capacity and awareness building of First Nations within the harbour and GVHA facilities. There is a commitment to learning and growth in order to build the relationship between GVHA and the Nations. GVHA has engaged a qualified consultant to assist the organization in meeting the commitments of the 2002 founding MOU.

Two projects are being advanced in 2009/2010:

- Coast Salish mural on the Ogden Point breakwater
- Carving centre/gathering place on Ship Point

Asset Acquisition and Development

The Transport Canada divestiture program ended in 2006. It provided special mechanisms for the divestiture of Transport Canada lands and resulted in the formation of GVHA.

a. Transport Canada Fill Lands

The fill lands available in Victoria harbour are primarily in the upper harbour. These are subject to complex littoral rights, First Nations claims, and land registry issues dating back to the Hudson Bay Company land grants. Several parcels are of strategic interest to GVHA. GVHA will consider joint ventures with First Nations and others in the acquisition of selected lands that support the GVHA mission.

b. Seabed

The seabed environmental study was completed in 2008 and a management plan will be developed by Transport Canada over the next few years. It is believed that no significant risk to human health was found. GVHA will investigate the opportunity for deep sea terminal expansion for a seasonal berth at Camel Point via the outstanding divestiture promise of Camel Point extension to the Ogden Point property.

The divestiture of the harbour seabed remains an objective of GVHA.

c. Harbour Movements Administration

Victoria is a regulated harbour that is under the jurisdiction of Transport Canada and is administered by a local Harbour Master. GVHA will initiate discussions with Transport Canada to find a method to reduce or transfer/share the harbour dues charged by Transport Canada to the deep sea calling vessels. The divestiture of the harbour movements administration remains an objective of GVHA.

d. Acquisitions

The marina assets, water lots and associated uplands in the upper harbour are of interest to GVHA as they complement core business activities. These will be purchased if available once due diligence of a business plan is completed on each opportunity. The GVHA will continue as an advocate for the working harbour elements of the upper harbour but will not pursue purchase of the industrial assets unless they are threatened to be removed or alienated from marine use. The Northern Junk and Reeson Park properties are of interest. A comprehensive inventory of all harbour front properties is to be compiled.

Challenges & Opportunities

GVHA is expected to fund harbour development and leadership activity with the cash flow from the marine assets. GVHA receives no public sector financial support for its operations and is a significant municipal taxpayer in Victoria while providing extensive community benefits. Although the assets have a positive net income overall, they require extensive infrastructure reinvestment to be sustainable. Harbour development activities require investment of leadership and capital from all levels of government and private enterprise.

Corporate Services

Customer Segments

- GVHA Staff
- GVHA Board of Directors

This is a support service to the other business lines and includes:

- Financial services
- Human resources services
- Strategic and business planning
- Communications (internal/external)
- Enterprise risk management
- Corporate Social Responsibility initiatives
- Corporate Governance

Business Approach

Following the direction of the strategic plan, the approach is to develop and manage a team culture in order to be engaged and productive. Improving the effectiveness and efficiency at GVHA is an ongoing priority.

Challenges & Opportunities

Strong leadership and consistency will enhance GVHA's capacity to achieve its mission and to avoid unnecessary enterprise risk. Financial and HR services are provided to ensure sound financial management and resource allocations. Planning for the growth and development of each business unit will ensure sustainability. Good corporate governance is critical to success.

Appendix A – Community & Industry Participation

Member Agencies

- Capital Regional District – Board Representative/CEO
- City of Victoria – Board Representative/CEO/MPS
- Esquimalt Nation – Board Representative/CEO
- Greater Victoria Chamber of Commerce – Board Representative/CEO
- Provincial Capital Commission – Board Representative/CEO
- Songhees Nation – Board Representative/CEO
- Tourism Victoria – Board Representative/CEO
- Victoria/Esquimalt Harbour Society – Board Representative(s)/CEO
- Township of Esquimalt – Board Representative/CEO

Community Stakeholders

- Canadian Navy & CFB Esquimalt – CEO
- City of Victoria Special Events Committee – Special Events Liaison (Committee Member)
- Cruise Tourism Partnership – PR
- Downtown Victoria Business Association – PR
- Greater Victoria Economic Development Agency – CEO (Director)
- James Bay Community Association – PR
- Ogden Point Enhancement Society – CEO (Director)
- Tourism Victoria Transportation Committee – CEO (Committee Member)
- Tourism Victoria Issues Committee – CC – (Committee Member)
- Victoria CEO's Discussion Group – CEO
- Victoria Spirit Committee – CEO

Industry

- American Association of Port Authorities (Assoc. Member) – CEO
- Association of Canadian Port Authorities - CEO (Director)
- BC Harbour Authority Association – MI
- Canadian Parks and Recreation Association – CEO
- Cruise BC – CC (Director)
- Cruise Industry Association of BC – CEO
- Cruise The West – CEO (Director)
- Independent Ports Association of Canada (Assoc. Member) – CEO
- International Longshore and Warehouse Union – Western
- Maritime Industries Association of BC – CEO
- Northwest Cruise Ship Association – CEO
- Transport Canada Port of Victoria Security Committee – Western/MI (Committee Member)
- Cruise Line Industry Association - CEO

GVHA

- Causeway Advisory Committee – MPS (Committee Chair)
- Cruise Tourism Partnership – Western/CC (Committee Chair)
- Fisherman's Wharf Advisory Committee – MPS (Committee Chair)
- Seatrade Marketing Coalition – CC/Western (Committee Chair)
- Workplace Safety Committee – MI
- Marine Festivals/events – Special Events Liaison

Other

- Maritime Museum of BC (Corporate Member) – CC
- SALTS (Corporate Member) – CC
- Victoria AM (Corporate Member) - Western/CC
- Victoria Harbour Air Operator's Association – CEO

Appendix B – Capital & Special Projects

Prioritization Criteria

Top Priorities (must do)

- Project is required to meet regulatory requirements.
- Project is a requirement of Transport Canada's divestiture.
- To not proceed with the project would put the health and safety of the public and/or employees at immediate risk.
- The project or equipment replacement if not completed would close or seriously limit effectiveness of a facility or service and significantly impact the revenue stream.
- The project would not interfere with the ability to take advantage of other future opportunities.

Other Priorities (schedule for action)

- The cost of delaying the project would significantly increase the costs to complete the project at a later time.
- The project would enhance revenue streams and visitor experience that would cover the cost of investment within a reasonable time frame.
- The project is affordable to GVHA's current financial position, and would not unduly impact operational costs (operating cost, depreciation and loss of interest income).
- The project enhances the delivery of services.
- The project enhances the effectiveness or efficiency of operation.
- The project would add an aesthetic element to GVHA's service or facility.
- The project contributes to GVHA's corporate social responsibility triple bottom line - financial, environmental, and social.
- The project contributes to the objectives of a partner agency.

Definitions

- A Capital Project is a depreciable major maintenance item (extends useful life of asset, over \$25k)
- A Special Project is a new infrastructure or property acquisition

Project Schedule

2009/10

- Caisson repairs
- Ogden Point Pier B mooring dolphin
- Ship Point Gathering Place – big house
- Fisherman's Wharf marina upgrades (phase 3)
- Wharf Street float expansion/wall repair – PCC water-lot
- Relocate customs float
- Ogden Point aesthetic improvements (north commons)
- Certificates of Compliance
- Pier A customs facility upgrades
- Coast Salish mural (breakwater)
- Ogden Point Pier A traffic reconfigurations

2010/11

- Ogden Point caisson scouring and wall repairs
- Fisherman's Wharf marina upgrades
- Mooring dolphin construction
- Pavement & traffic – Ogden Point

2011/12

- Ship Point dock and pile repairs
- Ogden Point fenders and caisson repairs

Appendix C – Organizational Structure

Chief Executive Officer

- Communications Coordinator
- Executive Assistant

- Corporate Controller
 - Accounting/Payroll
 - Assistant Controller
 - Manager, Property Services
 - *Causeway Coordinator (personal services contract)*
 - Office Administrator

- Manager, Infrastructure & Marina Operations
 - Maintenance Coordinator
 - Repairs & Maintenance Crew x2.6 FTE
 - Cleaning & Light Maintenance Crew x2.4 FTE
 - Seasonal Crew x1.6 FTE
 - Capital Projects Crew x2 FTE* (**all hours are capitalized*)
 - *Marine Fuel Station (services contract- Victoria Marine Fuels)*
 - Manager, Environmental & Project Services
 - Marina Customer Services Coordinator
 - Reception/Reservations x1 FTE
 - Seasonal Dock Crew x3 FTE
 - Special Events Liaison & Dock Crew x1.4 FTE

- Deep Sea Shipping Operations (*contract agent – Western Stevedoring*)

Staff Committees

- Workplace Safety
- Events & Sponsorship

Board of Director Committees

- Audit and Finance
- Human Resources
- First Nations Awareness & Economic Opportunities
- Governance

Appendix D – Annual Community Festivals & Sponsorship

GVHA Events

- Lighted Ship Parade (one day)

Host Facility

- Canada Day (one day)
- Classic Boat Festival (three days)
- Dragon Boat Festival (three days)
- Lighted Truck Parade (one day)
- Maritime Museum Garage Sale (one day)
- Opening Day Sailpast (one day)
- Rick Hansen Wheels in Motion (one day)
- Run for the Cure (one day)
- Swiftsure International Yacht Race (four days)
- Tall Ships Festival (every 3 years following 2005) (five days)
- Vancouver Island 360 Yacht Race (odd years) (two days)
- Variety Club's Boats for Hope (one day)
- Vic Maui Yacht Race (even years) (four days)
- Victoria Symphony Splash (one day)

Commercial

- BCYBA International Floating Boat Show (four days)
- First Nations Artist Program (100 days)
- Ship Point Night Market (20 days)
- Victoria Harbour Festival (100 days)

Financial Sponsorships

- City of Victoria fire boat moorage
- Downtown Business Association Victoria Walking Map
- Variety Club's Boats for Hope treasure station
- James Bay Art Walk
- Vic AM
- SALTS moorage discount
- CFV moorage discount

Ad-Hoc Events

- 2010 Olympic Torch Relay (Victoria Spirit Committee)
- 2010 Navy Rendezvous

Appendix E – 2009 Environmental Scan & Assumptions

Greater Victoria Harbour Authority
October, 2008
Prepared for GVHA Strategic Planning Meeting

Status of the Harbour Commission Dream

The Victoria dream of forming a Port/Harbour Commission has only been partially achieved to date (GVHA was not included as a Port Authority under the Canada Marine Act of 1998), leaving GVHA as a hybrid local private marina and deep sea terminal operator. Transport Canada is the agency responsible for the Port of Victoria. GVHA assets are inside the boundaries of the port.

GVHA operates the Inner Harbour marina properties and has contracted Western Stevedoring to manage the operations of the deep sea terminal as its agent. The deep sea terminal has been de-industrialized and is primarily visited by cruise ships and project cargo transfer operations.

GVHA is the critical community advocate for one of the most captivating mixed use harbour's in the world; a harbour with a rich marine industrial history. Current GVHA properties have a leisure services/tourism emphasis, however, supporting working harbour activities such as CFV's is important.

Other factors influencing the Harbour's evolution are the Belleville Terminal redevelopment, upper harbour industry, the Float Plane Terminal redevelopment, and continued Federal land/seabed divestiture.

It is anticipated that the Belleville Terminal currently owned by the Provincial Capital Commission will be redeveloped. Although GVHA has a planning and management function as per the MOU, it is unclear what role will be undertaken.

The City of Victoria leases with the float plane operators expire in 2011. Increasing demand for service is stretching the limits of the current facilities at the current location. Transport Canada has indicated in 2006 that they would enter into discussions in the future concerning the management/divestiture of the harbour airport.

It is unlikely that the seabed in Victoria Harbour will be divested to GVHA until environmental reviews and management plans have been completed, a multi-year undertaking. A harbour environmental basin baseline study of the seabed was completed by Transport Canada in September 2007. It was found that there is no significant risk to human health and that a clean-up of the harbour seabed is not required; although there are "hot spots". Provincial Government agreement is required for divestiture of the seabed.

Responsibility for harbour movements is an independent issue from the seabed divestiture and is associated with the deregulation of the harbour. Transport Canada has indicated it would enter exploratory discussions concerning transfer of responsibility for the marine airport and the management of harbour movements. Harbour dues continue to be collected by Transport Canada and are estimated to be approximately \$1 million annually.

The Transport Canada Port Divestiture Program was extended to March 31, 2007 and was not continued; any further fill land divestiture will be at market value. However, the outstanding item of the Camel Point extension to Ogden Point remains a divestiture agenda item. Divestiture can occur but the special provisions of the program are no longer available.

The divestiture of the James Bay Coast Guard Station was investigated in 2006, and it was determined to not be available for divestiture at this time; this assumption continues. GVHA has communicated the desire to receive these lands should this position change.

The "LaFarge decision" regarding Port of Vancouver has had significant impact on the jurisdictional issues related to municipal zoning of port lands. An independent legal opinion in 2008 indicates the Ogden Point property and likely Fisherman's Wharf are not subject to municipal zoning regarding port functions.

Environmental Influences

Mega-Trends

- global economy
- climate change
- pollution/health
- globalization
- energy availability and cost
- erosion of trust in society
- terrorism
- regional conflicts

The global economic downturn is the most significant factor influencing marine tourism and shipping. The downturn is impacting financial markets and has caused recession. The impacts to GVHA operations will not be seriously affected in 2009/10 but could slow the pace of recent growth patterns if it continues. The reduced fuel costs and Canadian dollar will positively impact the pleasure vessel and cruise markets.

Cruise Tourism

- The number of cruise ship calls to Victoria is anticipated to remain stable at 200 for 3-5 years;
- The global economic downturn is not anticipated to significantly impact cruise tourism in the Alaska market.
- The 2006 Alaska Ballot Initiative is anticipated to impact cruise ship activity in the Alaska market.
- Community and environmental activism will continue as it relates to the cruise industry.
- US based cruise ships must make a call outside the US prior to returning to their home port (US Passenger Services Act), this is not anticipated to change.
- A growing number of alternative cruise ship destinations (particularly Nanaimo) are being developed in the BC marketplace. These will impact Victoria calls initially but may improve the long-term activity in the Pacific Northwest overall.
- Cruise ships currently under construction and targeted for the Pacific Northwest market are 1,100 feet in length, Ogden Point Pier B slips are 800 feet in length and Pier A south is 1,000 feet in length. The new ships cannot be accommodated without modification to the pier. Ships calling Victoria are not anticipated to increase in length beyond 950 feet until approx. 2011-12.
- Canadian dollar will stabilize at historical level at approximately \$0.85 US.
- New security regulations will apply to the Victoria Harbour effective December 2008. Transport Canada will manage the program, and Ogden Point will be in full compliance.

Project Cargo

- Transshipment of special cargo activity is anticipated to increase slowly, particularly yacht delivery activity.
- Offshore exploration activity and renewed interest in arctic defense may impact deep sea activity.
- Container services world wide are expected to increase.
- The Esquimalt Graving Dock is expected to continue to be very successful. Victoria will continue as a cruise ship repair centre for the Pacific N.W.

Inner Harbour Marinas

- The trend towards increased size of pleasure vessels and mega yachts will continue.
- There appears to be a shortage of large slip (50 ft. plus) pleasure vessel moorage in the Victoria/Sidney region. The US requirement for passports and increased vessel documentation to enter/exit Canada may discourage pleasure vessel calls in the harbour.
- New proposed marina operations in the harbour will compete for large vessel moorage clients; however a clustering effect may be beneficial.
- Fuel cost fluctuations may impact pleasure vessel movements.
- The commercial fishing industry fleet based in Victoria is not anticipated to change significantly over the next few years. The validity of packer licences will emerge as an issue.
- Special event programs using Ship Point/Causeway will continue to grow and place demands on GVHA facilities.
- Demand for float plane service will continue to increase. There will be community concerns regarding the growth.

- Demand for marine passenger service will continue to increase with expanded service to Vancouver anticipated.
- Demand exceeding available space created by new users may conflict with traditional users of the marinas.

Tourism

- Increasing regulation on whale watching tour operators to extend the “no go zone” may reduce the excitement of the tours, thus reducing the size of this industry, however adventure and eco-tourism is expected to continue to have a strong market.
- Eco-tour vessels will increase in size.
- General tourism is anticipated to continue to remain stable over the next few years in Victoria, although there may be changes in the demographic of the visitors.

Property Management and Urban Planning

- Environmental and heritage regulations will likely be imposed and are more difficult and costly to satisfy.
- Interest rates and inflation are anticipated to climb slowly over the coming years;
- The tax exemption on lands used for public good purposes may not extend beyond 2011; this may increase the municipal tax paid by GVHA.
- The City of Victoria has completed a downtown plan and is proceeding on re-zoning in support of the 2002 Harbour Plan.
- The City of Victoria is planning for a harbour pathway development.
- Very low vacancy rates for commercial industrial property will continue.
- The construction boom in residential units will decline and free up skilled trades and moderate construction costs.
- Urbanization pressures on harbour lands will continue. Conflicting industrial and residential uses will intensify.
- The 2007 Lafarge case and changes to the Land Titles Act Section 7.1 will impact GVHA land use planning and lease tenure options.
- The Saltspring case will impact structure placement at Fisherman’s Wharf.

Regional Issues

- The Vancouver Olympics will be hosted in 2010 providing optimism for tourism market expansion in the region.
- Homeless crisis in Victoria will continue.
- Jurisdictional issues will continue and intensify.
- Confidence among member agencies in GVHA as capable stewards of the harbour assets will continue to solidify.