

Greater Victoria Harbour Authority



Annual Report 2010





Victoria's beautiful harbour is the gateway to British Columbia and Canada.

Although a major tourist attraction, it remains a working harbour with a rich mixture of activities. The harbour serves the cruise ship industry, whale watching and ecotourism, ship repairing facilities, a float plane runway, marine industrial uses, and an international ferry terminal. First Nations traditional activities are a critical part of harbour activities, including the annual canoe journey Tribal Journeys.

Greater Victoria Harbour Authority (GVHA), a not-for-profit society, owns and operates deep water, marina and upland holdings throughout Victoria's harbour including Ogden Point, Fisherman's Wharf, Inner Harbour marinas, and the lower causeway/Ship Point festival site. GVHA is governed by a board of directors representing key stakeholders and the community at-large.



# Message from the Chair

Don Prittie



As I look back on 2009/2010 fiscal year, I realize how much we have grown as an organization over the year and since GVHA's inception eight years ago. With many new faces on the Board of Directors we put a lot of effort into reviewing our vision, mandate and guiding principles.

We confirmed that the original dream of a fully divested and locally controlled harbour was still the vision of the Directors, and that we should continue putting our efforts and resources towards that goal. In 2009/2010 we developed a set of guiding principles to guide management and the board when making decisions.

We make decisions with the best interests of Victoria harbour in mind on behalf of our member agencies, their stakeholders and the citizens of the greater Capital Region, and we continue to be accountable to them.

Part of the review of the guiding principles was our work on the definition of working harbour. Commerce at the water's edge continues to be central to a vibrant and active harbour. A working harbour in today's world may be quite different from years gone by but is nonetheless important to the local economy.

We have committed to doing what we can to balance the environmental, social and economic impacts of our activities for residents and those who make their living working on the harbour. We feel confident we can achieve the fine balance to meet all the different interests of residents in the region.

We continue to look for opportunities for our First Nations partners to be involved in meaningful ways with the economy of the Victoria harbour. In 2009, the Land and Sea Mural on the breakwater at Ogden Point provided employment opportunities for Esquimalt and Songhees young people.

The future is bright for Victoria's harbour. The Ogden Point Master Plan will achieve GVHA's vision for a vibrant harbour. We are also excited about the revitalization of Fisherman's Wharf as part of our ongoing reinvestment in the aged assets that were entrusted to us. We do this to keep Victoria harbour a spectacular place to live, learn work and play.

**hār'bour, \*hār'bor, (-er). 1. n.**  
Place of shelter for ships;

≈ THE POCKET OXFORD DICTIONARY

**ˈhɑr•bɔr\ˈhɑr-bər\ n 1 : a place of security and comfort 2 : a part of a body of water protected and deep enough to furnish anchorage : PORT**

≈ THE NEW MERRIAM-WEBSTER DICTIONARY

# Message from the Acting CEO

Sonterra Ross



Despite the global economic difficulties in 2009/2010, GVHA had a record year for cruise ship visits, while transient vessel visits remained stable. We focused on enhancing infrastructure with the installation of the tie-up dolphin at Ogden Point to ensure the safety of the cruise ships visiting Victoria. We completed the planning process for the final phase of the Fisherman's Wharf upgrades scheduled to start in the fall of 2010.

In order to fulfill the potential of Ogden Point as a key marine property and a gateway to the Victoria harbour, we initiated the Ogden Point Master Plan. This plan will provide a 20-year vision for the 30-acre site that will integrate the marine industrial activities with the adjacent residential community. While potential development on the site is limited because it is not on bedrock, we see a lot of opportunity for marine industrial uses on the waterside, with marine support activities near the Dallas Road frontage. This is an exciting project for GVHA and Greater Victoria because it is an opportunity to take an under-utilized site and turn it into a vibrant place with lots of jobs to boost the regional economy. A multi-purpose destination showcasing environmental initiatives will only be successful by engaging the broader community.

After integrating the Strategic and Business Plan into a Balanced Scorecard Approach in the previous year, in 2009/2010 management focused on developing metrics to monitor success. These metrics will tell us how we are performing in our core business. They will help us to plan where and how we invest in our facilities, in our employees and in our community.

We invest in the community through hosting festivals, maintaining public access to the breakwater, lower causeway and Fisherman's Wharf, and leveraging our marine assets to bring economic development and jobs to the Greater Victoria region. We also contribute to raising awareness for and partnering to finding economic development opportunities with the Esquimalt and Songhees Nations. We do this by maintaining our First Nations employment program and by initiating the Ogden Point Land and Sea mural.

In 2009/2010, we developed an employee survey to provide feedback to help management to effectively plan, train and retain its workforce. In 2010/2011, in order to understand how to best respond to our stakeholder needs, we are planning to undertake a market research survey. We will be getting feedback from our member agencies, stakeholders, customers and residents of the Capital Region.

Looking ahead for 2010/2011, GVHA is committed to strengthening its community partnerships while enhancing its role in the harbour. We are passionate about the power of the harbour. We believe that all the partners in the harbour can come together to help Victoria fulfill its destiny as one of the most outstanding harbours in the world.

# Strategic Plan

## Vision ~ The dream

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 people together.

## Mandate ~ The business we are in to pursue the dream

To be effective and respected advocates for best water, marine and marine-related use and development of the whole harbour while optimizing current and future harbour assets.



# Guiding Principles

## Accountability

We commit to act in the best interest of Victoria harbour on behalf of GVHA's Member Agencies, their stakeholders and the citizens of the region.

## Working Harbour

We commit to maintaining Victoria as a working harbour - "Where commerce requiring the connection between the land and water takes place."

## Sustainability

We commit to incorporating and balancing the social, environmental and economic impacts of our activities on Victoria harbour and the community.

## First Nations Relationships

We commit to working in partnership with the Esquimalt and Songhees Nations to achieve a meaningful role for them in the economy of Victoria harbour.



# Shipping and Cruise

Cruise tourism remained a bright spot despite the economic downturn. Ogden Point had 228 visits, including eight that went to anchor due to high winds, bringing a total of 578,706 passengers and crew to shore. Total spending is estimated at \$33.6 million, with a total economic impact of \$164.2 million.

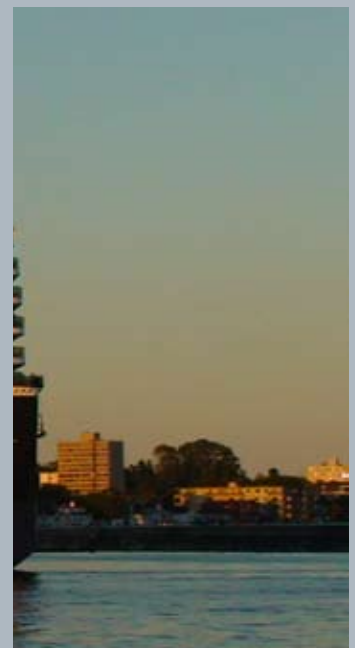
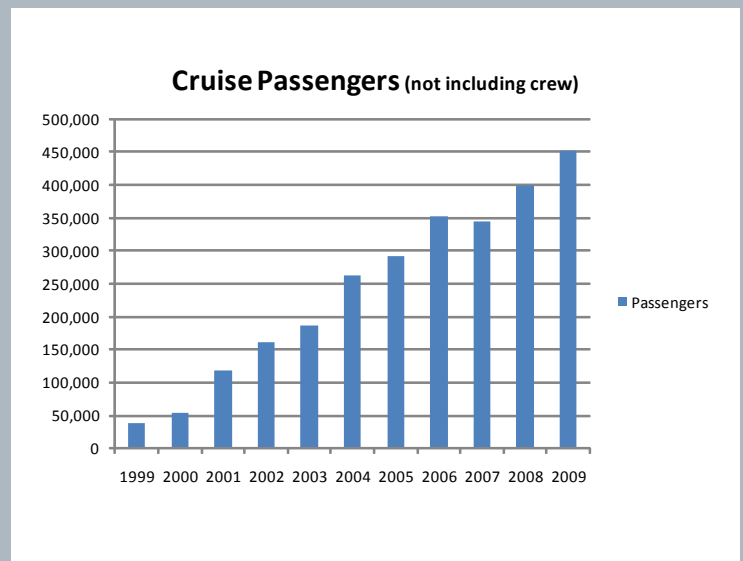
Ship Point had five pocket cruise ship calls bringing 433 passengers.

Ten non-cruise vessels, called at Ogden Point, including the cargo vessel Tern, carrying the HMCS Chicoutimi and several ships delivering yachts.

Total fuel sold was 3,355,966 litres.

For 2009/2010 the total amount of fish off loaded was 4,006,108 lbs represented by:

- Tuna: 97%
- Blackcod/Halibut/Urchin/Rockfish: 2%
- Prawns: 1%



In 2009, Ogden Point welcomed its three millionth cruise ship passenger. On July 16, eight-year-old Tanner Krist, sailing as part of the Make-A-Wish program on Royal Caribbean International's (RCI) Rhapsody of the Seas, received a spectacular tour of the City showcasing the best of what Greater Victoria has to offer. Tanner started his day with a horse-drawn carriage ride to Fisherman's Wharf to visit the seals and have an ice cream. This was followed by a trip to Craigdarroch Castle and tea and a tour at the Empress Hotel. Tanner then visited the Royal BC Museum, including taking in an IMAX movie, and the bug zoo. Tanner's day was topped off with a Harbour Air tour of the Victoria harbour.



Victoria AM continued their highly appreciated "Meet & Greet" program. With the help of many volunteers, passengers arriving at Ogden Point received a warm welcome, information about Victoria, a hanging flower basket pin as a lasting memento of their visit and a map of the downtown area. Victoria AM also fundraised \$50,000 to install a town crier statue at Pier B. The statue was created to honour the rich history and traditions of town criers around the world and in Victoria.

As part of the enhancement and public use of the south shore of Ogden Point, the Ogden Point Enhancement Society installed an ecological information kiosk near the entrance to the breakwater. The ecological kiosk provides information on marine and terrestrial ecosystems on and around Vancouver Island.

GVHA partnered with the Provincial Capital Commission to install an interactive sundial. This 16' concrete oval with brass numbers allows people to tell time based on where their shadow lands. GVHA has committed the site and the long term maintenance of the sundial.

Ogden Point Pier B North received a \$1 million dollar upgrade to the caissons retaining structure and work began on the Pier B tie-up dolphin.

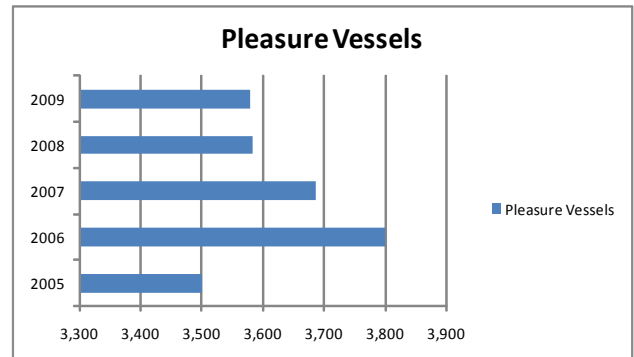


# Marinas and Attractions

GVHA owns and operates six marina facilities: Fisherman's Wharf, Lower Causeway marina, Ship Point, Wharf Street, Johnson Street and Mermaid's Wharf. GVHA moorage customers include live-aboard, annual, seasonal, guest, commercial and float home moorage.

Pleasure vessel numbers remained the same. GVHA saw an 11% increase in revenues due to increased fees to achieve market rates and larger vessels visiting the facilities.

Fisherman's Wharf had significant upgrades to the east entrance including reconfiguration of the road access and parking and new signage for the commercial activity.

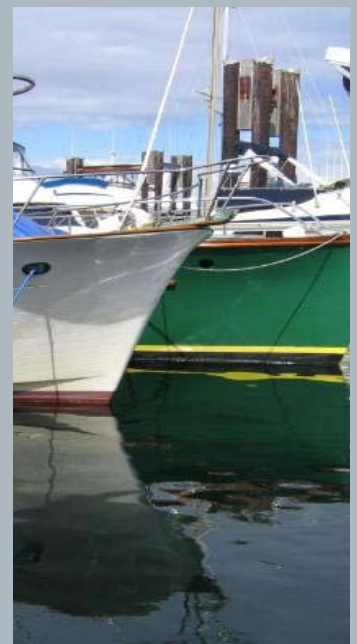


## Annual Moorage

Live Aboard Vessels	25
Float Homes	34

## Transient Moorage

Passengers	10130
Vessels	3579



Festivals and events on Victoria's waterfront bring many locals and tourists to the harbour to participate in a range of artistic, sporting and marine activities. During the fiscal year 2009/2010, GVHA hosted more than 15 festivals. These events included: the BCYBA Annual Boat Show, Victoria Dragon Boat Festival, Victoria Symphony Splash, the Classic Boat Festival, as well as the Swiftsure and the Van-Isle 360 races. GVHA contributed more than \$66,000 in deferred revenue and maintenance costs for these events.

We continued the highly successful Victoria Harbour Festival program, including the First Nations artist program on the south causeway (managed in partnership with Songhees Nation), the artists and buskers program on the east causeway, and the Ship Point Night Market through the summer months on Friday and Saturday evenings.

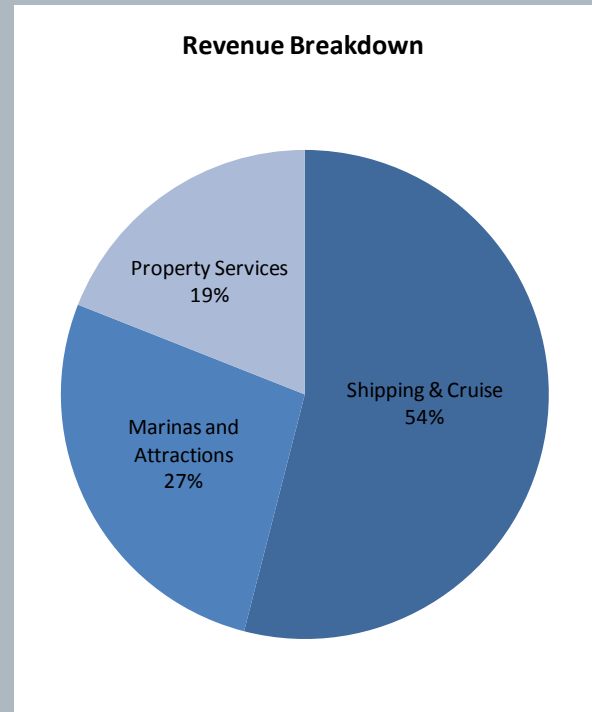


# Property

Victoria's harbour continues to provide excellent opportunities for commercial activities next to the harbour.

GVHA leases and licences upland properties to retail, food service and transportation businesses. In 2009/2010 we leased/licenced 273,282 ft<sup>2</sup>.

Fisherman's Wharf and the Inner Harbour are great locations for enjoying a meal while watching ships sail by, eco tours heading out on adventures or float planes taking off. Ogden Point marine retail stores continue to service working harbour customers and the café is a great spot for viewing cruise ships while sipping a coffee.



In 2009/10, we continued to partner with the Esquimalt and Songhees Nations to raise awareness for the Nations and help find economic development opportunities.

The Ogden Point Breakwater Land & Sea Mural is the greatest success we have had to date. The mural is a creative gateway into the history and culture of the two local Nations. Artists Butch Dick and Darlene Gait created the artwork for the mural. Each artist produced a series of 10 images based on centuries-old Songhees and Esquimalt art traditions combined with contemporary elements. Woven together, the images of land and sea reflect the breakwater's natural and cultural setting at Victoria harbour's gateway.

As well as contributing to the beautification of the Ogden Point cruise terminal, the Land and Sea Mural met GVHA's mandate to advance community awareness of the traditions, history and territories of the Esquimalt and Songhees Nations. The mural also provided summer employment for six young artists-in-training, mostly aboriginal youth, who painted the twenty designs onto the panels. The artists-in-training collaborated to design and paint the final image of the mural. Youth from diverse backgrounds were welcomed to the project to demonstrate the "unity" aspect of this artistic venture.

Through shared vision, artistic collaboration, awareness and hard work, the Land and Sea Mural project promotes greater understanding, respect and appreciation of Aboriginal and non-Aboriginal cultures. The Land and Sea Mural project helps address the need for Aboriginal youth to reclaim knowledge and pride in their culture and themselves. It is a relevant economic stimulus for the tourism sector in the region and a dynamic Pacific Gateway welcome for the approximately 4 million travellers and residents who visit the Provincial Capital annually.

This spectacular mural attracts both locals and tourists to Ogden Point.



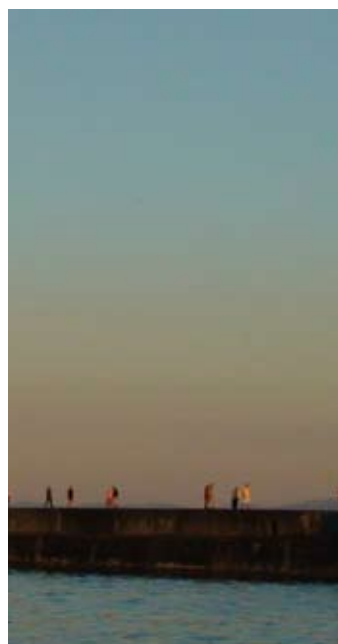
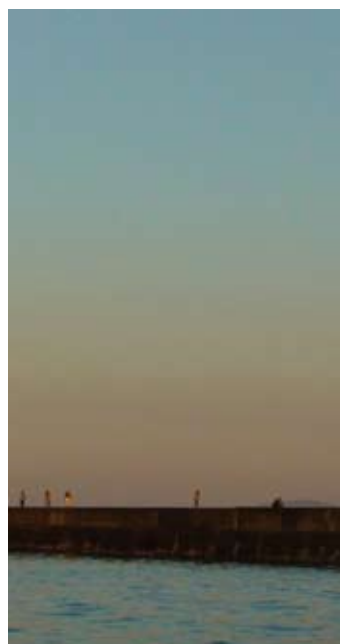
# Harbour Visioning



GVHA believes that in order for Victoria harbour to fulfill its destiny as one of the most outstanding harbours in the world all stakeholders need to come together to develop a shared vision.

GVHA initiated the Ogden Point Master Plan as a first step towards bringing the stakeholders together. With significant community and stakeholder engagement in the process, the Ogden Point Master Plan is starting a dialogue on harbour visioning. As Ogden Point is the gateway to Victoria's harbour, the Master Plan has the potential to be the launching pad for further planning in the harbour.

Visioning for the Inner Harbour is critical to the long-term growth and success of Victoria's harbour. A lot of good work has been done by various stakeholders and property owners in the harbour, however, no group can be successful at advancing the vision alone. GVHA is committed to working with all the partners to develop a shared vision and collaborate to make the vision into reality.



# Board of Directors 2009 ~ 2010

on March 31, 2010



**Don Prittie, Chair**  
Community Director



**Mike Williamson, Vice-Chair**  
Community Director



**Bill Wellburn, Treasurer**  
Provincial Capital Commission



**David Rand, Secretary**  
Greater Victoria Chamber of Commerce

## Committees ~ Chairs

Audit & Finance  
~ Wellburn

First Nations  
~ Thomas

Human Resources  
~ Loughnane

Governance  
~ Rand



**Jim Allard**  
Victoria/Esquimalt Harbour Society



**Christopher Causton**  
Capital Regional District



**Sonya Chandler**  
City of Victoria



**Dave Cowan**  
Tourism Victoria



**Barbara Desjardins**  
Township of Esquimalt



**Dan Kukat**  
Victoria/Esquimalt Harbour Society



**Dermot Loughnane**  
Community Director



**Chief Andy Thomas**  
Esquimalt Nation



**Chief Robert Sam**  
Songhees Nation

## Life Members

Bea Holland  
Peter Lloyd  
John Sanderson

Stewart Johnson  
Paul Ridout  
Randy Wright

## Governance

The members of Greater Victoria Harbour Authority are the Capital Regional District, the City of Victoria, Esquimalt Nation, Greater Victoria Chamber of Commerce, Provincial Capital Commission, Songhees Nation, Tourism Victoria, Township of Esquimalt and Victoria/Esquimalt Harbour Society.

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.

## Directors' Fees

Policy states Board Directors' fees can not exceed 5% of the previous year's gross revenues. The total fees paid in the fiscal year 2009/2010 was \$83,700 which represented 1.6% of the previous year's gross revenues.

# Financial Performance

Fiscal Year 2009~2010

## **Overall**

GVHA total revenues for 2009/2010 were \$6,112,399 which was \$467,617 above budget. Of the total operating revenues, 54% comes from cruise ship and cruise ship support revenue, 27% from marina operations and attractions such as harbour events and Harbour Festival program, while the remaining 19% comes from property management revenue. Total operating expenses were \$5,403,656 which was \$478,081 below budget. This was mostly due to the reallocation of repair and maintenance expenses to capital projects and a reduction of administrative expenses. The majority of fixed operating expenses for all facilities included property taxes \$661,592, insurance \$148,302 and depreciation \$1.53 million. General operating expenses includes utilities and facility labour. Operating income after depreciation was \$708,743, which was \$945,698 above budget.

## **Ogden Point**

Cruise and cruise support revenue was \$3.03 million, up 14% from budget. This positive variance was largely due to diverted ships from Mexico because of the H1N1 pandemic and an increase in passenger fees. The increase in passenger fees was the first ever applied by GVHA since 2002. \$659,184 was generated from property management, up 23% from budget. This was the result of achieving market rates as per Board policy and additional short term property agreements. Operating expenses were \$2.88 million, up 20% compared to budget. 60% of expenses covered repairs and maintenance, insurance, property taxes, and depreciation of capital assets. The balance is attributed to general operating expenses and the allocation of general administrative expenses.

## **Fisherman's Wharf**

Revenues totalled \$1.05 million, up 6% compared to budget. 79% comes from marina moorage revenue, fish off loading, and fuel sales. The balance comes from property revenue. The focus for Fisherman's Wharf was capital projects. The majority of expenses were general operating expenses, allocation of general administrative expenses and depreciation of capital assets.

## **Inner Harbour**

The inner harbour facilities include Ship Point/Causeway, Wharf Street marina, Johnson Street marina and GVHA's leased marina; Mermaid's Wharf. Total operating revenues from the inner harbour were \$1.37 million. \$988,584 is attributed to marina moorage revenue, Inner Harbour events and the Harbour Festival Program. The balance is property revenue. The bulk of operating expenses for the Inner Harbour facilities are general operating expenses and depreciation of capital assets.

Any surplus that GVHA generates is reinvested into its facilities. Its objective when managing capital is to fund its operations and capital asset additions. GVHA's strategy is to monitor expenses to preserve capital in accordance with budgeted revenue. In 2009 GVHA completed its lifecycle plan and developed its 5 year capital budget. Over the next 5 years, GVHA plans to invest \$8.43 million back into its facilities. Since 2002, GVHA has invested \$13.4 million into its facilities.

Facility project	Capital spent in fiscal 2009-2010
<b>Ogden Point</b>	
pier a customs upgrade	\$59,094
pier b north dredging	\$9,170
pier b tie-up dolphin*	\$1,571,978
master plan	\$201,479
pier b caisson	\$8,886
property enhancement	\$316,990
total ogden point	\$2,167,597
<b>Fisherman's Wharf</b>	
float upgrades	\$345,066
property enhancements	\$16,515
total fisherman's wharf	\$361,581
<b>Inner Harbour facilities</b>	
property enhancements	\$9,432
total inner harbour facilities	\$9,432
<b>Automotive</b>	
maintenance vehicle	\$14,553
total automotive	\$14,553
<b>Total spent on facility projects</b>	<b>\$2,553,163</b>
*GVHA is to receive 2/3 funding from the Ministry of Transportation and the Government of Canada Infrastructure stimulus fund.	

### Investments

As of March 31, 2010, GVHA had \$6.01 million invested. \$4.6 million was invested in term deposits at 1.0% interest. GVHA's investments have been impacted by the recession. We have had moderate economic recovery in 2010. Of the \$4.6 million, \$956,329 is restricted for caisson repairs under the contribution agreement with Transport Canada, the balance is for capital additions.

\$1.4 million is invested into a separate diversified portfolio for a self-insurance fund for Ogden Point. Due to the cost of the insurance premium for insuring the breakwater, piers, and yard improvements at Ogden Point, the Board decided to self insure these assets in 2002. This decision was determined based on the likelihood and impact of a catastrophic event. The Board's target is to grow that fund to \$5 million. GVHA contributes \$168,000 each year to this investment.

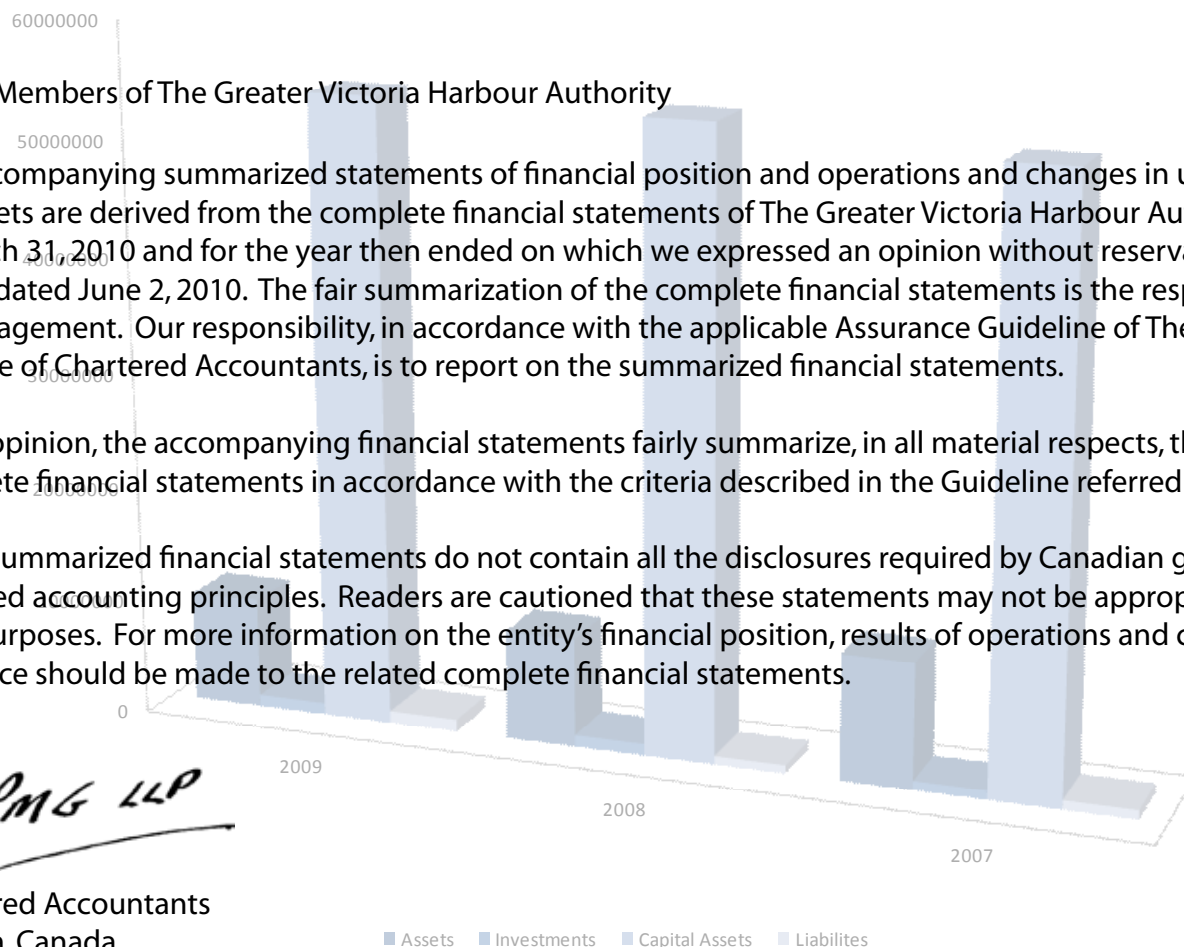
## AUDITORS' REPORT ON SUMMARIZED FINANCIAL STATEMENTS

To the Members of The Greater Victoria Harbour Authority

The accompanying summarized statements of financial position and operations and changes in unrestricted net assets are derived from the complete financial statements of The Greater Victoria Harbour Authority as at March 31, 2010 and for the year then ended on which we expressed an opinion without reservation in our report dated June 2, 2010. The fair summarization of the complete financial statements is the responsibility of management. Our responsibility, in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants, is to report on the summarized financial statements.

In our opinion, the accompanying financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the Guideline referred to above.

These summarized financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the entity's financial position, results of operations and cash flows, reference should be made to the related complete financial statements.



*KPMG LLP*

Chartered Accountants  
Victoria, Canada  
June 2, 2010

Statement of Financial Position March 31, 2010  
with comparative figures for 2009

	2010	2009
Assets		
Current assets:		
Cash	\$4,308,054	\$4,344,746
Guaranteed investment certificates (note 2)	4,609,575	5,063,054
Accounts receivable	1,060,101	151,363
Prepaid expenses	81,926	16,738
	10,059,656	9,575,901
Investments (note 3)	1,405,938	983,922
Capital assets (note 4)	55,134,091	54,118,972
	\$66,599,685	\$64,678,795
Liabilities, Deferred Contributions and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$906,839	\$937,855
Deferred revenue	91,079	99,919
	997,918	1,037,774
Deferred contributions (note 5)	956,329	1,031,086
Deferred capital contributions (note 6)	26,909,008	27,011,082
Net assets:		
Invested in capital assets	28,225,083	27,107,890
Internally restricted self-insurance fund (notes 3 & 7)	1,405,938	983,922
Unrestricted	8,105,409	7,507,041
	37,736,430	35,598,853
	\$66,599,685	\$64,678,795

**Statement of Operations and Changes in Unrestricted Net Assets  
~ year ended March 31, 2010 with comparative figures for 2009**

	2010	2009
Revenues:		
Shipping	3,285,119	2,690,640
Marinas and attractions	1,628,370	1,780,615
Property services	988,910	729,894
Marine transportation	210,000	148,048
	6,112,399	5,349,197
Expenses:		
General operating expenses	1,361,961	1,163,448
Repairs and maintenance	522,810	739,466
Insurance	148,302	146,021
Property taxes	661,592	618,301
Administrative	1,170,947	1,339,462
Depreciation of capital assets	1,538,044	1,370,055
	5,403,656	5,376,753
<b>Excess (deficiency) of revenues over expenses before the following</b>	<b>708,743</b>	<b>-27,556</b>
Deferred non-capital contributions recognized as revenue (note 5)	74,757	543,445
Deferred capital contributions recognized as revenue (note 6)	960,552	961,392
Excess of revenues over expenses before investment income	1,744,052	1,477,281
Investment income	393,525	150,786
Excess of revenues over expenses	2,137,577	1,628,067
Unrestricted net assets, beginning of year	7,507,041	7,128,818
Transfer (to) from invested in capital assets:		
Purchase of capital assets	-1,694,685	-1,689,030
Depreciation of capital assets contributed from Harbour Authority general operations	577,492	408,663
Transfer (to) from internally restricted self insurance fund	-422,016	30,523
Unrestricted net assets, end of year	\$8,105,409	\$7,507,041

## Abbreviated notes to the summarized financial statements

1. The Greater Victoria Harbour Authority is incorporated under the Society Act (British Columbia). Its principal activity is to manage and develop the Victoria and Esquimalt harbours to meet local, Esquimalt Nation, Songhees Nation, municipal, provincial and federal interests and priorities.
2. GIC's at rates of interest of 1.0% include an amount of \$956,329 (2009 - \$1,031,086) which is restricted for Ogden Point caisson repairs under contribution agreements with Transport Canada.
3. Represents money invested for self insurance – market value of investments as of March 31, 2010 was \$1,405,938 (2009 - \$983,922).
4. Consists of improvements of \$44,670,184 less \$9,099,948 of accumulated depreciation plus land valued at \$19,563,855.
5. Deferred cash contributions received from Transport Canada are to be expended on eligible expenditures as outlined in the Agreement for each facility. The remaining monies are restricted for caisson repair at the Ogden Point facility.
6. Deferred capital contributions include unamortized capital contributions received from Transport Canada from divestiture and other federal and provincial contributions.
7. Internally restricted funds are for self-insurance on the breakwater, piers, lamp standards and parking lot yard improvements at Ogden Point.
8. Board Honoraria shall not exceed 5% of the previous year's gross revenues. The total honoraria paid in the fiscal year represented 1.6% of the previous year's gross revenues.

Approved by the Board:

Chair



Director





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Our member agencies



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