

# **B.C. Pavilion Corporation**

## **2022/23 – 2024/25 Service Plan**

**February 2022**



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## Board Chair's Accountability Statement



The 2022/23 – 2024/25 B.C. Pavilion Corporation Service Plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act*. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan and how it has been reported. The Board is responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks, as of December 2021 have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, B.C. Pavilion Corporation's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of B.C. Pavilion Corporation's operating environment, forecast conditions, risk assessment and past performance.

A handwritten signature in blue ink that reads "Gwendolyn Point".

Dr. Gwendolyn Point  
Board Chair

## **Table of Contents**

Board Chair’s Accountability Statement .....	3
Strategic Direction and Alignment with Government Priorities.....	5
Operating Environment.....	6
Performance Planning.....	7
Financial Plan.....	17
Financial Summary .....	17
Key Forecast Assumptions, Risks and Sensitivities .....	18
Sensitivity Analysis .....	18
Management’s Perspective on the Financial Outlook .....	18
Appendix A: Additional Information.....	20
Appendix B: Subsidiaries and Operating Segments .....	22
Appendix C: Crown Mandate Letter from the Minister Responsible.....	24

## **Strategic Direction and Alignment with Government Priorities**

In 2022/2023, public sector organizations will continue to align with and support the Government of British Columbia efforts in responding to the COVID-19 pandemic with a focus on protecting the health, social and economic well-being of British Columbians. Building on our economic, environmental, and social strengths while looking to seize opportunities to improve outcomes for all British Columbians will be an important aspect of each Crown Agency’s work as we respond to COVID-19 and recover from devastating floods and wildfires. The policies, programs and projects developed over the course of this service plan period will align with the five foundational principles established by Government in 2020: putting people first, working toward lasting and meaningful reconciliation, supporting equity and anti-racism, ensuring a better future through fighting climate change and meeting our greenhouse gas reduction targets, and supporting a strong, sustainable economy that works for everyone.

This 2022/23 service plan outlines how B.C. Pavilion Corporation (PavCo) will support the government’s priorities including the foundational principles listed above and selected action items identified in the most recent Crown Agency [Mandate Letter](#).

As B.C. continues to recover from the economic impacts of the COVID-19 pandemic, resumption of large-scale events at PavCo facilities will be key economic drivers for numerous businesses and sectors, including B.C.’s hotels, restaurants, taxis, tourism attractions, retail, film and television, music and live entertainment, art and culture, local small businesses, B.C. farmers and wine producers, educational institutions, charitable organizations, as well as professional and non-profit associations. As a major employer and driver of jobs in the hospitality and events industries, PavCo’s contribution to the economy of B.C. is vitally important to the overall economic recovery of our province. Given the nature of PavCo’s facilities and operations it also represents key opportunities to contribute significant community benefit and steps towards meaningful reconciliation for the Province. An example of this occurred this past September at BC Place when the BC Lions and the Saskatchewan Roughriders wore orange sparring as part of their uniforms in recognition and respect and to raise awareness for Canada’s first-ever National Day for Truth and Reconciliation.

## **Operating Environment**

The impact of COVID-19, recent climate impacts, and related restrictions on travel and public gathering have had a devastating impact on the tourism and events sector. As stewards of B.C.'s largest public gathering spaces, PavCo's business has been significantly impacted and will continue to be until the sector fully recovers, as conditions allow. PavCo's two venues, the Vancouver Convention Centre and BC Place Stadium, have hosted limited major events since mid-March 2020 when B.C.'s Provincial Health Officer and the federal government introduced orders restricting gathering sizes, types and a variety of local, provincial, national and international travel restrictions.

Globally, the entire events and meetings industry has been severely disrupted and is now in the process of recovering and resuming operations in a measured and thoughtful way. PavCo will continue to actively engage with industry partners and key stakeholders regionally, nationally and internationally to contribute to recovery, share best practices and solutions with other destinations and venues, and be an active member in the successful recovery of the events and meetings industry.

PavCo's business recovery is dependant on many factors, including the widespread uptake of vaccinations and the resumption of travel for both business and pleasure around the world. Based on the progress made during fiscal 2021/22 in B.C. and around the world, PavCo has seen a limited rebound of events of certain types during the ongoing COVID 19 pandemic. These include reduced capacity sporting events, small business meetings, industry exams, public experiences and others as permitted by Public Health guidelines. As the meetings and events industries and global economy continue their recovery, PavCo anticipates that its meetings, events, international conferences, sporting events and live entertainment business will also continue a path to recovery in the next fiscal year, though a full recovery to pre-pandemic business levels remains beyond the upcoming fiscal year.

The recovery of PavCo and associated industries, is dependant on the restored confidence of meeting professionals to plan events in other destinations, and the ability and desire of attendees to travel to events such as conferences and sporting events. Further introductions of safe travel protocols and the safe movement of people, lifting of travel restrictions and greater access between Canada and other countries will also be necessary for business recovery.

Additionally, suppliers and partners that support the production and execution of events hosted at PavCo's venues have also been significantly impacted by the pandemic. This includes many organizations who have had to downsize their workforces, resulting in a loss of key expertise, a need for increased training as the industry continues to rebound, and a challenge to recruit in a very competitive labour market.

As a response to the pandemic, the global meetings industry has seen an increase in virtually hosted events. PavCo will need to balance the expectations of its clients to incorporate virtual, hybrid and live events; however, it is unknown how much of an influence this trend will continue to have as the sector stabilizes.

## **Performance Planning**

PavCo regularly engages with the Ministry of Tourism, Arts, Culture and Sport on strategic priorities and new opportunities. PavCo selects its goals based on the most significant areas of impact to its business and alignment with government's direction. The objectives, strategies, and performance measures used to evaluate these goals reflect the different types of business generated by each facility.

PavCo's facilities are two of the largest community gathering places in British Columbia and host events such as global summit meetings and world-class sporting, community, cultural and entertainment events. These events also support B.C.'s tourism and hospitality industries, advance business development opportunities for a wide range of industry sectors and provide community benefit for residents of B.C. As large community gathering places, the facilities and the organization of PavCo present an opportunity to also support and enhance meaningful reconciliation with First Nations in the province.

### **Goal 1: Create economic and community benefit while optimizing corporate profit**

PavCo's focus and response to the COVID-19 pandemic in this service plan period is centered on financial recovery to pre-pandemic levels.

In fiscal 2022/23, PavCo is forecasting \$297 million in economic benefit and related community benefit for the people of British Columbia through the prudent management of its public facilities. In typical pre-pandemic years, PavCo generated between \$450 million and \$550 million annually in economic impact to the Province of British Columbia.

Working closely with government, industry leaders, health professionals, partners and clients, PavCo's facilities have made progress with the partial resumption of professional sports and several smaller, modified activities including supporting pandemic response efforts such as vaccination. As the recovery continues, PavCo will build on those experiences to develop more opportunities that can be hosted safely in its venues. As the Province continues to navigate the pandemic response and recovery, PavCo is prepared to continue to be a partner as needed.

### **Objective 1.1: Support the economic recovery of the Province through event attendance and generating economic impact**

In fiscal 2022/23, PavCo's major focus is continuing the recovery of business and maximizing economic benefit where possible and as Public Health Orders allow. PavCo will continue to pursue business opportunities for a wide range of events for both venues that meet Public Health Orders and help reignite the Province's economy with a return to the pre-pandemic level of economic impact.

## **Key Strategies**

- Relaunch our venues with highly targeted sales and marketing strategies to ensure success in an intensely competitive post-COVID environment.
- Support our industry partners and suppliers in their recovery through joint sales and marketing initiatives and shared market intelligence.
- Leverage relationships with decision makers to attract events that will optimize economic benefits for B.C. starting at the local and regional levels and working up to national and international events, as conditions allow.
- Leverage technology and data collection to enhance performance measurement and business analysis.
- Attract a portfolio of events that prioritizes and balances profitability with economic and community benefit.



Performance Measure(s)	2019/20 Baseline <sup>5</sup>	2021/22 Forecast	2022/23 Target	2023/24 Target	2024/25 Target
<b>Total Economic Impact, in millions (M)</b>					
1.1a Economic impact at Vancouver Convention Centre from all spending by visitors from outside Metro Vancouver <sup>1</sup>	\$346 M	\$80 M	\$212 M	\$293 M	\$330 M
1.1b Economic impact at BC Place from all spending <sup>1</sup>	\$148 M	\$42 M	\$85 M	\$92 M	\$95 M
<b>Economic Impact from out of province (non-resident) attendance, in millions (M)</b>					
1.1c Economic impact at Vancouver Convention Centre from spending by visitors from outside British Columbia <sup>1</sup>	\$272 M	\$67 M	\$178 M	\$247 M	\$278 M
1.1d Economic impact at BC Place from spending by visitors from outside British Columbia <sup>1</sup>	\$29 M	\$8 M	\$18 M	\$20 M	\$21 M
1.1e Delegate days to Vancouver Convention Centre by visitors from outside British Columbia <sup>2</sup>	0.421 M	0.104 M	0.274 M	0.381 M	0.428 M
1.1f Delegate days for all visitors outside Metro Vancouver to Vancouver Convention Centre <sup>2</sup>	0.620 M	0.137 M	0.364 M	0.505 M	0.568 M
1.1g Total attendance at BC Place events <sup>3</sup>	1.019 M	0.219 M	0.423 M	0.462 M	0.473 M
1.1h Operating deficit target, before government sustaining contributions <sup>4</sup>	\$8.817 M	\$34.036 M	\$34.621 M	\$24.917 M	\$7.259 M

Data Sources:

<sup>1</sup> Economic impact is calculated using the BC Stats model and is based on estimated expenditures by organizers and visitors at events in the facilities; subsequent spending in the province following the event; the multiplier effect through the economy of such spending. Projections for 2020/21 and future years are based on calculated estimates by PavCo management. Metro Vancouver is a region within B.C. that encompasses Vancouver and surrounding communities.

<sup>2</sup> Delegate days for attendees at Vancouver Convention Centre for fiscal 2019/20 were actual days recorded in PavCo's event management system. Forecasted delegate days for fiscal 2021/22 and onward targets are based on confirmed and tentative bookings in the event management system.

<sup>3</sup> Attendance at BC Place is the total of announced attendance by clients for attendance at their events.

<sup>4</sup> The corporate operating deficit before government contributions is the sum of: sales revenues, other revenues and deferred contributions, less total expenses. Operating gains (losses) before proceeds of a potential land sale, interest, amortization, redevelopment, grants to third parties and contributions are:

2019/20A (\$4.960M), 2020/21A (\$24.825M), 2021/22F (\$23.201M), 2022/23T (\$23.758M), 2023/24T (\$16.438M) and 2024/25T (\$14.066M).

<sup>5</sup> Baseline reflects 2019/20 actual results from pre pandemic year.

## **Linking Performance Measure to Objective**

PavCo contributes significantly to the growth of the tourism, sport and hospitality industries, as many out-of-town patrons travel throughout British Columbia before and after attending events at its facilities.

1.1a-d The economic impact measurement is a standard indicator for understanding economic benefits for the province.

1.1e-f Delegate days – the number of attendees at conferences – is a useful measure in understanding attendance levels and contributes to the economic benefit for the province.

1.1g Total attendance at BC Place events contributes to the economic benefit for the province.

1.1h Meeting operating deficit targets, before government sustaining contributions, is an indication that PavCo is optimizing corporate profit.

## **Discussion**

Attendance and economic impact continue to be central objectives. Projections for 2022/23 and future years have been prepared by PavCo management based on anticipated attendance and activity. These projections are derived from the events confirmed on BC Place and Vancouver Convention Centre's books, clients' attendance forecasts and a forecast of future events that are expected to occur.

### Vancouver Convention Centre-related Performance Measures

The Vancouver Convention Centre (Convention Centre) creates economic impact by attracting delegates and exhibitors from outside Metro Vancouver, with the largest contribution being from attendees from outside of British Columbia (non-resident delegates), who attend events that would not have been hosted in the province if the Convention Centre did not exist. A non-resident delegate day is a day when a non-British Columbian attended an event at the Convention Centre, likely stayed at a local hotel and visited restaurants, retailers or other hospitality businesses. The majority of delegates have multiple delegate days per visit and contribute to the economy across a variety of sectors.

An expectation of greater certainty and growth beyond the current year's forecast is reflected in increases to future targets for performance measures 1.1a, 1.1c, 1.1e and 1.1f compared to 2021/22 forecast amounts. As projected periods get closer, greater reliance is placed on actual Convention Centre events booked and less so on assumptions around pick-up events for the year.

Apart from extensive experience hosting conventions, the Convention Centre has a strong history hosting events of all types and sizes throughout the pandemic including banquets, industry exams, TV and film shoots, cultural and community events, and smaller-scale meetings. The Convention Centre's team will build on this strength to create opportunities for these types of events, like Imagine Van Gogh which saw over 350,000 visitors visit the Centre, to take place until such time when larger meetings and events are able to resume.

While the COVID-19 pandemic has had a devastating impact on bookings in the short term, the Convention Centre continues to see relative success in securing business for future years. Large

convention bookings are often cyclical in nature, as many larger groups confirm years in advance. PavCo balances long-term bookings with business that have a shorter booking window, targeting corporate meetings, cultural events, not-for-profit businesses, and television and film shoots. This approach ensures an optimum mix of business to support meeting PavCo's mandate to generate economic and community benefit. It is anticipated that future bookings for the Convention Centre in the next couple of years will be high, as many in the industry are looking to reschedule events that have been postponed during the pandemic.

#### BC Place Stadium-related Performance Measures

As the largest multipurpose facility of its kind in the region, BC Place Stadium (BC Place) provides a venue for sport, entertainment, community and cultural activity that would not otherwise take place in British Columbia.

Revenues at BC Place are primarily driven by event attendance, advertising, and sponsorship activity. Event attendance drives sales of stadium services, especially food and beverage which in turn increases the opportunities for employment with PavCo and our suppliers. BC Place manages the events schedule to achieve the best possible yield from key business sectors. Throughout the calendar year, a significant number of prime dates (specifically weekends) are either confirmed as occupied or tentatively held by resident sports teams.

To operate efficiently and maximize revenues from the limited date availability, sales efforts focus on high-margin event opportunities, including regional, national and international championship sporting events, as well as live entertainment special events which are reliant on the province further easing restrictions and supporting the return to normal capacity limits.

Where possible within the calendar, BC Place also seeks opportunities for film and television business. The live entertainment market remains very cyclical in nature; revenue from these events is projected only when there is high certainty they will transpire. With the further resumption of events in 2022/23 it is anticipated that BC Place will return to pre-pandemic levels in terms of number of events and attendance over multiple years.

## **Goal 2: Provide exceptional customer service**

PavCo has built its reputation as an industry leading organization capable of hosting world-class events. Exceptional client and guest experiences further elevates PavCo's reputation among industry stakeholders, drives future guest attendance levels and attracts new clients. This helps ensure PavCo achieves its goals of maximizing economic impact, community benefit, and corporate profit.

Respecting B.C.'s ongoing public health measures, PavCo's venues will continue to focus on providing a safe and welcoming environment for all attendees, adhering to the comprehensive safety plans developed for both facilities, as well as on providing the exceptional level of service they are known for. Both venues have worked with key stakeholders to implement a range of enhanced policies, protocols and technologies that support the safe resumption of meetings, banquets, conferences, consumer shows, sporting events and concerts.

PavCo will work closely with clients to reschedule their events to future dates as needed, and explore alternative event designs that meet public health guidelines at the time, while also supporting the Province's Pandemic Provincial Coordination Plan as required.

### **Objective 2.1: Leverage our exceptional customer service to support growth and be the venues of choice for large-scale events**

PavCo leverages the strength of its people, experience in delivering exceptional customer service, and its world-class venues to attract large-scale events. Exceptional customer service provides an advantage in the intensely competitive global environment that exists coming out of the pandemic.

#### **Key Strategies**

- Ensure event planning and operations provide superior experience and value to clients.
- Foster an exceptional service culture that ensures PavCo and its suppliers' staff provide seamless, superior service delivery.
- Prioritize innovation, simplification and product value throughout the organization.
- Define our differentiators for both venues, our organization and destination, and highlight them in all sales and marketing efforts to encourage additional business opportunities.

<b>Performance Measure(s)</b>	<b>2019/20 Baseline <sup>5</sup></b>	<b>2021/22 Forecast</b>	<b>2022/23 Target</b>	<b>2023/24 Target</b>	<b>2024/25 Target</b>
2.1a Service Quality – Loyalty Index, Convention Centre <sup>1</sup>	9.3/10	Postponed to FY2023 due to pandemic	Maintain or improve upon baseline	Maintain or improve upon baseline	Maintain or improve upon baseline
2.1b Client Satisfaction, BC Place <sup>2</sup>	4.3/5	Postponed to FY2023 due to pandemic	Maintain or improve upon baseline	Maintain or improve upon baseline	Maintain or improve upon baseline
2.1c Guest Satisfaction, BC Place <sup>3</sup>	4.2/5	Postponed to FY2023 due to pandemic	Maintain or improve upon baseline	Maintain or improve upon baseline	Maintain or improve upon baseline

Data source:

<sup>1</sup> Client survey sent to all clients, conducted by Sentis Market Research. Client Loyalty Index is used to measure service quality for the Vancouver Convention Centre. This combines overall satisfaction with the client’s likelihood to rebook and recommend the facility. The survey also includes questions on true value for price, event planning process and event execution. Results are combined to determine an overall Loyalty Index that is measured as a score out of 10.

<sup>2</sup> Comprehensive on-line client satisfaction survey. Developed in 2013, this survey is sent to all clients who hold events at BC Place. Data from the survey measures client experience from the time of booking, up to the preparation of the final billing for the event. Year-over-year variability is anticipated due to the limited sample sizes available for the survey. Scores are from a total out of 5.

<sup>3</sup> Guest satisfaction survey, originally initiated at BC Place in 2012/13. Guest satisfaction results are collected via touch-screen stations distributed throughout the Stadium, or via an online survey sent to ticket holders after the event. Scores are from a total out of 5.

<sup>4</sup> As a result of the limited number of guest events hosted during the Fiscal Year 2021/22, this survey was postponed. The survey will be reinstated in Fiscal Year 2022/23.

<sup>5</sup> Baseline reflects 2019/20 actual results from pre pandemic year.

## Linking Performance Measure to Objective

2.1a-c Meeting client loyalty index targets, and client and guest satisfaction is an indication that the facility is providing exceptional customer service to support the resumption of business and event activity.

## Discussion

PavCo’s customer service measures support government’s priority to deliver services British Columbians can count on. Surveys are conducted with clients and guests to determine their satisfaction levels and expectations. Results and feedback from surveys are reviewed across departments to discuss and evaluate successes and identify areas for improvement.

Future targets are set to maintain or improve, reflective of the commitment both the Vancouver Convention Centre and BC Place have in delivering an exceptional customer experience.

### **Goal 3: Build a highly engaged workforce**

PavCo recognizes the importance of attracting and retaining highly skilled employees and sustaining an effective environment for producing a highly engaged workforce. Employees play a vital role in meeting organizational objectives, especially related to client and guest experience. Benefits of highly engaged employees can include increased levels of productivity, collaboration, commitment and innovation.

#### **Objective 3.1: Positive Employee Experience**

PavCo has implemented a people strategy for the organization that is designed to support a high level of employee experience and engagement. Given the impact of the COVID-19 pandemic, key focus is also being placed on people-focused strategies and approaches to ensure PavCo not only recovers but continues to innovate and thrive as the organization drives recovery in our sector over the coming year.

#### **Key Strategies**

- Enable employees to be dynamic and productive, while contributing to a positive work culture through industry-leading policies and practices, employee programs, and increased digitization and technology infrastructure.
- Elevate focus on employee experience and well-being through programs that support mental health, wellness, resiliency and an offering of diverse work arrangements.
- Optimize leader and employee effectiveness by investing in talent management programs, including career, leadership and professional development, succession planning, and performance management.
- Create a Diversity, Equity & Inclusion (DEI) Strategy which supports staff education and ongoing review of policies, structures and practices, resulting in the integration of the goals and principles of DEI into our organizational culture.
- Continue to focus on Indigenous Reconciliation education throughout the organization as part of the Reconciliation Action Plan, with a particular focus on training for executive leadership.
- Ensure the organization's employee and labour relations climate remains respectful and fair, and encompasses our DEI Strategy, furthering a culture of innovation and growth where team members feel a sense of belonging, understanding, and equal opportunity.

Performance Measure(s)	2019/20 Baseline <sup>4</sup>	2021/22 Forecast	2022/23 Target	2023/24 Target	2024/25 Target
3.1a Employee Engagement – Score on Employee Surveys, PavCo Overall <sup>1</sup>	69%	To be completed in Q4 FY2022	Maintain or improve upon baseline	Maintain or improve upon baseline	Maintain or improve upon baseline
3.1b Employee Engagement – Score on Employee Surveys, BC Place <sup>2</sup>	59%	To be completed in Q4 FY2022	Maintain or improve upon baseline	Maintain or improve upon baseline	Maintain or improve upon baseline
3.1c Employee Engagement – Score on Employee Surveys, Convention Centre <sup>3</sup>	76%	To be completed in Q4 FY2022	Maintain or improve upon baseline	Maintain or improve upon baseline	Maintain or improve upon baseline

Data Sources:

All surveys are developed and administered by Great Place to Work Canada (GPTW - a third-party independent engagement survey vendor), with direction from PavCo. The annual Great Place to Work Survey is expected to take place in Q4 Fiscal Year 2021/22.

<sup>1</sup> Employee Engagement Survey Scores for PavCo, BC Place and Vancouver Convention Centre are based on the Trust Index model which is a measure developed by Great Place to Work® Canada.

<sup>2</sup> BC Place results reflect the average of all full-time and part-time employees, including event staff.

<sup>3</sup> Vancouver Convention Centre results reflect the average of all full-time, part-time and casual employees.

<sup>4</sup> Baseline reflects 2019/20 actual results from pre pandemic year.

## Linking Performance Measure to Objective

3.1ac Employee engagement scores are direct indicators of a highly engaged workforce and the successful implementation of the above strategies. This measure is based on PavCo’s annual engagement survey that is done in partnership with a third party (Great Place to Work) to gather feedback and input on various aspects of our culture and work environment. The survey allows us to identify areas in which we are succeeding, as well as opportunities for improvement.

## Discussion

PavCo’s workforce continues to be impacted by the COVID-19 pandemic. In response, PavCo remains focused on strategies to ensure health & safety, maintain employee engagement, and retain employment continuity and key talent.

Continued focus is also being placed on supporting the wellness of our team members through the introduction of PavCo’s flexible work policy as well as ongoing training for leaders and team members on mental health and wellness topics. Additional training focus remains on on Indigenous Reconciliation education throughout the organization as part of the Reconciliation Action Plan, with a particular focus on training for executive leadership.

PavCo’s focus on Diversity, Equity and Inclusion remains a key organizational strategy as we work on formalizing a multi year plan focused on education, accountability, awareness and understanding.

The annual employee engagement survey, conducted by Great Place to Work<sup>®</sup>, measures the average percentage of favourable employee ratings on credibility, respect, fairness, pride and camaraderie. Survey results from fiscal 2019/20 form the baseline scores for future measurements, and PavCo is in the process of building action plans to maintain or improve upon these scores for future years.



## Financial Plan

### Financial Summary

(\$ millions)	2021/22 Forecast <sup>1</sup>	2022/23 Budget	2023/24 Plan	2024/25 Plan <sup>2</sup>
<b>Total Revenue</b>				
Sales	25.932	52.991	68.315	90.002
Other Revenues	0.651	0.488	0.500	0.512
Amortization of Contributions:				
Sustaining	33.035	7.001	7.001	7.001
Deferred	36.699	35.664	35.718	35.649
<b>Total Revenue</b>	<b>96.318</b>	<b>96.143</b>	<b>111.534</b>	<b>133.164</b>
<b>Total Expenses</b>				
Cost of Sales	10.710	27.735	34.672	37.810
Staff	20.892	25.848	26.357	27.031
Operations and Maintenance	11.138	14.888	15.206	15.452
General and Administration	4.217	4.921	5.088	5.263
Business Development	0.418	1.014	1.031	1.055
Fees	2.410	2.832	2.899	2.969
Loan Interest	4.294	4.192	4.086	3.977
Amortization	43.240	42.334	40.110	39.864
<b>Total Expenses</b>	<b>97.318</b>	<b>123.763</b>	<b>129.450</b>	<b>133.422</b>
<b>Annual Surplus (Deficit)</b>	<b>(1.001)</b>	<b>(27.620)</b>	<b>(17.916)</b>	<b>(0.258)</b>
<b>Total Debt</b>	<b>129.0</b>	<b>125.9</b>	<b>122.6</b>	<b>119.3</b>
<b>Accumulated Surplus (Deficit)</b>	<b>46.258</b>	<b>18.639</b>	<b>0.723</b>	<b>0.465</b>
<b>Capital Expenditures</b>	<b>10.000</b>	<b>10.000</b>	<b>10.000</b>	<b>10.000</b>

Note: The above financial information was prepared based on current Generally Accepted Accounting Principles.

<sup>1</sup> Amount includes additional sustaining funding for COVID relief for Fiscal Year 2022

<sup>2</sup> Amount includes \$15M of net proceeds related to a potential land sale.

## Key Forecast Assumptions, Risks and Sensitivities

Revenue estimates are based on confirmed bookings and expected pick-up business. These estimates could change if there are world events during the period that impact business travel and tourism. Estimates will be monitored and adapted as conditions change.

### Sensitivity Analysis

Given the continuing impacts of the COVID-19 pandemic on PavCo’s operations and sales cycles, it is important to note that the impact of the global and regional economic recovery from the pandemic as well as recent climate events will be a contributing factor. The full resumption of PavCo’s business to pre-pandemic levels will be in part determined by the timing of the vaccine roll-out and B.C. entering Phase 4 of the Restart Plan, resumption of international and leisure domestic travel and the return of consumer and client confidence in attending large-scale events. It is not anticipated that this will begin until the second half of FY2022/2023 at the earliest, and it is anticipated that this recovery will take an extended period of time over the coming years.

Other external influences include inflation and supply chain issues which significantly impact facility operating costs and wages. Finally, changing valuations of the Canadian dollar against other currencies could affect the amount of out-of-country and entertainment business attracted to PavCo’s facilities.

### Management’s Perspective on the Financial Outlook

PavCo recognizes that global economic conditions will remain unstable for the foreseeable future. Our recovery is tied to the COVID-19 pandemic, the global economy, lifting of travel restrictions and the rebuilding of client and consumer confidence. In response, PavCo is implementing new marketing strategies designed to leverage the outstanding reputations and operational capabilities of both facilities.

PavCo maintains its focus on continuous improvement and internal efficiency to enhance profitability without diminishing service levels to its clients and guests. PavCo also continues to pursue the development of surplus lands, enhanced event offerings and increased non-event revenues to optimize corporate profits.

Risks	Plans for Mitigation
Financial risks including inability to fund operating deficit, exposure to cost escalation from critical suppliers and labour, revenue generation in post pandemic state.	This is considered a high risk. PavCo will continue to invest in business development, sales and marketing strategies to generate revenue, employ cost reduction strategies to mitigate cost pressures, and focus on continual improvement to improve profitability. Continual engagement with Ministry to support business over the short, medium and long term.

<b>Risks</b>	<b>Plans for Mitigation</b>
Ongoing and further pandemic-related restrictions on travel and gathering limits, potential of further variants, cost of PPE.	This is considered a medium risk. PavCo will continue to monitor and work within Public Health and local health authority’s orders and guidelines, identify associated budget implications, and will work to address through operational plans and budget management.
Rebuilding of industry, client and consumer confidence to host and attend in-person meetings and events will take time. This extends full return of PavCo business to pre-pandemic levels through several years.	This is considered a medium risk. PavCo will continue to work with its clients to host safe and secure events, operating within PHO guidelines. The meetings and events industry will continue to educate and promote to its clients, consumers and delegates the value and safety of hosting in person events.
Workforce related issues including most notably: access to highly skilled labour, labour relations, loss of key personnel. Tight labour markets are leading to increased competition and cost of retaining and attracting key personnel.	This is considered a high risk. PavCo will continue to focus on employee engagement, offer a competitive compensation package and promote individual and leadership development as a competitive benefit.
Maintain our facilities at a sustainable, high level to ensure continued ability to attract clients or risk of losing clients.	This is considered a medium risk. PavCo will continue to strategically invest its capital to deliver the highest benefit to our clients and maintain or improve upon world class facilities.
Failure to meet customer expectations or service standards.	This is considered a medium risk. Ongoing flexibility with clients to reschedule events where necessary, invest in client relationships, focus on internal client satisfaction through strategic planning process and client confirming service standards

## Appendix A: Additional Information

### Corporate Governance

[B.C. Pavilion Corporation](#) (PavCo)

[Board of Directors](#)

[Board Committees](#)

[Board Governance Principles](#)

[PavCo Senior Management](#)

[Vancouver Convention Centre Senior Management](#)

[BC Place Senior Management](#)

Board governance information on the corporation’s website includes all information required for BC Public Sector Organizations.

### Organizational Overview

B.C. Pavilion Corporation was formed under the *British Columbia Business Corporations Act*, and acts as an agent of the government under the [British Columbia Enterprise Corporation Act](#). B.C. Pavilion Corporation registered ‘PavCo’ as a business name under the [Partnership Act](#) (British Columbia). PavCo’s shareholder is the Government of British Columbia. PavCo owns and operates two world-class public facilities located in downtown Vancouver: [BC Place Stadium](#) and the [Vancouver Convention Centre](#).

#### Vision

To be the global leader in outstanding venues and events.

#### Mission

To deliver inspiring and sustainable experiences for our clients, guests and our community, by hosting conventions, entertainment, sporting and related events that meet their highest expectations.

#### Economic and Community Benefit

PavCo contributes significantly to the growth of the tourism and hospitality industries, as many out-of-town patrons travel throughout British Columbia before and after attending events at its facilities. The Vancouver Convention Centre is the provincial flagship for conventions and meetings. BC Place is the largest indoor venue of its kind in British Columbia and provides support to industry as a venue for consumer shows and special events, as well as being a major sports, concerts, entertainment and community gathering centre.

Stakeholders

BC Place is proud to be the home of the Canadian Football League's (CFL) BC Lions Football Club, Major League Soccer's (MLS) Vancouver Whitecaps FC, the HSBC Canada Rugby Sevens and the BC Sports Hall of Fame.

PavCo stakeholders also include but are not limited to: Destination Vancouver, as a contributing partner to the expanded Convention Centre; the city, businesses and associations representing the tourism and hospitality industry; clients leasing space for commercial activity and renting space for events; suppliers of goods and services to events; neighbours and the general public.

Services at PavCo's facilities are delivered by employees, official suppliers as well as suppliers of goods and services to events.

## Appendix B: Subsidiaries and Operating Segments

### Active Subsidiaries: Vancouver Convention Centre

#### Financial Summary

(\$millions)	2021/22 Forecast	2022/23 Budget	2023/24 Plan	2024/25 Plan
Sales	17.335	38.943	53.024	59.406
Other Revenues	0.150	-	-	-
Amortization of Contributions:				
Sustaining	14.360	2.678	1.767	1.104
Deferred	20.339	20.506	20.506	20.506
<b>Total Revenue</b>	<b>52.184</b>	<b>62.127</b>	<b>75.297</b>	<b>81.015</b>
Cost of Sales	7.759	21.392	27.830	30.796
Staff	12.365	15.305	15.687	16.087
Operations and Maintenance	8.394	10.735	10.950	11.089
General and Administration	2.261	2.873	2.931	2.991
Business Development	0.276	0.556	0.567	0.579
Fees	1.032	1.034	1.056	1.079
Loan Interest	-	-	-	-
Amortization	20.532	20.798	20.798	20.798
<b>Total Expenses</b>	<b>52.619</b>	<b>72.693</b>	<b>79.819</b>	<b>83.420</b>
<b>Annual Surplus (Deficit)</b>	<b>(0.435)</b>	<b>(10.566)</b>	<b>(4.522)</b>	<b>(2.405)</b>

**Active Subsidiaries: BC Place**

**Financial Summary**

(\$millions)	2021/22 Forecast	2022/23 Budget	2023/24 Plan	2024/25 Plan <sup>1</sup>
Sales	8.597	14.048	15.290	30.597
Other Revenues	0.501	0.488	0.500	0.512
Amortization of Contributions:				
Sustaining	18.675	4.323	5.234	5.897
Deferred	16.360	15.158	15.212	15.143
<b>Total Revenue</b>	<b>44.134</b>	<b>34.016</b>	<b>36.236</b>	<b>52.149</b>
Cost of Sales	2.951	6.343	6.843	7.013
Staff	8.527	10.543	10.670	10.944
Operations and Maintenance	2.745	4.153	4.257	4.363
General and Administration	1.956	2.047	2.157	2.272
Business Development	0.141	0.458	0.464	0.476
Fees	1.378	1.798	1.843	1.890
Loan Interest	4.294	4.192	4.086	3.977
Amortization	22.708	21.536	19.312	19.066
<b>Total Expenses</b>	<b>44.699</b>	<b>51.070</b>	<b>49.631</b>	<b>50.002</b>
<b>Annual Surplus (Deficit)</b>	<b>(0.566)</b>	<b>(17.053)</b>	<b>(13.394)</b>	<b>2.147</b>

<sup>1</sup> Amount includes \$15M of net proceeds related to a potential land sale.

## **Appendix C: Crown Mandate Letter from the Minister Responsible**





Ref: 42215

May 17, 2021

Ian Aikenhead, Q.C.  
Chair, Board of Directors  
B.C. Pavilion Corporation  
Suite 200-999 Canada Place  
Vancouver, BC V6C 3C1

Dear Ian Aikenhead:

On behalf of the Honourable John Horgan, Premier, and the Executive Council, I would like to extend my thanks to you and your board members for the dedication, expertise, and skills with which you serve the people of British Columbia (B.C.).

Every public sector organization is accountable to the citizens of B.C. The expectations of British Columbians are identified through their elected representatives, the members of the Legislative Assembly. Your contributions advance and protect the public interest of all British Columbians and through your work, you are supporting a society in which the people of this province can exercise their democratic rights, trust and feel protected by their public institutions.

You are serving British Columbians at a time when people in our province face significant challenges as a result of the global COVID-19 pandemic. Recovering from the pandemic will require focused direction, strong alignment, and ongoing engagement between public sector organizations and Government. It will require all Crowns to adapt to changing circumstances and follow Public Health orders and guidelines as you find ways to deliver your services to citizens.

This mandate letter, which I am sending in my capacity as Minister responsible for the B.C. Pavilion Corporation, on behalf of the Executive Council, communicates expectations for your organization. It sets out overarching principles relevant to the entire public sector and provides specific direction to the B.C. Pavilion Corporation about priorities and expectations for the coming fiscal year.

.../2

I expect that the following five foundational principles will inform your agency's policies and programs:

- **Putting people first:** We are committed to working with you to put people first. You and your board are uniquely positioned to advance and protect the public interest, and I expect that you will consider how your board's decisions maintain, protect, and enhance the public services people rely on and make life more affordable for everyone.
- **Lasting and meaningful reconciliation:** Reconciliation is an ongoing process and a shared responsibility for us all. Government's unanimous passage of the *Declaration of the Rights of Indigenous Peoples Act* was a significant step forward in this journey — one that all Crown Agencies are expected to support as we work in cooperation with Indigenous peoples to establish a clear and sustainable path to lasting reconciliation. True reconciliation will take time and ongoing commitment to work with Indigenous peoples as they move towards self-determination. Guiding these efforts, Crown agencies must also remain focused on creating opportunities that implement the Truth and Reconciliation Commission through your mandate.
- **Equity and anti-racism:** Our province's history, identity, and strength are rooted in its diverse population. Yet racialized and marginalized people face historic and present-day barriers that limit their full participation in their communities, workplaces, Government, and their lives. The public sector has a moral and ethical responsibility to tackle systemic discrimination in all its forms — and every public sector organization has a role in this work. All Crowns are expected to adopt the Gender-Based Analysis Plus (GBA+) lens to ensure equity is reflected in your operations and programs. Similarly, appointments resulting in strong public sector boards that reflect the diversity of will help achieve effective and citizen-centred governance.
- **A better future through fighting climate change:** Announced in December 2018, the CleanBC climate action plan puts our province on the path to a cleaner, better future by building a low-carbon economy with new clean energy jobs and opportunities, protecting our clean air, land, and water and supporting communities to prepare for carbon impacts. As part of the accountability framework established in CleanBC, and consistent with the *Climate Change Accountability Act*, please ensure your organization aligns operations with targets and strategies for minimizing greenhouse gas emissions and managing climate change risk, including the CleanBC target of a 50 percent reduction in public sector building emissions and a 40 percent reduction in public sector fleet emissions by 2030. Your organization is expected to work with Government to report out on these plans and activities as required by legislation.

- **A strong, sustainable economy that works for everyone:** I expect that you will identify new and flexible ways to achieve your mandate and serve the citizens of B.C. within the guidelines established by the Provincial Health Officer and considering best practices for conducting business during the pandemic. Collectively, our public sector will continue to support British Columbians through the pandemic and economic recovery by investing in health care, getting people back to work, helping businesses and communities, and building the clean, innovative economy of the future. As a public sector organization, I expect that you will consider how your decisions and operations reflect environmental, social, and governance factors and contribute to this future.

The Crown Agencies and Board Resourcing Office, with the Ministry of Finance, will continue to support you and your board on recruitment and appointments as needed, and will be expanding professional development opportunities in 2021/22. The Governing in the Public Interest online certificate program is now available, and all board members are encouraged to complete this new offering.

As the Minister Responsible for B.C. Pavilion Corporation, I expect that you will make substantive progress on the following priorities and incorporate them in the goals, objectives, and performance measures in your 2021/22 Service Plan:

- Ensure PavCo's programs and investments are aligned with the Strategic Framework for Tourism, and other Government priorities, including support for sport, music, and arts event hosting and pandemic response and recovery.
- Continue to manage client relationships and explore options to replace lost revenue at PavCo's public facilities and increase operational efficiencies to manage cost impacts of COVID-19.
- Broaden the community engagement of PavCo's facilities with a wider range of community stakeholders through development and execution of a community engagement strategy.
- Building on the success of the Vancouver Convention Centre, continue to act as a global sustainability leader, and explore cost-efficient opportunities for environmental improvement in all facilities.
- Continue to explore options for additional revenue streams that align with PavCo's mandate and Government's priorities, while working collaboratively with Indigenous and community partners.
- Work with Government and health officials and the events and conventions sector to collaborate on strategies to support the safe resumption and recovery of the sector.

Each board member is required to sign the Mandate Letter to acknowledge Government's direction to your organization. The signed Mandate Letter is to be posted publicly on your organization's website in spring 2021.

Ian Aikenhead, Q.C.  
Page 4

I look forward to continuing to work with you and your Board colleagues to build a better B.C.

Sincerely,

A handwritten signature in black ink that reads "Melanie Mark". The signature is written in a cursive, flowing style.

Melanie Mark  
Hli Haykwhl W̱ii X̱sgaak  
Minister of Tourism, Arts, Culture and Sport

Date: May 17, 2021

Enclosure




Ian Aikenhead, Q.C.  
Chair, Board of Directors  
B.C. Pavilion Corporation



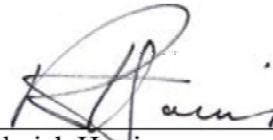
Clifford Cahill  
Director  
B.C. Pavilion Corporation



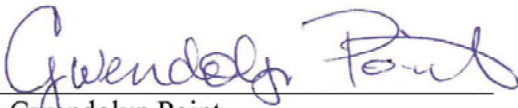
Flavia Coughlan  
Director  
B.C. Pavilion Corporation



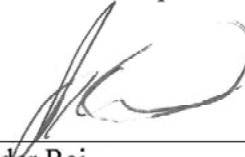
Carla Guerra  
Director  
B.C. Pavilion Corporation



Roderick Harris  
Director  
B.C. Pavilion Corporation



Gwendolyn Point  
Director  
B.C. Pavilion Corporation



Jatinder Rai  
Director  
B.C. Pavilion Corporation

Ian Aikenhead, Q.C.

Page 6

cc: Honourable John Horgan  
Premier

Lori Wanamaker  
Deputy Minister to the Premier, Cabinet Secretary and Head of the BC Public Service

Heather Wood  
Deputy Minister and Secretary to Treasury Board  
Ministry of Finance

Douglas S. Scott  
Deputy Minister, Crown Agencies Secretariat  
Ministry of Finance

Neilane Mayhew  
Deputy Minister  
Ministry of Tourism, Arts, Culture and Sport

Clifford Cahill  
Director  
B.C. Pavilion Corporation

Flavia Coughlan  
Director  
B.C. Pavilion Corporation

Carla Guerrero  
Director  
B.C. Pavilion Corporation

Roderick Harris  
Director  
B.C. Pavilion Corporation

Gwendolyn Point  
Director  
B.C. Pavilion Corporation

Jatinder Rai  
Director  
B.C. Pavilion Corporation

Ken Cretney  
Chief Executive Officer/President  
B.C. Pavilion Corporation